

MODULE 6

GENERAL JOURNAL

NOTE TO THE TEACHER:

The purpose of this series of activities is for the learners to determine the double entries that are needed for journal entries. While it would be best if all learners engaged in all 5 activities, you can split them between the groups if you are short of time.

The learners are to come up with the necessary entries. You are not to assist them at this stage. The report back, however, is critical to ensure that all learners understand. Allow different groups to report back on the different activities and make the necessary entries. You can even ask different groups to 'crit' each other. At this stage, the emphasis is on determining the double entry for the general ledger and the necessary entry(ies) for the debtors ledger. Do not worry about the names of the accounts. This can be sorted out later.

The learners are also encouraged to draw up rough T-accounts, concentrating on the double entry. Make sure all learners have the necessary columns for the accounting equation. Following this task, you can lead them into the General Journal by highlighting the roles of the different journals already learnt and that those entries do not fit in. Hence the need for a new journal.

TASK 6.1 Source documents/Transactions

6.1.1 Learners are to complete the following table. Various answers are acceptable.

| Journal | Source document | Examples of entries |
|---------|--------------------------|---|
| CRJ | Cash Register Tape (CRT) | 1. Cash sales |
| | Receipt | 2. Received rent |
| | Bank Statement (B/S) | 3. Interest received |
| | Receipt | 4. Capital deposited |
| | Receipt | 5. Commission received |
| | Receipt | 6. Payment received from a debtor, etc. |
| CPJ | Cheque counterfoil (C/C) | 1. Trading stock bought and paid by cheque |
| | C/C | 2. Paid rent |
| | C/C | 3. Paid creditor's account |
| | Direct deposit | 4. Paid salaries |
| | B/S | 5. Bank charges, etc. |
| PCJ | Petty Cash Voucher (PCV) | 1. Bought stamps |
| | PCV | 2. Bought milk |
| | PCV | 3. Paid casual wages |
| | PCV | 4. Bought stationery |
| | PCV | 5. Bought refreshments, etc. |
| DJ | Invoice (Inv) | 1. Goods sold on credit |
| DAJ | Credit Note (C/N) | 1. Goods returned by debtor |
| | C/N | 2. Debtor was given an allowance |
| CJ | Invoice | 1. Trading stock bought on credit |
| | Invoice | 2. Stationery bought on credit |
| | Invoice | 3. Equipment bought on credit |
| | Invoice | 4. Repairs done on credit |
| | Invoice | 5. Petrol bought on credit, etc. |
| CAJ | Debit Note (D/N) | 1. Trading stock returned |
| | D/N | 2. Stationery returned |
| | D/N | 3. Claimed a reduction in price of equipment |
| | D/N | 4. Claimed a reduction in charges for repairs |
| | D/N | 5. Was overcharged for the petrol and claimed a reduction, etc. |

6.1.2 Learners are to come up with as many other entries as they can and justify why they do not fit into the above journals.

TASK 6.2 Revision on journals

NOTE TO THE TEACHER:

This task can be used to revise the journals learnt up to this point.

| No. | Document | Journal |
|-----|--------------------------|---------|
| 1. | Receipt | CRJ |
| 2. | Cash Register Tape (CRT) | CRJ |
| 3. | Receipt | CRJ |
| 4. | Bank statement | CRJ |
| 5. | Cheque counterfoil | CPJ |
| 6. | Bank statement | CPJ |
| 7. | Petty cash voucher | PCJ |
| 8. | Invoice | DJ |
| 9. | Credit note | DAJ |
| 10. | Invoice | CJ |
| 11. | Debit note | CAJ |
| 12. | Cheque counterfoil | CPJ |

TASK 6.3 Big & Tall: Transaction analysis, Equation, Ledger

Learners are to complete these tasks in their groups and report back. They do not need to draw up formal ledger accounts – rough T-accounts are sufficient at this stage. The suggested answers are for your use only.

6.3.1

| Dr | | | | DEBTORS CONTROL | | | | B | | Cr |
|-----|---|---------|-----|-----------------|--|--|-----------|---|--|-----|
| May | 1 | Balance | b/d | 1 000 | | | Bad debts | | | 100 |

| | | | | BAD DEBTS | | | | N | |
|--|--|-----------------|--|-----------|--|--|--|---|--|
| | | Debtors control | | 100 | | | | | |

DEBTORS LEDGER: J. SMITH

| DL | | | | |
|------|---------|----------------------|---------|-----|
| Date | Details | Fol | Balance | |
| May | 1 | Balance | b/d | 100 |
| | | Bad debt written off | | - |

| Account debit | Account credit | Assets (A) | Owner's Equity (OE) | Liabilities (L) |
|---------------|----------------------------|------------|---------------------|-----------------|
| Bad debts | Debtors control (J. Smith) | -100 | -100 | |
| Bank | Bad debts recovered | +100 | +100 | |

| Dr | | | | BANK | | | | B | | Cr |
|-----|--|---------------------|--|------|--|--|--|---|--|----|
| Aug | | Bad debts recovered | | 100 | | | | | | |

| | | | | BAD DEBTS RECOVERED | | | | N | |
|--|--|--|--|---------------------|-----|--|------|---|-----|
| | | | | | Aug | | Bank | | 100 |

Note:

Allow learners to come up with their own name for bad debts recovered. You might even find that some groups credit the Bad Debts account – which is not wrong as it is what we are doing. The concept of materiality, however, dictates that we draw up separate account.

| 6.3.2 Dr | | DEBTORS CONTROL | | | B | | Cr | |
|----------|---|-------------------------|--|-------|---|--|----|--|
| May | 1 | Balance | | 5 000 | | | | |
| | | Interest on overdue a/c | | 15 | | | | |

| INTEREST ON OVERDUE ACCOUNT | | | | N | | | | |
|-----------------------------|--|--|--|-----|-----------------|--|--|----|
| | | | | May | Debtors control | | | 15 |

**DEBTORS LEDGER
J. BROWN**

| | | | | | DL | |
|------|---|-----------------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| May | 1 | Balance | b/d | | | 500 |
| | | Interest on overdue account | | 15 | | 515 |

| Account debit | Account credit | Assets (A) | Owner's Equity (OE) | Liabilities (L) |
|----------------------------|-----------------------------|------------|---------------------|-----------------|
| Debtors control (J. Brown) | Interest on overdue account | +15 | +15 | |

| 6.3.3 Dr | | DEBTORS CONTROL | | | B | | Cr | |
|----------|---|------------------|-----|-------|---|------------------|----|-----|
| May | 1 | Balance | b/d | 2 000 | | Bank | | 100 |
| | | Bank | | 100 | | Discount allowed | | 20 |
| | | Discount allowed | | 20 | | | | |

| BANK | | | | B | | | | |
|------|--|-----------------|--|-----|-----------------|--|--|-----|
| | | Debtors control | | 100 | Debtors control | | | 100 |

| DISCOUNT ALLOWED | | | | N | | | | |
|------------------|--|-----------------|--|----|-----------------|--|--|----|
| | | Debtors control | | 20 | Debtors control | | | 20 |

