

Control Accounts Purchase Ledger Account

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2022 Jan 1 to Dec 31	1 Purchases		800,000	
	 Accounts Payable			800,000
	(To record credit purchases)			
	2 Accounts Payable		500,000	
	 Cash			500,000
	(Made payment to supplier)			
	3 Accounts Payable		200,000	
	 Bank			200,000
	(Issued a cheque to supplier)			
	4 Bank		50,000	
	 Accounts Payable			50,000
	(To record cheque dishonoured)			
	5 Accounts Payable		2,000	
	 Purchase Discount			2,000
	(To record purchase discount)			
	6 Accounts Payable		15000	
	 Purchase Return & Allowance			15000
	(To record purchase return & allowance)			
	7 Interest Expense		1000	
	 Accounts Payable			1000
	(To record accrued interest)			
	8 Accounts Payable		5000	
	 Accounts Receivable			5000
	(Set off accounts payable with accounts receivable)			

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2022 Jan 1 to Dec 31	1 Accounts Receivable		800,000	
	Sales			800,000
	(To record credit sales)			
	2 Cash		500,000	
	Accounts Receivable			500,000
	(To record cash collection)			
	3 Bank		200,000	
	Accounts Receivable			200,000
	(To record collection of cheque from customer, deposited into bank)			
	4 Accounts Receivable		50,000	
	Bank			50,000
	(Cheque dishonoured by bank)			
	5 Sales Discount		2,000	
	Accounts Receivable			2,000
	(To record sales discount)			
	6 Sales Return & Allowance		15,000	
	Accounts Receivable			15,000
	(To record sales return & allowance on credit)			
	7 Allowance for Bad Debts		20,000	
	Accounts Receivable			20,000
	(Wrote off worthless customer's account)			
	8 Accounts Receivable		10,000	
	Allowance for Bad Debts			10,000
	(Re-instated customer's account)			
	9 Accounts Receivable		1,000	
	Interest Income			1,000
	(To record accrued interest)			
	10 Accounts Payable		5,000	
	Accounts Receivable			5,000
	(Set off accounts payable with accounts receivable)			

Sales Ledger Account / Accounts Receivable

2022 Jan 1 to Dec 31	Balance b/f	100,000	2022 Jan 1 to Dec 31	2) Cash Collection	500,000
	1) Credit Sales	800,000		3) Bank Collection	200,000
	4) Dishonoured Cheque	50,000		5) Sales Discount	2,000
	8) Recovery	10,000		6) Sales Return	15,000
	9) Interest on Debt	1,000		7) Write off	20,000
				10)Purchase Ledger- Set off	5,000
			31	Balance c/f	219,000
		961,000			961,000
2023 Jan 1	Balance b/f	219,000			

Sales Ledger Account / Accounts Receivable

2022 Jan 1 to Dec 31	Balance b/f	100,000	2022 Jan 1 to Dec 31	2) Cash	500,000
	1) Sales	800,000		3) Bank	200,000
	4) Bank	50,000		5) Sales Discount	2,000
	8) Allowance for Bad Debts	10,000		6) Sales Return	15,000
	9) Interest Income	1,000		7) Allowance for Bad Debts	20,000
				10)Accounts Payable	5,000
			31	Balance c/f	219,000
		961,000			961,000
2023 Jan 1	Balance b/f	219,000			

Purchase Ledger Account / Accounts Payable

2022 Jan 1 to Dec 31	2) Cash Payment	500,000	2022 Jan 1 to Dec 31	Balance b/f	100,000
	3) Bank Payment	200,000		1) Credit Purchases	800,000
	5) Purchase Discount	2,000		4) Dishonoured Cheque	50,000
	6) Purchase Return	15,000		7) Interest on Credit	1,000
	8) Sales Ledger- Set off	5,000			
31	Balance c/f	229,000			
		951,000			951,000
			2023 Jan 1	Balance b/f	229,000

Purchase Ledger Account / Accounts Payable

2022 Jan 1 to Dec 31	2) Cash	500,000	2022 Jan 1 to Dec 31	Balance b/f	100,000
	3) Bank	200,000		1) Purchases	800,000
	5) Purchase Discount	2,000		4) Bank	50,000
	6) Purchase Return	15,000		7) Interest Expense	1,000
	8) Accounts Receivable	5,000			
31	Balance c/f	229,000			
		951,000			951,000
			2023 Jan 1	Balance b/f	229,000

Qno1:

Q.7. (Total 8 Marks)

The following particulars have been taken from the records of a trader for the year ended December 31, 2015.

