

# 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			45				
4	20	Drawings Trading stock		144	144				
		Merchandise taken by owner for own use							

**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			
		<b>Interest income</b>				<b>192</b>			
		Interest charged on overdue accounts at 16% 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							
						<b>249</b>	<b>2 243</b>		

**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							
						<b>396</b>	<b>1 732</b>		

**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**
**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							
						<b>717</b>	<b>767</b>	<b>342</b>	<b>342</b>

\*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				
		<del>Discount cancelled on R/D cheque</del>							
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							
						<b>77</b>	<b>391</b>		



## 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									
		Interest charged on over-									
		due account									
2	9	S. Strew		500			500	500			
		S. Straw									
		Error corrected									
3	16	Y. Shelley		200			200	200			
		Y. Shallow									
		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							
						<b>761</b>	<b>1 324</b>	<b>540</b>	<b>9</b>

**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	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							
						<b>1 206</b>	<b>1 350</b>	<b>100</b>	<b>-</b>

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
						8 Drawings
				1 234		
						GJ 323
						GJ 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
					<b>31 020</b>	<b>920</b>	<b>75</b>	<b>9 300</b>	<b>6 200</b>	<b>20 800</b>		

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
				<b>13 050</b>	<b>4 520</b>	<b>2 600</b>	<b>150</b>	<b>4 350</b>	<b>520</b>	<b>1 060</b>		

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					
				<b>5 545</b>	<b>2 275</b>	<b>2 750</b>	<b>370</b>	<b>150</b>			

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					
				<b>305</b>	<b>215</b>	<b>50</b>	<b>25</b>	<b>15</b>			

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
				<b>2 200</b>	<b>1 430</b>

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
				<b>270</b>	<b>180</b>

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	<b>S Stephen</b> Discount allowed	<b>DL1</b> N9	<b>40</b>	40	<b>40</b>			
		Discount cancelled on R/D cheque							
2	23	Bad debts <b>G. Gansen</b>	N11 <b>DL3</b>	200	<b>200</b>		<b>200</b>		
		Account written off							
3	24	<b>S. Stephen</b> Interest income	<b>DL1</b> N12	<b>20</b>	20	<b>20</b>			
		Interest charged on over-due account							
4	29	Interest expense <b>Max Wholesalers</b>	N13 <b>CL1</b>	30	<b>30</b>				<b>30</b>
		Interest charged on over-due account							
						<b>60</b>	<b>200</b>	<b>-</b>	<b>30</b>

**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				
				<b>100 000</b>								<b>100 000</b>	
					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					
				<b>2 650</b>					<b>2 650</b>
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
				<b>13 250</b>					<b>13 250</b>
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	
				<b>11 925</b>							<b>11 925</b>	
May	1	Balance	b/d	4 080								

20.4					DEBTORS CONTROL				B7		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	
				<b>4 790</b>			Balance	c/d			3 325	
											<b>4 790</b>	
May	1	Balance	b/d	3 325								

20.4					BANK				B8		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	
				<b>35 220</b>							<b>35 220</b>	
May	1	Balance	b/d	22 170								

20.4					CREDITORS CONTROL				B9		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							<b>9 085</b>	
				<b>9 085</b>								
					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	
											<b>27 100</b>	

20.4					COST OF SALES				N2		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								
				<b>18 030</b>							<b>180</b>	

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
		<b>3 325</b>

**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
		<b>6 030</b>

**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	
			<b>134 440</b>	<b>134 440</b>

## 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.			