**DEBTORS LEDGER
A. JONES**

| | | | | | DL | |
|------|---|--------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| May | 1 | Balance | b/d | | | 120 |
| | | Receipt | | | 100 | 20 |
| | | Discount allowed | | | 20 | - |
| | | Cheque dishonoured | | 100 | | 100 |
| | | Discount allowed | | 20 | | 120 |

| Account debit | Account credit | Assets (A) | Owner's Equity(OE) | Liabilities (L) |
|----------------------------|----------------------------|------------|--------------------|-----------------|
| Bank | Debtors control (A. Jones) | ±100 | | |
| Discount allowed | Debtors control (A. Jones) | -20 | -20 | |
| Debtors control (A. Jones) | Bank | ±100 | | |
| Debtors control (A. Jones) | Discount allowed | +20 | +20 | |

| 6.3.4 Dr | | TRADING STOCK | | | B | | Cr | |
|----------|---|---------------|-----|-------|---|----------|----|-----|
| May | 1 | Balance | b/d | 3 000 | | Drawings | | 200 |

| STATIONERY | | | | N | | | | |
|------------|---|-------|--|-----|----------|--|--|----|
| May | 1 | Total | | 800 | Drawings | | | 50 |

| Dr | | DRAWINGS | | | | B | | Cr | |
|----|--|---------------|--|-----|--|---|--|----|--|
| | | Trading stock | | 200 | | | | | |
| | | Stationery | | 50 | | | | | |

| Account debit | | Account credit | | Assets (A) | Owner's Equity(OE) | Liabilities (L) |
|---------------|--|----------------|--|------------|--------------------|-----------------|
| Drawings | | Trading stock | | -200 | -200 | |
| Drawings | | Stationery | | | ±50 | |

| 6.3.5 Dr | | EQUIPMENT | | | | B | | Cr | |
|----------|---|-----------|-----|-------|--|------------|--|-----|--|
| May | 1 | Balance | b/d | 6 000 | | Stationery | | 100 | |

| | | STATIONERY | | | | N | | | |
|-----|---|------------|-----|-----|--|-------------------|--|----|--|
| May | 1 | Total | b/f | 600 | | Packing materials | | 60 | |
| | | Equipment | | 100 | | | | | |

| | | TRADING STOCK | | | | N | | | |
|-----|---|-------------------|-----|-------|--|---|--|--|--|
| May | 1 | Balance | b/d | 4 000 | | | | | |
| | | Carriage on goods | | 550 | | | | | |

| | | CARRIAGE ON GOODS | | | | N | | | |
|-----|---|-------------------|-----|-----|--|---------------|--|-----|--|
| May | 1 | Total | b/d | 550 | | Trading stock | | 550 | |

| | | PACKING MATERIALS | | | | N | | | |
|-----|---|-------------------|-----|-----|--|---|--|--|--|
| May | 1 | Total | b/d | 300 | | | | | |
| | | Stationery | | 60 | | | | | |

DEBTORS LEDGER

A. JABU

| Date | | Details | Fol | Debit | Credit | DL Balance |
|------|---|-----------------|-----|-------|--------|------------|
| May | 1 | Balance | b/d | | | 150 |
| | | Error corrected | | | 50 | 100 |

B. JABU

| Date | | Details | Fol | Debit | Credit | DL Balance |
|------|---|-----------------------------|-----|-------|--------|------------|
| May | 1 | Balance | b/d | | | 200 |
| | | Good sold / Error corrected | | 50 | | 250 |

| Account debit | | Account credit | | Assets (A) | Owner's Equity(OE) | Liabilities (L) |
|---------------------------|--|---------------------------|--|------------|--------------------|-----------------|
| Stationery | | Equipment | | -100 | -100 | |
| Trading stock | | Carriage on goods | | +550 | +550 | |
| Packing materials | | Stationery | | | ±60 | |
| Debtors control (B. Jabu) | | Debtors control (A. Jabu) | | ±50 | | |

TASK 6.4 Discussion

The purpose of this task is for learners to realise that the above entries cannot fit into any of the journals already learnt and listed prior to this task.

TASK 6.5 ☹️💧 Interest calculations

Required:

Complete the following table by filling in the missing amount, percentage or months.

| No. | Amount | Percentage interest rate | Period | Interest amount |
|------|--------|--------------------------|--------|-----------------|
| | R | % p.a. | Months | R |
| E.G. | 120 | 10 | 3 | 3 |
| 1. | 400 | 5 | 3 | 5 |
| 2. | 1 500 | 10 | 2 | 25 |
| 3. | 2 000 | 6 | 1 | 10 |
| 4. | 3 000 | 2.5 | 4 | 50 |
| 5. | 800 | 4 | 3 | 8 |
| 6. | 1 200 | 5 | 2 | 10 |
| 7. | 6 000 | 2.5 | 6 | 75 |
| 8. | 5 600 | 7.5 | 5 | 175 |

TASK 6.6 ☹️💧 Journal transactions

Note to the Teacher:

This task will re-enforce the General Journal entries before the learner begins to write up the actual entries,

| NO. | DOCUMENT | JOURNAL |
|-----|----------------------|---------|
| 1. | Journal voucher (JV) | GJ |
| 2. | JV | GJ |
| 3. | JV | GJ |
| 4. | JV | GJ |
| 5. | JV | GJ |
| 6. | Bank statement | GJ |
| 7. | Bank statement | GJ |
| 8. | Petty cash voucher | PCJ |
| 9. | Bank statement | CRJ |
| 10. | Bank statement | CPJ |

TASK 6.7 ☹️💧 Joubert Stores: General Journal

GENERAL JOURNAL OF JOUBERT STORES – AUGUST 20.1

GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|---|-----|-------|--------|-----------------|--------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 4 | F. Lourens Interest income | | 12 | 12 | 12 | | | |
| | | Interest charged on overdue account at 16% p.a. | | | 12 | | | | |
| 2 | 8 | Bad debts J. Shadie | | 128 | 128 | | 128 | | |
| | | Account written off on authorisation of owner | | | | | | | |
| 3 | 15 | M. Roelof Interest income | | 45 | 45 | 45 | | | |
| | | Interest charged on overdue account at 16% p.a. for 10 months $360 \times \frac{16}{100} \times \frac{10}{12}$ | | | 45 | | | | |
| 4 | 20 | Drawings Trading stock | | 144 | 144 | | | | |
| | | Merchandise taken by owner for own use CP | | | | | | | |

6.7 ☺

GENERAL JOURNAL OF JOUBERT STORES (Continued)

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|-----------------|--------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 5 | 25 | M. Rossouw | | 24 | | 24 | | | |
| | | C. Mossie | | 25 | | 25 | | | |
| | | G. Gudarson | | 23 | | 23 | | | |
| | | M. Velaphi | | 120 | | 120 | | | |
| | | Interest income | | | 192 | | | | |
| | | Interest charged on overdue accounts at 20% p.a. | | | | | | | |
| 6 | 27 | Drawings | | 200 | | | | | |
| | | Trading stock | | | 200 | | | | |
| | | Merchandise taken by owner for own use | | | | | | | |
| 7 | 28 | Bad debts | | 2 115 | | | | | |
| | | M. Spick | | | 220 | | 220 | | |
| | | K. Span | | | 420 | | 420 | | |
| | | R. Neat | | | 375 | | 375 | | |
| | | P. Tidy | | | 1 100 | | 1 100 | | |
| | | Bad debts written off | | | | | | | |
| 8 | 30 | Drawings | | 280 | | | | | |
| | | Trading stock | | | 280 | | | | |
| | | Goods taken for own use | | | | | | | |
| | | | | | | 249 | 2 243 | | |

Note to Teacher:

The second line of a journal entry, i.e. the credit entry may be indented as above or it may be blocked as shown below:

GENERAL JOURNAL OF JOUBERT STORES – AUGUST 20.1

GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|---|---|-----|-------|--------|-----------------|--------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 4 | F. Lourens | | 12 | | 12 | | | |
| | | Interest income | | | 12 | | | | |
| | | Interest charged on overdue account at 16% p.a. | | | | | | | |