Particulars		Amount (Rs)
Trade receivables (accounts receivable)	Jan 01, 2015	17,500
Trade receivables (accounts receivable)	Dec 31, 2015	13,300
Trade payables (accounts payable)	Jan 01, 2015	18,700
Trade payables (accounts payable)	Dec 31, 2015	12,300
Receipts from customers		113,000
Receipts from cash sales		3,500
Payment to trade payables (accounts payable)		67,000
Purchases on cash		2,000
Discount received		1,000
Discount allowed		1,200
Bad Debts written off		1,500
Amount transferred from sales ledger control account to purchase ledger control account		500

a. Calculate total net purchases for the year ended December 31, 2015. (4 Marks)

Qno2:

The given particulars have been taken from the records of a trader for the year ended December 31, 2015.

		Amount (Rs)
Trade receivables (accounts receivable)	Jan 01, 2015	17,500
Trade receivables (accounts receivable)	Dec 31, 2015	13,300
Trade payables (accounts payable)	Jan 01, 2015	18,700
Trade payables (accounts payable)	Dec 31, 2015	12,300
Receipts from customers		113,000
Receipts from cash sales		3,500
Payment to trade payables (accounts payable)		67,000
Purchase on cash		2,000
Discount received		1,000
Discount allowed		1,200
Bad debts written off		1,500
Amount transferred from sales ledger to purchase ledger		500

Calculate total purchases for the year ended December 31, 2015.

Qno3:

Following particulars have been taken from the records of a trader for the year ended December 31, 2015:

		Amount (Rs)
Trade receivables (accounts receivable)	Jan 01, 2015	17,500
Trade receivables (accounts receivable)	Dec 31, 2015	13,300
Trade payables (accounts payable)	Jan 01, 2015	18,700
Trade payables (accounts payable)	Dec 31, 2015	12,300
Receipts from customers		113,000
Receipts from cash sales		3,500
Payment to trade payables (accounts payable)		67,000
Purchase on cash		2,000
Discount received		1,000
Discount allowed		1,200
Bad debts written off		1,500
Amount transferred from sales ledger to purchase ledger		500

Calculate the total purchases for the year ended December 31, 2015.

Qno4:

- (c) Following accounting data of year 2012 has been extracted from the books of Razzaque Sons:

	Rupees
Purchases ledger balance (01.09.2012)	25,500
Sales ledger balances (01.09.2012)	31,200
Totals for the month of September, 2012:	
Purchases journal	511,000
Sales journal	861,000
Return outwards journal	123,000
Return inwards journal	110,000
Cash sales	250,250
Cash purchases	125,125
Cash paid to suppliers	340,000
Cash recovered from debtors	750,000
Discount allowed	9,000
Discount received	5,000
Balances on the sales ledger set off against balances in the purchases ledger	12,000

Required:

- Prepare a sales ledger control account.
- Prepare a purchases ledger control account.

Marks**04****04**

Qno5:

(b) The following information pertains to B & D Traders for the month of June, 2012:

	Rs.
Debtors on June 1, 2012	6,000
Creditors on June 1, 2012	8,000
Transactions during the month of June, 2012:	
	Rs.
Counter sales to customers	6,000
Debtors' accounts written off	600
Cash received from debtors	14,000
Cash paid to suppliers	8,000
Goods returned to suppliers	1,000
Goods purchased on cash	9,000
Debtors on June 30, 2012	24,000
Creditors on June 30, 2012	30,000

Required:

- | | |
|---|----|
| (i) Calculate the amount of credit sales for the month. | 04 |
| (ii) Calculate total sales for the month. | 01 |

Qno6:

(b) The following information pertains to D & D Traders for the month of June 2013:

	Rs.
Balance of accounts payable on (01.06.2013)	80,000
Transactions during the month of June 2013:	
Goods purchased for cash	60,000
Discount received from suppliers	6,000
Defective goods returned to suppliers	7,000
Payment to suppliers by cash	100,000
Payment to suppliers by cheque	40,000
Balance of accounts payable on (30.06.2013)	100,000

