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Qatar Banking Studies and Business
Administration | Secondary School

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Grade 12 | Business

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الشيخ تميم بن حمد آل ثاني

أمير دولة قطر

النشيد الوطني

قَسَمًا بِمَنْ رَفَعَ السَّمَاءَ	قَسَمًا بِمَنْ نَشَرَ الضِّيَاءَ
قَطَرٌ سَتَبَقَى حُرَّةً	تَسْمُو بِرُوحِ الْأَوْفِيَاءِ
سِيرُوا عَلَى نَهْجِ الْأَلَى	وَعَلَى ضِيَاءِ الْأَنْبِيَاءِ
قَطَرٌ بِقَلْبِي سِيرَةٌ	عِزٌّ وَأَمْجَادُ الْإِبَاءِ
قَطَرُ الرِّجَالِ الْأَوَّلِينَ	حُمَاتُنَا يَوْمَ النِّدَاءِ
وَحُمَائِمُ يَوْمِ السَّلَامِ	جَوَائِحُ يَوْمِ الْفِدَاءِ

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Qatar Banking Studies and Business Administration :Telephone 44876351 974+
Independent Secondary School :Facsimile 42417211 974+
31202 PO Box
DOHA QATAR

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About this Learner Resource

The purpose of this Learner Resource is to provide you with the underpinning knowledge required to assist you in completing assessment/s in Process accounts payable and receivable.

This Learner Resource also contains activities for you to test your knowledge and examples of skills application.

Throughout this Learner Resource you will see icons that identify important information, provide opportunities to test your knowledge and practice skills as well as suggested times to begin a formal assessment. These icons are displayed as follows:



Inform

This icon is used to highlight important information, notes, research or training and assessment tips.



Practice

This icon is used to highlight an ideal time to test your knowledge or practise what you have learnt.

How will I be assessed?

In order to achieve competency in Process accounts payable and receivable

You will need to demonstrate the skills and knowledge required for the unit. Your teacher will decide with you how and when you will be assessed.

Copyright

Parts of this Learner Resource (text and graphics) may have been obtained from other sources and are reproduced within the laws and rights of copyright.

About this unit:

Welcome to the Learner Resource for Process accounts payable and receivable. In this Learner Resource you will be learning about the performance outcomes, skills and knowledge required to maintain accounts payable and accounts receivable records, including processing payments to creditors and handling overdue accounts receivable.

It is suggested that to meet all the requirements of Process accounts payable and receivable you will need to complete the following tasks:

- Read the information contained in this Learner Resource.
- Complete the activities.
- Complete all the required assessment/s for this unit.

The topics in this Learner Resource are:

- maintain financial journal systems
- prepare bank reconciliations
- maintain accounts payable and accounts receivable systems
- process payments for accounts payable
- prepare statements for accounts receivable
- follow up outstanding accounts.



Introduction

You are about to commence a vocational course where you will be required to demonstrate your competency in maintaining accounts payable and accounts receivable records, including processing payments to creditors and handling overdue accounts receivable.

DATE	Dr./ Cr.	DESCRIPTION	USD	USD
1-Feb-11	Dr.	CASH	1,727,274.49	
1-Feb-11	Dr.	CASH	3,347,476.54	
1-Feb-11	Dr.	CASH	4,150.00	
1-Mar-11	Dr.	CASH	6,929,987.08	
1-Mar-11	Dr.	CASH	59,904,287.12	
1-Mar-11	Dr.	CASH	3,504.67	
31-Mar-11	Dr.	CASH	3,504.67	
31-Mar-11	Dr.	CASH	341,628.42	
31-Mar-11	Dr.	CASH	29,032.29	
31-Mar-11	Dr.	CASH	3,888,969.33	
31-Mar-11	Dr.	CASH	1,042,496.32	
31-Mar-11	Dr.	CASH	216,377.52	
31-Mar-11	Dr.	CASH	238,196.28	
31-Mar-11	Dr.	CASH	3,041,221.07	
31-Mar-11	Cr.	SALE	167,780.78	
31-Mar-11	Cr.	SALE	169,713.31	
		SALE		1,727,275.49
		SALE		3,347,476.54
		SALE		4,150.00
		SALE		6,929,987.08
		SALE		59,904,287.12
		SALE		3,504.67
		SALE		3,504.67
		SALE		341,628.42
		SALE		29,032.29
		SALE		3,888,969.33

Review of the accounting process

The accounting process begins with the processing of the business documents that provide evidence of the business transaction.

Information from the business document is then summarised into specific journals (purchases, purchases returns and allowances, sales, sales returns and allowances, cash receipts, cash payments and general journal).

The journals are then posted to the ledger where individual accounts keep a continuous record of balances.

A trial balance is prepared to check that transactions have been correctly entered into the ledger and the rules for double entry have been followed.

A profit and loss statement is prepared. Expenses are calculated and deducted from the total revenues to determine how much profit the business has made.

A balance sheet is prepared. This reports the assets and liabilities of the business and indicates the net worth of the owners of the business.

Refer to the following diagram for a summary of the accounting process.

..... Business



Processing of source documents

- *Invoices*
- *Adjustment notes*
- *Receipts*
- *Cheques*
- *Bank statements*
- *Cash register summaries*

Preparation of journals

- *Purchases*
- *Purchases*
- *Returns*
- *Sales*
- *Sales returns,*
- *Cash receipts,*
- *Cash payments,*
- *General*

Ledger

Trial balance

Profit and loss statement

Balance sheet

The accounting process

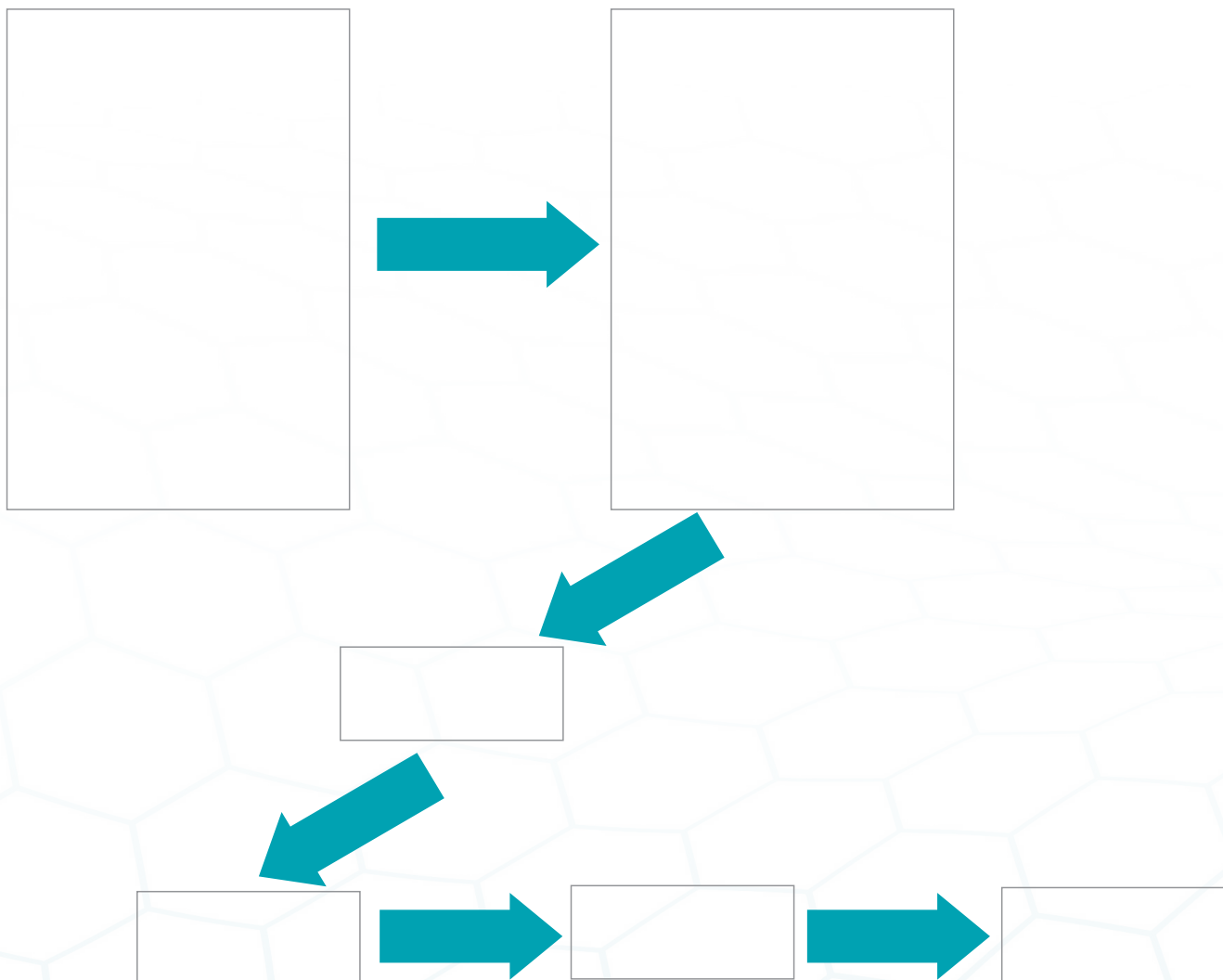


Practice

Practice activity 1

In the boxes below, write in the stages of the accounting process.

Accounting process





Practice

Practice activity 2

List the stages of the accounting process.

List the source documents that provide information to prepare the journals.

List the 7 journals that can be used in the accounting process.

Maintain financial journal systems

Check source documents

Source documents form the basis of the whole accounting system. Source documents refer to those documents we prepare to send out to other business organisations and those documents we receive from other business organisations. It is important that they are maintained, filed, authorised and accessed according to organisational policies and procedures.

Source documents are the documents that show the origins of a transaction



Practice

Practice activity 3

List below as many source documents as you can think of. Next to each, describe what you believe to be the purpose of this document.

Name of source document	Purpose



All source documents should be checked for accuracy. It is important to ensure that the basic information on these documents is checked as soon as possible so that appropriate corrective action can take place immediately if errors are identified.

Business organisations will develop a checklist of important information that needs to be checked. These will include:

- **Names** – both customer and supplier names should be recorded accurately.
- **Contact details** – information such as telephone and fax numbers, email and web addresses, postal and street addresses should all be accurate.
- **Financial data** – because the financial data on the source document will be entered into the accounting system, accuracy is essential.
- **Sensitive information** – all confidential data should be treated in accordance with organisational policies and procedures, privacy legislation and codes of ethics.
- **Authorisation** – appropriate authorisation and signatures should appear on source documents.



Practice

Practice activity 4

Identify the source documents below.

RECEIPT No. 5006

QATAR LUXURY FURNISHINGS
4444 1st St, Doha, Qatar
8878 Surface Road
Al Sadd

Received from:
Al Mervan Contracting
PO Box 4283
Doha

Description	Amount
Payment of invoice 4349	\$1200

The sum of
One thousand two hundred and fifty dollars

Date: 1 October 2015 Received by: J J Dwyer

CALCULATION FORM

Description	Quantity	Value
Item 1	3	200
Item 2	5	250
Item 3	4	80
Item 4	7	70
Item 5	9	40
Costs		
Item 1	1.5	30
Item 2	2.2	22
Item 3	1.2	6
Item 4	80	16
Item 5	24	240
Sum	30	270
TOTAL		\$420.00

DELICIOUS SWEETS
ADN 15 211 187 90

TAX INVOICE

	\$
• 500 g Choc Indulges	\$16.60
• 5kg choc beans	\$37.30
2 Subtotal	\$53.90
Total	\$53.90
Cash	\$53.90
Change	\$1.10
• Taxable items	
Total inclusive GST	\$4.90

QATAR BANK
Al Sadd Branch

BANK STATEMENT

Statement of Current Account
Account Name: Qatar Luxury Furnishings
Account Number: 11221 78124

Date	Particulars	Debit	Credit	Balance	
1 Oct	Transfer received			175447	41
	Deposited		12076	158431	45
2	Deposited		3004	140000	49
13 Oct	13 Oct 2015	4410		134210	51
13 Oct	13 Oct 2015	5000		128910	53
13 Oct	13 Oct 2015	2830		125400	55
	Deposited		14731	136400	59
13 Oct	13 Oct 2015		10974	140000	63
	Interest (Over Disposed - 181245)		137	140000	65
	Deposited		610	140000	67
13 Oct	13 Oct 2015		1441	140000	69
	GST (440000)	540		140000	71
	GST (440000)	2736		140000	73
	13 Oct 2015	467		140000	75
	GST (440000)	2215		140000	77
13 Oct	13 Oct 2015	411		140000	79

Source documents form the basis of the accounting process.





Practice

Practice activity 5

For each of the source documents below, indicate what information should be checked to ensure accuracy.

<i>Document</i>	<i>Information to be checked for accuracy</i>
Invoice issued	
Bank Statement	
Invoice received	
Deposit form	
Adjustment note received	



Practice

Practice activity 6

Refer to the invoice below. Circle the key information that should be checked for accuracy.

Qatar Luxury Furnishings TIN 44 528 417 639		INVOICE	
9875 Shamal Road Al Khor Qatar		Invoice Number: B7777	
652 7895 ashraf@luxuryfurnishings.qa		Invoice Date: 15 March 20XX	
Customer Information:			
Billing Address:			
Company	Al Rayaan Constructions		
TIN:	56 231 978 582		
Name:	Omar Ali Hadad		
Address:	PO Box 1254		
	Al Rayaan		
City	Qatar		
Shipping Method:		Courier	
Qty	Product Description	Amount Each	Amount
5	Office Chairs - Orange	250	1,250.00
3	Deluxe Office Desks	425	1,275.00
		Subtotal:	2,525.00
		Trade discount 5%	126.25
		Subtotal:	2398.75
		Freight:	75.00
		Subtotal:	2473.75
		GST:	247.38
		Grand Total:	2,721.13



Resolve source document errors in accordance with organisational procedures

Documents being issued by the organisation and documents received by the organisation should be checked for accuracy. Corrections and adjustments need to be identified, reported and acted upon before the incorrect information on the document is used or recorded.

All organisations will have an organisational structure and policy and procedures in place. This will indicate to whom you should report inaccuracies and omissions. These people are likely to be a supervisor, the senior account clerk, a department manager, an accountant or financial controller.



Practice

Practice activity 7

Refer to the invoice on the next page. Circle the errors. You should be able to locate four errors.

Qatar Luxury Furnishings TIN 44 528 417 639		INVOICE	
9875 Shamal Road Al Khor Qatar		Invoice Number: B7777	
652 7895 ashraf@luxuryfurnishings.qa		Invoice Date: 15 March 20XX	
Customer Information:			
Billing Address:			
Company	Al Rayaam Constructions		
TIN:	56 231 978 582		
Name:	Omar Ali Hadad		
Address:	PO Box 1254		
	Al Rayaam		
City	Qatar		
Shipping Method:		Courier	
Qty	Product Description	Amount Each	Amount
3	Office chairs – orange	250.00	750.00
3	Deluxe Office Desks	425.00	1,255.00
	Director chair	650.00	650.00
1	Boardroom table	1,350.00	1,350.00
		Subtotal:	4,025.00
		Trade discount 5%	201.25
		Subtotal:	3,823.75
		Freight:	55.00
		GST:	387.87
		Grand Total:	4,266.62



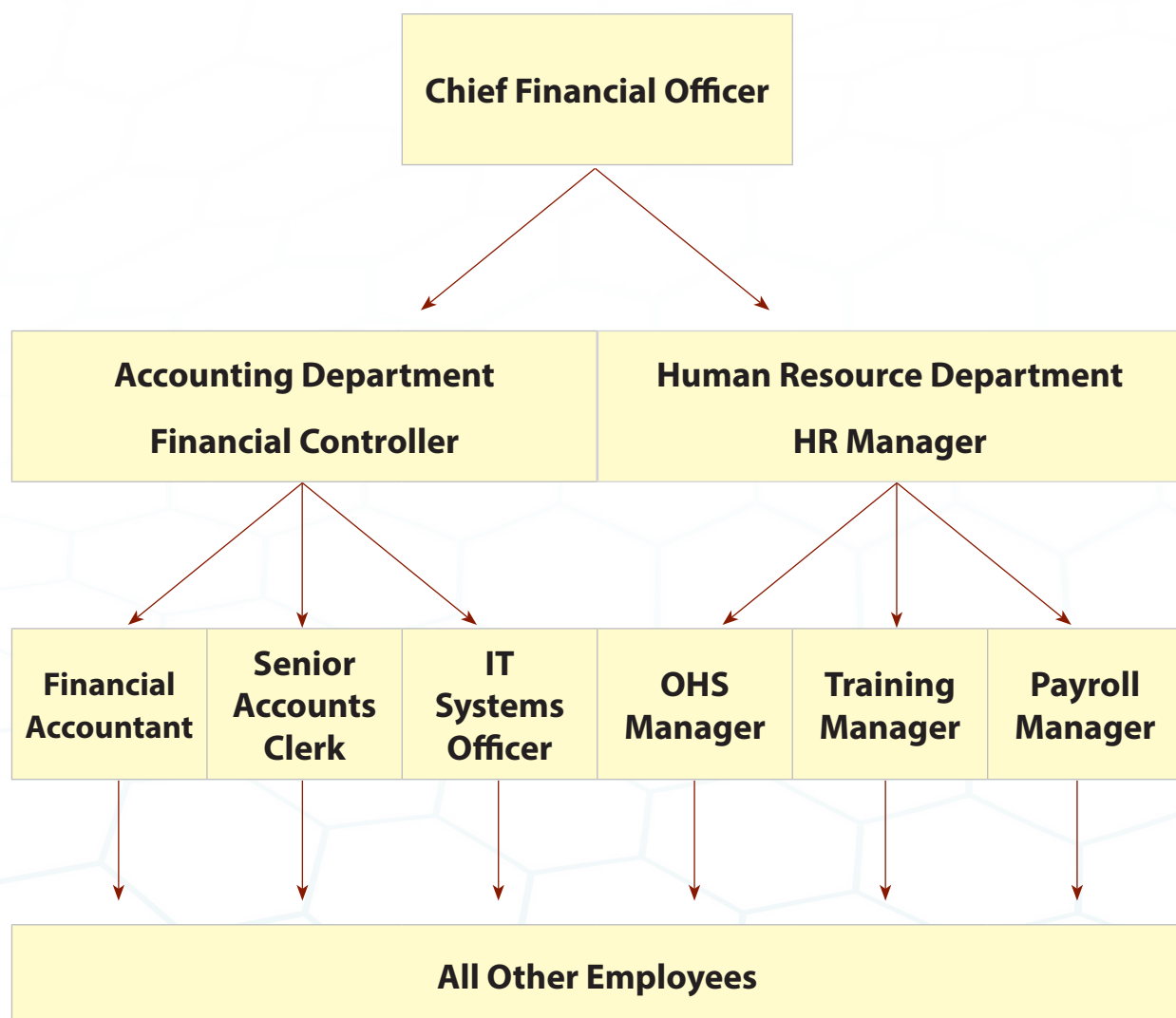


Practice

Practice activity 8

Assume you are working as an employee in the accounting department for a large insurance company. Your role is to check all invoices received.

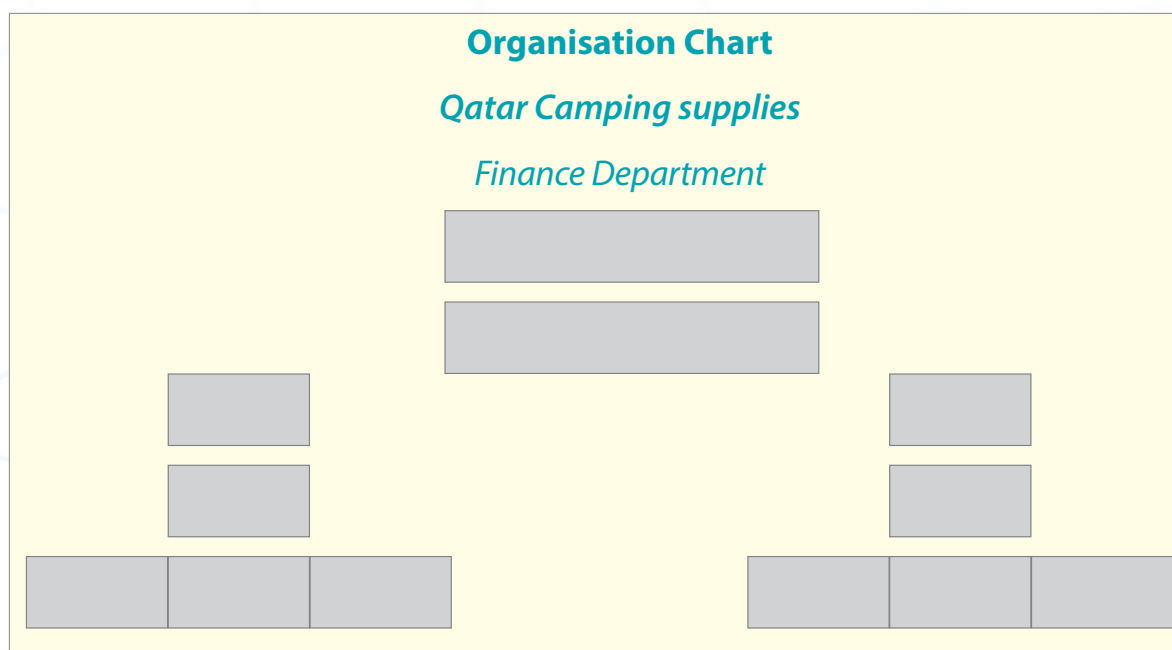
Refer to the organisational chart below and circle who you would inform of any errors you discover on the invoices.





Assume you are working as a data entry operator in the accounts receivable department of Qatar Camping Supplies. Other financial department positions are listed below. Prepare an organisation chart for Qatar Camping Supplies showing these positions.

- Data entry operator - accounts receivable department (you)
- Data entry operator – accounts payable department
- Filing clerk – accounts receivable department
- Filing clerk – accounts payable department
- Accounts clerk – accounts receivable department
- Accounts clerk – accounts payable department
- Senior accounts clerk – accounts receivable department
- Senior accounts clerk – accounts payable department
- Accountant
- Chief financial officer



Business





Practice

Practice activity 10

With reference to the organisation chart you prepared in the previous activity, answer the following questions.

Who would you report any errors or discrepancies to?

If you were working as the filing clerk, who would you report errors to?

If you were working as the senior account clerk, who would you refer errors to?



Practice

Practice activity 11

Check the accuracy of the invoice on the next page. Identify the error that has been made.

Company policy requires you to email your supervisor and tell him of any errors you discover.

Prepare an email to your supervisor explaining the error.

The screenshot shows an email composition window with a dark header bar containing the title 'New message' and window control icons (minimize, maximize, close). Below the header, there are two input fields: 'To' and 'Subject'. The main body of the email is a large, empty text area. At the bottom, there is a toolbar with a blue 'Send' button, a text color icon (A), an attachment icon (paperclip), a link icon (chain), an emoji icon (smiley face), and an image icon (mountain). On the far right of the toolbar are three vertical dots and a trash can icon.