TASK 6.8 Palan Stores: General Journal

GENERAL JOURNAL OF PALAN STORES – AUGUST 20.6

GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|-----------------|--------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 4 | J. Jones | | 20 | | 20 | | | |
| | | Interest income | | | 20 | | | | |
| | | Interest charged on overdue account at 16% p.a. for 6 months | | | | | | | |
| 2 | 6 | Bad debts | | 678 | | | | | |
| | | J. Roberts | | | 678 | | 678 | | |
| | | Account written off on authorisation of owner | | | | | | | |
| 3 | 10 | Drawings | | 350 | | | | | |
| | | Trading stock | | | 350 | | | | |
| | | Merchandise taken by proprietor for own use | | | | | | | |

GENERAL JOURNAL OF PALAN STORES (Continued)

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|-----------------|--------------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 4 | 26 | Bad debts | | 1 054 | | | | | |
| | | K. Fortune | | | 254 | | 254 | | |
| | | M. Sebola | | | 456 | | 456 | | |
| | | R. Louw | | | 344 | | 344 | | |
| | | Accounts written off on authorisation of owner | | | | | | | |
| 5 | 30 | Drawings | | 17 | | | | | |
| | | Stationery | | | 17 | | | | |
| | | Stationery taken by proprietor for own use | | | | | | | |
| 6 | 31 | R. Moss | | 70 | | 70 | | | |
| | | D. Modi | | 50 | | 50 | | | |
| | | K. Lawson | | 256 | | 256 | | | |
| | | Interest income | | | 376 | | | | |
| | | Interest charged on overdue accounts | | | | | | | |
| | | | | | | 396 | 1 732 | | |

TASK 6.9  **Pik Stores: General Journal**

| No. | Account debit | Account credit | Amount |
|-----|-------------------------------------|-------------------------------------|--------|
| 1 | Wages | Salaries | 1 200 |
| 2 | M. Mnchune/Debtors control | M. Mchunu/Debtors control | 800 |
| 3 | Trading stock | Consumable stores | 110 |
| 4 | B. Paolo /Debtors control | Sales | 9 |
| 5 | Telephone | Rates and taxes | 74 |
| 6 | Rino Wholesalers/Creditors control | Rhino Wholesalers/Creditors control | 340 |
| 7 | Drawings | Sundry expenses | 60 |
| 8 | M. Morton/Creditors control | Discount received | 10 |
| 9 | M. Bruno/Debtors control | J. Bruno/Debtors control | 55 |
| 10 | Repairs | Equipment | 900 |
| 11 | Trading stock | GG Traders/Creditors control | 91 |
| 12 | Bingo Wholesalers/Creditors control | Bingo Stores/Creditors control | 200 |

TASK 6.10  **NM Traders: General Journal**

6.10

GENERAL JOURNAL OF NM TRADERS – MAY 20.9

GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|---|-----|-------|--------|-----------------|--------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 4 | Equipment | | 1 845 | | | | | |
| | | Trading stock | | | 1 845 | | | | |
| | | Correction of error in posting of cheque no. 1236 | | | | | | | |
| 2 | 8 | Regent Wholesalers | | 154 | | | | 154 | |
| | | Regal Wholesalers | | | 154 | | | | 154 |
| | | Correction of error in posting invoice no. X397 | | | | | | | |
| 3 | 12 | Telephone | | 534 | | | | | |
| | | Consumable stores | | | 534 | | | | |
| | | Correction of error in posting of cheque no. 1245 | | | | | | | |

GENERAL JOURNAL OF NM TRADERS (Continued)

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|---|-----|-------|--------|-----------------|------------|-------------------|------------|
| | | | | | | Debit | Credit | Debit | Credit |
| 4 | 13 | Trading stock | | 370 | | | | | |
| | | Delivery charges | | | 370 | | | | |
| | | Correction of error in posting petty cash voucher | | | | | | | |
| 5 | 15 | L. Lane | | 142 | | 142 | | | |
| | | L. Lyon | | | 142 | | 142 | | |
| | | Correction of error in posting of invoice no. 277 | | | | | | | |
| 6 | 17 | Sales/Debtors allowances | | 50 | | | | | |
| | | J. Jones | | | 50 | | 50 | | |
| | | Correction of error on invoice no. 245* | | | | | | | |
| 7 | 19 | W. Bite | | 575 | | 575 | | | |
| | | B. White | | | 575 | | 575 | | |
| | | Correct of error in posting of C/N no. 88 | | | | | | | |
| 8 | 21 | Trading stock | | 100 | | | | | |
| | | Drawings | | | 100 | | | | |
| | | Correction of error in recording | | | | | | | |
| 9 | 27 | LW Traders | | 188 | | | | 188 | |
| | | LW Wholesalers | | | 188 | | | | 188 |
| | | Correction of error in posting D/N no. 48 | | | | | | | |
| 10 | 31 | Wages | | 1 842 | | | | | |
| | | Salaries | | | 1 842 | | | | |
| | | Correction of error in posting from CPJ | | | | | | | |
| | | | | | | 717 | 767 | 342 | 342 |

*Can also be entered in the DAJ

TASK 6.11

Mariam's Supermarket: General Journal
GENERAL JOURNAL OF MARIAM'S SUPERMARKET – MAY 20.8
GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|-----------------|------------|-------------------|--------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 2 | Drawings | B2 | 269 | | | | | |
| | | Trading stock | B4 | | 269 | | | | |
| | | Merchandise taken by proprietor for own use | | | | | | | |
| 2 | 6 | F. Ford | DL1 | 9 | | 9 | | | |
| | | Interest Income | N7 | | 9 | | | | |
| | | Interest charged on overdue account at 16% | | | | | | | |
| 3 | 8 | Bad debts | N8 | 216 | | | | | |
| | | W. Wilson | DL2 | | 216 | | 216 | | |
| | | Balance of account written off on authorisation of owner | | | | | | | |
| 4 | 11 | S. Sloan | DL3 | 13 | | 13 | | | |
| | | Discount allowed | N9 | | 13 | | | | |
| | | Discount cancelled on R/D cheque | | | | | | | |
| 5 | 13 | K. King | DL4 | 30 | | 30 | | | |
| | | Interest income | N7 | | 30 | | | | |
| | | Interest charged on overdue account at 18% p.a. | | | | | | | |
| 6 | 19 | Drawings | B2 | 60 | | | | | |
| | | Trading stock | B4 | | 60 | | | | |
| | | Merchandise taken by proprietor for own use | | | | | | | |
| 7 | 24 | Bad debts | N8 | 150 | | | | | |
| | | M. Moses | DL5 | | 150 | | 150 | | |
| | | Account written off on authorisation of owner | | | | | | | |
| 8 | 28 | P. Thomas | DL6 | 25 | | 25 | | | |
| | | T. Thomas | DL7 | | 25 | | 25 | | |
| | | Correction of error in posting | | | | | | | |
| 9 | 30 | Motor expenses | N10 | 1 480 | | | | | |
| | | Vehicles | B3 | | 1 480 | | | | |
| | | Correction of error in posting | | | | | | | |
| | | | | | | 77 | 391 | | |



TASK 6.12 **Corvet Budget Stores: Accounting equation**

6.12.1

| No. | Document | Journal | Account debit | Account credit | A = | O + | L |
|-----|----------|---------|------------------------------|-------------------------------------|------|------|------|
| 5 | JV | GJ | Debtors control (Y. Shelley) | Interest on overdue account | +40 | +40 | |
| 9 | JV | GJ | Debtors control (S Strew) | Debtors control (S. Straw) | ±500 | | |
| 14 | Rec | CRJ | Bank | Debtors control (Y. Shelley) | ±819 | | |
| | | | Discount allowed | Debtors control (Y. Shelley) | -21 | -21 | |
| 16 | JV | GJ | Debtors control (Y. Shelley) | Debtors control (Y. Shallow) | ±200 | | |
| 17 | B/S | CPJ | Debtors control (Y. Shelley) | Bank | ±819 | | |
| | JV | GJ | Debtors control (Y. Shelley) | Discount allowed | +21 | +21 | |
| 19 | JV | GJ | Creditors control (Nasbil) | Stationery | | +540 | -540 |
| 20 | JV | GJ | Drawings | Trading stock | -320 | -320 | |
| | | | Drawings | Stationery | | ±48 | |
| | C/C | CPJ | Drawings | Bank | -800 | -800 | |
| 21 | JV | GJ | Repairs | Equipment | -646 | -646 | |
| 24 | Rec | CRJ | Bank | Debtors control (Y. Shelley)* | ±416 | | |
| | JV | GJ | Bad debts | Debtors control (Y. Shelley) | -624 | -624 | |
| 28 | Rec | CRJ | Bank | Bad debts recovered | +230 | +230 | |
| 29 | JV | GJ | Discount received | Creditors control (W/rappe Dealers) | | -9 | +9 |