Required:

- | | |
|--|----|
| (i) Calculate the amount of credit purchases for the month of June 2013. | 04 |
| (ii) Calculate total purchases for the month of June 2013. | 01 |

Qno7:

Marks

- Q. 5 (a) The following data relates to purchases and sales transactions of Al-Marooof Honey (Private) Limited for the year ended December 31, 2014:

	Rupees
Sales ledger balances January 01, 2014 (debit)	52,120
Sales ledger balances January 01, 2014 (credit)	3,000
Purchases ledger balances January 01, 2014 (debit)	1,650
Purchases ledger balances January 01, 2014 (credit)	35,250
Activities during the year 2014:	
Payments to trade payables	285,000
Cheques from trade receivables	302,000
Purchases on credit	282,500
Sales on credit	327,500
Bad debts written off	1,500
Discount allowed	13,000
Discount received	8,000
Returns inward	9,000
Returns outward	6,000
Sales ledger credit balance at December 31, 2014	1,250
Purchases ledger debit balance at December 31, 2014	2,560

During the year, debit balances in the sales ledger amounting to Rs. 3,500, were transferred to the purchases ledger.

Required:

From the data given above, prepare the following as on December 31, 2014:

- (i) Sales Ledger Control Account. 04
- (ii) Purchases Ledger Control Account. 04

Qno8:

Exhibit 31.3

Sales Ledger Control Account data:	£
Accounts receivable balances on 1 January 2016	1,894
Total credit sales for the month	10,290
Cheques received from customers in the month	7,284
Cash received from customers in the month	1,236
Returns inwards from customers during the month	296
Accounts receivable balances on 31 January as extracted from the Sales Ledger	3,368

Qno9:

Exhibit 31.4

Purchases Ledger Control Account data:	£
Accounts payable balances on 1 January 2016	3,890
Cheques paid to suppliers during the month	3,620
Returns outwards to suppliers in the month	95
Bought from suppliers in the month	4,936
Accounts payable balances on 31 January as extracted from the Purchases Ledger	5,151

Qno10:

Exhibit 31.6

2016			£
Aug	1	Sales ledger – debit balances	3,816
	1	Sales ledger – credit balances	22
	31	Transactions for the month:	
		Cash received	104
		Cheques received	6,239
		Sales	7,090
		Bad debts written off	306
		Discounts allowed	298
		Returns inwards	664
		Cash refunded to a customer who had overpaid his account	37
		Dishonoured cheques	29
		Interest charged by us on overdue debt	50
		At the end of the month:	
		Sales ledger – debit balances	3,429
		Sales ledger – credit balances	40

Review questions

Qno11:

31.1 You are required to prepare a sales ledger control account from the following information for the month of November:

2014			£
Nov	1	Sales ledger balances	36,000
		Totals for November:	
		Sales day book	21,000
		Returns inwards day book	1,500
		Cheques and cash received from customers	27,000
		Discounts allowed	1,000
	30	Sales ledger balances	27,500

Qno12:

31.2A You are required to prepare a purchases ledger control account from the following information for the month of April. The balance of the account is to be taken as the amount of accounts payable as on 30 April.

2015			£
April	1	Purchases ledger balances	19,600
		Totals for April:	
		Purchases day book	9,400
		Returns outwards day book	620
		Cheques paid to suppliers	12,800
		Discounts received from suppliers	1,140
	30	Purchases ledger balances	?

Qno13:

31.3 Prepare a sales ledger control account from the following information:

2016			£
March	1	Debit balances	18,000
		Totals for March:	
		Sales day book	14,000
		Cash and cheques received from debtors	16,000
		Discounts allowed	1,400
		Debit balances in the sales ledger set off against credit balances in the purchases ledger	120
	31	Debit balances	?
		Credit balances	60

Qno14:

31.4A Prepare a sales ledger control account from the following information for October 2016, carrying down the balance at 31 October:

2016		£
Oct	1 Sales ledger balances	28,409
	31 Sales day book	26,617
	Bad debts written off	342
	Cheques received from debtors	24,293
	Discounts allowed	416
	Cheques dishonoured	120
	Returns inwards	924
	Set-offs against balances in purchases ledger	319

Qno15:

31.5 The trial balance of Outsize Books Ltd revealed a difference in the books. In order that the error(s) could be located it was decided to prepare purchases and sales ledger control accounts.