Qatar Luxury Furnishings TIN 44 528 417 639		INVOICE	
9875 Shamal Road Al Khor Qatar		Invoice Number: B7777	
652 7895 ashraf@luxuryfurnishings.qa		Invoice Date: 15 March 20XX	
Customer Information:			
Billing Address:			
Company	Al Rayaam Constructions		
TIN:	56 231 978 582		
Name:	Omar Ali Hadad		
Address:	PO Box 1254		
	Al Rayaam		
City	Qatar		
Shipping Method:		Courier	
Qty	Product Description	Amount Each	Amount
2	Office Chairs - Orange	250	1,250.00
3	Deluxe Office Desks	425	1,275.00
		Subtotal:	1,775.00
		Trade discount 5%	88.75
		Subtotal:	1,686.25
		Freight:	50.00
		Subtotal:	1,736.25
		GST:	247.48
		Grand Total:	1,983.73



Enter transactions into cash and credit journals

The first step in the accounting process is to record transactions into their respective journals. Depending on the size of the business and the type of the business activity undertaken by the organisation, different journals will be used.

For example, a small business with few transactions will only require a general journal. However, larger organisations with many transactions will want to record the different types of transactions into specialised journals.

This section deals with the preparation of journals for recording both cash and credit business transactions.

A journal is another name for a 'book' used to record specialised business transactions. Journals are a summary of all of the source documents that provide evidence of the same type of business transaction.

Because we are already familiar with cash books, the first journals we prepare will be our cash journals – cash receipts and cash payments.

Before we go any further, we need to redefine 'cash'. For accounting purposes, cash is defined as notes, coins, cheques, debit /credit card vouchers, EFTPOS and electronic funds transfers.

A cash receipts journal will record all those transactions that result in the receipt of cash from any of the sources mentioned previously.

The source documents that provide evidence for the receipt of cash will be receipts, cash register summaries, EFTPOS sales, EFT summaries and the bank statement.

Analysis columns can be used with cash journals. These provide information to the business owner about the different sources of receipts eg a home maintenance business operator may decide to have columns for carpentry, painting, tiling, plumbing etc. This enables the owner to determine where the major income streams are coming from and which ones are not performing as well.

Before we look at preparing the cash receipts journal, we need to think about the impact of GST/VAT. Our accounting records must show the GST/VAT received and paid.

G S T (Goods & Services Tax)
V A T (Value Added Tax)

It is planned that a VAT will be introduced into the GCC countries from the beginning of the 2018 year. In Qatar, the rate of the VAT will most likely be 5%. In Australia, the system is known as GST and the current rate is 10%. The UK uses a similar system and their rate of VAT is 20% on most goods.

The concept of a GST/VAT is that everyone pays an additional rate (5%, 10%, 20%) on all goods and services. The suppliers of the goods and services that collect this tax when they sell goods or services must then pass on the money to the government.

Let's look at the following example of how GST in Australia is calculated using the rate of 10%.

Let's assume the sub-total of an invoice (before GST/VAT) comes to \$650. 10% of this figure is \$65. Therefore, the invoice total will be \$715 ($650 + 65$).

If we already know the total of the invoice amount and we want to know the GST component we divide by 11. For example, if the invoice total is \$110, the GST amount will be \$10 ($110 \div 11$). This means \$10 of the \$110 represents GST and will have to be sent to the government. The remaining \$100 represents the sales amount that the vendor retains themselves. Therefore, our accounting system needs to be able to record these figures.



Practice

Practice activity 12

Calculate the GST component of the following invoice totals.
(Round up to the nearest cent)

1. \$550.00

2. \$1,320.00

3. \$1,683.00

4. \$4,320.00

5. \$12,850.00



Practice

Practice activity 13

Calculate the ***GST and totals*** from the following invoice sub-totals.

1. \$850

2. \$5,600

3. \$8,320.00

4. \$12,995.30

5. \$14,612.55

The cash receipts journal for a GST registered home maintenance business could have the following headings.

Date	Rec No	Particulars	Carpentry	Painting	Tiling	Plumbing	Sundry	GST collected	Bank
------	--------	-------------	-----------	----------	--------	----------	--------	---------------	------

Let's look at how we enter the details from our receipts into our cash receipts journal.

RECEIPT	
3 January 20xx	No 179
Received from	A Masood
For	Carpentry
Amount	1,200.00
GST	120.00
Total	1,320.00

RECEIPT	
4 January 20xx	No 180
Received from	M Al Said
For	Plumbing
Amount	700.00
GST	70.00
Total	770.00

Date	Rec No	Particulars	Carpentry	Painting	Tiling	Plumbing	Sundry	GST collected	Bank
3 Jan	179	A Masood	1,200.00					120.00	1,320.00
4 Jan	180	M Al Said				700.00		70.00	770.00



Practice

Practice activity 14

Qatar Camping Supplies uses the following analysis of its receipts for its cash receipts journal. Prepare the headings for the cash receipts journal.

➤ Camping

➤ Fishing

➤ Marine

--	--	--	--	--	--	--	--	--	--

Business





Example

We will now use our source documents to prepare a cash receipts journal. The relevant information from each different type of source document will be recorded in the cash receipts journal in date order.

RECEIPT	
1 October 20xx	No 211
Received from	J Al Ghanim
For	Furniture
Amount	11,250.00
GST	1,125.00
Total	12,375.00

RECEIPT	
4 January 20xx	No 212
Received from	H Al Thani
For	Carpet
Amount	12,450.00
GST	1,245.00
Total	13,695.00

Cash Register Summary

1 October 20xx	
Furniture	0
Furnishing	0
Carpet	250.00
Kitchen	175.00
Other	\$0
Sub Total	425.00
GST	42.50
Total	467.50

Cash Register Summary

2 October 20xx	
Furniture	800.00
Furnishing	600.00
Carpet	0
Kitchen	0
Other	0
Sub Total	1,400.00
GST	140.00
Total	1,540.00

Cash Register Summary

3 October 20xx	
Furniture	0
Furnishing	0
Carpet	200.00
Kitchen	855.00
Other	0
Sub Total	1,055.00
GST	105.50
Total	1,160.50

Cash Register Summary

4 October 20xx	
Furniture	0
Furnishing	0
Carpet	0
Kitchen	0
Other	50.00
Sub Total	50.00
GST	5.00
Total	55.00

Cash Register Summary

5 October 20xx	
Furniture	0
Furnishing	0
Carpet	415.00
Kitchen	280.00
Other	395.00
Sub Total	1,090.00
GST	109.00
Total	1,199.00

EFTPOS Summary

3 October 20xx	
Furniture	2,125.00
Furnishing	11,850.00
GST	1,397.50
Total	15,372.50

EFTPOS Summary

4 October 20xx	
Other	955.00
GST	95.50
Total	1,050.50

Cash Receipts Book									
	Reference	Particulars	Furniture	Furnishings	Carpet	Kitchen appliances	Other	GST collected	Bank
er	Rec. 211	J Al Ghanim	11,250.00					1,125.00	
	CRS	Cash sales			250.00	175.00		42.50	12,842.50
er	CRS	Cash sales	800.00	600.00				140.00	1,540.00
er	Rec. 212	H Al Thani			12,450.00			1,245.00	
	CRS	Cash sales			200.00	855.00		105.50	14,855.50
	EFTPOS	EFTPOS sales	2,125.00	11,850.00				1,397.50	15,372.50
er	CRS	Cash sales					50.00	5.00	55.00
	EFTPOS	EFTPOS sales					955.00	95.50	1,050.50
er	CRS	Cash sales			415.00	280.00	395.00	109.00	1,199.00
			14,175.00	12,450.00	13,315.00	1,310.00	1,400.00	4,265.00	46,915.00

S

When proceeds from receipts and cash register takings are banked together on the one same day and recorded on the one same bank deposit form, only the total of the deposit form is inserted into the bank column, not separate amounts. See the deposit on 1 October for 12,842.50 and 3 October for 4,855.50.



FTPOS summaries are recorded separately as they appear separately on the bank statement. The bank column represents the total of the money received, eg sale plus the GST separate column records the GST our business has collected.



Practice

Practice activity 15

List the source documents used to prepare the cash receipts journal.



Practice

Practice activity 16

Alaa's Cleaning Service provides cleaning services to commercial towers, villas and compounds in Doha.

He receives income from the following sources:

- Cleaning residential **towers**
- Cleaning residential **villas**
- Cleaning commercial **offices**

Use the following source documents to prepare a cash receipts journal for Alaa's Cleaning service for the month of September. Complete the headings for the cash receipts journal using the income sources highlighted above



RECEIPT	
1 September 20xx	No 241
Received from	M Al Ari
For	Tower cleaning
Amount	1,200.00
GST	120.00
Total	1,320.00

RECEIPT	
5 September 20xx	No 242
Received from	Aspire
For	Commercial cleaning
Amount	680.00
GST	68.00
Total	748.00

RECEIPT	
17 September 20xx	No 243
Received from	N Al Jaber
For	Other cleaning
Amount	185.00
GST	18.50
Total	203.50

RECEIPT	
21 September 20xx	No 244
Received from	Nasser Gardens
For	Villa cleaning
Amount	1,125.00
GST	112.50
Total	1,237.50

EFTPOS Summary	
7 September 20xx	
Tower cleaning	2,125.00
Commercial cleaning	1,185.00
GST	331.00
Total	3,641.00

EFTPOS Summary	
21 September 20xx	
Other cleaning	450.00
GST	45.00
Total	495.00

EFTPOS Summary	
30 September 20xx	
Villa cleaning	3,500.00
Tower cleaning	350.00
GST	385.00
Total	4,235.00

Cash Register Summary	
17 September 20	
Tower	855.00
Villa	215.00
Commercial	440.00
Other	50.00
Sub Total	1,560.00
GST	156.00
Total	1,716.00

Cash Register Summary	
28 September 20	
Tower	240.00
Villa	365.00
Commercial	284.00
Other	605.00
Sub Total	1,494.00
GST	149.40
Total	1,643.40



[illegible]



Practice

Practice activity 17

Use the following source documents to prepare the cash receipts journal for Qatar Camping Supplies.

RECEIPT

12 Mar 20xx	No 853
Received from	A Saeed
For	Fishing
Amount	700.00
GST	70.00
Total	770.00

RECEIPT

18 Mar 20xx	No 854
Received from	R Abdulaziz
For	Camping
Amount	540.00
GST	54.00
Total	594.00

Cash Register Summary

8 Mar 20xx	
Camping	225.00
Fishing	80.00
Marine	1,250.00
Other	
Sub Total	1,555.00
GST	155.50
Total	1,710.50

Cash Register Summary

15 Mar 20xx	
Camping	650.00
Fishing	390.00
Marine	2,600.00
Other	185.00
Sub Total	3,825.00
GST	382.50
Total	4,207.50

Cash Register Summary

22 Mar 20xx	
Camping	1,252.00
Fishing	1,750.00
Marine	800.00
Other	
Sub Total	3802.00
GST	380.20
Total	4,182.20

Cash Register Summary

29 Mar 20xx	
Camping	890.55
Fishing	1,412.35
Marine	4,078.00
Other	185.00
Sub Total	6380.90
GST	638.09
Total	7,018.99



EFTPOS Summary

3 Mar 20xx

Camping 2125.00

Fishing

Marine

Sub Total 2125.00

GST 212.50

Total 2337.50**EFTPOS Summary**

10 Mar 20xx

Camping 316.50

Fishing

Marine

Sub Total 316.50

GST 31.65

Total 348.15**EFTPOS Summary**

19 Mar 20xx

Camping

Fishing 1,400.50

Marine

Sub Total 1,400.50

GST 140.05

Total 1,540.55**EFTPOS Summary**

25 Mar 20xx

Camping

Fishing

Marine 6,855.00

Sub Total 6,855.50

GST 685.50

Total 7,540.50

Cash Receipts Book of:

[illegible]

Business



Practice activity 18

Use the following source documents to prepare the cash receipts journal for Qatar Copy Centre. Insert your own headings in the cash receipts journal.

RECEIPT	
2 Apr 20xx	No 207
Received from	R Khalid
For	Printing
Amount	395.00
GST	39.50
Total	434.50

RECEIPT	
8 Apr 20xx	No 208
Received from	Asha Industries
For	Copying
Amount	736.50
GST	73.65
Total	810.15

RECEIPT	
25 Apr 20xx	No 209
Received from	Nassar Contracting
For	Stationery
Amount	2,870.00
GST	287.00
Total	3,157.00

RECEIPT	
28 Apr 20xx	No 210
Received from	F Sulati
For	Copying
Amount	70.00
GST	7.00
Total	77.00

Cash Register Summary	
7 Apr 20xx	
Printing	360.00
Copying	
Stationery	
Other	
Sub Total	1,360.00
GST	136.00
Total	1,496.00

Cash Register Summary	
14 Apr 20xx	
Printing	2,400.00
Copying	1,300.00
Stationery	80.00
Other	
Sub Total	3,780.00
GST	378.00
Total	4,158.00

Cash Register Summary

21 Apr 20xx

Printing

Copying

Stationery 2,050.00

Other

Sub Total 2,050.00

GST 205.00

Total 2,255.00

Cash Register Summary

28 Apr 20xx

Printing

Copying 986.00

Stationery

Other

Sub Total 986.00

GST 98.60

Total 1,084.60

EFTPOS Summary

14 Apr 20xx

Printing

Copying 1,000.00

Stationery

Sub Total 1,000.00

GST 100.00

Total 1,100.00

EFTPOS Summary

26 Apr 20xx

Printing

Copying

Stationery 623.50

Sub Total 623.50

GST 62.35

Total 685.85



[illegible]

The cash payments journal will record all those transactions that result in the payment of cash from sources including cheques and electronic transfers.

Analysis columns used with the cash payments journal provide information to the business owner about the different types of expenditures eg the home maintenance business operator may have columns for tools, supplies, vehicle expenses, wages etc. This enables the owner to determine what expenses the business incurs and compare with budget figures.



The cheque stub is a source document for the cash payments journal.

The cheque is the main source document for the cash payments journal

The amount of money paid for expenses will include GST/VAT. Again, we need to record this figure separately. The GST/VAT we pay for our business expenses will be reimbursed by the government. It is important to check the tax invoice received to ensure the correct GST figure is indicated. Some expenses will be exempt from GST eg wages, bank charges and government charges. The cash payments journal will have a column for GST paid.

The cash payments journal will be prepared from the information on the cheque stub. The GST is calculated in the same way.

The cash payments journal for a GST registered home maintenance business could have the following headings.

Date	Cheque No	Particulars	Tools	Supplies	Vehicle expenses	Wages	Sundry	GST paid	Bank
------	-----------	-------------	-------	----------	------------------	-------	--------	----------	------

Let's look at how we enter the details from our source documents (cheque stub) into our cash payments journal.

Cheque Stub	
5 January 20xx	No 295
Paid to	Doha Hardware
For	Tools
Amount	575.00
GST	57.50
Total	632.50

Cheque Stub	
6 January 20xx	No 296
Paid to	West Bay Petrol
For	Vehicle expenses
Amount	75.00
GST	7.50
Total	82.50

Date	Cheque No	Particulars	Tools	Supplies	Vehicle expenses	Wages	Sundry	GST paid	Bank
5 Jan	295	Doha Hardware	575.00					57.50	632.50
6 Jan	296	West Bay Petrol			75.00			7.50	82.50



Example

The following source documents (cheque stubs and EFT summaries) enable us to prepare the cash payments journal. Read through the following example.

Cheque Stub	
1 October 20xx	No 2457
Paid to	Doha Furnishing Dist
For	Purchases
Amount	5,800.00
GST	580.00
Total	6,380.00

Cheque Stub	
3 October 20xx	No 2458
Paid to	Al Amari Trust
For	Rent
Amount	6,500.00
GST	650.00
Total	7,150.00

Cheque Stub	
3 October 20xx	No 2459
Paid to	Doha Furnishing Dist
For	Purchasing/freight
Amount	6,500.00/350.00
GST	\$ 685.00
Total	7,535.00

Cheque Stub	
5 October 20xx	No 7284
Paid to	QFS wll
For	Purchases
Amount	8,250.00
GST	825.00
Total	9,075.00

EFT Summary	
Date	5 October
Paid to	Kahramaa
For	Government fee
Amount	545.00
GST	Exempt
Total	545.00

EFT Summary	
Date	5 October
Paid to	Cash
For	Wages
Amount	1,750.00
GST	Exempt
Total	1,750.00

Business



Cash Receipts Book

Date	Reference	Particulars	Purchases	Freight	Wages	Rent	Other	GST paid	Bank
1 October	Ch 2457	Doha Furn Dist	5,800.00					580.00	6,380.00
3 October	Ch 2458	Al Amari Trust				6,500.00		650.00	7,150.00
3 October	Ch 2459	Doha Furn Dist	6,500.00	350.00				685.00	7,535.00
5 October	Ch 2460	QFS wll	8,250.00					825.00	9,075.00
5 October	EFT	Kahramaa – Govt fee					545.00		545.00
5 October	EFT	Wages			1,750.00				1,750.00
			20,550.00	350.00	1,750.00	6,500.00	545.00	2,740.00	32,435.00



Practice

Practice activity 19

Alaa's Cleaning Service provides cleaning services to commercial towers, villas and compounds in Doha.

He likes to analyse his expenses using the following headings:

- Rent
- Supplies
- Wages
- Freight
- Other Expenses

Use the following source documents to prepare a cash payments journal for Alaa's Cleaning service for the month of September. Complete the headings for the cash payments journal using the expense headings above.

Cheque Stub	
5 September 20xx	No 241
Paid to	Qatar Clean
For	Supplies
Amount	6,500.00
GST	650.00
Total	7,150.00

Cheque Stub	
14 September 20xx	No 242
Paid to	Apollo Real Estate
For	Rent
Amount	2,500.00
GST	250.00
Total	2,750.00

Cheque Stub	
14 September 20xx	No 243
Paid to	M Ibrihim
For	Wages
Amount	3,000.00
GST	
Total	3,000.00

Cheque Stub	
30 September 20xx	No 244
Paid to	Qatar Clean
For	Supplies
Amount	2,450.00
GST	245.00
Total	2,695.00



EFT Summary

Date 7 September
Paid to Qatar Courier
For Freight
Amount 120.00
GST 12.00
Total 132.00

EFT Summary

Date 14 September
Paid to Kahramaa
For Electricity
Amount 545.00
GST 54.50
Total 599.50

EFT Summary

Date 21 September
Paid to Clean and Shiny
For Supplies
Amount 1,560.00
GST 156.00
Total 1,716.00

EFT Summary

Date 28 September
Paid to Doha Laundry
For Supplies
Amount 2,155.00
GST 215.50
Total 2,370.50





Practice

Practice activity 20

Use the following source documents to prepare a cash payments journal for Qatar Camping Supplies. They use the following columns for analysis of their payments:

- Purchases
- Freight

- Wages
- Other Expenses

Cheque Butt

4 Apr 20xx	No 395
Paid to	Camp Products
For	Purchases
Amount	2100.00
GST	210.00
Total	2310.00

Cheque Butt

11 Apr 20xx	No 396
Paid to	Apollo Real Estate
For	Rent
Amount	9500.00
GST	950.00
Total	10,450.00

Cheque Butt

13 Apr 20xx	No 397
Paid to	Doha Express
For	Freight
Amount	500.00
GST	50.00
Total	550.00

Cheque Butt

30 Apr 20xx	No 398
Paid to	Camp products
For	Purchases
Amount	138.50
GST	13.85
Total	152.35



EFT Summary	
Date	7 Apr
Paid to	Qatar Copy Centre
For	Printing
Amount	1220.00
GST	122.00
Total	1342.00

EFT Summary	
Date	14 Apr
Paid to	Cash
For	Wages
Amount	4550.00
GST	
Total	4550.00

EFT Summary	
Date	21 Apr
Paid to	Kahramaa
For	Electricity
Amount	1125.00
GST	112.50
Total	1237.50

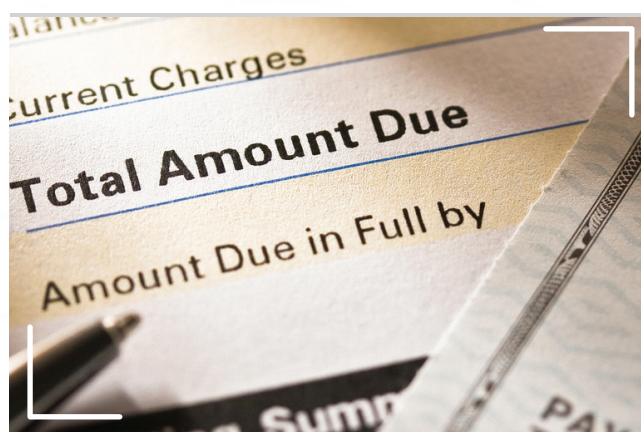
EFT Summary	
Date	28 Apr
Paid to	Cash
For	Wages
Amount	4550.00
GST	
Total	4550.00



Now that we have completed the cash journals, we need to learn how to prepare the credit journals. A credit transaction is one that is based on the concept of 'buy now, pay later'. Many business transactions are carried out on a credit basis.

Credit transactions result in account receivable accounts (debtors) and account payable accounts (creditors).

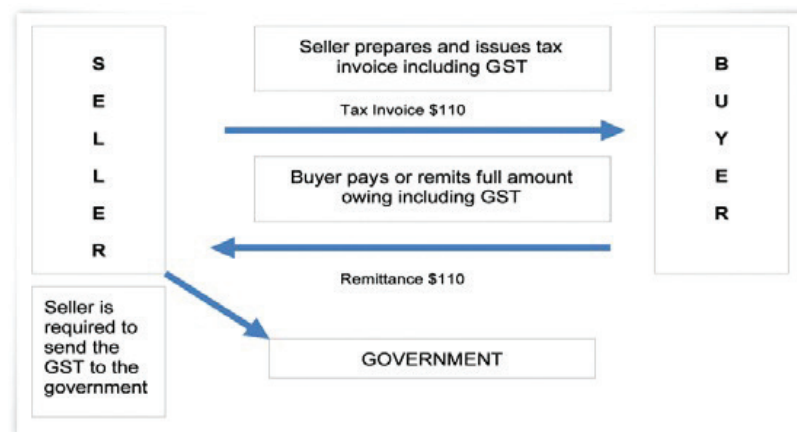
Account receivables are those people or businesses who owe our business organisation money as a result of a credit transaction. When we sell goods to customers or perform services for customers, we agree to terms of credit, ie they can pay us at a specified time eg 7 days, 14 days, 30 days etc. We prepare an invoice when the transaction takes place so that we have a record of the business transaction. Information from these invoices will then be summarised in the sales journal.



Credit transactions result in amounts due.

The **sales journal** is a record of all of the credit sales or credit services performed by our business for a period of time, usually a month. When the business transaction takes place, we prepare a tax invoice. The original copy of the tax invoice is issued to the customer and we retain the duplicate copy. The duplicate copy becomes the source document for the preparation of the sales journal.

GST/VAT is included on all tax invoices. The GST/VAT component is recorded separately in the sales journal.



The GST/VAT Cycle



Example

Duplicate copies of invoices issued are shown below, followed by the sales journal.