*(800 + 40 – 819 – 21 + 819 + 21 + 200) x 40c

6.12.2 CORVET BUDGET STORES GENERAL JOURNAL – JULY 20.7

GJ

| J/V | D | Details | Fol | Debit | | Credit | | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|--------|--------|-----------------|--------|-------------------|--|
| | | | | Debit | Credit | Debit | Credit | Debit | Credit | | |
| 1 | 5 | Y. Shelley | | 40 | | | 40 | 40 | | | |
| | | Interest on overdue a/c | | | | | 40 | | | | |
| | | Interest charged on over- due account | | | | | | | | | |
| 2 | 9 | S. Strew | | 500 | | | | 500 | | | |
| | | S. Straw | | | | | 500 | | 500 | | |
| | | Error corrected | | | | | | | | | |
| 3 | 16 | Y. Shelley | | 200 | | | | 200 | | | |
| | | Y. Shallow | | | | | | | | 200 | |
| | | Error corrected | | | | | | | | | |

GENERAL JOURNAL (Continued)

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|---------------------------------------|-----|-------|--------|-----------------|--------------|-------------------|----------|
| | | | | | | Debit | Credit | Debit | Credit |
| 4 | 17 | Y. Shelley | | 21 | | 21 | | | |
| | | Discount allowed | | | 21 | | | | |
| | | Discount cancelled on R/D cheque | | | | | | | |
| 5 | 19 | Nasbill & Co. | | 540 | | | | 540 | |
| | | Stationery | | | 540 | | | | |
| | | Error corrected | | | | | | | |
| 6 | 20 | Drawings | | 448 | | | | | |
| | | Trading stock | | | 400 | | | | |
| | | Stationery | | | 48 | | | | |
| | | Items taken by owner for personal use | | | | | | | |
| 7 | 21 | Repairs | | 646 | | | | | |
| | | Equipment | | | 646 | | | | |
| | | Error corrected | | | | | | | |
| 8 | 24 | Bad debt | | 624 | | | | | |
| | | Y. Shelley | | | 624 | | 624 | | |
| | | Bad debt written off | | | | | | | |
| 9 | 29 | Discount received | | 9 | | | | | |
| | | Wrappe Dealers | | | 9 | | | | 9 |
| | | Error corrected | | | | | | | |
| | | | | | | 761 | 1 324 | 540 | 9 |

**6.12.3 CORVET BUDGET STORES
CASH RECEIPTS JOURNAL – JULY 20.7**

CRJ5

| Doc no | D | Details | Fol | Analysis of receipts | Bank | Sales | Cost of sales | Debtors control | | Sundry accounts | | |
|--------|----|------------|-----|----------------------|------|-------|---------------|-----------------|------------------|-----------------|-----|---------------------|
| | | | | | | | | Receipts* | Discount allowed | Amount | Fol | Details |
| 08 | 14 | Y. Shelley | | 819 | 819 | | | 819 | 21 | | | |
| | 24 | Y. Shelley | | 416 | 416 | | | 416 | | | | |
| 09 | 28 | N. Seedy | | 230 | 230 | | | | | 230 | | Bad debts recovered |

* Alternative method: Debtors control R840

CASH PAYMENTS JOURNAL FOR JULY 20.7

CPJ5

| Doc no | D | Details | Fol | Bank | Trading stock | Debtors control | Creditors control | | Sundry accounts | | | |
|--------|----|------------|-----|------|---------------|-----------------|-------------------|-------------------|-----------------|-----|---------|----------|
| | | | | | | | Payments | Discount received | Amount | Fol | Details | |
| B/S | 17 | Y. Shelley | | 819 | | 819 | | | | | | |
| C | 20 | J Corvet | | 800 | | | | | 800 | | | Drawings |
| | | | | | | | | | | | | |

6.12.4 DEBTORS LEDGER: Y. SHELLEY

DL

| Date | Details | Fol | Debit | Credit | Balance |
|------|---------|-----------------------------------|-------|--------|---------|
| 20.7 | | | | | |
| July | 1 | Balance | b/d | | 800 |
| | 5 | Interest on overdue account | GJ | 40 | 840 |
| | 14 | Receipt | CRJ | | 21 |
| | | Discount allowed | CRJ | 21 | - |
| | 16 | Error corrected | GJ | 200 | 200 |
| | 17 | Cheque dishonoured EFT | CPJ | 819 | 1 019 |
| | | Discount cancelled | GJ | 21 | 1 040 |
| | 24 | Receipt | CRJ | | 624 |
| | | Bad debt written off | GJ | 624 | - |

TASK 6.13 Transaction analysis

| No. | Transaction | Journal | General Ledger | | Amount |
|-----|--|---------|-------------------------------------|----------------------------------|------------|
| | | | Account debit | Account credit | |
| 1. | Purchased stock on credit | CJ | Trading stock | Creditors control | |
| 2. | Cash sales of stock R413 (mark-up $133\frac{1}{3}\%$) | CRJ | Bank Cost of sales | Sales Trading stock | 413 177 |
| 3. | Payment made by a debtor by electronic transfer | CRJ | Bank | Debtors control | |
| 4. | Discount received from a supplier (creditor) | CPJ | Creditors control | Discount received | |
| 5. | Stock returned by a debtor, R184 (mark-up is 60%) | DAJ | Debtors allowances Trading stock | Debtors control Cost of sales | 184 115 |
| 6. | Stock returned to a creditor | CAJ | Creditors control | Trading stock | |
| 7. | Owner's private vehicle repaired (not yet paid for) | CJ | Drawings | Creditors control | |
| 8. | Discount allowed to a credit customer | CRJ | Discount allowed | Debtors control | |
| 9. | Payment made to a credit supplier by cheque | CPJ | Creditors control | Bank | |
| 10. | Goods sold on credit to Jane incorrectly charged to Jean | GJ | Debtors control (Jane) | Debtors control (Jean) | |
| 11. | Stock sold on credit R500 (mark-up is 150%) | DJ | Debtors control Cost of sales | Sales Trading stock | 500 200 |
| 12. | Restored the petty cash imprest amount by cheque | CPJ | Petty cash | Bank | |
| 13. | Allowance made to a debtor | DAJ | Debtors allowances | Debtors control | |
| 14. | Debtor's cheque returned by bank marked 'r/d - insufficient funds' | CPJ | Debtors control | Bank | |
| 15. | Cancellation of discount on a 'r/d' cheque | GJ | Debtors control | Discount allowed | |
| 16. | Owner took petty cash for his own use | PCJ | Drawings | Petty cash | |
| 17. | Equipment bought on credit from WW Stores was wrongly entered as R816 instead of R618. | GJ | Creditors control | Equipment | 198 |
| 18. | Owner returned stock which he had previously taken for his own use | GJ | Trading stock | Drawings | |
| 19. | Paid for carriage on stock purchased from petty cash | PCJ | Trading stock | Petty cash | |
| 20. | Cashed a cheque for cash float | CPJ | Cash float | Bank | |
| 21. | Insurance premium paid was mistakenly charged to repairs | GJ | Insurance | Repairs | |
| 22. | Write off the account of a credit customer | GJ | Bad debts | Debtors control | |
| 23. | Received interest on fixed deposit. | CRJ | Bank | Interest income | |
| 24. | Paid interest on loan by cheque | CPJ | Interest expense | Bank | |
| 25. | Received a cheque from a debtor whose account was previously written off | CRJ | Bank | Bad debts recovered | |

