

Name:

Discount allowed to debtors

Bank + Discount allowed = Debtors' control

Debtors' control – Discount allowed = Bank

Debtors' control – Bank = Discount allowed

Example

Receive R180 from R. Fourie in settlement of their account of R200

Bank	Debtors' control	Discount allowed
R180	R200	R20

Receive a cheque from R. Ndlovu after 5% discount is allowed to him. R. Ndlovu owes R2 400.

Bank	Debtors' control	Discount allowed
R2 280	R2 400	R120

Bad debts recovered

Bad debts will be entered in the General Journal (will be discussed later in the unit) but bad debts recovered will be entered in the CRJ.

Activity 5 (Cash Receipts Journal)

Required

Use the following information from Lonely Traders to prepare the Cash Receipts Journal for June 2010.

Note: The business uses a mark-up of $66\frac{2}{3}\%$ on cost price.

Debtors' list on 31 May 2010

J. Abrahams	R4 500
N. Rossouw	R3 800
M. Nelson	R2 600

Transactions: May 2011

- 1 The owner, R. Bosch, increased his capital contribution from R185 400 to R210 000 by depositing the money in the business bank account. Issue receipt 142.
 - 4 Receive R12 000 from M. Nkosi (tenant) for the month's rent. Issue receipt 143.
Cash sales according to cash register roll, R15 400.
 - 12 Receive a cheque from M. Nelson for R2 550 in settlement of his account of R2 600.
Issue receipt 144.
 - 15 The fixed deposit by Perm Bank matured today. Receive a cheque for R32 500.
Included in the amount is interest of R2 500 for the past 6 month's interest.
 - 23 Cash sales of merchandise, R5 600.
Receive a cheque from J. Abrahams to settle his account of the 1 June after 5% discount. Issue receipt 145.
 - 27 Cash sales of merchandise, R17 000.
 - 30 Receive the bank statement from AB Bank which shows a credit entry for R210 for interest.
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Answer sheet

Cash Receipts Journal of Lonely Traders - June 2010 CRJ

CRJ

[illegible]