TAX INVOICE	
Qatar Luxury Furnishings	
1 October 20xx	No 1028
To:	J Al Ghanim
Amount	10,000.00
GST	1,000.00
Total	11,000.00

TAX INVOICE	
Qatar Luxury Furnishings	
2 October 20xx	No 1029
To:	H Al Thani
Amount	12,450.00
GST	1,245.00
Total	13,695.00

TAX INVOICE	
Qatar Luxury Furnishings	
4 October 20xx	No 1030
To:	Qatar Homes
Amount	14,200.00
GST	1,420.00
Total	15,620.00

TAX INVOICE	
Qatar Luxury Furnishings	
5 October 20xx	No 1031
To:	J Al Ghanim
Amount	1,250.00
GST	125.00
Total	1,375.00

Sales Journal of Qatar Luxury Furnishings						
Date	Invoice No	Particulars	Folio	Sales	GST collected	Accounts receivable
1 October	1028	J Al Ghanim		10,000.00	1,000.00	11,000.00
2 October	1029	H Al Thani		12,450.00	1,245.00	13,695.00
4 October	1030	Qatar Homes		14,200.00	1,420.00	15,620.00
5 October	1031	J Al Ghanim		1,250.00	125.00	1,375.00



Practice

Practice activity 21

Alaa's Cleaning Service has issued the following invoices. Prepare the sales journal for the month of October.

TAX INVOICE

Alaa's Cleaning Service

1 October 20xx No 2185
To: Aspire Tower
Amount 15,000.00
GST 1,500.00
Total 16,500.00

TAX INVOICE

Alaa's Cleaning Service

5 October 20xx No 2186
To: Bilal Compound
Amount 8,500.00
GST 850.00
Total 9,350.00

TAX INVOICE

Alaa's Cleaning Service

17 October 2012 No 2187
To: F Ibrahim
Amount 670.00
GST 67.00
Total 737.00

TAX INVOICE

Alaa's Cleaning Service

21 October 20xx No 2188
To: Al Dafna Tower
Amount 12,250.00
GST 1,225.00
Total 13,475.00

Sales Journal of

Date	Invoice No	Particulars	Folio	Sales	GST collected	Accounts receivable





Practice

Practice activity 22

Prepare the sales journal for the month of April for Qatar Camping Supplies from the copies of invoices issued.

TAX INVOICE

Qatar Camping Supplies

3 Apr 20xx No 4374
To: Aspire Academy
Amount 12 000.00
GST 1 200.00
Total 13 200.00

TAX INVOICE

Qatar Camping Supplies

11 Apr 20xx No 4375
To: Doha Sports Club
Amount 3 515.00
GST 351.50
Total 3 866.50

TAX INVOICE

Qatar Camping Supplies

17 Apr 20xx No 4376
To: F Al Emadi
Amount 860.00
GST 86.00
Total 946.00

TAX INVOICE

Qatar Camping Supplies

23 Apr 20xx No 4377
To: Doha Marine
Amount 12 250.00
GST 1 225.00
Total 13 475.00

Sales Journal of

Date	Invoice No	Particulars	Folio	Sales	GST collected	Accounts receivable





Practice

Practice activity 23

Complete the following sales journal, including totals, for Qatar Copy Centre.

Sales Journal of						
Date	Invoice No	Particulars	Folio	Sales	GST collected	Accounts receivable
2 March	6014	Al Dafna Compound		450.00		
9 March	6015	Mansouri Repairs		1,865.00		
13 March	6016	Khaliji Paints		2,458.75		
24 March	6017	A Thompson		980.68		

When goods are returned to the supplier or the supplier agrees to give an allowance, an adjustment note must be prepared and issued by the supplier. The reason for this may be that the goods were damaged in transit or perhaps the goods invoiced are not what was originally ordered.

The adjustment note is the evidence of the business transaction and becomes the source document for the sales returns and allowances journal.

The sales returns and allowances journal is a record of all the credit returns and allowances and summarises the adjustment notes that have been issued during the month.





Example

The example below shows the duplicate copies of adjustment notes issued, followed by the sales returns and allowances journal.

TAX ADJUSTMENT NOTE	
Qatar Luxury Furnishings	
5 October 20xx	No 419
To:	Qatar Homes
Amount	480.00
GST	48.00
Total	528.00

TAX ADJUSTMENT NOTE	
Qatar Luxury Furnishings	
6 October 20xx	No 420
To:	H Al Thani
Amount	1,200.00
GST	120.00
Total	1,320.00

Sales Returns and Allowances Journal of Qatar Luxury Furnishings						
Date	Adjustment No	Particulars	Folio	Sales	GST collected	Accounts receivable
5 Oct	419	Qatar Homes		480.00	48.00	528.00
6 Oct	420	H Al Thani		1,200.00	120.00	1,320.00
				1,680.00	168.00	1,848.00





Practice

Practice activity 24

Alaa's Cleaning Service has issued the following adjustment notes. Prepare the sales returns and allowances journal for the month of October.

TAX ADJUSTMENT NOTE

Alaa's Cleaning Service

8 October 20xx	No 398
To:	Bilal Compound
Amount	1,250.00
GST	125.00
Total	1,375.00

TAX ADJUSTMENT NOTE

Alaa's Cleaning Service

23 October 20xx	No 399
To:	Al Dafna Compound
Amount	860.00
GST	86.00
Total	946.00

Sales Returns and

Allowances Journal of

Date	Adjustment No	Particulars	Folio	Sales	GST collected	Accounts receivable





Practice

Practice activity 25

Alaa's Cleaning Service has issued the following invoices and adjustment notes. Prepare the sales and sales returns and allowances journal for the month of October.

TAX INVOICE

Alaa's Cleaning Service

8 October 20xx No 5204
To: Toyota Tower
Amount 7,100.00
GST 710.00
Total 7,810.00

TAX INVOICE

Alaa's Cleaning Service

10 October 20xx No 5205
To: Al Jazzi Real Estate
Amount 10,850.00
GST 1,085.00
Total 11,935.00

TAX INVOICE

Alaa's Cleaning Service

19 October 20xx No 5206
To: Nasser Gardens
Amount 4,150.00
GST 415.00
Total 4,565.00

TAX INVOICE

Alaa's Cleaning Service

31 October 20xx No 5207
To: Al Waab Comp
Amount 12,650.00
GST 1,265.00
Total 13,915.00

TAX ADJUSTMENT NOTE

Alaa's Cleaning Service

12 October 20xx No 858
To: Al Jazzi Real Estate
Amount 1,600.00
GST 160.00
Total 1,760.00

TAX ADJUSTMENT NOTE

Alaa's Cleaning Service

22 October 20xx No 859
To: Nasser Gardens
Amount 660.00
GST 66.00
Total 726.00



Sales Journal of

Date	Adjustment No	Particulars	Folio	Sales	GST collected	Accounts receivable

Sales Returns and

Allowances Journal of

Date	Adjustment No	Particulars	Folio	Sales	GST collected	Accounts receivable



Practice

Practice activity 26

Qatar Copy Service has issued the following invoices and adjustment notes. Prepare the sales and sales returns and allowances journal for the month of October.

TAX INVOICE Qatar Copy Centre

19 October 20xx No 6812
To: Toyota Sales
Amount 6 200.00
GST 620.00
Total 6 820.00

TAX INVOICE Qatar Copy Centre

31 October 20xx No 6813
To: Al Jazzi Produce
Amount 12 100.00
GST 1 210.00
Total 13 310.00

Business



TAX INVOICE	
Qatar Copy Centre	
17 Apr 20xx	No 6814
To:	Ali bin Ali Gardens
Amount	4 400.00
GST	440.00
Total	4 840.00

TAX INVOICE	
Qatar Copy Centre	
26 Apr 20xx	No 6815
To:	Al Waab Services
Amount	10 650.00
GST	1 065.00
Total	11 715.00

TAX ADJUSTMENT NOTE	
Qatar Copy Centre	
17 Apr 20xx	No 858
To:	Al Jazzi Produce
Amount	1 465.00
GST	146.50
Total	1 611.50

TAX ADJUSTMENT NOTE	
Qatar Copy Centre	
26 Apr 20xx	No 859
To:	Ali bin Ali Gardens
Amount	225.00
GST	22.50
Total	247.50

Sales Journal of						
Date	Invoice no	Particulars	Folio	Sales	GST collected	Accounts receivable

Sales Returns and Allowances Journal of						
Date	Adjustment No	Particulars	Folio	Sales	GST collected	Accounts receivable



Accounts payable are those people or businesses we owe money to as a result of a credit transaction. When we purchase goods from suppliers or have suppliers or vendors perform services for us on credit, they allow us a specified time to pay their account eg 7 days, 14 days, 30 days. We will receive an invoice when the transaction takes place and this is a record of the business transaction. Information from these invoices received will then be summarised in the purchases journal.

The purchases journal is a record of all of the credit purchases received by our business for a period of time, usually a month. It summarises all the invoices received.

The purchases returns journal is a record of all of the credit purchase returns and allowances received by our business and is a summary of the adjustment notes received during the month.



The adjustment note for damaged goods received is recorded in the purchases returns and allowances journal



Example

The following invoices and adjustment notes received by Qatar Luxury Furnishings are used to prepare the purchase and purchases returns and allowances journal.

Qatar Cleaning Supplies TAX INVOICE

To:	Qatar Luxury Furnishings
1 October	No 5421
Amount	3,550.00
GST	355.00
Total	3,905.00

QFS wll TAX INVOICE

To:	Qatar Luxury Furnishings
13 October	No 6278
Amount	2,450.00
GST	245.00
Total	2,695.00

Doha Distributors TAX INVOICE

To:	Qatar Luxury Furnishings
1 October	No 5421
Amount	3,550.00
GST	355.00
Total	3,905.00

Qatar Catering TAX INVOICE

To:	Qatar Luxury Furnishings
26 October	No 1218
Amount	14,200.00
GST	1,420.00
Total	15,620.00

Qatar Cleaning Supplies TAX ADJUSTMENT NOTE

To:	Qatar Luxury Furnishings
4 October	No 510
Amount	740.00
GST	74.00
Total	814.00

QFS wll TAX ADJUSTMENT NOTE

To:	Qatar Luxury Furnishings
15 October	No 1918
Amount	250.00
GST	25.00
Total	275.00



Purchases journal of Qatar Luxury Furnishings						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable
1 Oct	5421	<i>Qatar Cleaning Supplies</i>		3,550.00	355.00	3,905.00
13 Oct	6287	<i>QFS wll</i>		2,450.00	245.00	2,695.00
24 Oct	9147	<i>Doha Distributors</i>		6,210.00	621.00	6,831.00
26 Oct	1218	<i>Qatar Catering</i>		14,200.00	1,420.00	15,620.00
				26,410.00	2,641.00	29,051.00

Purchases returns and allowances journal of Qatar Luxury Furnishings						
Date	Adjust no	Particulars	Folio	Purchases Returns	GST paid	Accounts payable
4 Oct	1028	<i>Qatar Cleaning Supplies</i>		740.00	74.00	814.00
15 Oct	1029	<i>QFS wll</i>		250.00	25.00	275.00
				990.00	99.00	1,089.00



Practice

Practice activity 27

Complete the following purchases and purchases returns and allowances journal for Qatar Camping Supplies.

Purchases journal of						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable
1 Oct	5421	<i>Qatar Cleaning Supplies</i>		2,910.00		
13 Oct	6287	<i>QFS wll</i>		3,855.00		
24 Oct	9147	<i>Doha Distributors</i>		1,485.00		
26 Oct	1218	<i>Qatar Catering</i>		1,012.50		

Purchase Returns and

Allowances Journal of

Date	Adjust Note No	Particulars	Folio	Purchases Returns	GST Paid	Accounts Payable
4 Apr	510	Qatar Cleaning Supplies		455.00		
15 Apr	1918			1,015.00		



Practice

Practice activity 28

The following invoices and adjustment notes received by Alaa's Cleaning service are used to prepare the purchase and purchases returns and allowances journal.

Qatar Clean TAX INVOICE

To: Alaa's Cleaning Service
6 January No 2271
Amount 8,150.00
GST 815.00
Total 8,965.00

Qatar Pharmaceuticals TAX INVOICE

To: Alaa's Cleaning Service
11 January No 4208
Amount 12,400.00
GST 1,240.00
Total 13,640.00

Qatar Supplies TAX INVOICE

To: Alaa's Cleaning Service
18 January No 981
Amount 9,100.00
GST 910.00
Total 10,010.00

Qatar Eezy TAX INVOICE

To: Alaa's Cleaning Service
23 January No 738
Amount 4,220.00
GST 422.00
Total 4,642.00



Qatar Supplies
TAX ADJUSTMENT NOTE

To: Alaa's Cleaning Service
20 January No 109
Amount 1,740.00
GST 174.00
Total 1,914.00

QFS wll
TAX ADJUSTMENT NOTE

To: Alaa's Cleaning Service
22 January No 1122
Amount 1,050.00
GST 105.00
Total 1,155.00

Purchases journal of

Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable

Purchase Returns and

Allowances Journal of

Date	Adjust No	Particulars	Folio	Purchases Returns	GST Paid	Accounts Payable



Practice

Practice activity 29

The following invoices and adjustment notes received by Qatar Copy Centre are used to prepare the purchase and purchases returns and allowances journal.

Qatar Printing TAX INVOICE

To:	Qatar Copy Centre
6 Apr	No 3589
Amount	6 250.00
GST	625.00
Total	6 875.00

Gulf Stationery TAX INVOICE

To:	Qatar Copy Centre
23 January	No 72684
Amount	14 235.00
GST	1 423.50
Total	15 658.50

Qatar Printing TAX INVOICE

To:	Qatar Copy Centre
18 Apr	No 3592
Amount	9 750.00
GST	975.00
Total	10 725.00

The Print Shop TAX INVOICE

To:	Qatar Copy Centre
23 Apr	No 3025
Amount	2 220.00
GST	222.00
Total	2 442.00

Gulf Stationery TAX ADJUSTMENT NOTE

To:	Qatar Copy Centre
20 January	No 435
Amount	1 740.00
GST	174.00
Total	1,914.00

QFS wll TAX ADJUSTMENT NOTE

To:	Alaa's Cleaning Service
22 Apr	No 7756
Amount	850.00
GST	85.00
Total	935.00



Purchases journal of						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable

Purchase Returns and Allowances Journal of						
Date	Adjust No	Particulars	Folio	Purchases Returns	GST Paid	Accounts Payable



Practice

Practice activity 30

As the accounts clerk for Alaa's Cleaning Service, you are required to prepare the sales, sales returns and allowances, purchases, purchases returns and allowances journals, cash receipts and cash payments journals from the following documents.

Copies of invoices issued

TAX INVOICE	
Alaa's Cleaning Service	
7 November 20xx	No 2511
To:	TDZ Real Estate
Amount	4,100.00
GST	410.00
Total	4,510.00

TAX INVOICE	
Alaa's Cleaning Service	
7 November 20xx	No 2512
To:	Mansouri Motors
Amount	6,120.00
GST	612.00
Total	6,732.00

TAX INVOICE	
Alaa's Cleaning Service	
24 November 20xx	No 2513
To:	Lagoona Comp
Amount	8,270.00
GST	827.00
Total	9,097.00

TAX INVOICE	
Alaa's Cleaning Service	
7 November 20xx	No 2514
To:	City Centre
Amount	17,450.00
GST	1,745.00
Total	19,195.00

Copies of adjustment notes issued

TAX ADJUSTMENT NOTE	
Alaa's Cleaning Service	
9 November 20xx	No 552
To:	TDZ Real Estate
Amount	100.00
GST	10.00
Total	110.00

TAX ADJUSTMENT NOTE	
Alaa's Cleaning Service	
28 November 20xx	No 553
To:	City Centre
Amount	1,390.00
GST	139.00
Total	1,529.00

Copies of adjustment notes received

Q-Clean	
TAX ADJUSTMENT NOTE	
To:	Alaa's Cleaning Service
7 November 20xx	No 853
Amount	580.00
GST	58.00
Total	638.00

Qatar Distributors	
TAX ADJUSTMENT NOTE	
To:	Alaa's Cleaning Service
10 November 20xx	No 7258
Amount	920.00
GST	92.00
Total	1,012.00

Copies of invoices received

Q Clean TAX INVOICE	
To:	Alaa's Cleaning Service
6 November 20xx	No 6942
Amount	6,850.00
GST	685.00
Total	7,535.00

Qatar Distributors TAX INVOICE	
To:	Alaa's Cleaning Service
9 November 20xx	No 7150
Amount	16,150.00
GST	1,615.00
Total	17,765.00

Qatar Distributors TAX INVOICE	
To:	Alaa's Cleaning Service
19 November 20xx	No 1578
Amount	5,130.00
GST	513.00
Total	5,643.00

QatCom Supplies TAX INVOICE	
To:	Alaa's Cleaning Service
28 November 20xx	No 5128
Amount	10,180.00
GST	1,018.00
Total	11,198.00

Copies of cheque stubs and EFT summaries

Cheque Stub	
1 November 20xx	No 1357
Paid to	The Clean Team
For	Purchases
Amount	5,800.00
GST	580.00
Total	6,380.00

Cheque Stub	
4 November 20xx	No 1358
Paid to	Doha Chemicals
For	Supplies
Amount	2,800.00
GST	280.00
Total	3,080.00

Cheque Stub	
8 November 20xx	No 1359
Paid to	Qat Com Supplies
For	Settlement of a/c
Amount	2,200.00
GST	
Total	2,200.00

Cheque Stub	
15 November 20xx	No 1360
Paid to	Qatar Real Estate
For	Rent
Amount	3,600.00
GST	360.00
Total	3,960.00

Cheque Stub

23 November 20xx	No 1361
Paid to	Q Couriers
For	Freight
Amount	1,900.00
GST	190.00
Total	2,090.00

Cheque Stub

26 November 20xx	No 1360
Paid to	Qatar Distributors
For	Settlement of a/c
Amount	3,000.00
GST	
Total	3,000.00

EFT Summary

Date	7 September 20xx
Paid to	N Al Ari
For	Wages
Amount	1,545.00
GST	Exempt
Total	1,545.00

EFT Summary

Date	14 November
Paid to	S Mansouri
For	Wages
Amount	1,980.00
GST	Exempt
Total	1,980.00

EFT Summary

Date	21 November
Paid to	N Al Ari
For	Wages
Amount	1,545.00
GST	Exempt
Total	1,545.00

EFT Summary

Date	24 November
Paid to	Kahramaa
For	Government fee
Amount	367.00
GST	Exempt
Total	367.00

EFT Summary

Date	28 November
Paid to	S Mansour
For	Wages
Amount	1,980.00
GST	Exempt
Total	1,980.00

Copies of receipts, EFTPOS and cash register summaries.

Receipt	
1 November 20xx	No 351
Received from	M Al Jaber
For	Compound Cleaning
Amount	1,200.00
GST	120.00
Total	1,320.00

Receipt	
4 November 20xx	No 352
Received from	M Al Ari
For	Tower Cleaning
Amount	3,450.00
GST	345.00
Total	3,795.00

Receipt	
19 November 20xx	No 353
Received from	The Pearl
For	Sales
Amount	11,200.00
GST	\$1,120.00
Total	\$12,320.00

Receipt	
26 November 20xx	No 354
Received from	City Centre
For	Settlement of account
Amount	4,140.00
GST	
Total	4,140.00

EFTPOS Summary	
6 November 20xx	
Sales	2,350.00
GST	235.00
Total	2,585.00

EFTPOS Summary	
15 November 20xx	
Sales	350.00
GST	35.00
Total	385.00

EFTPOS Summary	
17 November 20xx	
Sales	4,280.00
GST	428.00
Total	4,708.00

Cash Register Summary	
4 November 20xx	
Sales	380.00
Cleaning	920.00
Other	150.00
Sub Total	1,450.00
GST	145.00
Total	1,595.00

Cash Register Summary	
16 November 20xx	
Sales	210.00
Cleaning	440.00
Other	50.00
Sub Total	700.00
GST	70.00
Total	770.00

Cash Register Summary	
23 November 20xx	
Sales	1,210.00
Cleaning	980.00
Other	
Sub Total	2,190.00
GST	219.00
Total	2,409.00

Purchases journal of						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable

Purchase Returns and Allowances Journal of						
Date	Adjust No	Particulars	Folio	Purchases Returns	GST Paid	Accounts Payable

Sales journal of						
Date	Invoice No	Particulars	Folio	Sales	GST	Accounts receivable

Sales Returns and Allowances Journal of						
Date	Adjust No	Particulars	Folio	Sales Returns	GST	Accounts receivable

..... Business



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Practice

Practice activity 31

As the accounts clerk for Qatar Copy Centre, you are required to prepare the sales, sales returns and allowances, purchases, purchases returns and allowances journals, cash receipts and cash payments journals from the following documents.

Copies of invoices issued

TAX INVOICE	
Qatar Copy Centre	
5 Apr 20xx	No 3916
TO:	Hamad Hospital
Amount	5 650.00
GST	565.00
Total	6 215.00

TAX INVOICE	
Qatar Copy Centre	
13 Apr 20xx	No 3917
TO:	Doha Nursery
Amount	8 910.00
GST	891.00
Total	9 801.00

TAX INVOICE	
Qatar Copy Centre	
21 Apr 20xx	No 3918
TO:	Lagoona Jewellery
Amount	6 115.00
GST	611.50
Total	6 726.50

TAX INVOICE	
Qatar Copy Centre	
27 Apr 20xx	No 3919
TO:	Al Fardan Motors
Amount	11 500.00
GST	1 150.00
Total	12 650.00



Copies of adjustment notes issued

TAX ADJUSTMENT NOTE Qatar Copy Centre	
8 Apr 20xx	No 5510
TO:	Hamad Hospital
Amount	85.00
GST	8.50
Total	93.50

TAX ADJUSTMENT NOTE Qatar Copy Centre	
28 Apr 20xx	No 5511
TO:	Al Farden Motors
Amount	1 650.00
GST	165.00
Total	1 815.00

Copies of adjustment notes received

Al Jazeera Stationery TAX ADJUSTMENT NOTE To Qatar Copy Centre	
5 Apr 20xx	No 4592
Amount	556.00
GST	55.60
Total	611.00

Al Jazeera Stationery TAX ADJUSTMENT NOTE To Qatar Copy Centre	
10 Apr 20xx	No 7206
Amount	\$ 945.00
GST	\$ 94.50
Total	\$1 039.00

Copies of invoices received

Jazeera Stationery TAX INVOICE	
To:	Qatar Copy Centre
3 Apr 20xx	No 21068
Amount	4 230.00
GST	423.00
Total	4 653.00

Gulf Printers TAX INVOICE	
To:	Qatar Copy Centre
9 Apr 20xx	No 1095
Amount	14 335.00
GST	1 433.50
Total	15 768.50

Qatar Distributors TAX INVOICE	
To:	Qatar Copy Centre
19 Apr 20xx	No 1578
Amount	6 080.00
GST	608.00
Total	6 688.00

Gulf Printers TAX INVOICE	
To:	Qatar Copy Centre
28 Apr 20xx	No 1154
Amount	8 210.00
GST	821.00
Total	9 031.00

Copies of cheque butts and EFT summaries

Cheque Stub	
3 Apr 20xx	No 2574
Paid to	Qatar Post
For	Postage
Amount	4180.00
GST	418.00
Total	4598.00

Cheque Stub	
4 Apr 20xx	No 2575
Paid to	Doha Print
For	Purchases
Amount	11 050.00
GST	1 105.00
Total	12 155.00

Cheque Stub	
7 Apr 20xx	No 2576
Paid to	QatCom
For	Rent.
Amount	4 000.00
GST	400.00
Total	4 400.00

Cheque Stub	
15 Apr 20xx	No 2577
Paid to	Jazeera Stationery
For	Settlement of a/c
Amount	8 520.00
GST	852.00
Total	9 372.00

Cheque Stub	
21 Apr 20xx	No 2578
Paid to	Q Couriers
For	Freight
Amount	900.00
GST	90.00
Total	990.00

Cheque Stub	
28 Apr 20xx	No 2579
Paid to	Qatar Distributors
For	Purchases
Amount	16 500.00
GST	1 650.00
Total	18 150.00

EFT Summary	
Date	7 Apr
Paid to	Cash
For	Wages
Amount	3 575.00
GST	Exempt
Total	3 575.00

EFT Summary	
Date	14 Apr
Paid to	Cash
For	Wages
Amount	3 575.00
GST	Exempt
Total	3 575.00

EFT Summary	
Date	21 Apr
Paid to	Cash
For	Wages
Amount	4 015.00
GST	Exempt
Total	4 015.00

EFT Summary

Date	24 Nov
Paid to	Kahramaa
For	Electricity
Amount	655.00
GST	Exempt
Total	655.00

EFT Summary

Date	28 Apr
Paid to	Cash
For	Wages
Amount	3 575.00
GST	Exempt
Total	3 575.00

Copies of receipts, EFTPOS and cash register summaries.