TASK 6.14 Wishtree Stores: General Journal, Transaction analysis

6.14.1

WISHTREE STORES

GENERAL JOURNAL – APRIL 20.7

GJ

| J/V | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-----|-------|--------|-----------------|--------------|-------------------|----------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 1 | B. Hopeful | | 130 | | 130 | | | |
| | | Interest on overdue acc | | | 130 | | | | |
| | | Interest charged on overdue account at 16% p.a. for 3 months | | | | | | | |
| 2 | 3 | Stationery | | 323 | | | | | |
| | | Consumable stores | | | 323 | | | | |
| | | Error corrected | | | | | | | |
| 3 | 8 | Drawings | | 900 | | | | | |
| | | Trading stock | | | 600 | | | | |
| | | Consumable stores | | | 300 | | | | |
| | | Items taken for personal use | | | | | | | |
| 4 | 12 | V. Hupeful | | 800 | | 800 | | | |
| | | B. Hopeful | | | 800 | | 800 | | |
| | | Error corrected | | | | | | | |
| 5 | 13 | V. Hupeful | | 60 | | 60 | | | |
| | | B. Hopeful | | | 60 | | 60 | | |
| | | Error corrected | | | | | | | |
| 6 | 14 | Bad debts | | 400 | | | | | |
| | | Ms Wishful | | | 400 | | 400 | | |
| | | Bad debts written off | | | | | | | |
| 7 | 20 | Repairs/ Motor expenses | | 980 | | | | | |
| | | Vehicles | | | 980 | | | | |
| | | Error corrected | | | | | | | |
| 8 | 24 | B. Hopeful | | 126 | | 126 | | | |
| | | Discount allowed | | | 126 | | | | |
| | | Discount cancelled on R/D cheque | | | | | | | |
| 9 | 25 | Trading stock | | 200 | | | | | |
| | | Drawings | | | 200 | | | | |
| | | Owner returned stock | | | | | | | |
| 10 | 27 | J. Hapfort | | 90 | | 90 | | | |
| | | V. Hupeful | | | 90 | | 90 | | |
| | | Error corrected | | | | | | | |
| 11 | 28 | B. Badger Wholesalers | | 100 | | | | 100 | |
| | | Discount received | | | 100 | | | | |
| | | Error corrected | | | | | | | |
| | | | | | | 1 206 | 1 350 | 100 | - |

6.14.2

| Date | Journal | General Ledger | | Amount |
|------|---------|------------------|-----------------|--------|
| | | Account debit | Account credit | |
| 8 | CPJ | Drawings | Bank | 500 |
| 14 | CRJ | Bank | Debtors control | 100 |
| 17 | CRJ | Bank | Debtors control | 2 394 |
| | | Discount allowed | Debtors control | 126 |
| 18 | CPJ | Equipment | Bank | 1 999 |
| 21 | DJ | Debtors control | Sales | 4 320 |
| | | Cost of sales | Trading stock | 2 880 |
| 24 | CPJ | Debtors control | Bank | 2 394 |
| 26 | CRJ | Bank | Debtors control | 2 500 |
| | | Discount allowed | Debtors control | 120 |

6.14.3

**GENERAL LEDGER OF WISHTREE STORES
NOMINAL ACCOUNTS SECTION**

| Dr | STATIONERY | | | | N | Cr |
|------|------------|-------------------|-----|-----|---|----|
| 20.7 | | | | | | |
| Apr | 1 | Total | b/f | 490 | | |
| | 3 | Consumable stores | GJ | 323 | | |
| | | | | 813 | | |

| CONSUMABLE STORES | | | | | N | |
|-------------------|---|-------|-----|-------|------|--------------|
| 20.7 | | | | | 20.7 | |
| Apr | 1 | Total | b/f | 1 234 | Apr | 3 Stationery |
| | | | | 1 234 | | 8 Drawings |
| | | | | | | GJ |
| | | | | | | GJ |
| | | | | | | 323 |
| | | | | | | 300 |
| | | | | | | 623 |

WISHTREE STORES OF DEBTORS LEDGER

B. HOPEFUL

| | | | | DL | | |
|------|----|-----------------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.7 | | | | | | |
| Apr | 1 | Balance | b/d | | | 3 250 |
| | | Interest on overdue account | GJ | 130 | | 3 380 |
| | 12 | Error corrected | GJ | | 800 | 2 580 |
| | 13 | Good returned / error | GJ | | 60 | 2 520 |
| | 17 | Receipt | CRJ | | 2 394 | 126 |
| | | Discount allowed | CRJ | | 126 | - |
| | 24 | Cheque dishonoured | CPJ | 2 394 | | 2 394 |
| | | Discount cancelled | GJ | 126 | | 2 520 |

V. HUPEFUL

| | | | | DL | | |
|------|----|------------------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.7 | | | | | | |
| Apr | 1 | Balance | b/d | | | 4 320 |
| | 12 | Goods sold / error corrected | GJ | 800 | | 5 120 |
| | 13 | Error corrected | GJ | 60 | | 5 180 |
| | 26 | Receipt | CRJ | | 2 500 | 2 680 |
| | | Discount allowed | CRJ | | 120 | 2 560 |
| | 27 | Error corrected | GJ | | 90 | 2 470 |

TASK 6.15  **Jim: Advice**

The purpose of this task is for the learners to consider internal control measures that are needed to control the staff. Allow the learners to come up with their own suggestions but some form of division of duties should be discussed.

TASK 6.16  **Kashir Stores (Combined exercise): Journals, Ledgers, Debtors/Creditors List, Trial Balance**

CRJ1

| Doc No | D | Details | Fol | Analysis of receipts | Bank | Debtors control | | Sales | Cost of sales | Sundry accounts | | |
|--------|----|------------|-----|----------------------|---------------|-----------------|------------------|--------------|---------------|-----------------|-----|-------------|
| | | | | | | Receipts | Discount allowed | | | Amount | Fol | Details |
| 101 | 1 | K. Kashir | | | 20 000* | | | | | 20 000 | B1 | Capital |
| CRT101 | 6 | Sales | | 2 700 | 2 700 | | | 2 700 | 1 800 | | | |
| 102 | 9 | S. Stephen | DL1 | 520 | 520 | 520** | 40 | | | | | |
| 103 | 14 | R. Rogers | DL3 | 400 | 400 | 400** | 35 | | | | | |
| CRT102 | 16 | Sales | | 2 400 | 2 400 | | | 2 400 | 1 600 | | | |
| CRT103 | 25 | Sales | | 4 200 | 4 200 | | | 4 200 | 2 800 | | | |
| 104 | | D. Singh | | 800 | 5 000 | | | | | 800 | N9 | Rent income |
| | | | | | 31 020 | 920 | 75 | 9 300 | 6 200 | 20 800 | | |

