

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.

<i>Answer sheet</i>					
Creditors' ledger of BrutoLtd.					
Solly Wholesalers					CL5
Date	Details	Fol	Debit	Credit	Balance