Paul Robbins training and consultancy

Bookkeeping Transactions

Sales and Sales Returns on Credit

Bookkeeping for Sales on Credit – Exercise 5

Model Answer

You have been given the partially completed Analysed Sales Day Book for October 2016.

Sales Day Book						
Date	***Customer***	***Inv No***	***Total (Gross)***	***VAT (20%)***	***Sales Buckets***	***Sales Spades***
01/10/16	***M. N. Services***	***723***	***£947.04***	***£157.84***	***£789.20***	***---***
03/10/16	***Gibson & Co***	***724***	***£607.80***	***£101.30***	***£44.00***	***£462.50***
06/10/16	***Eastway Trading***	***725***	***£1,318.74***	***£219.79***	***---***	***£1,098.95***
11/10/16	***F. Underwood***	***726***	***£457.92***	***£76.32***	***£381.60***	***---***
16/10/16	***Gibson & Co***	***727***	***£1,006.80***	***£167.80***	***£399.90***	***£439.10***
20/10/16	***Eastway Trading***	***728***	***£545.70***	***£90.95***	***£126.75***	***£328.00***
21/10/16	***M. N. Services***	***729***	***£400.20***	***£66.70***	***£333.50***	***---***
23/10/16	***F. Underwood***	***730***	***£969.12***	***£161.52***	***£115.05***	***£692.55***
31/10/16	***Totals***		***£6,253.32***	***£1,042.22***	***£2,190.00***	***£3,021.10***
			DR SLCA	***CR VAT Control***	***CR Sales Buckets***	***CR Sales Spades***

1. Calculate and fill in the VAT and Gross amounts for each Sales Invoice.

2. Total the columns in the Analysed Sales Day Book.

3. Post the column totals to the Main Ledger accounts as at 31 October 2016.

4. Post the Gross amounts of each Sales Invoice to the Subsidiary Sales Ledger accounts.

You have been given the partially completed Analysed Sales Returns Day Book for October 2016.

Sales Returns Day Book						
Date	Customer	CN No	Total (Gross)	VAT (20%)	Sales Buckets	Sales Spades
14/10/16	Gibson & Co	CN 25	£125.16	£20.86	---	£104.30
17/10/16	M. N. Services	CN 26	£299.94	£49.99	£249.95	---
19/10/16	F. Underwood	CN 27	£107.22	£17.87	£89.35	---
24/10/16	Eastway Trading	CN 28	£378.60	£63.10	---	£315.50
31/10/16	Totals		£910.92	£151.82	£339.30	£419.80
			CR SLCA	DR VAT Control	DR S/Rtn Buckets	DR S/Rtn Spades

5. Calculate and fill in the VAT and Gross amounts for each Sales Credit Note.

6. Total the columns in the Analysed Sales Returns Day Book.

7. Post the column totals to the Main Ledger accounts as at 31 October 2016.

8. Post the Gross amounts of each Sales Credit Note to the Subsidiary Sales Ledger accounts.

You have been provided with an extract from the Cash Book showing monies received from credit customers which have been paid into the bank account.

Date	Name	Amount
18/10/16	Eastway Trading	£940.14
22/10/16	M. N. Services	£647.10
25/10/16	F. Underwood	£350.70
29/10/16	Gibson & Co	£482.64
31/10/16	Totals DR Bank CR SLCA	£2,420.58

9. Post the amounts received to the Main Ledger accounts at 31 October 2016.

10. Post the amounts received to the Subsidiary Sales Ledger accounts.

The business offers a 10% Prompt Payment Discount (PPD) for payment within seven days of the date of the sales invoice.

The following Credit Notes have been issued in respect of PPD taken by credit customers.

11. Calculate and fill in the VAT and Gross amounts for each Credit Note.

12. Total the columns in the Discounts Allowed Day Book.

13. Post the column totals to the Main Ledger accounts as at 31 October 2016.

14. Post the Gross amounts of each Credit Note to the Subsidiary Sales Ledger accounts.

Discounts Allowed Day Book					
Date	*Customer*	*Credit Note No*	*Total (Gross)*	*VAT (20%)*	*Sales (Net)*
26/10/16	*M. N. Services*	*CN29*	*£40.02*	*£6.67*	*£33.35*
30/10/16	*F. Underwood*	*CN30*	*£96.91*	*£16.15*	*£80.76*
31/10/16	*Totals*		*£136.93*	*£22.82*	*£114.11*
			CR SLCA	*DR VAT Control*	*DR Disc. Allowed*

15. Total and balance off all 'T' accounts and complete the Trial Balance, Subsidiary Sales Ledger account balances and reconciliation.