B8 B7 B7/N6 N1 B6/N2

*If amount was given to the business then it would appear in the analysis column

**Alternative format: 560 / 435

CPJ1

| Doc no | D | Details | Fol | Bank | Trading Stock | Creditors control | | Wages | Debtors control | Sundry accounts | | |
|--------|----|-----------------|-----|---------------|---------------|-------------------|-------------------|--------------|-----------------|-----------------|-----|--------------|
| | | | | | | Payments | Discount received | | | Amount | Fol | Details |
| 2001 | 4 | Ace Wholesalers | | 4 050 | 3 800 | | | | | 250 | N5 | Stationery |
| 2002 | 7 | Cash | | 1 450 | | | | 1 450 | | | | |
| 2003 | 12 | Max Wholesalers | CL1 | 1 100 | | 1 100* | 60 | | | | | |
| 2004 | 14 | Cash | | 1 450 | | | | 1 450 | | | | |
| D/N | 18 | S Stephen (R/D) | DL1 | 520 | | | | | 520 | | | |
| 2005 | 21 | Cash | | 1 450 | | | | 1 450 | | | | |
| 2006 | 22 | Dallas Traders | | 720 | 720 | | | | | | | |
| 2007 | 24 | OP Traders | CL2 | 1 200 | | 1 200* | 90 | | | | | |
| 2008 | 25 | Max Wholesalers | CL1 | 300 | | 300 | - | | | | | |
| 2009 | 28 | K. Kashir | | 750 | | | | | | 750 | B2 | Drawings |
| BS | 30 | PQ Bank | | 60 | | | | | | 60 | N10 | Bank charges |
| | | | | 13 050 | 4 520 | 2 600 | 150 | 4 350 | 520 | 1 060 | | |

B8 B6 B9 B9/N7 N4 B7

*Alternative format: 1 160 / 1 290

CREDITORS JOURNAL – APRIL 20.4

CJ1

| Inv no | D | Creditor | Fol | Creditors control | Trading stock | Equipment | Stationery & printing | Consumable stores | Sundry accounts | | |
|--------|----|-----------------|-----|-------------------|---------------|--------------|-----------------------|-------------------|-----------------|-----|---------|
| | | | | | | | | | Amount | Fol | Details |
| MW5354 | 11 | Max Wholesalers | CL1 | 1 300 | 900 | | 250 | 150 | | | |
| T1575 | 19 | OP Traders | CL2 | 2 570 | 650 | 1 800 | 120 | | | | |
| MW5458 | 27 | Max Wholesalers | CL1 | 1 675 | 725 | 950 | | | | | |
| | | | | 5 545 | 2 275 | 2 750 | 370 | 150 | | | |

B9 B6 B5 N5 N8

CREDITORS ALLOWANCES JOURNAL – APRIL 20.4

CAJ1

| D/N no | D | Creditor | Fol | Creditors control | Trading stock | Equipment | Stationery & printing | Consumable stores | Sundry accounts | | |
|--------|----|-----------------|-----|-------------------|---------------|-----------|-----------------------|-------------------|-----------------|-----|---------|
| | | | | | | | | | Amount | Fol | Details |
| 55 | 15 | Max Wholesalers | CL1 | 130 | 90 | | 25 | 15 | | | |
| 56 | 28 | Max Wholesalers | CL1 | 175 | 125 | 50 | | | | | |
| | | | | 305 | 215 | 50 | 25 | 15 | | | |

B9 B6 B5 N5 N8

DEBTORS JOURNAL – APRIL 20.4

DJ1

| Inv. No. | D | Debtor | Fol | Sales | Cost of sales |
|----------|----|------------|-----|--------------|---------------|
| 1001 | 3 | S. Stephen | DL1 | 280 | 150 |
| 1002 | | N. Noel | DL2 | 450 | 300 |
| 1003 | | R. Rogers | DL3 | 600 | 400 |
| 1004 | 17 | S. Stephen | DL1 | 300 | 200 |
| 1005 | | N. Noel | DL2 | 240 | 160 |
| 1006 | | R. Rogers | DL3 | 330 | 220 |
| | | | | 2 200 | 1 430 |

B7/N1

N2/B6

DEBTORS ALLOWANCES JOURNAL – APRIL 20.4

DAJ1

| C/N No. | D | Debtor | Fol | Debtors allowances | Cost of sales |
|---------|----|------------|-----|--------------------|---------------|
| 10 | 10 | R. Rogers | DL3 | 150 | 100 |
| 11 | 20 | S. Stephen | DL4 | 120 | 80 |
| | | | | 270 | 180 |

N3/B7

B6/N2

GENERAL JOURNAL – APRIL 20.4

GJ1

| No. | D | Details | Fol | Debit | Credit | Debtors control | | Creditors control | |
|-----|----|--|-------------------|-----------|------------|-----------------|------------|-------------------|-----------|
| | | | | | | Debit | Credit | Debit | Credit |
| 1 | 18 | S Stephen Discount allowed | DL1 N9 | 40 | 40 | 40 | | | |
| | | Discount cancelled on R/D cheque | | | | | | | |
| 2 | 23 | Bad debts G. Gansen | N11 DL3 | 200 | 200 | | 200 | | |
| | | Account written off | | | | | | | |
| 3 | 24 | S. Stephen Interest income | DL1 N12 | 20 | 20 | 20 | | | |
| | | Interest charged on over-due account | | | | | | | |
| 4 | 29 | Interest expense Max Wholesalers | N13 CL1 | 30 | 30 | | | | 30 |
| | | Interest charged on over-due account | | | | | | | |
| | | | | | | 60 | 200 | - | 30 |

**GENERAL LEDGER OF KASHIR STORES
BALANCE SHEET ACCOUNTS SECTION**

| Dr | | | | | CAPITAL | | | | | B1 | | Cr | |
|------|----|---------|-----|----------------|---------|---|---------|-----|---------|----------------|--|----|--|
| 20.4 | | | | | 20.4 | | | | | | | | |
| Apr | 30 | Balance | c/d | 100 000 | Apr | 1 | Balance | b/d | 80 000 | | | | |
| | | | | | | | Bank | CRJ | 20 000 | | | | |
| | | | | 100 000 | | | | | | 100 000 | | | |
| | | | | | May | 1 | Balance | b/d | 100 000 | | | | |

| DRAWINGS | | | | | B2 | | | | | |
|----------|----|---------|-----|--------------|------|----|---------|-----|--------------|--|
| 20.4 | | | | | 20.4 | | | | | |
| Apr | 1 | Balance | b/d | 1 900 | Apr | 30 | Balance | c/d | 2 650 | |
| | 28 | Bank | CPJ | 750 | | | | | | |
| | | | | 2 650 | | | | | 2 650 | |
| May | 1 | Balance | b/d | 2 650 | | | | | | |

| LAND AND BUILDINGS | | | | | B3 | | | | |
|--------------------|---|---------|-----|--------|----|--|--|--|--|
| 20.4 | | | | | | | | | |
| Apr | 1 | Balance | b/d | 40 000 | | | | | |

| MOTOR VEHICLES | | | | | B4 | | | | |
|----------------|---|---------|-----|--------|----|--|--|--|--|
| 20.4 | | | | | | | | | |
| Apr | 1 | Balance | b/d | 19 000 | | | | | |

| EQUIPMENT | | | | | B5 | | | | | |
|-----------|----|-------------------|-----|---------------|------|----|-------------------|-----|---------------|--|
| 20.4 | | | | | 20.4 | | | | | |
| Apr | 1 | Balance | b/d | 10 500 | Apr | 30 | Creditors control | CAJ | 50 | |
| | 30 | Creditors control | CJ | 2 750 | | | Balance | c/d | 13 200 | |
| | | | | 13 250 | | | | | 13 250 | |
| May | 1 | Balance | b/d | 13 200 | | | | | | |

