

# Paul Robbins training and consultancy

## Bookkeeping Transactions

### Sales and Purchases on Credit

#### Sales and Purchases on Credit Consolidation – Exercise 1

#### Model Answer

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

Sales Day Book					
Date	Customer	Invoice No	Total (Gross)	VAT (20%)	Sales (Net)
01/05/16	Hardy Associates	0539	£507.96	£84.66	£423.30
04/05/16	G. Bartholomew	0540	£1,611.54	£268.59	£1,342.95
06/05/16	J. French Ltd	0541	£1,072.92	£178.82	£894.10
10/05/16	Highview Trading	0542	£2,869.80	£478.30	£2,391.50
12/05/16	J. French Ltd	0543	£819.60	£136.60	£683.00
16/05/16	G. Bartholomew	0544	£2,686.86	£447.81	£2,239.05
19/05/16	Hardy Associates	0545	£454.44	£75.74	£378.70
21/05/16	Highview Trading	0546	£1,210.68	£201.78	£1,008.90
24/05/16	G. Bartholomew	0547	£1,094.94	£182.49	£912.45
25/05/16	Hardy Associates	0548	£615.36	£102.56	£512.80
28/05/16	J. French Ltd	0549	£279.60	£46.60	£233.00
30/05/16	Highview Trading	0550	£1,781.22	£296.87	£1,484.35
31/05/16	Totals		£15,004.92	£2,500.82	£12,504.10
			DR SLCA	CR VAT Control	CR Sales

1. Calculate and fill in the VAT and Gross amounts for each Sales Invoice.
2. Total the columns in the Sales Day Book.

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

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

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

Sales Returns Day Book					
Date	Customer	Credit Note No	Total (Gross)	VAT (20%)	Sales (Net)
07/05/16	Hardy Associates	CR107	£123.90	£20.65	£103.25
09/05/16	J. French Ltd	CR108	£239.28	£39.88	£199.40
14/05/16	G. Bartholomew	CR109	£285.54	£47.59	£237.95
15/05/16	Highview Trading	CR110	£422.52	£70.42	£352.10
18/05/16	J. French Ltd	CR111	£266.64	£44.44	£222.20
20/05/16	Hardy Associates	CR112	£160.80	£26.80	£134.00
23/05/16	Highview Trading	CR113	£781.80	£130.30	£651.50
26/05/16	G. Bartholomew	CR114	£573.66	£95.61	£478.05
31/05/16	Totals		£2,854.14	£475.69	£2,378.45
			CR SLCA	DR VAT Control	DR Sales Returns

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

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

7. Post the column totals to the Main Ledger accounts as at 31 May 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.*

<b>Date</b>	<b>Name</b>	<b>Amount</b>
22/05/16	Hardy Associates	£838.50
24/05/16	G. Bartholomew	£3,500.00
27/05/16	J. French Ltd	£1,386.60
29/05/16	Highview Trading	£2,447.30
31/05/16	Totals <b>DR Bank CR SLCA</b>	<b>£8,172.40</b>

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

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

<b>Discounts Allowed Day Book</b>					
<b>Date</b>	<b>Customer</b>	<b>Credit Note No</b>	<b>Total (Gross)</b>	<b>VAT (20%)</b>	<b>Sales (Net)</b>
27/05/16	Hardy Associates	CR115	<b>£61.53</b>	<b>£10.25</b>	£51.28
30/05/16	J. French Ltd	CR116	<b>£27.96</b>	<b>£4.66</b>	£23.30
<b>31/05/16</b>	<b>Totals</b>		<b>£89.49</b>	<b>£14.91</b>	<b>£74.58</b>
			<b>CR SLCA</b>	<b>DR VAT Control</b>	<b>DR Disc. Allowed</b>

You have been given the partially completed Purchases Day Book for May 2016.