Receipt

6 Apr 20xx	No 752
Received from	J Al Ari
For	Stationery
Amount	1 450.00
GST	145.00
Total	1 595.00

Receipt

14 Apr 20xx	No 753
Received from	Tower Cleaning
For	Printing
Amount	6 815.00
GST	681.50
Total	7 496.50

Receipt

18 Apr 20xx	No 754
Received from	Lagoona Plaza
For	Copying
Amount	1 078.00
GST	107.80
Total	1 185.80

Receipt

29 Apr 20xx	No 755
Received from	Doha Nursery
For	Settlement of account
Amount	3 210.00
GST	321.00
Total	3 531.00

EFTPOS Summary

7 Apr 20xx	
Printing	2 120.00
GST	212.00
Total	2 332.00

EFTPOS Summary

14 Apr 20xx	
Printing	3 945.00
GST	394.50
Total	4 339.50

EFTPOS Summary

27 Apr 20xx	
Stationery	560.00
GST	56.00
Total	616.00

Cash Register Summary	
4 Nov 20xx	
Printing	765.00
Copying	912.00
Stationery	156.00
Sub Total	1 833.00
GST	183.30
Total	2 016.30

Cash Register Summary	
16 Nov 20xx	
Printing	910.00
Copying	1,240.00
Stationery	256.00
Sub Total	2,406.00
GST	240.60
Total	2,646.60

Cash Register Summary	
23 Nov 20xx	
Printing	565.00
Copying	
Stationery	
Sub Total	565.00
GST	56.50
Total	621.50

Purchases journal of						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts Payable

Purchases Returns and Allowances Journal of						
Date	Adjust No	Particulars	Folio	Sales Returns	GST Paid	Accounts Payable



SALES journal of						
Date	Invoice No	Particulars	Folio	Purchases	GST Collected	Accounts Receivable

SALES Returns and Allowances Journal of						
Date	Adjustment No	Particulars	Folio	Sales Returns	GST Collected	Accounts Receivable

CASH RECEIPTS BOOK OF:										
Date	Reference	Particulars						Other	GST Collected	Bank

Summary of specialised journals

<i>Cash receipts journal</i>	<i>Records transactions involving the receipt of cash</i>
<i>Cash payment journal</i>	<i>Records transactions involving the payment of cash</i>
<i>Purchases journal</i>	<i>Records the credit purchase of goods (inventory items purchased for resale only)</i>
<i>Purchases returns and allowances journal</i>	<i>Records the return of credit purchases</i>
<i>Sales journal</i>	<i>Records the credit sale of goods (inventory items only)</i>
<i>Sales returns and allowances journal</i>	<i>Records the return of credit sales</i>

Total journals in accordance with organisational procedures

All organisations will have procedures in place to ensure that journals are totalled accurately.

If a computerised system of accounting is used, calculations for totals will automatically occur.

However, where a spreadsheet or manual journals are maintained, care must be taken to ensure all columns are totalled correctly.

If you are using spreadsheets, the correct formula should be entered to ensure the appropriate range of cells within the column is added correctly.

If you are using a manual system, you should add columns down and then add the rows across to double check the accuracy of your journals.



Practice

Practice activity 32

1. Use your calculator to add the totals of the columns.
2. Use your calculator to add the totals of the rows.
3. Add your column totals and row totals to confirm they are equal.

	Purchases	Freight	Wages	Total
Week 1	1,450.25	650.84	14,826.32	
Week 2	4,874.68	247.95	15,982.54	
Week 3	3,410.27	1,820.39	18,200.14	
Week 4	2,515.38	1,741.69	16,925.37	
Total				



Practice

Practice activity 33

Use your calculator to total the annual and quarterly expense figures below.

Quarterly Expenses					
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total Annual
Supplies	15,248	17,398	18,705	14,099	
Freight	6,187	5,478	4,906	5,841	
Wages	16,200	17,189	14,680	15,300	
Rent	9,550	9,550	9,550	9,550	
Total Quarterly					



Prepare bank reconciliations

Reconciliation of banking documents

It is important to have controls over cash received and cash paid. Our policies and procedures will ensure that we maintain appropriate documentation as evidence of financial transactions between our business and those of our suppliers and customers.

We need to be able to reconcile or check our records with those of the bank so that we can recognise when customers/clients pay us and when we make payments to our suppliers and other account payables.

The bank statement is received on a regular basis from the bank. We use the bank statement to reconcile our cash journals against the bank records.

An example of our cash journals and a bank statement follows. GSTVAT has been excluded for the purpose of this example.



Bank statements provide evidence of all our cash transactions

Cash Receipts Book

Date	Reference	Particulars	Lounge	Dining	Carpet	Kitchen	Bedroom	Other	Bank
1 October	Rec 211	J Al Ghanim	11,250.00		650.00			225.00	
	CRS	Cash sales			250.00	175.00		420.00	12,970.00
2 October	CRS	Cash sales	800.00	600.00				650.00	2,050.00
3 October	Rec 212	H Al Thani					12,450.00		
	CRS	Cash sales			200.00	855.00		1,250.00	14,755.00
4 October	EFTPOS	EFTPOS sales	2,125.00	11,850.00					13,975.00
	CRS	Cash sales						635.00	635.00
5 October	EFTPOS	EFTPOS sales					955.00	860.00	1,815.00
	CRS	Cash sales			415.00	280.00	395.00	1,245.00	2,335.00
Ch = Cheque		EFT = Electronic funds transfer (including BPay)							

Cash Payments Book									
Date	Reference	Particulars	Purchases	Freight	Stationery	Wages	Rent	Other	Bank
1 October	Ch 2547	Doha Furn Dist	5,800.00						5,800.00
	Ch 2458	Al Amari Trust					6,550.00		6,550.00
2 October	Ch 2459	Doha Furn Dist	6,500.00	350.00					6,850.00
3 October	Ch 2460	QFS will	8,250.00						8,250.00
	EFT	Kahramaa						545.00	
	EFT	Doha Stationery			1,750.00				1,750.00
4 October	Ch 2461	Repairs						500.00	
	Ch 2462	Petty cash reimb						465.00	
5 October	EFT	Wages				3,255.00			3,255.00
	Ch 2463	Al Basara Corp	6,625.00						6,625.00
Ch = Cheque		EFT = Electronic funds transfer (including BPay)							

QATAR BANK Al Sadd Branch					
BANK STATEMENT					
Statement of account		Account name:		Qatar Luxury Furnishing	
		Account number:		11223 78524	
Date	Particulars	Debit	Credit	Balance	
1 October	Brought forward			125,845.00	Cr
	Deposit		12,970.00	138,815.00	Cr
2 October	Deposit		2,050.00	140,865.00	Cr
	Ch 2458	6,550.00		134,315.00	Cr
3 October	Ch 2547	5,800.00		128,515.00	Cr
	Ch 2549	6,850.00		121,665.00	Cr
	Deposit		14,755.00	136,420.00	Cr
	EFTPOS		13,975.00	150,395.00	Cr
	Interest (Term deposit – 78524A)		135.00	150,530.00	Cr
4 October	Deposit		635.00	151,165.00	Cr
	EFTPOS		1815.00	152,980.00	Cr
	EFT (Kahramaa)	545.00		152,435.00	Cr
	EFT (Doha Stat)	1,750.00		150,685.00	Cr
	Ch 2462	465.00		150,220.00	Cr
5 October	EFT (Misc transfers)	3,255.00		146,965.00	Cr
	EFTPOS fees	415.00		146,505.00	Cr

Following is the process for completing the reconciliation process using the cash books and bank statement for Qatar Luxury Furnishings for the first week of October.

Check cash journals against bank statement to identify differences

Step 1

The first step in the reconciliation process is to compare the cash receipts book with the credit column of the bank statement. Tick the deposit amounts that appear in both the cash receipts book and the bank statement.

Take a note of the unticked items in both the cash receipts book and the credit column of the bank statement`.

Step 2

Repeat the process with the cash payments book and the debit column of the bank statement. Take note of the unticked items in both records.

Cash Receipts Book									
Date	Reference	Particulars	Lounge	Dining	Carpet	Kitchen	Bedroom	Other	Bank
1 October	Rec 211	J Al Ghanim	11,250.00		650.00			225.00	✓
	CRS	Cash sales			250.00	175.00		420.00	12,970.00 ✓
2 October	CRS	Cash sales	800.00	600.00				650.00	2,050.00 ✓
3 October	Rec 212	H Al Thani					12,450.00		
	CRS	Cash sales			200.00	855.00		1,250.00	14,755.00 ✓
4 October	EFTPOS	EFTPOS sales	2,125.00	11,850.00					13,975.00 ✓
	CRS	Cash sales						635.00	635.00 ✓
5 October	EFTPOS	EFTPOS sales					955.00	860.00	1,815.00 ✓
	CRS	Cash sales			415.00	280.00	395.00	1,245.00	2,335.00
Ch = Cheque		EFT = Electronic funds transfer (including BPay)							

EFT = Electronic funds transfer (including BPay)

Ch = Cheque

Cash Payments Book									
Date	Reference	Particulars	Purchases	Freight	Stationery	Wages	Rent	Other	Bank
1 October	Ch 2547	Doha Furn Dist	5,800.00						5,800.00
	Ch 2458	Al Amari Trust					6,550.00		6,550.00
2 October	Ch 2459	Doha Furn Dist	6,500.00	350.00					6,850.00
3 October	Ch 2460	QFS will	8,250.00						8,250.00
	EFT	Kahramaa						545.00	545.00
	EFT	Doha Stationery			1,750.00				1,750.00
4 October	Ch 2461	Repairs						500.00	500.00
	Ch 2462	Petty cash reimb						465.00	465.00
5 October	EFT	Wages				3,255.00			3,255.00
	Ch 2463	Al Basara Corp	6,625.00						6,625.00

QATAR BANK
Al Sadd Branch

BANK STATEMENT

Statement of account		Account name:		Qatar Luxury Furnishing	
		Account number:		11223 78524	
Date	Particulars	Debit	Credit	Balance	
1 October	Brought forward			125,845.00	Cr
	Deposit		12,970.00 ✓	138,815.00	Cr
2 October	Deposit		2,050.00 ✓	140,865.00	Cr
	Ch 2458	6,550.00 ✓		134,315.00	Cr
3 October	Ch 2547	5,800.00 ✓		128,515.00	Cr
	Ch 2549	6,850.00 ✓		121,665.00	Cr
	Deposit		14,755.00 ✓	136,420.00	Cr
	EFTPOS		13,975.00 ✓	150,395.00	Cr
	Interest (Term deposit – 78524A)		135.00	150,530.00	Cr
4 October	Deposit		635.00 ✓	151,165.00	Cr
	EFTPOS		1815.00 ✓	152,980.00	Cr
	EFT (Kahramaa)	545.00 ✓		152,435.00	Cr
	EFT (Doha Stat)	1,750.00 ✓		150,685.00	Cr
	Ch 2462	465.00 ✓		150,220.00	Cr
5 October	EFT (Misc transfers)	3,255.00 ✓		146,965.00	Cr
	EFTPOS fees	415.00 ✓		146,505.00	Cr

Update cash journals with relevant data from bank statements

Step 3

The unticked items in the bank statement are items that we have not recorded. Often, the bank statement becomes the documentary evidence for these transactions. We have to now enter the unticked items from the credit column of the bank statement into our cash receipts book.

Step 4

The unticked items in the debit column of the bank statement have to be entered into our cash payments book.

Refer to the cash journals over the page and see how the unticked items from the bank statement have been entered into the cash journals.

Identify discrepancies and refer to appropriate staff

Step 5

There will always be differences between your cash journal entries and the bank statement.

- Bank charges
- Interest
- Direct deposits
- Direct payments
- Dishonoured cheques

It is important that when you identify these discrepancies, you refer them to appropriate personnel as set out in the organisational procedures.

Total cash journals

Step 6

Add the columns of the cash book down and enter the totals. Double check your calculations by checking the totals across as well.

The cash books on the next page have been completed after steps 3 – 6.

Cash Receipts Book									
Date	Reference	Particulars	Lounge	Dining	Carpet	Kitchen	Bedroom	Other	Bank
1 October	Rec 211	J Al Ghanim	11,250.00		650.00			225.00	✓
	CRS	Cash sales			250.00	175.00		420.00	✓
2 October	CRS	Cash sales	800.00	600.00				650.00	✓
3 October	Rec 212	H Al Thani					12,450.00		
	CRS	Cash sales			200.00	855.00		1,250.00	✓
	EFTPOS	EFTPOS sales	2,125.00	11,850.00					✓
4 October	CRS	Cash sales						635.00	✓
	EFTPOS	EFTPOS sales					955.00	860.00	✓
5 October	CRS	Cash sales			415.00	280.00	395.00	1,245.00	2,335.00
	B/S	Interest						135.00	135.00
			14,175.00	12,450.00	1,515.00	1,310.00	13,800.00	5,420.00	48,670.00
B/S = Bank statement									



Cash Payments Book

Date	Reference	Particulars	Purchases	Freight	Stationery	Wages	Rent	Other	Bank
1 October	Ch 2547	Doha Furn Dist	5,800.00						5,800.00 ✓
	Ch 2458	Al Amari Trust					6,550.00		6,550.00 ✓
2 October	Ch 2459	Doha Furn Dist	6,500.00	350.00					6,850.00
3 October	Ch 2460	QFS wll	8,250.00						8,250.00 ✓
	EFT	Kahramaa						545.00	545.00 ✓
	EFT	Doha Stationery			1,750.00				1,750.00
4 October	Ch 2461	Repairs						500.00	500.00 ✓
	Ch 2462	Petty cash reimb						465.00	465.00
5 October	EFT	Wages				3,255.00			3,255.00 ✓
	Ch 2463	Al Basara Corp	6,625.00						6,625.00
	B/S	EFTPOS fees						415.00	415.00
			27,175.00	350.00	1,750.00	3,255.00	6,550.00	1,510.00	41,005.00

Prepare regular reconciliation reports

Step 7

Prepare the cash at bank account extract of the ledger of Qatar Luxury Furnishings using the completed cash books.

Qatar Luxury Furnishings					
Ledger (extract)					
Date	Particulars	Debit	Credit	Balance	
1 October	Balance			125,845.00	Dr
5 October	Cash receipts	48,670.00		174,515.00	Dr
	Cash payments		41,005.00	133,510.00	Dr

Step 8

Prepare the bank reconciliation statement. The closing balance of our bank account in the ledger should equal the reconciled bank statement closing balance.

Bank reconciliation statement		
Qatar Luxury Furnishings as at 5 October		
	\$	\$
Credit balance as per bank statement		146,550.00
Add deposits not yet in bank		2,335.00
		148,885.00
Less unpresented cheques:		
No 2460	8,250.00	
No 2461	500.00	
No 2463	6,625.00	15,375.00
Debit balance as per bank account (ledger)		133,510.00



Practice

Practice activity 34

What is the purpose of the bank reconciliation?

List the source documents and journals that are used to prepare a bank reconciliation statement.

From the following information:

- a) Use the bank statement to complete the cash receipts and cash payments journals for Marlin Photography Studio.*
- b) Post journals to the cash at bank account.*
- c) Prepare a bank reconciliation statement as at 31 March 20xx.*
- d) The cash at bank account in the books of the business shows a debit balance of \$200.00 at 1 March 20xx.*



Cash Receipts Journal – Marlin Photography Studio							
Date	Reference	Particulars	Sales	Accounts receivable	Other	Bank	✓
1 March	CRS	Cash Sales	400.00			400.00	
9 March	Rec 16	R Nasser		1200.00		1200.00	
11 March	CRS	Cash Sales	300.00			300.00	
16 March	Rec 17	J Marsden		100.00		100.00	
23 March	CRS	Cash Sales		150.00		150.00	
29 March	CRS	Cash Sales		390.00		390.00	

Cash Payments Journal – Marlin Photography Studio						
Date	Reference	Particulars	Wages	Accounts payable	Other	Bank
1 March	Cheque 276	Wages	600.00			600.00
9 March	Cheque 277	M Mohsen		900.00		900.00
17 March	Cheque 278	Cash Purchases			800.00	800.00
27 March	Cheque 279	Rent			150.00	
		Electricity			150.00	300.00

QATAR BANK
Al Sadd Branch

BANK STATEMENT

Statement of account	Account name:	<i>Marlin Photography Studio</i>
	Account number:	6524 1274

Date	Particulars	Debit	Credit	Balance	
1 March	<i>Brought forward</i>			200.00	Cr
	<i>Cash/Cheque</i>		400.00	600.00	Cr
3 March	<i>Cheque Book</i>	5.00		595.00	Cr
9 March	<i>Cash/Cheque</i>		1,200.00	1,795.00	Cr
11 March	<i>Cash/Cheque</i>	600.00	300.00	3,095.00	Cr
14 March	<i>Cheque No 276</i>			1,495.00	Cr
16 March	<i>Cash/Cheque</i>		100.00	1,595.00	Cr
18 March	<i>Cheque No 277</i>	900.00		695.00	Cr
23 March	<i>Cash/Cheque</i>		150.00	845.00	Cr
29 March	<i>Bank charges</i>	10.00			Cr
30 March	<i>Electronic Transfer – M Al-Kaabi</i>		450.00	1,285.00	Cr



Marlin Photography Studio				
Ledger (extract)				
Date	Particulars	Debit	Credit	Balance

Bank Reconciliation Statement		
Marlin Photography Studio		
As at		



Practice

Practice activity 35

Refer to the bank statement on the following page to answer the following questions.

What is the opening balance?

What is the closing balance?

What is the name of the bank that has issued this statement?

What is the name of the customer's account?

Explain the two transactions that occurred on October 2.

What does EFTPOS stand for?

What does EFT stand for?

Should the closing bank statement figure always be exactly the same as our closing bank account figure in the ledger? Explain.

QATAR BANK
Al Sadd Branch

BANK STATEMENT

Statement of account		Account name:	Qatar Luxury Furnishing		
		Account number:	11223 78524		
Date	Particulars	Debit	Credit	Balance	
Oct 1	Brought forward			125,845	Cr
	Deposit		12970	138,815	Cr
2	Deposit		2050	140,865	Cr
	Ch 2458	6550		134,315	Cr
3	Ch 2547	5800		128,515	Cr
	Ch 2549	6850		121,665	Cr
	Deposit		14755	136,420	Cr
	EFTPOS		13975	150,395	Cr
	Interest (Term Deposit – 78524A)		135	150,530	Cr
4	Deposit		635	151,165	Cr
	EFTPOS		1815	152,980	Cr
	EFT (Kharamaa)	545		152,435	Cr
	EFT (Doha Stat)	1750		150,685	Cr
	Ch 2462	465		150,220	Cr
5	EFT (Misc transfers)	3255		146,965	Cr
	EFTPOS fees	415		146,550	Cr





Practice

Practice activity 36

QATAR BANK Gharaffa Branch

BANK STATEMENT

Statement of account	Account name:		Qatar Camping Supplies		
	Account number:		6658 1402		
Date	Particulars	Debit	Credit	Balance	
1 Mar	Brought forward			650.00	Cr
1 Mar	Cash/Cheque		2,315.00	2,965.00	Cr
3 Mar	Cheque Book Fee	25.00		2,940.00	Cr
9 Mar	Cheque 584	185.00		2,755.00	Cr
11 Mar	Cash/Cheque		3,107.00	5,862.00	Cr
14 Mar	Cheque No 585	2,475.00		3,387.00	Cr
16 Mar	Cash/Cheque		1,956.00	5,343.00	Cr
18 Mar	Cheque No 587	2,120.00		3,223.00	Cr
23 Mar	Interest – Term Deposit		125.00	3,348.00	Cr
29 Mar	Bank charges	10.00		3,338.00	Cr
30 Mar	Electronic Transfer – F Al Emadi		786.00	4,124.00	Cr



CASH RECEIPTS JOURNAL – QATAR CAMPING SUPPLIES

Date	Reference	Particulars	Sales	Accounts Receivable	Other	Bank	✓
1 Mar	Rec 121	R Khalid		2315.00		2315.00	
11 Mar	Rec 122	Cash sales	3107.00			3107.00	
16 Mar	Rec 123	Cash sales	1956.00			1956.00	

CASH PAYMENTS JOURNAL – QATAR CAMPING SUPPLIES

Date	Reference	Particulars	Supplies	Accounts payable	Other	Bank	✓
7 Mar	Ch 584		185.00			185.00	
12 Mar	Ch 585			2475.00		2475.00	
17 Mar	Ch 586			386.00		386.00	
15 Mar	Ch 587		2120.00			2120.00	

QATAR CAMPING SUPPLIES				
Ledger (extract)				
Date	Particulars	Debit	Credit	Balance
1 Mar	Balance			650.00

Bank Reconciliation Statement		
QATAR CAMPING SUPPLIES As at		
	\$	\$

..... Business





Practice

Practice activity 37

From the following information relating to the business of Hussan's Equipment Hire, complete the cash journals, show the cash at bank account and prepare a bank reconciliation statement

Bank Reconciliation Statement		
Hussan's Equipment Hire		
As at 31 December 2012		
Debit balance as per bank statement		100
Add unpresented cheques		
No 204	20	
No 209	50	
		70
		170
Less deposits not yet credited		50
Credit balance as per cash at bank account		20

CASH RECEIPTS JOURNAL – Hussan’s Equipment Hire							
Date	Reference	Particulars	Sales	Accounts Receivable	Other	Bank	✓
Jan 1		Cash sales	420			420	
Jan 10		Cash sales	175			175	
Jan 15		P Rasheed		1160		1160	
Jan 21		Cash sales	270			270	
Jan 30		Cash sales	100			100	

CASH PAYMENTS JOURNAL – Hussan’s Equipment Hire							
Date	Reference	Particulars	Supplies	Accounts payable	Other	Bank	✓
Jan 2	Ch 215		190			190	
Jan 10	Ch 216			410		410	
Jan 14	Ch 217				116	116	
Jan 17	Ch 218			240		240	
Jan 28	Ch 219				870	870	
	Ch 220		436			436	
Jan 30	Ch 221				100	100	



QATAR BANK
Gharaffa Branch

BANK STATEMENT

Statement of account	Account name:		<i>Hussan's equipment Hire</i>		
	Account number:		6658 1402		
Date	Particulars	Debit	Credit	Balance	
Jan 1	Balance			100	Dr
Jan 2	C/c		50		
	C/c		420		
	Ch 209	50		320	Cr
Jan 7	Ch 215	190		130	Cr
Jan 11	C/c		175	305	Cr
	Ch 216	410		105	Dr
Jan 12	Interest on overdraft	170		275	Dr
Jan 16	C/c		1160	885	Cr
Jan 21	C/c		270	1155	Cr
	Ch 218	240		915	Cr
Jan 29	Ch 219	870		45	Cr
Jan 31	EFT – P Campbell		330	375	Cr

Hussan's Equipment Hire				
Ledger (extract)				
Date	Particulars	Debit	Credit	Balance
1 Mar	Balance			650.00

Bank Reconciliation Statement		
Hussan's Equipment Hire As at		

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Business



Maintain accounts payable and accounts receivable systems

Enter transactions into individual accounts receivable and accounts payable

Business organisations can perform hundreds of business transactions per month. This is why we summarise transactions into specialised journals.