| Dr | | | | | TRADING STOCK | | | | B6 | | Cr | |
|------|----|-------------------|-----|---------------|----------------------|----|-------------------|-----|----|--|---------------|--|
| 20.4 | | | | | 20.4 | | | | | | | |
| Apr | 1 | Balance | b/d | 4 950 | Apr | 30 | Creditors control | CAJ | | | 215 | |
| | 30 | Bank | CPJ | 4 520 | | | Cost of sales | DJ | | | 1 430 | |
| | | Cost of sales | DAJ | 180 | | | Cost of sales | CRJ | | | 6 200 | |
| | | Creditors control | CJ | 2 275 | | | Balance | c/d | | | 4 080 | |
| | | | | 11 925 | | | | | | | 11 925 | |
| May | 1 | Balance | b/d | 4 080 | | | | | | | | |

| | | | | | DEBTORS CONTROL | | | | B7 | | | |
|------|----|-----------------|-----|--------------|------------------------|----|---------------------------|------------|----|--|--------------|--|
| 20.4 | | | | | 20.4 | | | | | | | |
| Apr | 1 | Balance | b/d | 2 010 | Apr | 30 | Bank | CRJ | | | 920 | |
| | 30 | Bank (R/D) | CPJ | 520 | | | Discount allowed | CRJ | | | 75 | |
| | | Sales | DJ | 2 200 | | | Debtors allowances | DAJ | | | 270 | |
| | | Sundry accounts | GJ | 60 | | | Sundry accounts | GJ | | | 200 | |
| | | | | 4 790 | | | Balance | c/d | | | 3 325 | |
| | | | | | | | | | | | 4 790 | |
| May | 1 | Balance | b/d | 3 325 | | | | | | | | |

| | | | | | BANK | | | | B8 | | | |
|------|----|-----------------|-----|---------------|-------------|----|-----------------|-----|----|--|---------------|--|
| 20.4 | | | | | 20.4 | | | | | | | |
| Apr | 1 | Balance | b/d | 4 200 | Apr | 30 | Sundry accounts | CPJ | | | 13 050 | |
| | 30 | Sundry accounts | CRJ | 31 020 | | | Balance | c/d | | | 22 170 | |
| | | | | 35 220 | | | | | | | 35 220 | |
| May | 1 | Balance | b/d | 22 170 | | | | | | | | |

| | | | | | CREDITORS CONTROL | | | | B9 | | | |
|------|----|-------------------|-----|--------------|--------------------------|----|-----------------|-----|----|--|--------------|--|
| 20.4 | | | | | 20.4 | | | | | | | |
| Apr | 30 | Bank | CPJ | 2 600 | Apr | 1 | Balance | b/d | | | 3 510 | |
| | | Discount received | CPJ | 150 | | 30 | Sundry accounts | CJ | | | 5 545 | |
| | | Sundry accounts | CAJ | 305 | | | Sundry accounts | GJ | | | 30 | |
| | | Balance | c/d | 6 030 | | | | | | | | |
| | | | | 9 085 | | | | | | | 9 085 | |
| | | | | | May | 1 | Balance | b/d | | | 6 030 | |

NOMINAL ACCOUNTS SECTION

| | | | | | SALES | | | | N1 | | | |
|--|--|--|--|--|--------------|----|-----------------|-----|----|--|---------------|--|
| | | | | | 20.4 | | | | | | | |
| | | | | | Apr | 1 | Total | b/f | | | 15 600 | |
| | | | | | | 30 | Debtors control | DJ | | | 2 200 | |
| | | | | | | | Bank | CRJ | | | 9 300 | |
| | | | | | | | | | | | 27 100 | |

| | | | | | COST OF SALES | | | | N2 | | | |
|------|----|---------------|-----|---------------|----------------------|----|---------------|-----|----|--|------------|--|
| 20.4 | | | | | 20.4 | | | | | | | |
| Apr | 1 | Total | b/f | 10 400 | Apr | 30 | Trading stock | DAJ | | | 180 | |
| | 30 | Trading stock | CRJ | 6 200 | | | | | | | | |
| | | Trading stock | DJ | 1 430 | | | | | | | | |
| | | | | 18 030 | | | | | | | 180 | |

| Dr | | | | | DEBTORS ALLOWANCES | | | N3 | | Cr |
|------|----|-----------------|-----|-------|--------------------|--|--|----|--|----|
| 20.4 | | | | | | | | | | |
| Apr | 1 | Total | b/f | 1 150 | | | | | | |
| | 30 | Debtors control | DJ | 270 | | | | | | |
| | | | | 1 420 | | | | | | |

| | | | | | WAGES | | | N4 | | |
|------|----|-------|-----|-------|-------|--|--|----|--|--|
| 20.4 | | | | | | | | | | |
| Apr | 1 | Total | b/f | 3 800 | | | | | | |
| | 30 | Bank | CPJ | 4 350 | | | | | | |
| | | | | 8 150 | | | | | | |

| | | | | | STATIONERY | | | N5 | | |
|------|----|-------------------|-----|-------|------------|----|-------------------|-----|----|----|
| 20.4 | | | | | 20.4 | | | | | |
| Apr | 1 | Total | b/f | 1 150 | Apr | 30 | Creditors control | CAJ | 25 | |
| | 4 | Bank | CPJ | 250 | | | | | | |
| | 30 | Creditors control | CJ | 370 | | | | | | |
| | | | | 1 770 | | | | | | 25 |

| | | | | | DISCOUNT ALLOWED | | | N6 | | |
|------|----|-----------------|-----|-----|------------------|----|-----------------|----|----|----|
| 20.4 | | | | | 20.4 | | | | | |
| Apr | 1 | Total | b/f | 390 | Apr | 18 | Debtors control | GJ | 40 | |
| | 30 | Debtors control | CRJ | 75 | | | | | | |
| | | | | 465 | | | | | | 40 |

| | | | | | DISCOUNT RECEIVED | | | N7 | | |
|--|--|--|--|--|-------------------|----|-------------------|-----|-----|--|
| | | | | | 20.4 | | | | | |
| | | | | | Apr | 1 | Total | b/f | 340 | |
| | | | | | | 30 | Creditors control | CPJ | 150 | |
| | | | | | | | | | 490 | |

| | | | | | CONSUMABLE STORES | | | N8 | | |
|------|----|-------------------|----|-----|-------------------|----|-------------------|-----|----|--|
| 20.4 | | | | | 20.4 | | | | | |
| Apr | 30 | Creditors control | CJ | 150 | Apr | 30 | Creditors control | CAJ | 15 | |

| | | | | | RENT INCOME | | | N9 | | |
|--|--|--|--|--|-------------|----|------|-----|-----|--|
| | | | | | 20.4 | | | | | |
| | | | | | Apr | 30 | Bank | CRJ | 800 | |

| | | | | | BANK CHARGES | | | N10 | | |
|------|----|------|-----|----|--------------|--|--|-----|--|--|
| 20.4 | | | | | | | | | | |
| Apr | 30 | Bank | CPJ | 60 | | | | | | |

| | | | | | BAD DEBTS | | | N11 | | |
|------|----|-----------------|----|-----|-----------|--|--|-----|--|--|
| 20.4 | | | | | | | | | | |
| Apr | 23 | Debtors control | GJ | 200 | | | | | | |

| Dr | | INTEREST INCOME | | | | N12 | | Cr |
|----|--|-----------------|--|--|------|-----|-----------------|----|
| | | | | | 20.4 | | | |
| | | | | | Apr | 24 | Debtors control | |
| | | | | | | | GJ | |
| | | | | | | | 20 | |

| | | INTEREST EXPENSE | | | | N13 | |
|------|----|-------------------|----|----|--|-----|--|
| 20.4 | | | | | | | |
| Apr | 29 | Creditors control | GJ | 30 | | | |