From the following information prepare the control accounts and show where an error may have been made:

2015		£
Jan	1 Purchases ledger balances	19,420
	Sales ledger balances	28,227
	Totals for the year 2015	
	Purchases journal	210,416
	Sales journal	305,824
	Returns outwards journal	1,452
	Returns inwards journal	3,618
	Cheques paid to suppliers	205,419
	Petty cash paid to suppliers	62
	Cheques and cash received from customers	287,317
	Discounts allowed	4,102
	Discounts received	1,721
	Balances on the sales ledger set off against balances in the purchases ledger	640
Dec	31 The list of balances from the purchases ledger shows a total of £20,210	

Qno16: and that from the sales ledger a total of £38,374

31.6 From the following figures, compile accounts receivable ledger and accounts payable ledger control accounts for the month, and ascertain what the net balances of the respective ledgers should be on 31 January 2017.

Balances on 1 January 2017	£
Accounts receivable ledger – Dr	46,462
Cr	245
Accounts payable ledger – Dr	1,472
Cr	25,465
Total for the month to 31 January 2017	£
Purchases	76,474
Sales	126,024
Purchase returns	2,154
Accounts receivable settled by contra accounts with accounts payable	455
Bad debt written off	1,253
Discounts and allowances to customers	746
Cash received from customers	120,464
Cash discount received	1,942
Cash paid to creditors	70,476
Cash paid to customers	52



Qno17:

31.9 The financial year of The Better Trading Company ended on 30 November 2014. You have been asked to prepare a Total Accounts Receivable Account and a Total Accounts Payable Account in order to produce end-of-year figures for Accounts Receivable and Accounts Payable for the draft final accounts.

You are able to obtain the following information for the financial year from the books of original entry:

	£
Sales – cash	344,890
– credit	268,187
Purchases – cash	14,440
– credit	496,600
Total receipts from customers	600,570
Total payments to suppliers	503,970
Discounts allowed (all to credit customers)	5,520
Discounts received (all from credit suppliers)	3,510
Refunds given to cash customers	5,070
Balance in the sales ledger set off against balance in the purchases ledger	70
Bad debts written off	780
Increase in the allowance for doubtful debts	90
Credit notes issued to credit customers	4,140
Credit notes received from credit suppliers	1,480

According to the audited financial statements for the previous year accounts receivable and accounts payable as at 1 December 2013 were £26,555 and £43,450 respectively.

Required:

Draw up the relevant Total Accounts entering end-of-year totals for accounts receivable and accounts payable.

(Association of Accounting Technicians)

Qno18:

From the following data, prepare control accounts for sales ledger.

2019	Rs.
March 1 Purchases ledger balances	4,388
March 1 Sales ledger balances	5,677
Totals for March:	
Sales daybook	46,998

Purchases daybook	35,444
Cheques and cash paid to suppliers	31,010
Discounts received	492
Discounts allowed	890
Sales ledger balances set-off against purchases ledger balances	500
Returns outwards daybook	575
Bad debts	350
Returns inwards daybook	4,333
Cash and cheques received from customers	4,1200
March 31 Purchases ledger balances	?
March 31 Sales ledger balances	?

Qno19:



QUESTION

Receivables and payables control accounts

On examining the books of Exports Co, you ascertain that on 1 October 20X8 the receivables ledger balances were \$8,024 debit and \$57 credit, and the payables ledger balances on the same date \$6,235 credit and \$105 debit.

For the year ended 30 September 20X9 the following particulars are available.

	\$
Sales	63,728
Purchases	39,974
Cash from trade accounts receivable	55,212
Cash to trade accounts payable	37,307
Discount received	1,475
Discount allowed	2,328
Returns inwards	1,002
Returns outwards	535
Irrecoverable debts written off	326
Cash received in respect of debit balances in payables ledger	105
Amount due from customer as shown by receivables ledger, offset against amount due to the same firm as shown by payables ledger (settlement by contra)	434
Allowances to customers on goods damaged in transit	212

On 30 September 20X9 there were no credit balances in the receivables ledger except those outstanding on 1 October 20X8, and no debit balances in the payables ledger.

Required

Write up the following accounts recording the above transactions bringing down the balances as on 30 September 20X9:

- Receivables control account
- Payables control account