The next step in the accounting process is to post the journals to the ledger. Let's review the procedures to record the purchases journal. You will recall that the source document for this transaction is the original of the GST Invoice received from the supplier. The invoice lists the goods purchased and how much they cost. If applicable, GST/VAT will be included on the invoice.

Review the four invoices below. These have all been received by Qatar Luxury Furnishings from different suppliers.

Doha Furniture Distributors TAX INVOICE

To:	Qatar Luxury Furnishing
1 October	No 95421
Amount	6,650.00
GST	665.00
Total	7,315.00

QFS wll TAX INVOICE

To:	Qatar Luxury Furnishing
3 October	No 1287
Amount	450.00
GST	45.00
Total	495.00

Doha Furniture Distributors TAX INVOICE

To:	Qatar Luxury Furnishing
4 October	No 95438
Amount	4,210.00
GST	421.00
Total	4,631.00

Qatar Kitchen Supplies TAX INVOICE

To:	Qatar Luxury Furnishing
3 October	No 7284
Amount	10,854.00
GST	1,085.40
Total	11,939.40

The above invoices are entered into the Purchases Journal. The journal shows the date of the transaction, the name of the supplier, the amount of the purchases, the GST and the total amount owing to the supplier or accounts payable. Note the posting instructions at the bottom of the last three columns.

Purchases journal of Qatar Luxury Furnishings						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
1 Oct	95421	Doha Furniture Dist		6,650.00	665.00	7,315.00
3 Oct	1287	QFS wll		450.00	45.00	495.00
4 Oct	95438	Doha Furniture Dist		4,210.00	421.00	4,631.00
6 Oct	7284	Qatar Kitchen Supp		10,854.00	1 085.40	1,1939.40
				22,164.00	2 216.40	24,380.40
				Dr	Dr	Cr

The next step in the accounting process is to post this journal to the general ledger. The general ledger lists all of the organisation's accounts and records every transaction according to the rules of double entry. Each ledger account contains a history of transactions that affect that particular account.

The purchases journal above will appear in the general ledger as follows.

General Ledger Of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
Purchases – E1					
6 Oct	Accounts payable	22,164.00		22,164.00	Dr
GST Paid – A1					
6 Oct	Accounts payable	2,216.40		2,216.40	Dr
Accounts Payable– L1					
6 Oct	Purchases and GST		24,380.40	24,380.40	Cr

In addition to the general ledger, a separate ledger called a subsidiary ledger will be maintained to record the transactions affecting the individual accounts payable.

Accounts Payable Ledger of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
Doha Furniture Distributors – L1					
1 Oct	Purchases and GST		7,315.00	7315.00	Cr
4 Oct	Purchases and GST		4,631.00	11,946.00	Cr
QFS wll – L2					
3 Oct	Purchases and GST		495.00	495.00	Cr
Qatar Kitchen Supplies – L3					
6 Oct	Purchases and GST		11,939.40	11,939.40	Cr

Note that double entry does not occur within the subsidiary ledger. Let's now look at the Purchases Returns and Allowances transactions. Qatar Luxury Furnishings has received the following Adjustment Notes.

**Doha Furniture Distributors
TAX ADJUSTMENT NOTE**

To:	Qatar Luxury Furnishings
1 October	No 351
Amount	2,740.00
GST	274.00
Total	3,014.00

**QFS wll
TAX ADJUSTMENT NOTE**

To:	Qatar Luxury Furnishings
3 October	No 963
Amount	50.00
GST	5.00
Total	55.00

These will be recorded in the Purchases Returns and Allowances Journal as follows:

Purchases Returns and Allowances Journal of Qatar luxury furnishings						
Date	Adjust No	Particulars	Folio	Purchases Returns	GST paid	Accounts payable
1 Oct	315	Doha Furniture Distributors		2,740.00	274.00	3,014.00
4 Oct	963	QFS wll		50.00	5.00	55.00
				2,790.00	279.00	3,069.00
				Cr	Cr	Dr

When the Purchases Returns and Allowances Journal is posted to the ledger, the ledger will appear as follows:

General Ledger of Qatar luxury furnishings					
Date	Particulars	Debit	Credit	Balance	
Purchases – E1					
6 October	Accounts payable	22,164.00		22,164.00	Dr
Purchases returns and allowances – E2					
6 October	Accounts payable		2,790.00	2,790.00	Cr
GST Paid – A1					
6 October	Accounts payable	2,216.40		2,216.40	Dr
6 October	Accounts payable		279.00	1,937.40	Dr
Accounts payable – L1					
6 October	Purchases and GST		24,380.40	24,380.40	CR
6 October	Purchases Ret and GST	3,069.00		21,311.00	Cr

The subsidiary ledger or accounts payable ledger will appear as follows:

Accounts Payable Ledger Of Qatar Luxury Furnishings					
Doha furniture distributor – L1					
1 October	Purchases and GST		7,315.00	7,315.00	Cr
1 October	Purchases ret and GST	3,014.00		4,301.00	Cr
4 October	Purchases and GST		4,631.00	8,932.00	Cr
QFS wll – L2					
3 October	Purchases and GST	2,216.40		2,216.40	Dr
6 October	Accounts payable		2,790.00	2,790.00	Cr
GST Paid – A1					
6 October	Accounts payable		495.00	495.00	Cr
4 October	Purchases ret and GST	55.00		440.00	Cr
Qatar kitchen supplies – L3					
6 October	Purchases and GST		11,939.40	11,939.40	Cr



Practice

Practice activity 38

Complete the following purchases and purchases returns and allowances journals and post to the general ledger and accounts payable ledger.

PURCHASES JOURNAL OF QATAR COPY CENTRE

Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
3 Apr	3945	<i>Qatar Stationery</i>		3950		
7 Apr	87056	<i>Khaliji Print Supplies</i>		6842		
12 Apr	5874	<i>Creative Stamps</i>		1056		
26 Apr	4248	<i>Qatar Stationery</i>		4550		
				Dr	Dr	Cr

PURCHASES RETURNS & ALLOWANCES JOURNAL OF QATAR COPY CENTRE

Date	Adjust No	Particulars	Folio	Purchases Returns	GST paid	Accounts payable
Apr 10	5523	<i>Khaliji Print Supplies</i>		142		
Apr 16	9982	<i>Creative Stamps</i>		40		
				Cr	Cr	Cr



GENERAL LEDGER OF QATAR COPY CENTRE

Date	Particulars	Debit	Credit	Balance	
PURCHASES – E1					
PURCHASES RETURNS & ALLOWANCES – E2					
GST PAID – A1					
ACCOUNTS PAYABLE – L1					

ACCOUNTS PAYABLE LEDGER OF QATAR COPY CENTRE

Date	Particulars	Debit	Credit	Balance	
QATAR STATIONERY – L1					
KHALIJI PRINT SUPPLIES – L2					
CREATIVE STAMPS – L3					

Let's review the procedures to record the sales journal. The source document for this transaction is the copy of the GST Invoice issued to the customer. The invoice lists the goods sold and how much is owing. If applicable, GST/VAT will be included on the invoice.

The following documents have been issued by Qatar luxury Furnishings and the Sales and Sales Returns and Allowances Journal prepared.

TAX INVOICE	
Qatar Luxury Furnishings	
1 October 20xx	No 1028
To:	J Al Ghanim
Amount	14,200.00
GST	1,420.00
Total	15,620.00

TAX INVOICE	
Qatar Luxury Furnishings	
2 October 20xx	No 1029
To:	H Al Thani
Amount	12,450.00
GST	1,245.00
Total	13,695.00

TAX INVOICE	
Qatar Luxury Furnishings	
4 October 2011	No 1030
To:	Qatar Homes
Amount	14,200.00
GST	1,420.00
Total	15,620.00

TAX INVOICE	
Qatar Luxury Furnishings	
4 October 2011	No 1031
To:	J Al Ghanim
Amount	1,250.00
GST	125.00
Total	1,375.00

AI TAX ADJUSTMENT NOTE	
Qatar Luxury Furnishings	
5 October 20xx	No 419
To:	Qatar Homes
Amount	480.00
GST	48.00
Total	528.00

AI TAX ADJUSTMENT NOTE	
Qatar Luxury Furnishings	
6 October 20xx	No 420
To:	H Al Thani
Amount	1,200.00
GST	120.00
Total	1,320.00

Sales Journal of Qatar Luxury Furnishings

Date	Invoice No	Particulars	Folio	Sales	GST collected	Accounts receivable
1 Oct	1028	J Al Ghanim		10,000.00	1,000.00	11,000.00
2 Oct	1029	H Al Thani		12,450.00	1,245.00	13,695.00
4 Oct	1030	Qatar Homes		14,200.00	1,420.00	15,620.00
5 Oct	1031	J Al Ghanim		1,250.00	125.00	1,375.00
				37,900.00	3,790.00	41,690.00
				Cr	Cr	Dr

Sales Returns and Allowances Journal of Qatar Luxury Furnishings

Date	Adjust No	Particulars	Folio	Sales ret and all	GST collected	Accounts receivable
5 Oct	419	Qatar Homes		480.00	48.00	528.00
6 Oct	420	H Al Thani		1,200.00	120.00	1,320.00
				1,680.00	168.00	1,848.00
				Dr	Dr	Cr

The general ledger will appear as follows:

General Ledger of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
Sales – R1					
6 Oct	Accounts receivable		37,900.00	37,900.00	Cr
Sales returns and allowances – R2					
6 Oct	Accounts receivable	1,680.00		1,680.00	Dr
Accounts receivable – A1					
6 Oct	Sales	41,690.00		41,690.00	Dr
	Sales returns		1,848.00	39,842.00	Dr
GST collected – L1					
6 October	Accounts receivable		3,790.00	3,790.00	Cr
	Accounts receivable	168.00		3,622.00	Cr

The accounts receivable ledger will appear as follows

Accounts Receivable Ledger Of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
J Al Ghanim – A1					
1 October	Sales and GST	11,000.00		11,000.00	Dr
5 October	Sales and GST	1,375.00		12,375.00	Dr
H Al Thani – A2					
2 October	Sales and GST	13,695.00		13,695.00	Dr
6 October	Sales return and GST		1,320.00	12,375.00	Dr
Qatar homes – A3					
4 October	Sales and GST	15,620.00		15,620.00	Dr
5 October	Sales return and GST		528.00	15,092.00	Dr



Practice

Practice activity 39

Complete the following sales and sales returns and allowances journals and post to the general ledger and accounts receivable ledger.

SALES JOURNAL OF QATAR PRINT CENTRE

Date	Invoice No	Particulars	Folio	Sales	GST Collected	Accounts Receivable
1 Apr	9984	Hamad Hospital		4955		
8 Apr	9985	Al Jazeera News		3876		
19 Apr	9986	A Al Sulati		2971		
27 Apr	9987	Al Jazeera News		4462		
				Cr	Cr	Dr

SALES RETURNS & ALLOWANCES JOURNAL OF QATAR PRINT CENTRE

Date	Adjust No	Particulars	Folio	Sales Ret & All	GST Collected	Accounts Receivable
Apr 10	5524	Al Jazeera News		1911		
Apr 22	5525	A Al Sulati		1104		
				Dr	Dr	Cr





Practice

Practice activity 40

a) What journal is prepared from each of the documents below?

Invoices received	
Copies of adjustment notes issued	
Adjustment notes received	
Copies of invoices issued	

b) Complete the blanks numbered 1 – 10 in the journal below.

Sales Journal of Qatar Stationery						
Date	1	Particulars	Folio	Sales	GST collected	2
11 Oct	1015	B Al Thani		600.00	60.00	660.00
18 Oct	1016	M Aziz		500.00	50.00	550.00
26 Oct	3	B Al Thani		1,200.00	4	1,320.00
28 Oct	1018	M Al Ghanim		1,250.00	5	6
				3,550.00	7	8
				Cr	9	10



c) Complete the blanks numbered 1 – 10 in the journal below.

Ledger of Qatar Stationery					
Date	Particulars	Debit	Credit	Balance	
Purchases – E1					
1 Oct	1	12,000.00		12,000.00	2
Purchases returns and allowances – E2					
6 October	Accounts payable		3	240.00	Cr
GST Paid – A1					
6 October	Accounts payable	1,200.00		1,200.00	Dr
	Accounts payable		24.00	4	5
Accounts Payable					
6 October	Accounts payable		121,200.00	121,200.00	Cr
	Accounts payable	264.00		6	Cr

The purchases, purchases returns, sales and sales returns journals all record credit transactions. However, many business transactions are cash transactions. When a cash transaction takes place it must be recorded in either the cash receipts journal or the cash payments journal.

Examples of cash receipts will be cash sales, service fees for cash, receipts of cash from accounts receivable, interest received etc.

The source documents for cash receipts will be handwritten receipts, computer generated totals of cash sales dockets from the cash register, and the bank statement etc.

Examples of cash payments will be cash purchases, wages, rent, electricity, interest paid, payment to accounts payable, etc.

The source documents for cash payments will be cheque stubs and bank statements etc.

The example of the cash receipts journal below is a simple one and assumes an analysis of sales is not required.



Cash Receipts Journal of City Pharmacy

Date	Reference	Particulars	Cash sales	Accounts receivable	Sundry receipts	GST collected	Details	Bank
March 1	Rec 455	T Rasic		1,500.00				1,500.00
March 4	CRS	Cash sales	500.00			50.00		550.00
March 7	Rec 456	H Atalya		400.00			400.00	
March 7	CRS	Cash sales	220.00			22.00	242.00	642.00
March 7	B/S	Interest			225.00			225.00
			720.00	1,900.00	225.00	72.00		2917.00
			Cr		Cr			Dr

Note the posting instructions on the bottom line of the journal. This indicates where the figures will be posted to the general ledger.

Because it is a cash receipts journal, the bank account will be increasing. Therefore, it will be debit. All the other columns will be credit.

Sales are increasing, therefore they are credit.

Accounts Receivable are decreasing, therefore credit (account receivables are paying us, reducing their account). GST is not recorded in the receipt from an account receivable because it has already been recorded in the original credit sales transaction.

Sundry Receipts will be either other revenue accounts or could be decreasing asset accounts eg the sale of assets for cash and therefore credit.

GST Collected is a liability account, increasing and therefore credit.

The cash receipts journal is now posted to the general ledger.

Ledger of City Pharmacy					
Date	Particulars	Debit	Credit	Balance	
Sales					
Mar 7	Cash at bank		720.00	720.00	Cr
Interest received					
	Cash at bank		225.00	225.00	Cr
Cash at bank					
Mar 7	Sundry receipts	2,917.00		2,917.00	Dr
Accounts Receivable					
Mar 7	Cash at bank		1,900.00	1,900.00	Cr
GST Collected					
Mar 1	Cash at bank		72.00	72.00	Cr

The accounts receivable ledger will be posted as follows:

Accounts Receivable Ledger of City Pharmacy					
Date	Particulars	Debit	Credit	Balance	
T Rasic					
March 1	Cash at bank		1,500.00	1,500.00	Cr
H Atalya					
March 7	Cash at bank		400.00	400.00	Cr



Practice

Practice activity 41

Total the following cash receipts journal and post to the general and accounts receivable ledger.

CASH RECEIPTS JOURNAL OF QATAR PRINT CENTRE

Cash receipts journal of qatar print centre								
Date	Reference	Particulars	Accounts receivable	Printing	Sundry Receipts	GST Collected	Details	Bank
Mar 1	Rec 954	F Al Emadi	2300.00					2300.00
Mar 6	CRS	Cash sales		515.00		51.50		566.50
Mar 7	Rec 955	P West	1480.00					
Mar 7	CRS	Cash sales		90.00		9.00		1579.00
Mar 7	B/S	Interest			95.00			95.00
			Cr	Cr	Cr	Cr		Dr



GENERAL LEDGER OF QATAR PRINT CENTRE

Date	Particulars	Debit	Credit	Balance	
Printing					
Interest Received					
Cash at Bank					
Accounts Receivable					
GST Collected					

ACCOUNTS RECEIVABLE LEDGER OF QATAR PRINT CENTRE

Date	Particulars	Debit	Credit	Balance	
F Al Emadi					
P West					

The example of the cash payments journal below is also a simple one and assumes a comprehensive analysis of payments or expenses is not required.

Cash Payments Journal of City Pharmacy								
Date	Reference	Particulars	Purchases	Accounts payable	Sundry payments	GST paid	Details	Bank
March 1	Ch 922	M Sawadi		1,200.00				1,200.00
March 3	Ch 923	Purchases	250			25.00		275.00
March 6	Ch 924	Wages			1,100.00			1,100.00
March 7	Ch 925	Rent			600.00	60.00		
March 7		Cleaning			35.00	3.50		698.50
March 7	B/S	Bank fees		1,900.00	25.00			25.00
			250.00	1,200.00	1,760.00	88.50		3,298.50
			Cr		Dr			Cr



Note the posting instructions on the bottom line of the journal. This indicates where the figures will be posted to the ledger.

Because it is a cash payments journal, the bank account will be decreasing. Therefore it will be credit. All the other columns will be debit.

Purchases are increasing, therefore they are debit.

Accounts Payables are decreasing (we are paying the account payable and reducing what we owe them), therefore debit.

Sundry Payments will be either other expense accounts or could be increasing asset accounts eg the purchase of assets for cash.

GST Paid is an asset account, increasing and therefore debit.

Wages and Bank charges are exempt from GST. GST is not recorded in the payment to an account payable because it has already been recorded in the original credit purchase transaction.

The cash payments journal is now posted to the general ledger.

Ledger of City Pharmacy					
Date	Particulars	Debit	Credit	Balance	
Ledger of City Pharmacy					
March 7	Cash at bank	250.00		250.00	Dr
Wages					
March 6	Cash at bank	1,100.00		1,100.00	Dr
Rent					
March 7	Cash at bank	600.00		600.00	Dr
Cleaning					
March 7	Cash at bank	35.00		35.00	Dr
Bank fees					
March 7	Cash at bank	25.00		25.00	Dr

Date	Particulars	Debit	Credit	Balance	
Cash at bank					
March 7	Sundry payments		3,298.50	250.00	Dr
GST paid					
March 7	Cash at bank		88.50	1,100.00	Dr
Accounts payable					
March 7	Cash at bank	1,200.00		1,200.00	Dr

The cash payments journal is now posted to the accounts payable subsidiary ledger.

Ledger of City Pharmacy					
Date	Particulars	Debit	Credit	Balance	
M Sawadi					
March 1	Cash at bank	1,200.00		1,200.00	Dr



Practice

Practice activity 42

Total the following cash payments journal and post to the general and accounts payable ledger.

CASH PAYMENTS JOURNAL OF QATAR COPY CENTRE

Purchases journal of Qatar Luxury Furnishings								
Date	Reference	Particulars	Accounts Payable	Sundry Expenses	Sundry Receipts	GST Paid	Details	Bank
Mar 1	Ch 1452	M Alatyia		1995.00				1995.00
Mar 4	Ch 1453	Purchases	3687.00			368.70		4055.70
Mar 5	Ch 1454	Qatar Print		3654.00				3654.00
Mar 7	Ch 1455	Repairs			250.00	25.00		
Mar 7		Cleaning			110.00	11.00		396.00
Mar 7	B/S	Interest			45.00			45.00
			Cr	Cr	Cr	Cr		Dr

ACCOUNTS PAYABLE LEDGER OF QATAR COPY CENTRE

Date	Particulars	Debit	Credit	Balance	
M ALATYA					
Mar 1	Balance			5487.00	Cr
QATAR PRINT					
Mar 1	Balance			3958.00	Cr



GENERAL LEDGER OF QATAR COPY CENTRE

Date	Particulars	Debit	Credit	Balance	
Purchases					
Repairs					
Cleaning					
Interest					
Cash at Bank					
Mar 1	Balance			29845.00	
GST Paid					
Accounts Payable					
Mar 1	Balance			35412.00	Cr



Practice

Practice activity 43

Complete the blanks in the Cash Receipts Journals below.

Cash Receipts Journal of the Qatar Copy Centre

Date	Reference	Particulars	Cash sales	Accounts 1	Sundry payments	GST 2	3	Bank
April 1	Rec 522	P Thompson		1,250.00				1,250.00
April 4	CRS	Cash sales	200.00			20.00		4
April 6	Rec 532	M Jazzi		1,000.00			1,000.00	
April 6	CRC	Cash sales	400.00			40.00	5	6
April 7	B/S	Interest			7			25.00
			600.00	2,250.00	8	60.00	9	
			Cr	Cr	Cr	Cr	10	



Practice

Practice activity 44

Complete the blanks in the Cash Payments Journal below.

Date	Reference	Particulars	1	Accounts	Sundry expenses	GST Paid	Details	2
March 12	Ch 234	G Wilson		800.00				800.00
March 13	Ch 235	Purchases	300.00			30.00		330.00
March 13	Ch 236	Freight			45.00	4.50	3	
		Stationery			600.00	60.00	4	5
March 17	6	Cleaning			50.00	5.00		55.00
March 17	7	Bank fees			15.00			15.00
			300.00	800.00	710.00			8
			Dr	Dr	Dr	9		10





Practice

Practice activity 45

Write the appropriate journal next to the transactions below.

<i>Records purchases of goods on credit</i>	
<i>Records adjustments made to goods purchased on credit</i>	
<i>Records sales of goods on credit</i>	
<i>Records the adjustment made to goods sold on credit</i>	
<i>Records the receipt of cash</i>	
<i>Records the payment of cash</i>	

Preparation of schedules of accounts receivable and accounts payable and reconcile with general ledger accounts

It is important for a business that follows standard accounting principles to be able to regularly reconcile their accounts receivable and accounts payable with the general ledger totals.

Therefore, a schedule of accounts receivable and payable will be prepared. These schedules represent a summary of the individual accounts in each subsidiary ledger and should be reconciled with the general ledger account balances.



