Advantages of special journals

Maintaining special journals for repetitive transactions offer many advantages to business organizations. Some common advantages are listed below:

Increase in efficiency

By the adoption of special journals, the work of recording business transactions can be entrusted to several employees who will become more familiar with their work. It is like division of labor that increases the efficiency of book-keepers or accountants.

Reduction in errors

Each special journal is handled by a particular person, who will become familiar with the work assigned to him. This may result in a reduction of book-keeping errors.

Reduction in detailed recording

In special journal each transaction is recorded in a single line which is designed to provide all necessary information. For example, the purchase of merchandise is recorded on a single line including a credit to the supplier’s account and giving the supplier’s name, the date and the amount and any other desired information.

Reduction in detailed posting

In special journals, individual posting is eliminated. Only one posting for the total amount is made to the relevant ledger account at the end of the month or another appropriate period. For example, if a firm has 2,000 purchases on account during the month, the purchases account will be debited once, not 2,000 times.

Reduces the chances of fraud

The chances of fraudulent alteration in an account is reduced because special
journal transactions are chronologically recorded and a particular person is responsible for its correctness.

**Better internal control**

Better control is maintained by the adoption of special journals because these journals allow the work to be divided in such a way that no employee has conflicting responsibilities.

**Time savings**

In special journals, journalizing can be done by a number of employees simultaneously rather than one employee, thus the business transactions can be written up much more quickly.

**Savings in book-keeping expenses**

By the adoption of special journals, a large number of transactions of repetitive nature are recorded in one journal in one line. It may result in saving in book-keeping expenses and labor.

**Future references**

Transactions of similar nature are recorded in one journal. Future references to any of them becomes easy.