Main Ledger Accounts

Sales – Buckets					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	Balance c/d	2,190.00	31/10/16	S.D.B.	2,190.00
		2,190.00			2,190.00
			01/11/16	Balance b/d	2,190.00

Sales – Spades					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	Balance c/d	3,021.10	31/10/16	S.D.B.	3,021.10
		3,021.10			3,021.10
			01/11/16	Balance b/d	3,021.10

Sales Returns – Buckets					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	S.R.D.B.	339.30	31/10/16	Balance c/d	339.30
		339.30			339.30
01/11/16	Balance b/d	339.30			

Sales Returns – Spades					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	S.R.D.B	419.80	31/10/16	Balance c/d	419.80
		419.80			419.80
01/11/16	Balance b/d	419.80			

VAT Control Account					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	S.R.D.B.	151.82	31/10/16	S.D.B.	1,042.22
31/10/16	D.A.D.B.	22.82			
31/10/16	Balance c/d	867.58			
		1,042.22			1,042.22
			01/11/16	Balance b/d	867.58

Sales Ledger Control Account (SLCA)					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	S.D.B.	6,253.32	31/10/16	S.R.D.B.	910.92
			31/10/16	Cash Book	2,420.58
			31/10/16	D.A.D.B.	136.93
			31/10/16	Balance c/d	2,784.89
		6,253.32			6,253.32
01/11/16	Balance b/d	2,784.89			

Bank Account					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	Cash Book	2,420.58	31/10/16	Balance c/d	2,420.58
		2,420.58			2,420.58
01/11/16	Balance b/d	2,420.58			

Discounts Allowed					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/10/16	D.A.D.B.	114.11	31/10/16	Balance c/d	114.11
		114.11			114.11
01/11/16	Balance b/d	114.11			

Subsidiary Sales Ledger Accounts

M. N. Services					
Date	***Description***	***Amount (£)***	***Date***	***Description***	***Amount (£)***
01/10/16	***S.D.B. – INV 723***	***947.04***	***17/10/16***	***S.R.D.B. – CN CN26***	***299.94***
21/10/16	***S.D.B. – INV 729***	***400.20***	***22/10/16***	***Cash Book***	***647.10***
			26/10/16	***D.A.D.B. – CN29***	***40.02***
			31/10/16	***Balance c/d***	***360.18***
		1,347.24			***1,347.24***
01/11/16	***Balance b/d***	***360.18***			

Gibson & Co					
Date	***Description***	***Amount (£)***	***Date***	***Description***	***Amount (£)***
03/10/16	***S.D.B. – INV 724***	***607.80***	***14/10/16***	***S.R.D.B. – CN CN25***	***125.16***
16/10/16	***S.D.B. – INV 727***	***1,006.80***	***29/10/16***	***Cash Book***	***482.64***
			31/10/16	***Balance c/d***	***1,006.80***
		1,614.60			***1,614.60***
01/11/16	***Balance b/d***	***1,006.80***			

Eastway Trading					
Date	Description	Amount (£)	Date	Description	Amount (£)
06/10/16	S.D.B. – INV 725	1,318.74	24/10/16	S.R.D.B. – CN CN28	378.60
20/10/16	S.D.B. – INV 728	545.70	18/10/16	Cash Book	940.14
			31/10/16	Balance c/d	545.70
		1,864.44			1,864.44
01/11/16	Balance b/d	545.70			

F. Underwood					
Date	Description	Amount (£)	Date	Description	Amount (£)
11/10/16	S.D.B. – INV 726	457.92	19/10/16	S.R.D.B. – CN CN27	107.22
23/10/16	S.D.B. – INV 730	969.12	25/10/16	Cash Book	350.70
			30/10/16	D.A.D.B. – CN30	96.91
			31/10/16	Balance c/d	872.21
		1,427.04			1,427.04
01/11/16	Balance b/d	872.21			

Trial Balance

Main Ledger Balances

Account Name	Debit (£)	Credit (£)
Sales – Buckets		2,190.00
Sales – Spades		3,021.10
Sales Returns – Buckets	339.30	
Sales Returns – Spades	419.80	
VAT Control Account		867.58
Sales Ledger Control Account	2,784.89	
Bank Account	2,420.58	
Discounts Allowed	114.11	
Totals	6,078.68	6,078.68

Subsidiary Sales Ledger Balances

Account Name	Debit (£)	Credit (£)
M. N. Services	360.18	
Gibson & Co	1,006.80	
Eastway Trading	545.70	
F. Underwood	872.21	
Totals	2,784.89	

Reconciliation

Account Name	Debit (£)	Credit (£)
Balance per Sales Ledger Control Account	2,784.89	
Total of Subsidiary Sales Ledger Balances	2,784.89	
Difference	0	