Example

General Ledger of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
Accounts Receivable – A1					
7 October	Sales and GST	41,690.00		41,690.00	Dr
7 October	Sales Returns and GST		1,848.00	39,842.00	Dr
7 October	Cash at bank		8,500.00	31,342.00	DR
Accounts Payable – L1					
7 October	Purchases and GST		24,380.40	24,380.40	Cr
7 October	Purchases Returns and GST	3,069.00		21,311.40	Cr
7 October	Cash at bank	2,640.00		18,671.40	Cr

Accounts Receivable Ledger of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
J Al Ghanim – A1					
1 Oct	Sales and GST	11,000.00		11,000.00	Dr
5 Oct	Sales and GST	1,375.00		12,375.00	Dr
7 Oct	Cash at bank		6,000.00	6,375.00	Dr
H Al Thani – A2					
2 Oct	Sales and GST	13,695.00		13,695.00	Dr
6 Oct	Sales Ret and GST		1,320.00	12,375.00	Dr
Qatar Homes – A3					
4 Oct	Sales and GST	15,620.00		15,620.00	Dr
5 Oct	Sales Ret and GST		528.00	15,092.00	Dr
7 Oct	Cash at bank		2,500.00	12,592.00	Dr

Schedule of Accounts Receivable as at 7 October	
Account name	Amount QR
J Al Ghanim	6,375.00
H Al Thani	12,375.00
Qatar Homes	12,592.00
Total as per Accounts Receivable Control A/C (General Ledger)	31,342.00

Accounts Payable Ledger of Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
Doha Furniture Distributors – L1					
1 Oct	Purchases and GST		7,315.00	7,315.00	Cr
1 Oct	Purchases Ret and GST	3,014.00		4,301.00	Cr
4 Oct	Purchases and GST		4,631.00	8,932.00	Cr
7 Oct	Cash at bank	2,200.00		6,732.00	
QFS wll – L2					
3 Oct	Purchases and GST		495.00	4,95.00	Cr
4 Oct	Purchases Ret and GST	55.00		440.00	Cr
6 Oct	Cash at bank	440.00		-	
Qatar Kitchen Supplies – L3					
6 Oct	Purchases and GST		11,939.40	11,939.40	Cr

Schedule of Accounts Payable as at 7 October	
Account name	Amount QR
Doha furniture	6,732.00
QFS wll	---
Qatar Kitchen Supplies	11,939.40
Total as per Accounts Payable Control A/C	18,671.40

When completed the schedules of accounts receivable and payable should be reconciled with the control accounts in the general ledger. If there are discrepancies, identification of the error and correction should occur in line with organisational requirements.

Here are some tips for identifying errors

1. Review the debit and credit entries in the accounts payable ledger to ensure that all entries made relate to accounts payable transactions.
2. Review the debit and credit entries in the accounts receivable ledger to ensure that all entries made relate to accounts receivable transactions.
3. Check that the supporting source documents such as sales invoices, receipts and statements, are attributed to the correct customer and entries are supported by those documents.
4. Verify that all payments were recorded as debit entries to the general ledger control account and to the subsidiary ledger accounts and that all purchases were recorded as credit entries.
5. Verify that all receipts were recorded as credit entries to the general ledger control account and to the subsidiary ledger accounts and that all sales were recorded as debits entries.
6. Check that entries recorded in the cash payments and cash receipts journals reconcile against the entries in the bank statement.



Practice

Practice activity 46

Refer to Activity 38. Prepare a schedule of accounts receivable and reconcile with the accounts receivable account in the general ledger.

QATAR COPY CENTRE	
Schedule of Accounts Receivable as at	
Account name	Amount QR





Practice

Practice activity 47

On 1 July the balance of the accounts receivable control account in the general ledger of Qatar Water Supplies was QR 9,800 and corresponded to the following account receivable balances:

Account receivable	Amount
<i>R Wong</i>	3,200.00
<i>J Walters</i>	400.00
<i>P Rashid</i>	6,200.00
	QR 9,800.00

The following journals were recorded for the month of July

Sales Journal of Qatar Water Supplies						
Date	Invoice no	Particulars	Folio	Sales	GST collected	Accounts receivable
2 July	275	<i>J Walters</i>		900.00	90.00	990.00
16 July	276	<i>P Rashid</i>		2,400.00	240.00	2,640.00
21 July	277	<i>A Mansouri</i>		200.00	20.00	220.00
31 July				QR 3,500.00	QR 350.00	QR 3,850.00
				Cr	Cr	Dr



Sales Returns and Allowances Journal of Qatar Water Supplies

Date	Invoice no	Particulars	Folio	Sales	GST collected	Accounts receivable
5 July	117	J Walters		20.00	2.00	22.00
20 July	118	P Rashid		200.00	20.00	220.00
31 July				QR 220.00	QR 22.00	QR 242.00
				Dr	Dr	Cr

Cash Receipts Journal of Qatar Water Supplies

Date	Reference	Particulars	Cash sales	Accounts receivable	Sundry receipts	GST collected	Details	Bank
6 July	CRS	Sales	2,000.00			200.00		2,200.00
15 July	CRS	Sales	1,240.00			124.00		1,364.00
16 July	165	Apollo Real Estate (Rent)			500.00	50.00		
	166	R Wong		3,200.00				3,750.00
21 July	167	J Walters		400.00				400.00
22 July	CRS	Sales	1,900.00			190.00		2,090.00
29 July	168	P Rashid		6,200.00				6,200.00
31 July			5,140.00	9,800.00	500.00	564.00		16,004.00
			Cr	Cr	Cr	Cr		Dr

You are required to:

1. Complete the accounts receivable control account in the general ledger.
2. Post the journals to the accounts receivable subsidiary ledger accounts.
3. Prepare a schedule of accounts receivable as at 31 July to reconcile with the closing accounts receivable control balance.

Note: Don't forget the opening balances.

General Ledger of Qatar Water Supplies					
Date	Particulars	Debit	Credit	Balance	
Accounts receivable – A1					
					Dr
					Dr

[illegible]

Schedule of Accounts Receivable as at 31 July	
Account name	Balance



Practice

Practice activity 48

On 1 July the balance of the accounts receivable control account in the general ledger of Qatar Camping Supplies was QR13,952 and corresponded to the following account receivable balances:

Account receivable	Amount
<i>P Brown</i>	8650
<i>R Ibrihim</i>	715
<i>Y Hassan</i>	4587
	QR13952

The following journals were partly recorded for the month of July.

SALES JOURNAL OF QATAR CAMPING SUPPLIES						
Date	Invoice No	Particulars	Folio	Sales	GST Collected	Accounts Receivable
7 Apr	986	<i>R Ibrihim</i>		4125		
14 Apr	987	<i>Y Hassan</i>		2504		
23 Apr	988	<i>R Ibrihim</i>		3896		
30 Apr						
				Cr	Cr	Dr

SALES RETURNS & ALLOWANCES JOURNAL OF QATAR CAMPING SUPPLIES						
Date	Invoice No	Particulars	Folio	Sales	GST Collected	Accounts Receivable
17 Apr	305	<i>R Ibrihim</i>		845		
28 Apr	306	<i>Y Hassan</i>		694		
30 Apr						
				Dr	Dr	Cr



CASH RECEIPTS JOURNAL OF QATAR CAMPING SUPPLIES								
Date	Reference	Particulars	Cash Sales	Accounts Receivable	Sundry Receipts	GST	Details	Bank
4 Apr	Rec457	P Brown		4650				4650
7 Apr	CRS	Cash sales	2200			220		
	Rec458	Y Hassan		1225				3645
14 Apr	B/S	Interest			55			55
21 Apr	Rec459	R Ibrihim		715				715
24 Apr	CRS	Cash sales	1780			178		1958
26 Apr	CRS	Cash sales	3954					3954
			Cr	Cr	Cr	Cr		Dr

You are required to:

1. Complete the sales and sales returns journals.
2. Post the total of the journals to the accounts receivable control account in the general ledger.
3. Post the journals to the accounts receivable subsidiary ledger accounts.
4. Prepare a schedule of accounts receivable as at 30 April to reconcile with the closing accounts receivable control balance

Note: Don't forget the opening balances.

GENERAL LEDGER OF QATAR CAMPING SUPPLIE

Date	Particulars	Debit	Credit	Balance	
ACCOUNTS RECEIVABLE – A1					

ACCOUNTS RECEIVABLE LEDGER OF QATAR CAMPING SUPPLIES



Schedule of accounts receivable as at 30 April

Account name	Balance



Practice

Practice activity 49

Refer to Activity 39. Prepare a schedule of accounts payable and reconcile with the accounts payable account in the general ledger.

QATAR PRINT CENTRE

Schedule of Accounts Payable as at

Account name	Amount





Practice

Practice activity 50

On 1 July the balance of the accounts payable control account in the general ledger of Samer's Curtains was QR 3,140 and corresponded to the following account payable balances:

Account name	Balance
<i>A Rakhman</i>	920.00
<i>J Barber</i>	1,960.00
<i>M Azizz</i>	260.00
	QR 3,140.00

The following journals were recorded for the month of July,

Purchases Journal of Samer's Curtains						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
4 July	1476	<i>A Mahmoud</i>		8,400.00	840.00	9,240.00
15 July	279	<i>J Barber</i>		350.00	35.00	385.00
21 July	87	<i>A Rakhman</i>		1,440.00	144.00	1,584.00
31 July				QR 10,190	QR 1,019	QR 11,209
				Dr	Dr	Cr

Purchases Returns and Allowances Journal of Samer's Curtains						
Date	Adjustment No	Particulars	Folio	Purchases returns	GST paid	Accounts payable
16 July	8749	<i>J Barber</i>		30.00	3.00	33.00
27 July	21	<i>A Rakhman</i>		80.00	8.00	88.00
31 July				QR 110	QR 11	QR 121
				Cr	Cr	Dr
				Dr	Dr	Cr





Cash Payments Journal of Samer's Curtains

Date	Reference	Particulars	Cash purchases	Accounts payable	Sundry payments	GST paid	Details	Bank
6 July	214	M Azizz		2,600.00				2,600.00
12 July	215	Wages			400.00			400.00
12 July	216	Rent			1,500.00	150.00		1,650.00
16 July	217	Fabrix WLL	3,850.00			385.00		4,235.00
26 July	218	Wages			400.00			400.00
28 July	219	J Barber		1,960.00				1,960.00
28 July	220	A Mahmoud		9,240.00				9,240.00
29 July	221	Fabrix WLL	540.00			54.00		594.00
30 July	222	Al Rayyan Garage (Repairs)			350.00	35.00		385.00
			4,390.00	13,800.00	2,650.00	624.00		21,464.00
			Cr	Cr	Cr	Cr		

You are required to:

1. Complete the accounts payable control account in the general ledger.
2. Post the journals to the accounts payable subsidiary ledger accounts.
3. Prepare a schedule of accounts payable as at 31 July to reconcile with the closing accounts payable control balance.

[illegible]

[illegible]

Account name	Balance



Practice

Practice activity 51

On 1 July the balance of the accounts payable control account in the general ledger of Qatar Camping Supplies was QR 11 444 and corresponded to the following account payable balances:

Account payable	Amount
<i>Qatar Print</i>	5874
<i>Khaliji Stationery</i>	3952
<i>A Mahmoud</i>	1618
	QR 11444

The following journals were recorded for the month of July.

PURCHASES JOURNAL OF QATAR CAMPING SUPPLIES						
Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
4 Jul	59247	<i>Khaliji Stationery</i>		4452		
13 Jul	3681	<i>A Mahmoud</i>		5287		
20 Jul	4485	<i>Qatar Print</i>		2357		
				Dr	Dr	Cr

PURCHASES RETURNS & ALLOWANCES JOURNAL OF QATAR CAMPING SUPPLIES						
Date	Adjustment No	Particulars	Folio	Purchases Ret & All	GST paid	Accounts payable
10 Jul	9624	<i>Khaliji Stationery</i>		1215		
19 Jul	1089	<i>A Mahmoud</i>		2986		
				Cr	Cr	Dr



CASH PAYMENTS JOURNAL OF QATAR CAMPING SUPPLIES

Date	Reference	Particulars	Cash Purchases	Accounts Payable	Sundry Payments	GST	Details	Bank
2 Jul	346	Khaliji Stationery		1584				1584
5 Jul	347	Rent			5200	520		5720
9 Jul	348	Purchases	6850			685		7535
12 Jul	349	A Mahmoud		855				855
19 Jul	350	Freight			600	60		660
23 Jul	351	Qatar Print		1500				1500
			Cr	Cr	Cr	Cr		Dr

You are required to:

1. Complete the purchases and purchases returns journals.
2. Complete the accounts payable control account in the general ledger.
3. Post the journals to the accounts payable subsidiary ledger accounts.
4. Prepare a schedule of accounts payable as at 31 July to reconcile with the closing accounts payable control balance.

Note: Don't forget the opening balances.

GENERAL LEDGER OF QATAR CAMPING SUPPLIES

DATE	PARTICULARS	DEBIT	CREDIT	BALANCE	
ACCOUNTS PAYABLE – A1					



ACCOUNTS PAYABLE LEDGER OF QATAR CAMPING SUPPLIES

[illegible]

Schedule of accounts payable as at 31 July

Account name	Balance





Practice

Practice activity 52

On 1 November the balance of the accounts receivable control account in the general ledger of Qatar Camping and Leisure was QR748 and corresponded to the following account receivable balances:

Account receivable	Amount
<i>G Hall</i>	143.00
<i>Al Khor Canoe Club</i>	385.00
<i>V Khalifa</i>	220.00
	QR 748.00

On the same date the balance of the accounts payable control account in the general ledger of Qatar Camping and Leisure was QR 2,640 and corresponded to the following account payable balances:

Account Payable	Amount
<i>C Dale</i>	2,200.00
<i>R Hamoud</i>	440.00
	QR 2,640.00

The following journals were recorded for the month of November.

Sales Journal of Qatar Camping and Leisure						
Date	Invoice No	Particulars	Folio	Purchases	GST collected	Accounts receivable
1 Nov	1	Al Khor Canoe club		200.00	20.00	220.00
3 Nov	2	Q Youth Club		150.00	15.00	165.00
4 Nov	3	Al Khor Canoe club		300.00	30.00	330.00
29 Nov	4	G Hall		600.00	60.00	660.00
30 Nov				1,250.00	125.00	1,375.00
				Cr	Cr	Dr

Sales Returns and Allowances Journal of Qatar Camping and Leisure						
Date	Adjustment No	Particulars	Folio	Purchases returns	GST collected	Accounts receivable
4 Nov	1	Q Youth Club		20.00	2.00	22.00
8 Nov	2	Al Khor Canoe club		40.00	4.00	44.00
26 Nov	3	Q Youth Club		20.00	2.00	22.00
30 Nov				80.00	8.00	88.00
				Dr	Dr	Cr

Purchases Journal of Qatar Leisure and Camping

Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
1 Nov	14	C Dale		400.00	40.00	440.00
10 Nov	87	R Hamoud		200.00	20.00	220.00
11 Nov	42	C Dale		40.00	4.00	44.00
27 Nov	70	R Hamoud		20.00	2.00	22.00
31 Nov				660.00	66.00	726.00
				Dr	Dr	Cr

Purchases Returns and Allowances Journal of Qatar Leisure and Camping

Date	Adjustment No	Particulars	Folio	Sales returns	GST paid	Accounts payable
5 Nov	115	C Dale		20.00	2.00	22.00
15 Nov	87	C Dale		40.00	4.00	44.00
30 Nov				QR 60.00	QR 6.00	QR 66.00
				Cr	Cr	Dr
				Dr	Dr	Cr



Receipts Journal of Qatar Camping and Leisure

Date	Reference	Particulars	Cash sales	Accounts receivable	Sundry receipts	GST	Details	Bank
1 Nov	1	Capital			2,000.00			2,000.00
2 Nov	CRS	Sales	200.00			20.00		220.00
3 Nov	2	G Hall		143.00				
	CRS	Sales	500.00			50.00		693.00
10 Nov	3	Al Khor Canoe Club		200.00				
	CRS	Sales	100.00			10.00		310.00
15 Nov	4	Interest			80.00			
	CRS	Sales	40.00			4.00		124.00
18 Nov	CRS	Sales	300.00			30.00		330.00
26 Nov	5	Q Youth Club		122.00				122.00
30 Nov			1,140.00	465.00	2,080.00	114.00		3,799.00
			Cr	Cr	Cr	Cr		Dr

Payments Journal of Qatar Camping and Leisure

Date	Reference	Particulars	Cash purchases	Accounts payable	Sundry payments	GST paid	Details	Bank
2 Nov	480	R Hamoud						440.00
3 Nov	481	Tentzz	2,000.00			200.00		2,200.00
6 Nov	482	Wages			1,500.00			1,500.00
7 Nov	483	Doha Stationery			400.00	40.00		440.00
19 Nov	484	Kahrama			150.00	15.00		165.00
20 Nov	485	C Dale		402.00				402.00
30 Nov	486	Office Equipment			1,000.00	100.00		1,100.00
	487	Cables and Ties	400.00			40.00		440.00
			2,400.00	842.00	3,050.00	395.00		6,687.00
			Dr	Dr	Dr	Dr		Cr

You are required to:

1. Complete the accounts receivable and accounts payable control accounts in the general ledger.
2. Post the journals to the accounts receivable and accounts payable subsidiary ledger accounts.
3. Prepare a schedule of accounts receivable and a schedule of accounts payable as at 30 November to reconcile with the closing accounts receivable and accounts payable control balance.

Note: Don't forget the opening balances.

General Ledger of Qatar Camping and Leisure					
Date	Particulars	Debit	Credit	Balance	
Accounts receivable – A1					
Accounts payable – L1					

Accounts Receivable Ledger of Qatar Camping and Leisure



Accounts Payable Ledger of Qatar Camping and Leisure



Schedule of Accounts Receivable as at 30 November	
Account name	Balance

Schedule of Accounts Payable as at 30 November	
Account name	Balance



Practice

Practice activity 53

You are required to complete the cash receipts, cash payments, purchases, purchases returns, sales and sales returns journals. Prepare a general ledger extract showing the accounts receivable and accounts payable control accounts. Show the accounts receivable ledger and accounts payable ledger. Reconcile the general ledger accounts by showing completed schedules of accounts receivable and payable as at 30 June 20xx.

Schedule of Accounts Receivable As at 31 May 20xx		Schedule of Accounts Payable As at 31 May 20xx	
Account name	Balance	Account name	Balance
J Marsh	2,100.00	R Gerber	3,417.00
R Khalid	1,472.00	D Nicholls	2,618.00
Total as per Accounts Receivable control A/c	3,572.00	Total as per Accounts Payable control A/c	6,035.00

Receipts issued

RECEIPT	
7 Jun 20xx	No 2
Received from	J Marsh
For	Settlement of a/c
Amount	1500.00
Total	1500.00

RECEIPT	
15 Jun 20xx	No 3
Received from	K J Industries
For	Rent
Amount	660.00
Total	660.00

RECEIPT	
21 Jun 20xx	No 4
Received from	Qatar Theatre
For	Commission
Amount	990.00
Total	990.00

RECEIPT	
30 Jun 20xx	No 5
Received from	R Khalid
For	Settlement of a/c
Amount	1815.00
Total	1815.00

Cash register summaries

Cash Register Summary 1 Jun 20xx	
Total	3,300.00

Cash Register Summary 10 Jun 20xx	
Total	4,950.00

Cash Register Summary 21 Jun 20xx	
Total	6,600.00

Tax invoices issued

TAX INVOICE	
Qatar Computers	
6 Jun 20xx	No 1
TO:	J Marsh
Total	3 300

TAX INVOICE	
Qatar Computers	
10 Jun 20xx	No 2
TO:	R Khalid
Total	2 475

TAX INVOICE	
Qatar Computers	
27 Jun 20xx	No 3
TO:	C Banks
Total	1 980

Adjustment notes issued

TAX ADJUSTMENT NOTE	
Qatar Computers	
10 Jun 20xx	No 1
TO:	J Marsh
Total	165.00

TAX ADJUSTMENT NOTE	
Qatar Computers	
10 Jun 20xx	No 1
TO:	R Khalid
Total	660.00

Cheques

Cheque Butt	
3 Jun 20xx	No 020
Paid to	A Johnson
For	Purchases
Total	2640.00

Cheque Butt	
10 Jun 20xx	No 021
Paid to	N Wilson
For	Drawings
Total	600.00

Cheque Butt	
11 Jun 20xx	No 022
Paid to	Cash
For	Wages
Total	3600.00

Cheque Butt	
10 Jun 20xx	No 023
Paid to	R Gerber
For	Settlement of a/c
Total	1650.00

Cheque Butt

30 Jun 20xx	No 024
Paid to	N Sams
For	Advertising
Total	660.00

Tax invoices received**D Nicholls
TAX INVOICE**

To	Qatar Computers
4 Jun 20xx	No 82
Total	1485.00

**M Brown
TAX INVOICE**

To	Qatar Computers
4 Jun 20xx	No 271
Total	2057.00

**R Gerber
TAX INVOICE**

To	Qatar Computers
4 Jun 20xx	No 7
Total	1892.00

Adjustment note received**R GERBER
TAX ADJUSTMENT NOTE
Qatar Computers**

20 Jun 20xx	No 50
Total	242.00

PURCHASES JOURNAL OF

Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable

PURCHASES RETURNS & ALLOWANCES JOURNAL OF

Date	Adjustment No	Particulars	Folio	Sales Returns	GST Collected	Accounts Receivable



SALES JOURNAL OF

Date	Invoice No	Particulars	Folio	Purchases	GST Collected	Accounts Receivable

SALES RETURNS & ALLOWANCES JOURNAL OF

Date	Adjustment No	Particulars	Folio	Sales Returns	GST Collected	Accounts Receivable

CASH PAYMENTS BOOK OF:

Business



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GENERAL LEDGER OF QATAR COMPUTERS

DATE	PARTICULARS	DEBIT	CREDIT	BALANCE	
ACCOUNTS RECEIVABLE – A1					
ACCOUNTS PAYABLE – L1					



ACCOUNTS RECEIVABLE LEDGER OF QATAR COMPUTERS

Schedule of accounts receivable as at 30 June

Account name	Balance



ACCOUNTS PAYABLE LEDGER OF QATAR COMPUTERS

Schedule of accounts payable as at 30 June

Account name	Balance



Process payments for accounts payable

Reconcile accounts payable statements with accounting records

Discrepancies and errors are inevitable. However, effective management policies will identify errors and rectify them as quickly as possible.

Business organisations will attempt to identify and rectify the errors at the time of the transaction.

Common discrepancies can include:

- Duplicate invoices (being charged twice for the same goods)
- Charges for other companies incorrectly invoiced to our business.
- Incorrect or excessive charges for freight, handling and administration fees etc.
- Figures on financial documents are transposed.
- Incorrect calculations on statements and invoices.

Once the invoices received for the month have been checked for discrepancies, they should be matched against the invoice details in the subsidiary ledger for each supplier.

Where more than one invoice is received from suppliers during the month, the supplier will often send a statement showing a summary of the invoices issued and any payments that have been made during the month. Again, these statements should be checked against the invoices received as well as the individual accounts in the subsidiary ledger.

