

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 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.