<b>Purchases Day Book</b>					
<b>Date</b>	<b>Supplier</b>	<b>Invoice No</b>	<b>Total (Gross)</b>	<b>VAT (20%)</b>	<b>Purchases (Net)</b>
02/05/16	Bluebell Consulting	B0124	£435.48	£72.58	£362.90
03/05/16	Dilshan & Co	D2182	£358.26	£59.71	£298.55
08/05/16	Eagle & Hawk Ltd	EH226	£1,704.60	£284.10	£1,420.50
11/05/16	B. Sung Trading	BST354	£426.00	£71.00	£355.00
14/05/16	Eagle & Hawk Ltd	EH259	£754.32	£125.72	£628.60
17/05/16	Bluebell Consulting	B0135	£2,424.24	£404.04	£2,020.20
19/05/16	B. Sung Trading	BST382	£579.36	£96.56	£482.80
21/05/16	Dilshan & Co	D2318	£445.74	£74.29	£371.45
22/05/16	Eagle & Hawk Ltd	EH301	£2,349.60	£391.60	£1,958.00
25/05/16	Bluebell Consulting	B0147	£882.12	£147.02	£735.10
28/05/16	Dilshan & Co	D2467	£1,064.82	£177.47	£887.35
29/05/16	B. Sung Trading	BST424	£330.78	£55.13	£275.65
31/05/16	Totals		£11,755.32	£1,959.22	£9,796.10
			CR PLCA	DR VAT Control	DR Purchases

15. Calculate and fill in the VAT and Gross amounts for each Purchase Invoice.

16. Total the columns in the Purchases Day Book.

17. Post the column totals to the Main Ledger accounts as at 31 May 2016.

18. Post the Gross amounts of each Purchase Invoice to the Subsidiary Purchase Ledger accounts.

You have been given the partially completed Purchase Returns Day Book for May 2016.

<b>Purchase Returns Day Book</b>					
<b>Date</b>	<b>Supplier</b>	<b>Credit Note No</b>	<b>Total (Gross)</b>	<b>VAT (20%)</b>	<b>Purchases (Net)</b>
07/05/16	Dilshan & Co	DC572	£91.80	£15.30	£76.50
10/05/16	Bluebell Consulting	BCR31	£126.48	£21.08	£105.40
12/05/16	B. Sung Trading	BSTC74	£97.62	£16.27	£81.35
16/05/16	Eagle & Hawk Ltd	EHC62	£292.86	£48.81	£244.05
19/05/16	Bluebell Consulting	BCR36	£668.04	£111.34	£556.70
22/05/16	Dilshan & Co	DC623	£75.60	£12.60	£63.00
24/05/16	B. Sung Trading	BSTC89	£148.14	£24.69	£123.45
30/05/16	Eagle & Hawk Ltd	EHC75	£359.94	£59.99	£299.95
31/05/16	Totals		£1,860.48	£310.08	£1,550.40
			DR PLCA	CR VAT Control	CR Purch Returns

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

20. Total the columns in the Purchase Returns Day Book.

21. Post the column totals to the Main Ledger accounts as at 31 May 2016.

22. Post the Gross amounts of each Purchase Credit Note to the Subsidiary Purchase Ledger accounts.

**You have been provided with an extract from the Cash Book showing monies paid to credit suppliers which have been paid from the bank account.**

<b>Date</b>	<b>Name</b>	<b>Amount</b>
21/05/16	Eagle & Hawk Ltd	£2,166.06
23/05/16	Bluebell Consulting	£2,733.24
25/05/16	Dilshan & Co	£266.46
28/05/16	B. Sung Trading	£500.00
31/05/16	Totals <b>DR PLCA CR Bank</b>	<b>£5,665.76</b>

**23. Post the amounts paid to the Main Ledger accounts at 31 May 2016.**

**24. Post the amounts paid to the Subsidiary Purchases Ledger accounts.**

**The business receives a 10% Prompt Payment Discount (PPD) for paying its suppliers within seven days of the date of the purchase invoice.**

