

## Factory ledger and General ledger

**Book of general ledger      Book of factory ledger**

### **(A) Material:**

*(1) When direct and indirect material is purchase*

factory ledger voucher payable	Material General ledger
-----------------------------------	----------------------------

*(2) When material return to supplier.*

Voucher payable Factory ledger	General ledger material
-----------------------------------	----------------------------

*(3) When payment is made*

Voucher payable Cash/bank	No entry
------------------------------	----------

*(4) When direct and indirect material is purchase on credit.*

Factory ledger Account payable	Material General ledger
-----------------------------------	----------------------------

*(5) Material return to supplier purchase on credit.*

Account payable Factory ledger	General ledger Material
-----------------------------------	----------------------------

*(6) When direct material issue to production.*

No entry	Work in process material material
----------	--------------------------------------

*(7) When indirect material is issue to production.*

No entry	F.O.H expenses Material
----------	----------------------------

*(8) When shipping supplies material are issued.*

Selling expenses Factory ledger	General ledger Material
------------------------------------	----------------------------

*(9) When direct material return to store.*

No entry	Material Work in process material
----------	--------------------------------------

*(10) When indirect material is return to store.*

No entry	Material F.O.H expenses
----------	----------------------------

*(B) Pay roll/ Labour:*

*(a) When pay roll book is maintain at general ledger.*

*(1) When total payroll is recorded.*

Payroll Provident fund Income tax Group insurance Social securities Accrued payroll	No entry
--	----------

*(2) When accrued payroll voucher is made.*

Accrued payroll Voucher payable	No entry
------------------------------------	----------

*(3) When payment is made.*

Voucher payable Cash	No entry
-------------------------	----------

*(4) When payroll are distributed.*

Factory ledger (direct and indirect material Selling expenses Administration expenses payroll	Work in process (direct labour) F.O.H expenses (indirect labour) General ledger
--	---

*(5) When contribution are recorded.*

Factory ledger Selling expenses Admn. Expenses Provident fund payable	F.O.H. expenses General ledger
--	-----------------------------------

**(B) When payroll..... Maintain factory ledger**

*(1) When total payroll are recorded.*

Factory ledger(direct& indirect) Payroll (selling&admn exp) Provident fund Income tax Group insurance Social security Accrued pay roll	No entry
--	----------

*(2) When accrued payroll voucher is made.*

Accrued payroll Voucher payable	No entry
------------------------------------	----------

*(3) When payment is made*

Voucher payable Cash	No entry
-------------------------	----------

*(4) When payroll is distributed.*

Selling expenses Admn expenses Payroll account	Work in process(direct labour) F.O.H. (indirect labour) Factory payroll
--	---

*(5) When contribution are recorded.*

Factory ledger Selling expenses Admn expenses Provident fund	F.O.H. expenses General ledger
---	-----------------------------------

**(C) Factory over head expenses.**

*(1) When actual F.O.H. expenses are recorded.*

Factory ledger By name expenses	F.O.H. expenses General ledger
------------------------------------	-----------------------------------

*(2) When F.O.H. expenses applied to production.*

No entry	Work in process F.OH. Applied F.O.H.
----------	---

*(3) When applied F.O.H. transfer to actual factory expenses.*

No entry	Applied F.O.H. F.O.H. expenses
----------	-----------------------------------

*To close the actual factory expenses account and this show under or over applied factory expenses balance.*

*(1) In case of under applied.*

No entry	Under applied factory exp F.O.H. exp
----------	---

*(3) Under applied balance transfer to for to cost of good sold.*

Cost of good sold Factory ledger	General ledger Work in process Finish good Under applied F.O.H.
-------------------------------------	--

*(4) Under applied balance transfer to profit & loss account.*

Profit & loss account Factory ledger	General ledger Under applied F.O.H.
---	--

*(1) In case of over applied:*

No entry	F.O.H. expenses Over applied factory exp
----------	---

*(2) Over applied balance transfer to cost of good sold.*

Factory ledger Cost of good sold	Finished goods General ledger
-------------------------------------	----------------------------------

*(3) Over applied balance transfer to entire production.*

F.O.H. Cost of good sold	Over applied F.O.H. General ledger Work in process Finished good
-----------------------------	---

*(4) over applied balance transfer to profit & loss A/C*

Factory ledger Profit & loss	Over applied F.O.H. General ledger
---------------------------------	---------------------------------------

### **Job completed**

*(1) When good are completed.*

No entry	Finished good Work in process material Work in process labour Work in process F.O.H.
----------	---

*(1) When cost are recorded.*

Cost of good sold Factory ledger	General ledger Finished good
-------------------------------------	---------------------------------

*(2) When good are sold.*

Account receivable /cash Sale	No entry
----------------------------------	----------

*(3) When good return from customers.*

Sales return Account receivable/cash	No entry
---	----------

*(4) When cost return to factory.*

Factory ledger Cost of good sold	Finished good General reserve
-------------------------------------	----------------------------------

*(5) When selling are recorded.*

Selling expenses Sundry charges	No entry
------------------------------------	----------

*(6) When Admn. Expenses are recorded.*

Admn.expenses Sundry charges	No entry
---------------------------------	----------

*jamshaid sarwar@yahoo.com*