As soon as the account payable documentation has been approved for payment, you should check due dates. Some suppliers will offer

discounts for prompt payment. All suppliers will offer different trading terms. Some will require payment within 7 days, 10 days, 14 days or 30 days. It is important that payment is made by the due date.

Trading terms: 10/2; n/30

Trading terms: 7/10; n/21

Trading terms: 15/5; n/30



Example

The example below is designed to show you the documents, journals and ledger accounts prepared to accurately record the purchase of goods.

Note the following:

- Invoices received from different suppliers (three invoices received from Soft Furnishings)
- Statement received from Soft Furnishings
- Statements are not received from other suppliers as there is only one invoice from each for the month.
- A statement will generally be issued when more than one invoice per month is issued to the same customer.
- Purchases journal
- Accounts payable ledger (compare the statement received from Soft Furnishings with the ledger account for Soft Furnishings)
- Schedule of accounts payable.

Doha Wholesale Furniture	
INVOICE	
Qatar Luxury Furnishings	
2 March 20xx	Invoice 3981
	QR
Goods	5,250.00
Freight	150.00
GST	540.00
Total	5,940.00

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
10 March 20xx	Invoice 5680
	QR
Goods	1,800.00
Freight	
GST	180.00
TOTAL	1,980.00

Furniture Mart	
INVOICE	
Qatar Luxury Furnishings	
12 March 20xx	Invoice 44101
	QR
Goods	9,800.00
Freight	980.00
GST	540.00
Total	10,780.00

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
17 March 20xx	Invoice 5691
	QR
Goods	4,450.00
Freight	200.00
GST	465.00
TOTAL	5115.00

Doha Wholesale Furniture	
INVOICE	
Qatar Luxury Furnishings	
22 March 20xx	Invoice 5714
	QR
Goods	1,040.00
Freight	
GST	104.00
TOTAL	1,144.00

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
27 March 20xx	Invoice 7108
	QR
Goods	3,000.00
Freight	100.00
GST	310.00
TOTAL	3,410.00

STATEMENT

Soft Furnishings
PO BOX 9893 DOHA
Tel 4478 5287

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>Qatar Luxury Furnishings</i>	<i>Airport Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
<i>Doha</i>	<i>Telephone: 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 March	Balance			12,855.00
3 March	Cheque - Rec 22390		12,855.00	-
10 March	Invoice 5680	1,980.00		1,980.00
17 March	Invoice 5691	5,115.00		7,095.00
22 March	Invoice 5714	1,144.00		8,239.00
Over 90 days	90 days	60 days	30 days	Current
				QR 8,239.00

Business



Purchases Journal of Qatar Luxury Furnishings

Date	Invoice No	Particulars	Folio	Purchases	GST paid	Accounts payable
2 March	3981	Doha Wholesale Furn.		5,400.00	540.00	5,940.00
10 March	5680	Soft Furnishings		1,800.00	180.00	1,980.00
12 March	44101	Furniture Mart		9,800.00	980.00	1,0780.00
17 March	5691	Soft Furnishings		4,650.00	465.00	5,115.00
22 March	5714	Soft Furnishings		1,040.00	104.00	1,144.00
27 March	7108	Q Kitchens		3,100.00	310.00	3,410.00
				25,790.00	2,579.00	28,369.00
				Dr	Dr	Cr

Accounts Payable Ledger of Qatar Luxury Furnishings

Date	Particulars	Debit	Credit	Balance	
Doha Wholesale Furniture					
1 March	Balance			6,125.00	Cr
1 March	Cash at bank	6,125.00		0.00	
2 March	Purchases		5,940.00	5,940.00	Cr
Furniture Mart					
1 March	Balance			0.00	
12 March	Purchases		10,780.00	10,780.00	Cr

Date	Particulars	Debit	Credit	Balance	
Q Kitchens					
1 March	Balance			3,880.00	Cr
	Cash at bank		3,000.00	880.00	Cr
	Purchases returns	880.00		0.00	
27 March	Purchases		3,410.00	3,410.00	Cr
Soft Furnishings					
1 March	Balance			12855.00	Cr
	Cash at bank	12855.00		0	
10 March	Purchases		1980.00	1980.00	Cr
17 March	Purchases		5115.00	7095.00	Cr
22 March	Purchases		1144.00	8239.00	Cr

Schedule of Accounts Payable as at 31 March	
Account name	Balance
Doha Wholesale Furniture	5,940.00
Furniture Mart	10,780.00
Q Kitchens	3,410.00
Soft Furnishings	8,239.00
Total as per Accounts Payable Control A/c	28,369.00





Practice

Practice activity 54

You have been asked to check the invoices on the following page.

Qatar Luxury Furnishings has the following agreements in place with suppliers:

- Soft Furnishings will not charge freight under any circumstances.
- Furniture Mart will only charge freight if the invoice is less than QR 1,000.

1. Circle any errors you find on the following invoices. Use your calculator to check all calculations including GST/VAT and totals.
2. On what date does the invoice received from Doha Wholesale Furniture have to be paid by?

3. If Qatar Luxury Furnishings takes advantage of the discount terms offered by Furniture mart, what date should the invoice be paid by and how much will be paid?

Calculation	

Doha Wholesale Furniture	
INVOICE	
Qatar Luxury Furnishings	
2 March 20xx	Invoice 3981
	QR
Goods	5,250.00
Freight	150.00
GST	640.00
TOTAL	6,040.00
Terms: n/15;	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
10 March 20xx	Invoice 5680
	QR
Goods	1,800.00
Freight	50.00
GST	180.00
TOTAL	2,030.00
Terms: 5/15; n/30	

Furniture Mart	
INVOICE	
Qatar Luxury Furnishings	
12 March 20xx	Invoice 44101
	QR
Goods	2,100.00
Freight	
GST	210.00
TOTAL	2,310.00
Terms: 7.5/15; n/30	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
17 March 20xx	Invoice 5691
	QR
Goods	4,450.00
Freight	
GST	445.00
TOTAL	5,115.00
Terms: 5/15; n/30	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
22 March 20xx	Invoice 5714
	QR
Goods	1,040.00
Freight	
GST	104.00
TOTAL	1,144.00
Terms: 5/15; n/30	

Q Kitchens	
INVOICE	
Qatar Luxury Furnishings	
27 March 20xx	Invoice 7108
	QR
Goods	3,000.00
Freight	100.00
GST	310.00
TOTAL	3,410.00
Terms: n/30	



You have been asked to check the invoices on the following page.

DOHA WHOLESALE STATIONERY	
INVOICE	
Qatar Luxury Furnishings	
4 Apr 20xx	Inv 8151
	QR
Goods	1550
Freight	100
GST	165
TOTAL	1815
Terms: n/15;	

STATIONERY & SOFTWARE	
INVOICE	
Qatar Copy Centre	
8 Apr 20xx	Inv 9480
	QR
Goods	2485
Freight	55
GST	254
TOTAL	2794
Terms: 5/15; n/30	

STATIONERY MART	
INVOICE	
Qatar Copy Centre	
12 Apr 20xx	Inv 45301
	QR
Goods	3984.00
Freight	155.00
GST	413.90
TOTAL	4552.90
Terms: 7.5/15; n/30	

STATIONERY & SOFTWARE	
INVOICE	
Qatar Copy Centre	
19 Apr 20xx	Inv 5781
	QR
Goods	2650
Freight	150
GST	208
TOTAL	3008
Terms: 5/15; n/30	

STATIONERY & SOFTWARE	
INVOICE	
Qatar Copy Centre	
25 Apr 20xx	Inv 5704
	QR
Goods	2585
Freight	125
GST	271
TOTAL	2891
Terms: 5/15; n/30	

Q PRINT	
INVOICE	
Qatar Copy Centre	
26 Apr 20xx	Inv 7498
	QR
Goods	500
Freight	
GST	50
TOTAL	550
Terms: n/30	



Practice

Practice activity 56

You have been asked to check the invoices on the following page.

Prepare the schedule below showing the due date and the amount due for each invoice. (Assume company policy is to always take advantage of discounts)

Supplier	Due Date	Amount Due

DOHA WHOLESALE FISHING SUPPLIES	
INVOICE	
Qatar Camping Supplies	
4 May 20xx	Inv 3981
	QR
Goods	5480
Freight	160
GST	564
TOTAL	6204
Terms: n/15;	

STATIONERY & SOFTWARE	
INVOICE	
Qatar Camping Supplies	
9 May 20xx	Inv 5680
	QR
Goods	5450
Freight	
GST	545
TOTAL	5995
Terms: 5/15; n/30	

CAMP MART	
INVOICE	
Qatar Camping Supplies	
14 May 20xx	Inv 44101
	QR
Goods	3605.00
Freight	110.00
GST	371.50
TOTAL	4086.50
Terms: 7.5/15; n/30	

CAMP FURNISHINGS	
INVOICE	
Qatar Camping Supplies	
16 May 20xx	Inv 5691
	QR
Goods	3900
Freight	
GST	390
TOTAL	4290
Terms: 5/10; n/30	

CAMP FURNISHINGS	
INVOICE	
Qatar Camping Supplies	
23 May 20xx	Inv 5714
	QR
Goods	8462.00
Freight	125.00
GST	858.70
TOTAL	9445.70
Terms: 5/15; n/30	

Q MARINE	
INVOICE	
Qatar Camping Supplies	
26 May 20xx	Inv 7108
	QR
Goods	4585
Freight	125
GST	471
TOTAL	5181
Terms: n/30	



Practice

Practice activity 57

The following invoices and statement have been received from Soft Furnishings. Check the invoices against the statement. Circle any errors you discover.

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
2 March 20xx	Invoice 2145
	QR
Goods	5,250.00
Freight	150.00
GST	640
TOTAL	6,040.00
Terms: 5/15; n/30	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
10 March 20xx	Invoice 2156
	QR
Goods	1,800.00
Freight	50.00
GST	180.00
TOTAL	2,030.00
Terms: 5/15; n/30	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
10 March 20xx	Invoice 2156
	QR
Goods	1,800.00
Freight	50.00
GST	180.00
TOTAL	2,030.00
Terms: 5/15; n/30	

Soft Furnishings	
INVOICE	
Qatar Luxury Furnishings	
17 March 20xx	Invoice 2188
	QR
Goods	4,450.00
Freight	
GST	445.00
TOTAL	5,115.00
Terms: 5/15; n/30	



STATEMENT

Soft Furnishings
PO BOX 9893 DOHA
Tel 4478 5287

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>Qatar Luxury Furnishings</i>	<i>Airport Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
<i>Doha</i>	<i>Telephone: 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 March	Balance			5,000.00
1 March	Cheque – Rec 22390		5,000.00	—
2 March	Invoice 2145	6,040.00		6,040.00
10 March	Invoice 2156	2,030.00		8,070.00
17 March	Invoice 2188	5,515.00		13,585.00
Over 90 days	90 days	60 days	30 days	Current
				QR 13,585.00

Business



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Practice

Practice activity 58

The following invoices and statements have been received by Qatar Camping Supplies. Check the invoices against the appropriate statement. Circle any errors you discover.

Marine Supplies	
INVOICE	
Qatar Camp Supplies	
2 Mar 20xx	Inv 2137
	QR
Goods	2550
Freight	50
GST	260
TOTAL	2860
Terms: 5/15; n/30	

Camping Wholesalers	
INVOICE	
Qatar Camp Supplies	
10 Mar 20xx	Inv 6378
	QR
Goods	1800
Freight	50
GST	180
TOTAL	2030
Terms: 5/15; n/30	

Camping Wholesalers	
INVOICE	
Qatar Camp Supplies	
8 Mar 20xx	Inv 6356
	QR
Goods	1865
Freight	135
GST	200
TOTAL	2200
Terms: 5/15; n/30	

Camping Wholesalers	
INVOICE	
Qatar Camp Supplies	
15 Mar 20xx	Inv 2288
	QR
Goods	4540.00
Freight	125.00
GST	466.50
TOTAL	5131.50
Terms: 5/15; n/30	

Marine Supplies	
INVOICE	
Qatar Camp Supplies	
12 Mar 20xx	Inv 2216
	QR
Goods	3400
Freight	200
GST	360
TOTAL	3960
Terms: 5/15; n/30	

Camping Wholesalers	
INVOICE	
Qatar Camp Supplies	
17 Mar 20xx	Inv 6448
	QR
Goods	4450
Freight	
GST	445
TOTAL	5115
Terms: 5/15; n/30	



STATEMENT

MARINE SUPPLIES
PO BOX 9893 DOHA
Tel 4478 5287

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>Qatar Luxury Furnishings</i>	<i>Airport Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
<i>Doha</i>	<i>Telephone: 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			3600.00
1 Mar	Cheque - Rec 31798		3600.00	-
2 Mar	Inv 2137	2860.00		2860.00
12 Mar	Inv 2216	3690.00		6550.00
15 Mar	Inv 2288	5131.50		11681.50
Over 90 days	90 days	60 days	30 days	Current
				QR 11680.00

Business



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STATEMENT

CAMPING WHOLESALERS

PO BOX 1459 DOHA

Tel 6652 0280

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>Qatar Camp Supplies</i>	<i>Airport Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
	<i>Telephone: 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			4800.00
1 Mar	Cheque - Rec 31802		3000.00	1800.00-
8 Mar	Inv 6356	2200.00		4000.00
10 Mar	Inv 6378	2300.00		6300.00
17 Mar	Inv 6448	5115.00		11415.00
Over 90 days	90 days	60 days	30 days	Current
				QR 11415.00



Check payment documentation

The procedure for paying account payables includes the following:

- checking the financial data contained on invoices
- calculating discounts and double-checking these against past purchases from the same supplier
- check the information on cheques prior to distributing
- check the remittance advice prior to sending.

Prior to remitting any payment, an accurate and tax compliant invoice must be received from the creditor or account payable.

Once payment has been authorised, it will then need to be remitted to the supplier. This involves payment of the account payable and attaching a remittance advice to the payment.

Payment may be made by cheque or direct bank transfer.

If a direct bank transfer is made, care should be taken to record reference numbers and bank details accurately.

If a cheque is to be prepared, again check that figures are not transposed.

The remittance advice is a short note clarifying which invoice the payment is related to.

The remittance advice will include the following:

- Supplier's name
- Statement month
- Final amount
- Cheque number attached
- A list of all invoices being paid.



Practice

Practice activity 59

A supplier's statement shows a QR 1,980 balance owing. You have checked it and apart from having an invoice amount of QR 200 which relates to another customer, the details are correct. You have notified the supplier of the error and they have agreed to send a corrected statement.

- The supplier allows a %5 discount for prompt payment.
- Your business always takes advantage of discount terms.
- What amount should the cheque be made out for?

Calculation



Practice

Practice activity 60

Another supplier's statement shows a QR 56,000 balance owing. You have checked your records and the supplier has forgotten to include your standard 15% discount (negotiated privately with the supplier). The other details are correct.

- This supplier allows a further %10 discount for prompt payment.
- Assuming prompt payment, what amount should the cheque be made out for?

Calculation





Practice

Practice activity 61

You are required to check all supplier statements and calculate the amount owing. The first statement you check is showing a balance owing of QR 3,540. You have an adjustment note for QR 215 that has not been recorded on the statement. You have notified the supplier and they have agreed to send a corrected statement.

The supplier offers a 3.5% discount for prompt payment which your company always takes advantage of.

Calculate the amount that the cheque should be made out for

Calculation



Practice

Practice activity 62

The next statement you discover with an error has an outstanding balance of QR 16,854. This statement has omitted the standard 12% discount that the supplier offers your company. All other details are correct, including the further 5% discount for prompt payment, which your company will take advantage of.

What amount should the cheque be made out for?

Calculation

Prepare statements for accounts receivable

Produce accounts receivable

Business organisations will generally issue invoices during the month either when goods are delivered or services performed. At the end of the month, a statement of account is issued. The statement of account is a summary of the transactions that have occurred during the month. In addition to the invoice details, it will also indicate the opening balance and show any payments made during the month.

Having a well-maintained accounts receivable system is important for organisations that rely on money being in the bank on time in order to continue routine business operations. This is known as the business 'cash flow', a term used to indicate the movement of cash between accounts. Cash needs to be available to be used for necessary business functions such as paying rent, wages and purchasing stock.

You should be very familiar with the preparation of an invoice. In the last section we looked at the receipt of statements of accounts. However, we did not prepare them.

As mentioned previously, the statement of account is issued as close as possible to the end of the month and provides our customer with a summary of transactions for the month.

The information in the statement of account is the same as the information recorded in the individual subsidiary ledger account.

Note the similarities between the subsidiary ledger account below and the statement of account on the next page.



Example

Accounts Receivable Ledger of Qatar Luxury Furnishings

Date	Particulars	Debit	Credit	Balance	
Qatar Homes – A3					
1 October	Balance			17,500.00	Dr
3 October	Cash at bank		5,500.00	12,000.00	Dr
4 October	Sales and GST	15,620.00		27,620.00	Dr
5 October	Sales returns and allowances		2,000.00	25,620.00	Dr
25 October	Sales and GST	5,280.00		30,900.00	Dr
27 October	Sales and GST	2,500.00		33,400.00	Dr



STATEMENT

Qatar Luxury Furnishings

PO BOX 9893

DOHA

Tel 4478 5287

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>Qatar Homes</i>	<i>Old Salata Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
<i>Doha</i>	<i>Telephone: 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 October	Balance			17,500.00
3 October	Cheque - Rec 2142		5,500.00	12,000.00
4 October	Invoice 7415	15,620.00		27,620.00
5 October	Adjustment note 8540		2,000.00	25,620.00
25 October	Invoice 7502	5,280.00		30,900.00
27 October	Invoice 7536	2,500.00		33,400.00
Over 90 days	90 days	60 days	30 days	Current
			QR 12,000.00	QR 21,400.00

When a remittance advice is received with payment from a debtor, the money can be allocated against the invoices being paid. However, if there is no remittance advice, the only way to allocate the money received is to offset it against money owing at the beginning of the period.

In the example above, the cash received and the adjustment note are both offset against the opening balance. The cash of QR 5,500 and the adjustment of QR 2,000 will be deducted from the opening balance of QR 17,500 leaving QR 10,000 still owing from the original balance. This means it is now outstanding for 30 days or more. The remaining QR 22,400 owing will reflect what is owing from the current period.

This example assumes the adjustment note relates to an invoice from the previous period.



Practice

Practice activity 63

Prepare the statement of account to be issued to J Al Ghanim from the subsidiary ledger account below.

Accounts Receivable Ledger of Qatar Luxury Furnishings

Date	Particulars	Debit	Credit	Balance	
<i>Qatar Homes – A3</i>					
1 October	Balance			22,500.00	Dr
1 October	Sales and GST (Invoice 3125)	11,000.00		33,500.00	Dr
5 October	Sales and GST (Invoice 3186)	1,375.00		34,875.00	Dr
8 October	Cash at bank (Rec 88956)		15,000.00	19,875.00	Dr
14 October	Sales Ret and All (Adjustment 4451)		5,150.00	14,725.00	Dr
22 October	Sales and GST (Invoice 4014)	9,750.00		24,475.00	Dr

STATEMENT

Qatar Luxury Furnishings
PO BOX 9893
DOHA
Tel 4478 5287

Customer Details

Postal Address

J Al Ghanim
PO Box 33490
Doha

Location and Telephone

Old Salata Road
Najima
Telephone: 4458 7832

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
Over 90 days	90 days	60 days	30 days	Current

Business





Practice

Practice activity 63

Prepare the statement of account to be issued to Faisal Almari from the subsidiary ledger account below.

Accounts Receivable Ledger of Qatar Print Centre

Date	Particulars	Debit	Credit	Balance	
Faisal Almari – A1					
1 May	Balance			37,250.00	Dr
4 May	Sales and GST (Invoice 5504)	21,252.00		58,502.00	Dr
9 May	Cash at Bank (Rec 88357)		28,200.00	30,302.00	Dr
13 May	Sales & GST (Inv 5528)	15,856.00		46,158.00	Dr
20 May	Sales Ret and All (Adjustment 8596)		3,846.00	42,672.00	Dr
28 May	Sales and GST (Invoice 5549)	10,085.00		52,757.00	Dr

STATEMENT

QATAR PRINT CENTRE
DOHA
Tel 6653 0102

Customer Details

Postal Address

Location and Telephone

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
Over 90 days	90 days	60 days	30 days	Current

Business





Practice

Practice activity 65

Prepare statement of accounts for the accounts receivable in activity 48

STATEMENT

QATAR CAMPING SUPPLIES

PO BOX 6925

DOHA

Tel 6653 0102

Customer Details

Postal Address

Location and Telephone

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
Over 90 days	90 days	60 days	30 days	Current



STATEMENT

QATAR CAMPING SUPPLIES

PO BOX 6925

DOHA

Tel 6653 0102

Customer Details

Postal Address

Location and Telephone

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
Over 90 days	90 days	60 days	30 days	Current

Business



STATEMENT

QATAR CAMPING SUPPLIES

PO BOX 6925

DOHA

Tel 6653 0102

Customer Details

Postal Address

Location and Telephone

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
Over 90 days	90 days	60 days	30 days	Current



Rectify discrepancies

There is always potential for discrepancies and errors. The reasons for these discrepancies can include the following:

- Transposed figures when entering data. If you can identify a discrepancy and the difference can be divided by 9, then you may have transposed a figure eg 65 instead of 56.
- Duplicate records – a transaction may have been entered twice.
- There may appear to be an underpayment received from your debtor. This will be evident by a difference between the balance owing and the amount paid. You should contact the debtor first to determine why this has occurred.
- Customers will either incorrectly calculate discounts or deduct discounts from amounts owing when they are not entitled to the discount.

Whenever discrepancies become evident, they must be rectified as soon as possible.

If you are the appropriate person to rectify discrepancies, then it is important to:

- Check back on previous statements and reconciliations to see if the client has disputed any outstanding balances
- Check to see if any allowances have been promised that have not been applied to the client's account
- Check the aged account receivable ledger to see what payments from that debtor are upcoming and expected around the time the payment was received
- If using a computerised system, consider printing out the client's invoice and account history in order to reconcile it manually.



Practice

Practice activity 66

A customer is invoiced for goods on October 4 for QR 2,580. The customer is offered a discount of 2.5% if payment is received in 10 days.

.....

We receive QR 2,388 on October 12. Is this the correct amount?

.....

We receive QR 2,388 on October 12. Is this the correct amount?

Calculation



Practice

Practice activity 67

List the reasons why discrepancies and errors might arise.



Practice

Practice activity 68

A customer is invoiced for goods on May 6 for QR 4,128. The customer is offered a 3% discount if payment is received within 7 days.

We receive QR 3980 on May 11.

Is this amount correct?

If not, how much should the customer have paid?

Calculation

Follow up outstanding accounts

Maintain accounts receivable ledger system

Maintaining an account receivable ledger system is the first step in ensuring control over accounts receivable

A separate accounts receivable subsidiary ledger enables the business organisation to separate the duties of their staff. No person who handles the physical assets of cash and inventories should have access to the accounts receivable records. This is to ensure that assets are not removed illegally and the records adjusted to cover up the fraud.

A well maintained accounts receivable ledger system will ensure customer debt does not get too high and out of control. A business organisation with high turnover levels but poor control over the debt it is owed, can run into liquidity problems.