**The following Credit Notes have been received in respect of PPD taken.**

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

**26. Total the columns in the Discounts Received Day Book.**

**27. Post the column totals to the Main Ledger accounts as at 31 May 2016.**

**28. Post the Gross amounts of each Credit Note to the Subsidiary Purchases Ledger accounts.**

<b>Discounts Received Day Book</b>					
<b>Date</b>	<b>Supplier</b>	<b>Credit Note No</b>	<b>Total (Gross)</b>	<b>VAT (20%)</b>	<b>Purchases (Net)</b>
28/05/16	Bluebell Consulting	BCR48	<b>£88.21</b>	<b>£14.70</b>	£73.51
30/05/16	Dilshan & Co	DC685	<b>£106.48</b>	<b>£17.74</b>	£88.74
<b>31/05/16</b>	<b>Totals</b>		<b>£194.69</b>	<b>£32.44</b>	<b>£162.25</b>
			<b>DR PLCA</b>	<b>CR VAT Control</b>	<b>CR Disc. Received</b>

**29. Total and balance off all 'T' accounts and complete the Trial Balance, Subsidiary Sales Ledger account balances, Subsidiary Purchase Ledger account balances and reconciliations.**

**Main Ledger Accounts**

<b>Sales</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
<b>31/05/16</b>	<b>Balance c/d</b>	<b>12,504.10</b>	<b>31/05/16</b>	<b>S.D.B.</b>	<b>12,504.10</b>
		<b><u>12,504.10</u></b>			<b><u>12,504.10</u></b>
			<b>01/06/16</b>	<b>Balance b/d</b>	<b>12,504.10</b>

<b>Sales Returns</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
<b>31/05/16</b>	<b>S.R.D.B.</b>	<b>2,378.45</b>	<b>31/05/16</b>	<b>Balance c/d</b>	<b>2,378.45</b>
		<b><u>2,378.45</u></b>			<b><u>2,378.45</u></b>
<b>01/06/16</b>	<b>Balance b/d</b>	<b>2,378.45</b>			

<b>Purchases</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
<b>31/05/16</b>	<b>P.D.B.</b>	<b>9,796.10</b>	<b>31/05/16</b>	<b>Balance c/d</b>	<b>9,796.10</b>
		<u><b>9,796.10</b></u>			<u><b>9,796.10</b></u>
<b>01/06/16</b>	<b>Balance b/d</b>	<b>9,796.10</b>			

<b>Purchase Returns</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
<b>31/05/16</b>	<b>Balance c/d</b>	<b>1,550.40</b>	<b>31/05/16</b>	<b>P.R.D.B.</b>	<b>1,550.40</b>
		<u><b>1,550.40</b></u>			<u><b>1,550.40</b></u>
			<b>01/06/16</b>	<b>Balance b/d</b>	<b>1,550.40</b>



VAT Control Account					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/05/16	S.R.D.B.	475.69	31/05/16	S.D.B.	2,500.82
31/05/16	P.D.B.	1,959.22	31/05/16	P.R.D.B.	310.08
31/05/16	D.A.D.B.	14.91	31/05/16	D.R.D.B.	32.44
31/05/16	Balance c/d	393.52			
		<u>2,843.34</u>			<u>2,843.34</u>
			01/06/16	Balance b/d	393.52

Sales Ledger Control Account (SLCA)					
Date	Description	Amount (£)	Date	Description	Amount (£)
31/05/16	S.D.B.	15,004.92	31/05/16	S.R.D.B.	2,854.14
			31/05/16	Cash Book	8,172.40
			31/05/16	D.A.D.B.	89.49
			31/05/16	Balance c/d	3,888.89
		<u>15,004.92</u>			<u>15,004.92</u>
01/06/16	Balance b/d	3,888.89			

<b>Purchase Ledger Control Account (PLCA)</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
31/05/16	P.R.D.B.	1,860.48	31/05/16	P.D.B.	11,755.32
31/05/16	Cash Book	5,665.76			
31/05/16	D.R.D.B.	194.69			
31/05/16	Balance c/d	4,034.39			
		<u>11,755.32</u>			<u>11,755.32</u>
			01/06/16	Balance b/d	4,034.39

<b>Bank Account</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
31/05/16	Cash Book	8,172.40	31/05/16	Cash Book	5,665.76
			31/05/16	Balance c/d	2,506.64
		<u>8,172.40</u>			<u>8,172.40</u>
01/06/16	Balance b/d	2,506.64			