**DEBTORS LEDGER
S. STEPHEN**

| | | | | DL1 | | |
|------|----|--------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.4 | | | | | | |
| Apr | 1 | Balance | b/d | | | 560 |
| | 3 | Inv 1001 | DJ | 280 | | 840 |
| | 9 | Receipt No 102 | CRJ | | 520 | 320 |
| | | Discount allowed | CRJ | | 40 | 280 |
| | 17 | Invoice 1004 | DJ | 300 | | 580 |
| | 18 | Cheque dishonoured | CPJ | 520 | | 1 100 |
| | | Discount cancelled | GJ | 40 | | 1 140 |
| | 20 | Credit note 11 | DAJ | | 120 | 1 020 |
| | 24 | Interest income | GJ | 20 | | 1 040 |

| | | | | DL2 | | |
|------|----|--------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.4 | | | | | | |
| Apr | 1 | Balance | b/d | | | 390 |
| | 3 | Invoice 1002 | DJ | 450 | | 840 |
| | 17 | Invoice 1005 | DJ | 240 | | 1 080 |

| | | | | DL3 | | |
|------|----|-----------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.4 | | | | | | |
| Apr | 1 | Balance | b/d | | | 200 |
| | 28 | Bad debts | GJ | | 200 | - |

| | | | | DL4 | | |
|------|----|------------------|-----|-------|--------|---------|
| Date | | Details | Fol | Debit | Credit | Balance |
| 20.4 | | | | | | |
| Apr | 1 | Balance | b/d | | | 860 |
| | 3 | Invoice 1003 | DJ | 600 | | 1 460 |
| | 10 | Credit note 10 | DAJ | | 150 | 1 310 |
| | 14 | Receipt 103 | CRJ | | 400 | 910 |
| | | Discount allowed | CRJ | | 35 | 875 |
| | 17 | Invoice 1006 | DJ | 330 | | 1 205 |

DEBTORS LIST AS AT 30 APRIL 20.4

| Debtor | Fol | Amount |
|------------|-----|--------------|
| S. Stephen | DL1 | 1 040 |
| N. Noel | DL2 | 1 080 |
| G. Gansen | DL3 | - |
| R. Rogers | DL4 | 1 205 |
| | | 3 325 |

**CREDITORS LEDGER OF KASHIR STORES
MAX WHOLESALERS**

CL1

| Date | Details | Fol | Debit | Credit | Balance |
|-------|-------------------|-----|-------|--------|---------|
| 20.4 | | | | | |
| Apr 1 | Balance | b/d | | | 2 160 |
| 11 | Invoice MW 5354 | CJ | | 1 300 | 3 460 |
| 12 | Cheque 2003 | CPJ | 1 100 | | 2 360 |
| | Discount received | CPJ | 60 | | 2 300 |
| 15 | Debit note 55 | CAJ | 130 | | 2 170 |
| 25 | Cheque 2008 | CPJ | 300 | | 1 870 |
| 27 | Invoice MW 5453 | CJ | | 1 675 | 3 545 |
| 28 | Debit note 56 | CAJ | 175 | | 3 370 |
| 29 | Interest expense | GJ | | 30 | 3 400 |

OP TRADERS

CL2

| Date | Details | Fol | Debit | Credit | Balance |
|-------|-------------------|-----|-------|--------|---------|
| 20.4 | | | | | |
| Apr 1 | Balance | b/d | | | 1 350 |
| 19 | Invoice T1575 | CJ | | 2 570 | 3 920 |
| 24 | Cheque 2001 | CPJ | 1 200 | | 2 720 |
| | Discount received | CPJ | 90 | | 2 630 |

CREDITORS LIST AS AT 30 APRIL 20.4

| Creditor | Fol | Amount |
|-----------------|-----|--------------|
| Max Wholesalers | CL1 | 3 400 |
| OP Traders | CL2 | 2 630 |
| | | 6 030 |

TRIAL BALANCE ON 30 APRIL 20.4

| BALANCE SHEET ACCOUNTS SECTION | | Fol | Debit | Credit |
|---------------------------------|-----|-----|----------------|----------------|
| Capital | B1 | | | 100 000 |
| Drawings | B2 | | 2 650 | |
| Land and buildings | B3 | | 40 000 | |
| Motor vehicles | B4 | | 19 000 | |
| Equipment | B5 | | 13 200 | |
| Trading stock | B6 | | 4 080 | |
| Debtors control | B7 | | 3 325 | |
| Bank | B8 | | 22 170 | |
| Creditors control | B9 | | | 6 030 |
| NOMINAL ACCOUNTS SECTION | | | | |
| Sales | N1 | | | 27 100 |
| Cost of sales | N2 | | 17 850 | |
| Debtors allowances | N3 | | 1 420 | |
| Wages | N4 | | 8 150 | |
| Stationery | N5 | | 1 745 | |
| Discount allowed | N6 | | 425 | |
| Discount received | N7 | | | 490 |
| Consumable stores | N8 | | 135 | |
| Rent income | N9 | | | 800 |
| Bank charges | N10 | | 60 | |
| Bad debts | N11 | | 200 | |
| Interest income | N12 | | | 20 |
| Interest expense | N13 | | 30 | |
| | | | 134 440 | 134 440 |

TASK 6.17 Project

Suggested rubric:

| CRITERIA | LEVEL 1 | LEVEL 2 | LEVEL 3 | LEVEL 4 |
|-------------------------|-------------------------------------|---|-----------------------------------|--|
| Transactions | Inadequate transactions drawn up | Some attempt to draw up transactions | Correct transactions drawn up | Transactions are linked together |
| Journals | No understanding of journals | Some attempt to complete the journals | Correct drawing up of journals | Journals professionally presented |
| Ledgers | Posting is not understood | Some attempt to post correctly | Posting completed accurately | All ledger accounts accurate and balanced / totaled |
| Lists and Trial Balance | No idea of presentation | Some attempt to record this information | Lists and trial balance completed | Lists and trial balance accurate and correctly presented |
| Spreadsheet | No idea of completing a spreadsheet | Some attempt to complete a spreadsheet | All entries correctly completed | Spreadsheet completed and in balance |

TASK 6.18 Ethical & internal control scenarios affecting the General Journal

Before undertaking this task, it is advisable to inform the learners about what is meant by ethics in business, fraud and internal control (you may refer to Modules 13 and 14).

- 6.18.1** A GJ is necessary to cater for all entries that are not covered by any other journal.
- 6.18.2** Because the GJ can contain any type of entry, including correction of entries, it is possible for a disreputable bookkeeper or accountant to cover up errors, omissions, theft and fraud by making entries in the GJ.
- 6.18.3** The document is the Journal Voucher. Additional vouchers can be attached to the JV to provide evidence of why the entry is needed. The JV should be signed by two senior persons in the business (e.g. the owner and the accountant) so that the entries are properly authorised and to reduce the possibility of fraud and unethical conduct.
- 6.18.4**
- The employee could persuade the bookkeeper to put through an entry to Debit Fixed Assets Written Off and Credit Equipment.
 - The bookkeeper could write off the account with an entry to Debit Bad debts and Credit Debtors Control (and the Debtor's personal account in the Debtor's Ledger), and then not send the statement to the debtor.
 - The bookkeeper could put an entry through to Credit Trading stock and Debit any other account, to reduce the value of Trading stock so that a deficit will not be detected when the stock is counted.

CHECKLIST

| Skills | Yes – proficient | Requires more attention | Complete |
|---|------------------|-------------------------|----------|
| Analysis of transactions in the Accounting Equation. | | | |
| Identification of entries relevant to the General Journal. | | | |
| Completion of the General Journal. | | | |
| Posting to the ledgers from the General Journal. | | | |
| Completion of tasks involving all the journals. | | | |
| Posting tasks with all the journals to the ledgers. | | | |
| Analyse ethical & internal control scenarios affecting the General Journal. | | | |