Name

2.4.3 Creditors ledger

Explanation of the Creditors ledger

Creditors' ledger of Enough Traders (1)					
M. Mthuli (2)					CL5 (3)
Date	Details	Fol	Debit	Credit	Balance
(4)	(5)	(6)	(7)	(8)	(9)

1 The type of ledger and the name of the business have to be reflected.
2 The name and surname of the creditor needs to be shown.
3 The folio number for the creditor needs to be indicated. This will help when compiling a creditors list.
4 The date of the entry needs to be shown.
5 In the details column the business can reflect whether the entry was as a result of an invoice, receipt, cheque with the number of the receipt, invoice or cheque next to it. This will help to serve as a cross reference if the original documentation (invoice, cheque, account) is needed. Abbreviations may be used such as INV for invoice, CHQ for cheque.
6 In the folio column, reference need to be made to the journal where the entry has been captured.
7 If a creditors account increases, it is reflected in the credit column. This is normally the result of entries in the Creditors Journal.
8 If a creditors account decreases, it is reflected in the debit column. This is normally the result of entries in the Creditors Allowances Journal and the Cash Payments Journal.

Activity 15 (Creditors ledger)

Required

Certain transactions of the business Bruto Ltd. are given. Record these transactions directly into the creditor, Solly Wholesalers' (CL5) account, in the creditors' ledger.

Transactions: May 2011

1 Amount owed by Bruto Ltd. to Solly Wholesalers, R16 200.

4 Receive an invoice from Solly Wholesalers for goods bought on credit, R4 100 minus 20% trade discount. Re-number the invoice to 136.

7 Issue cheque 210 to Solly Wholesalers for the amount owed to them on 1 May 2011 minus 5% discount.

12 Buy the following on credit from Solly Wholesalers:

- Goods, R6 400
- Paper for the printer, R280

Re-number the invoice to 140.

18 Issue debit note 38 to Solly Wholesalers for goods returned to them, R1 450.

23 Buy goods for R2 600 from Solly Wholesalers and pay with cheque 278.

25 Pay Solly Wholesalers with cheque 282 for partial payment of the business account, R5 200.

Answer sheet

Creditors' ledger of BrutoLtd.

Solly Wholesalers CL5

Date	Details	Fol	Debit	Credit	Balance