<i>Discounts Allowed</i>					
<i>Date</i>	<i>Description</i>	<i>Amount (£)</i>	<i>Date</i>	<i>Description</i>	<i>Amount (£)</i>
<b>31/05/16</b>	<b>D.A.D.B.</b>	<b>74.58</b>	<b>31/05/16</b>	<b>Balance c/d</b>	<b>74.58</b>
		<u><b>74.58</b></u>			<u><b>74.58</b></u>
<b>01/06/16</b>	<b>Balance b/d</b>	<b>74.58</b>			

<i>Discounts Received</i>					
<i>Date</i>	<i>Description</i>	<i>Amount (£)</i>	<i>Date</i>	<i>Description</i>	<i>Amount (£)</i>
<b>31/05/16</b>	<b>Balance c/d</b>	<b>162.25</b>	<b>31/05/16</b>	<b>D.R.D.B.</b>	<b>162.25</b>
		<u><b>162.25</b></u>			<u><b>162.25</b></u>
			<b>01/06/16</b>	<b>Balance b/d</b>	<b>162.25</b>

**Subsidiary Sales Ledger Accounts**

<b>Hardy Associates</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
01/05/16	S.D.B. – INV 0539	507.96	07/05/16	S.R.D.B. – CN CR107	123.90
19/05/16	S.D.B. – INV 0545	454.44	20/05/16	S.R.D.B. – CN CR112	160.80
25/05/16	S.D.B. – INV 0548	615.36	22/05/16	Cash Book	838.50
			27/05/16	D.A.D.B. – CN CR115	61.53
			31/05/16	Balance c/d	393.03
		<u>1,577.76</u>			<u>1,577.76</u>
01/06/16	Balance b/d	393.03			

<b>G. Bartholomew</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
04/05/16	S.D.B. – INV 0540	1,611.54	14/05/16	S.R.D.B. – CN CR109	285.54
16/05/16	S.D.B. – INV 0544	2,686.86	26/05/16	S.R.D.B. – CN CR114	573.66
24/05/16	S.D.B. – INV 0547	1,094.94	24/05/16	Cash Book	3,500.00
			31/05/16	Balance c/d	1,034.14
		<u>5,393.34</u>			<u>5,393.34</u>
01/06/16	Balance b/d	1,034.14			

<b>J. French Ltd</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
06/05/16	S.D.B. – INV 0541	1,072.92	09/05/16	S.R.D.B. – CN CR108	239.28
12/05/16	S.D.B. – INV 0543	819.60	18/05/16	S.R.D.B. – CN CR111	266.64
28/05/16	S.D.B. – INV 0549	279.60	27/05/16	Cash Book	1,386.60
			30/05/16	D.A.D.B. – CN CR116	27.96
			31/05/16	Balance c/d	251.64
		<u>2,172.12</u>			<u>2,172.12</u>
01/06/16	Balance b/d	251.64			

<b>Highview Trading</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
10/05/16	S.D.B. – INV 0542	2,869.80	15/05/16	S.R.D.B. – CN CR110	422.52
21/05/16	S.D.B. – INV 0546	1,210.68	23/05/16	S.R.D.B. – CN CR113	781.80
30/05/16	S.D.B. – INV 0550	1,781.22	29/05/16	Cash Book	2,447.30
			31/05/16	Balance c/d	2,210.08
		<u>5,861.70</u>			<u>5,861.70</u>
01/06/16	Balance b/d	2,210.08			

**Subsidiary Purchase Ledger Accounts**

<b>Bluebell Consulting</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
10/05/16	P.R.D.B. – CN BCR31	126.48	02/05/16	P.D.B. – INV B0124	435.48
19/05/16	P.R.D.B. – CN BCR36	668.04	17/05/16	P.D.B. – INV B0135	2,424.24
23/05/16	Cash Book	2,733.24	25/05/16	P.D.B. – INV B0147	882.12
28/05/16	D.R.D.B. – CN BCR48	88.21			
31/05/16	Balance c/d	125.87			
		<u>3,741.84</u>			<u>3,741.84</u>
			01/06/16	Balance b/d	125.87

<b>Dilshan &amp; Co</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
07/05/16	P.R.D.B. – CN DC572	91.80	03/05/16	P.D.B. – INV D2182	358.26
22/05/16	P.R.D.B. – CN DC623	75.60	21/05/16	P.D.B. – INV D2318	445.74
25/05/16	Cash Book	266.46	28/05/16	P.D.B. – INV D2467	1,064.82
30/05/16	D.R.D.B. – CN DC685	106.48			
31/05/16	Balance c/d	1,328.48			
		<u>1,868.82</u>			<u>1,868.82</u>
			01/06/16	Balance b/d	1,328.48

<b>Eagle &amp; Hawk Ltd</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
16/05/16	P.R.D.B. – CN EHC62	292.86	08/05/16	P.D.B. – INV EH226	1,704.60
30/05/16	P.R.D.B. – CN EHC75	359.94	14/05/16	P.D.B. – INV EH259	754.32
21/05/16	Cash Book	2,166.06	22/05/16	P.D.B. – INV EH301	2,349.60
31/05/16	Balance c/d	1,989.66			
		<u>4,808.52</u>			<u>4,808.52</u>
			01/06/16	Balance b/d	1,989.66

<b>B. Sung Trading</b>					
<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>	<b>Date</b>	<b>Description</b>	<b>Amount (£)</b>
12/05/16	P.R.D.B. – CN BSTC74	97.62	11/05/16	P.D.B. – INV BST354	426.00
24/05/16	P.R.D.B. – CN BSTC89	148.14	19/05/16	P.D.B. – INV BST382	579.36
28/05/16	Cash Book	500.00	29/05/16	P.D.B. – INV BST424	330.78
31/05/16	Balance c/d	590.38			
		<u>1,336.14</u>			<u>1,336.14</u>
			01/06/16	Balance b/d	590.38

**Trial Balance**

**Main Ledger Balances**

<b>Account Name</b>	<b>Debit (£)</b>	<b>Credit (£)</b>
<b>Sales</b>		<b>12,504.10</b>
<b>Sales Returns</b>	<b>2,378.45</b>	
<b>Purchases</b>	<b>9,796.10</b>	
<b>Purchase Returns</b>		<b>1,550.40</b>
<b>VAT Control Account</b>		<b>393.52</b>
<b>Sales Ledger Control Account</b>	<b>3,888.89</b>	
<b>Purchase Ledger Control Account</b>		<b>4,034.39</b>
<b>Bank Account</b>	<b>2,506.64</b>	
<b>Discounts Allowed</b>	<b>74.58</b>	
<b>Discounts Received</b>		<b>162.25</b>
<b>Totals</b>	<b><u>18,644.66</u></b>	<b><u>18,644.66</u></b>

**Subsidiary Sales Ledger Balances**

<b>Account Name</b>	<b>Debit (£)</b>	<b>Credit (£)</b>
<b>Hardy Associates</b>	<b>393.03</b>	
<b>G. Bartholomew</b>	<b>1,034.14</b>	
<b>J. French Ltd</b>	<b>251.64</b>	
<b>Highview Trading</b>	<b>2,210.08</b>	
<b>Totals</b>	<b>3,888.89</b>	



**Reconciliation**

Account Name	Debit (£)	Credit (£)
<i>Balance per Sales Ledger Control Account</i>	<b>3,888.89</b>	
<i>Total of Subsidiary Sales Ledger Balances</i>	<b>3,888.89</b>	
<i>Difference</i>	<b>0</b>	

**Subsidiary Purchase Ledger Balances**

Account Name	Debit (£)	Credit (£)
<i>Bluebell Consulting</i>		<b>125.87</b>
<i>Dilshan &amp; Co</i>		<b>1,328.48</b>
<i>Eagle &amp; Hawk Ltd</i>		<b>1,989.66</b>
<i>B. Sung Trading</i>		<b>590.38</b>
<i>Totals</i>		<b>4,034.39</b>

**Reconciliation**

Account Name	Debit (£)	Credit (£)
<i>Balance per Purchase Ledger Control Account</i>		<b>4,034.39</b>
<i>Total of Subsidiary Purchase Ledger Balances</i>		<b>4,034.39</b>
<i>Difference</i>		<b>0</b>