Aged analysis of accounts receivable

Each accounts receivable must be monitored to ensure that debts are paid on time. The most common technique is called 'ageing the accounts receivable'. A report is prepared that sets out the age of each account as either current, up to 30 days past the due date, 60 days past the due date and so on.

Refer to the example on the following page.



Qatar Luxury Furnishings									
Ageing of Accounts Receivable as at 30 September 20xx									
Account Receivable	Credit limit	Balance due	Current	30 day	60 day	90 day	Over 90 d		
	QR	QR	QR	QR	QR	QR	QR		
Falcon Trading	30,000.00	9,100.00	3,600.00	5,500.00					
Allglass Company wll	9,000.00	1,000.00	1,000.00						
Alitaliya Products	15,000.00	6,600.00	6,600.00						
National Equipment Hire	15,000.00	12,600.00	3,600.00	3,600.00	5,400.00				
Al Johar Trading		1,750.00				1,750.00			
Qatar Tractor Equipment		1,550.00					1,550		
Al Qamra Group	3,000.00	375.00	375.00						
Buzwair Contracting		5,200.00			5,200.00				
Qatar Steel Products	15,000.00	2,950.00	1,050.00	1,900.00					
		41,125.00	16,225.00	11,000.00	10,600.00	1,750.00	1,550		

Slow paying customers can be identified at a glance. The value of the debt can be easily identified. The report also enables us to identify which customers have exceeded their credit limit or are approaching their credit limit.



Practice

Practice activity 69

Answer the following questions with reference to the 'aged receivables' report above.

a) What credit limit does Al Qamra Group have?

.....

b) Which company has the largest credit limit?

.....

c) Which company has the smallest credit limit?

.....

d) How much does Al Johar Trading owe and how old is the debt?

.....

e) Which company has the oldest debt and how old is it?

.....

f) Which company or companies have exceeded their credit limit?

.....



Practice

Practice activity 70

Review the schedule of accounts receivable and organisational credit policy. Prepare the required report in the space provided over the page.

Schedule of accounts receivable For the week ended 15 May 20xx.	
Account receivable	Amount QR
<i>Qatar Rail</i>	39,114
<i>A Saeed</i>	14,125
<i>GMC Manufacturers</i>	57,632
<i>M Abdulaziz</i>	6,355
<i>Gulf Interiors</i>	12,558
<i>A Mansouri</i>	27,865
<i>Qatar Enterprises</i>	63,817
<i>Accounts receivable (as per general ledger)</i>	221,466

Organisation Credit Policy

1. Individual debt level should not exceed QR25,000
2. Company debt level should not exceed QR50,000.
3. Maximum amount of total debt should not exceed QR200,000.
4. Accounts receivable department to provide the Accountant with a written report at the end of each week.



•-----

Business





Practice

Practice activity 71

Use the following statement of accounts to complete the aged receivable report below

QATAR COPY CENTRE							
Ageing of accounts receivable							
As at 31 March 20xx							
Account Receivable	Credit limit	Balance due	Current	30 day	60 day	90 day	Over 90 days
	QR	QR	QR	QR	QR	QR	QR
<i>Qatar Camp Supplies</i>	10,000						
<i>Qatar Toys</i>	10,000						
<i>P Azipardi</i>	5,000						
<i>T Simpson</i>	5,000						
<i>R T Contracting</i>	10,000						



STATEMENT

Qatar Copy Centre

PO BOX 1459

DOHA

Tel 6652 0280

Customer Details

Postal Address

Qatar Camp Supplies
PO Box 33490
Doha

Location and Telephone

Airport Road
Najima
Tel 4458 7832

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			4800.00
1 Mar	Cheque - Rec 31802		3000.00	1800.00
8 Mar	Inv 6356	2200.00		4000.00
10 Mar	Inv 6378	2300.00		6300.00
17 Mar	Inv 6448	5115.00		11415.00
Over 90 days	90 days	60 days	30 days	Current
			QR 1800.00	QR 9615.00

Business



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STATEMENT

Qatar Copy Centre

PO BOX 1459

DOHA

Tel 6652 0280

Customer Details

Postal Address

Qatar Toys
PO Box 8741
Doha

Location and Telephone

C Ring
Montaza

Date: 31 March 20xx

Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			6950.00
3 Mar	Cheque - Rec 31810		6950.00	0.00
8 Mar	Inv 6363	5115		5115.00
10 Mar	Inv 6368	2000		7115.00
17 Mar	Inv 6440	3600		10715.00
Over 90 days	90 days	60 days	30 days	Current
				QR 10715.00



STATEMENT

Qatar Copy Centre
PO BOX 1459
DOHA
Tel 6652 0280

Customer Details

Postal Address	Location and Telephone	Date: 31 March 20xx
<i>P Azipardi</i>	<i>Airport Road</i>	
<i>PO Box 33490</i>	<i>Najima</i>	
<i>Doha</i>	<i>Tel 4458 7832</i>	Terms: Strictly 30 days

Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			4800.00
1 Mar	Cheque - Rec 31802		3,000.00	1,800.00
8 Mar	Inv 6356	2200.00		4000.00
10 Mar	Inv 6378	2300.00		6300.00
17 Mar	Inv 6448	5115.00		11415.00
Over 90 days	90 days	60 days	30 days	Current
			QR 1800.00	QR 9615.00

Business



STATEMENT

Qatar Copy Centre
PO BOX 1459
DOHA
Tel 6652 0280

Customer Details

Postal Address		Location and Telephone		Date: 31 March 20xx
T Simpson		A Sadd St		
PO Box 8024		Al Sadd		
Doha				Terms: Strictly 30 days
Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			2300.00
14 Mar	Cheque - Rec 31808		1600.00	700.00
16 Mar	Inv 6460	3855.00		4555.00
Over 90 days	90 days	60 days	30 days	Current
		QR 400.00	QR300.00	QR 3855.00



STATEMENT

Qatar Copy Centre
PO BOX 1459
DOHA
Tel 6652 0280

Customer Details

Postal Address		Location and Telephone		Date: 31 March 20xx
R T Contracting		Al Shamal Road		
PO Box 44528		Gharaffa		
Doha				Terms: Strictly 30 days
Date	Transaction	Debit	Credit	Balance
1 Mar	Balance			3,500.00
12 Mar	Inv 6359	3250.00		6750.00
24 Mar	Inv 6395	2180.00		8930.00
Over 90 days	90 days	60 days	30 days	Current
		QR 1500.00	QR 2000.00	QR 5430.00

Business



Follow up outstanding accounts

The 'aged receivables' report identifies slow-paying customers so that appropriate action can be taken. The older the debt, the less likely the account will be paid. Accounts receivable must therefore be constantly reminded of the debt. Generally, accounts receivable are contacted by telephone, or reminder notices varying in degrees of tact are sent with overdue accounts.

For example, the first reminder may say, 'Perhaps you have overlooked this account, please pay promptly'. The final letter may say, 'If payment is not received within 21 days, legal action will be taken'.

If in-house procedures fail to collect the money owing, the account may have to be passed over to a debt collection agency. If the agency is unsuccessful at collecting the debt on behalf of the business and legal action is not pursued, it is then usually written off as a bad debt.



Practice

Practice activity 72

Read the 'Collection of outstanding accounts receivable' policy and procedures for Qatar Luxury Furnishings.

Qatar Luxury Furnishings

(Policy and procedures extract)

Collection of outstanding accounts receivable

1. At the time of selling the goods, an invoice indicating credit terms of 7 days must be prepared.
2. Once the client receives the goods, they must be issued with an invoice indicating the amount due and when it is due.
3. If payment is not received by the due date, a second invoice is issued notifying the debtor that the account is now overdue.
4. If payment has not been received within 30 days from the date of the transaction a third notice is sent and is followed up by a phone call. The objective of the phone call is to obtain immediate payment by credit card over the phone.
5. Where necessary, payment plans can be negotiated with outstanding debtors. Individual payments must be no less than %20 of the total value of the debt and must be made over a period that does not exceed six weeks.
6. All debt that exceeds six months will be referred to external debt collection agencies.



Practice

Practice activity 73

As the senior accounts receivable officer, identify those customers whose accounts need further investigation. Explain why you would be concerned about these receivables.

QATAR CAMPING SUPPLIES

Ageing of accounts receivable

As at 31 March 20xx

Account Receivable	Credit limit	Balance due	Current	30 day	60 day	90 day	Over 90 days
	QR	QR	QR	QR	QR	QR	QR
<i>Qatar Rail</i>	50,000	27,600	22,500	5,100			
<i>A Saeed</i>	20,000	6,648	6,648				
<i>GMC Manufacturers</i>	50,000	56,255	28,740	20,800	6,715		
<i>M Abdulaziz</i>	20,000	15,650	5,450	3,954	2,115	4,131	
<i>Gulf Interiors</i>	50,000	45,600	28,750	16,850			
<i>A Mansouri</i>	20,000	16,850				16,850	
<i>Qatar Enterprises</i>	50,000	59,872	59,872				
<i>Qatar Steel Products</i>	50,000	48,900	25,400	22,600	900		
<i>M Al Emadi</i>	20,000	14,650	14,650				
<i>Qatar Golf Club</i>	30,000	12,955	3,584	2,550	3,867	2,954	

Account Receivable	Reason

..... Business



Monitor and review credit terms

All customers who apply for credit must be thoroughly investigated for their credit worthiness. Such things as permanent employment or length of time in business, amount of income/profit, residency status, ability to pay debts, past credit history and credit ratings from other firms must be looked at before credit is given. This investigation is essential, because if credit is given to the wrong people the risk of bad debts occurring is increased.

The business credit policy will include the following:

- what the minimum requirements will be before credit is granted
- the number of days given for accounts receivable to pay
- whether or not discounts will be given
- the administration fee (if any) that will be charged on overdue accounts.

In larger organisations these functions are generally carried out by a credit department. Credit approval must always be a responsibility of the finance section rather than the sales section. In this way, salespeople are not tempted to adjust a person's credit rating simply to get a sale. When a credit sale is made, it is important that salespeople check the credit status of the potential customer.



Practice activity 74

Research on the internet, credit application forms used by businesses.

Prepare a draft of a credit application form to be used by Qatar Copy Centre. Make sure you include at least the requirements listed in your learner resource.



Semester 1 & 2



Micro-Business

STUDENT ACTIVITIES

Activity 1

The most common source documents are:

-
-
-
-
-
-

In its simplest form, source documents generally consist of the following information:

-
-
-
-
-

Invoices

An invoice is a commercial document issued by the supplier to the purchaser to request payment. **(Before Payment)**

Seller's (supplier) details name, address and email	Qatar Luxury Furnishings TIN 44 528 417 639		INVOICE Invoice Number: B7777 Invoice Date: 15 March 20XX		Invoice number and date
	9875 Shamal Road Al Khor Qatar				
	6652 7895 ashraf@luxuryfurnishings.qa				
Buyer (Customer) details	Customer Information:				
	Billing Address:				
	Company	Al Rayaah Constructions			
	TIN:	56 231 978 582			
	Name:	Omar Ali Hadad			
	Address:	PO Box 1254 Al Rayaah			
	City	Qatar			
Goods purchased details (quantity, descriptions, amount each and total amount.	Shipping Method:		Courier		Amount = Quantity X Amount Each
	Qty	Product Description	Amount Each	Amount	
	5	Office Chairs - Orange	250	1,250.00	
	3	Deluxe Office Desks	425	1,275.00	
	Subtotal 1 = Sum of Amount				
	Trade discount= Subtotal X %				
	Subtotal 2= Subtotal 1 X TD				
	Subtotal 3= Subtotal 2 + Freight				
	GST = Subtotal 3 X 10%				
	Grand Total:			2,721.13	

Grand Total = Subtotal 3 + GST

Activity 2

Answer the questions below. They relate to the document on the next page.

A. What type of document is this?

B. What company will receive this document?

C. Who is the Supplier of the goods?

D. How much discount did the customer receive?

E. What is the rate of discount and the amount of trade discount?

F. What is the tax rate and the amount of taxes?

G. What is the invoice total?

H. Check each calculation for any errors and correct them in the following table

Gulf Company Furnishing ABN 44 528 417 639 9875 Shamal Road Al Khor, Qatar 6652 7895 ashraf@luxuryfurnishings.qa	INVOICE Invoice Number: 7777 Invoice Date: 15 March 2017		
Customer Information:			
Billing Address:			
Company	Al Doha Constructions		
ABN:	56 231 978 582		
Name:	Mohamed Ali Hamah		
Address:	PO Box 1254 Al Rayan, Qatar		
Qty	Product Description	Amount Each	Amount
2	Office Chairs - Orange	150	500.00
3	Deluxe Office Desks	425	1,275.00
		Subtotal:	1,775.00
		Trade discount 5%	88.75
		Subtotal:	1,686.25
		Freight:	50.00
		Subtotal:	1,736.25
		GST:	247.48
		Grand Total:	1,983.73

Business



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Receipt

Who received the cash?	RECEIPT		Receipt number No: 1007
	QATAR AUTO REPAIRS ABN 48 741 568 952 5878 Salwa Road Al Sadd		
Seller or supplier	Received from: Ali Engineering		
Buyer or Customer	Description: Payment Invoice 3167		Amount
Pay the cash			QR 3564-----
The sum of Three thousand five hundred and sixty-four Riyal only			How much cash received in numbers and letters
Date: (today's date)	Received by: (Student signature)		

Activity 3

A. *What type of document is this?*

B. *What is the document's number?*

C. *Who paid the money?*

D. *Who received the money?*

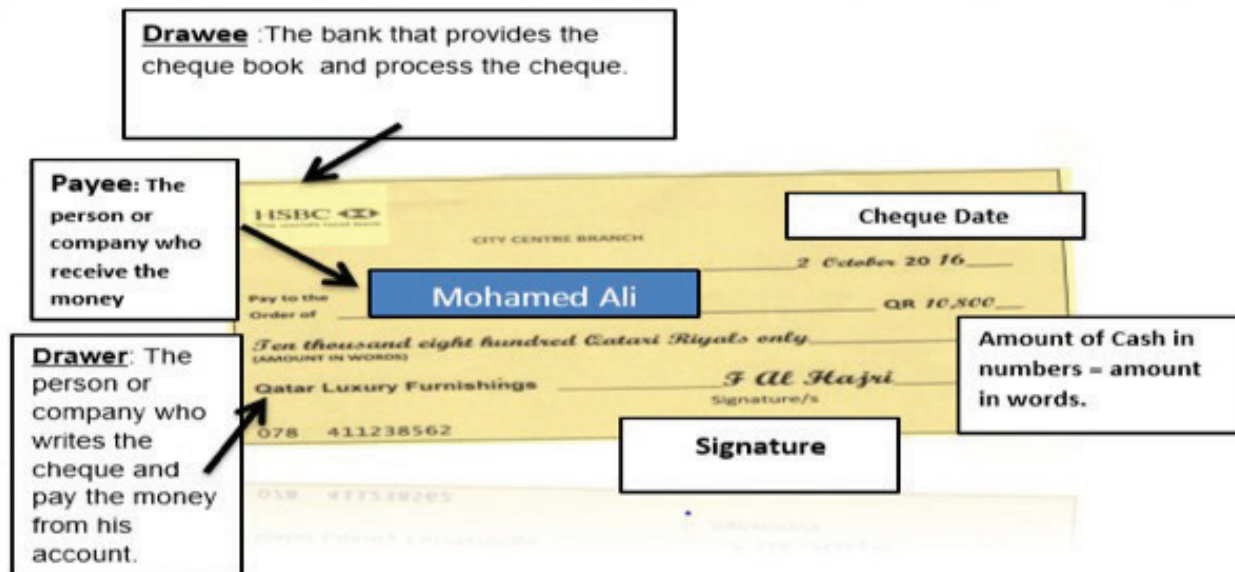
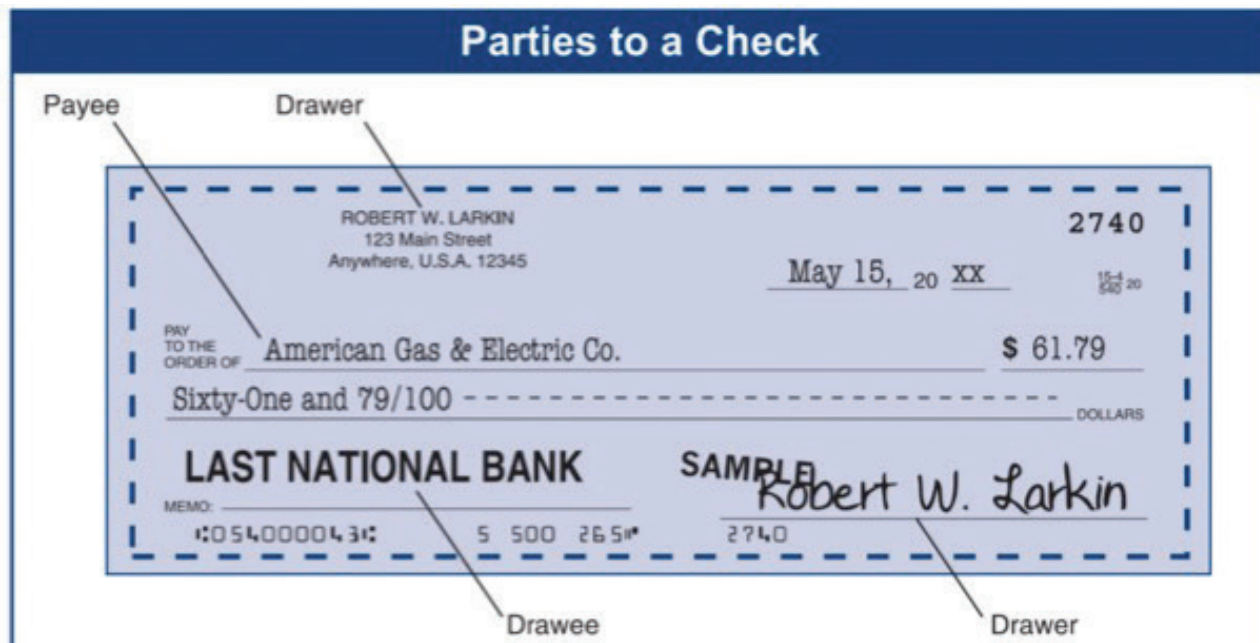
E. *What is the reason for preparing the receipt?*

F. *What is the tax rate and the amount of taxes?*

G. Check the receipt for any errors and circle it.

Receipt no: 2155	
Qatar Camping Supplies ABN 952 568 741 48 5878 Freej Kulib Road Bin Omran	
Received from: Al Nasser Contracting PO Box 9283 - Doha	
Description	Amount
Payment of invoice 5006	\$5,655.00
The sum of five thousand six hundred and fifteen dollars	
Date: 1 October 2017	Received by: F J Nasser

Cheques



Activity 4

The following cheque have been issued and received on 1 November after the regular banking was completed. Check the accuracy of the cheque prior to banking and circle the errors.

Doha BANK

Al Sadd Branch

30 November 2017

Pay to the order of/ *Innovative Business Strategies* or Bearer

QAR 505.00

The sum of/ Five hundred and fifteen riyals only.

Signature/s

Qatar Luxury Cruisers

Hameed

TIN 48 741 568 952

001 11223 78524

Activity 5

Assume you are accounts payable officer urgently requires a cheque to pay the service fees for the month of October. Prepare the cheque below to be made payable to Ali Ahmed Company for \$3250.60. Use today's date.

QATAR BANK

Doha City Branch

Date:

To:

For

Innovative Business Strategies

ABN 48 741 568 952

001 11223 78524

QATAR BANK

Doha City Branch

Date:

Pay to the order of/ _____ or Bearer

The sum of _____

Innovative Business Strategies

ABN 48 741 568 952

001 11223 78524

Signature/s



Activity 6

Use the source document below to answer the following questions

QATAR BANK Al-Najma Branch Date: 2 of March 2018 To: Khalid Mesffer Al-Kahtani CO. Amount\$: 23,150 For Cleaning services Five Stars Trading ABN 55 679 098 147 001 11223 78524	QATAR BANK Al-Najma Branch Date: 2nd of March 2018 <div style="border: 1px solid black; padding: 5px; text-align: center;">23,150</div> Pay to the order of/ Khalid Mesffer Al-Kahtani Co. or Bearer The sum of Twenty three thousand one hundred fifty Five Stars Trading ABN 55 679 098 147 001 11223 78524	Cheque no. 00111 Signature/s Salem ALALI
---	---	--

A. What is the name of this document?

B. What is the name of the company paying the money (Drawer)?

C. Who will receive the money (Payee)?

D. What was the reason for paying the money?

E. What is the name of the bank that will process this document (Drawee) and who authorized to sign cheques on behalf of the drawer?

Activity 7

The accounts payable officer urgently requires a cheque to pay the Electricity and Water account for the month of July. The manager is not in the office for the rest of the day. However, you have authority to prepare cheques when the manager is absent. Prepare the cheque below to be made payable to Kahramaa for \$1,500. Use today's date.

Number _____	
Date: _____	
PAY TO THE ORDER OF _____	\$ _____
DOLLARS _____	
	Class Bank Inc.
FOR _____	SIGNED _____

Bank statement

QATAR BANK						
Doha City Branch						
BA		Type of account		Bank Name		
Statement of Current Account		Account Name		Innovative Business Strategies		
		Account Number		87421 56284		
Date	Particulars	Debit	Credit	Balance	Account Number	
Nov 1	Brought forward			95821	Cr	
	Deposit		1255	97076	Cr	
3	Ch 4552	1985		95091	Cr	
5	Ch 4553	6972		88119	Cr	
7	EFT (Wages)	3540		84579	Cr	
8	Deposit		3350	87929	Cr	
9	Deposit		645	88574	Cr	
12	Deposit		5800	94374	Cr	
14	EFT (Wages)	3540		90834	Cr	
15	Deposit		250	91084	Cr	
18	EFT (Q Tel)	1285		89799	Cr	
19	Qatar Furnishings (Deposit)		1100	90899	Cr	
21	Ch 4554	3540		87359	Cr	
	Deposit		3985	91344	Cr	
24	Ch 4555	4000		87344	Cr	
28	EFT (Wages)	3540		83804	Cr	
30	Bank charge (EFT Transfers)	125		83679	Cr	
	Bank charges (EFTPOS fees)	75		83604	Cr	

Beginning
(opening)
Balance

Closing
Balance

Activity 8

Answer the following questions with reference to the bank statement on the next page.

A. What is the name of the bank's customer?

B. What was the opening and closing bank balance?

<input type="text"/>	<input type="text"/>
----------------------	----------------------

C. What does the abbreviation Cr stand for?

D. Does a Cr balance mean that the customer has money in the bank or does the customer owe the bank money?

E. Explain the transactions on November 21.

<input type="text"/>
<input type="text"/>

F. What does EFTPOS stand for?

G. What's the name of the bank providing the statement?

H. What is the type of customer's account and what's its number?

QATAR BANK
Doha City Branch

BANK STATEMENT

Statement of account		Account name:	Innovative Business Strategies			
		Account number:	87421 56284			
Date	Particulars	Debit	Credit	Balance	CR/DR	
Nov 1	Brought forward			95821	Cr	
	Deposit		1255	97076	Cr	
3	Ch 4552	1985		95091	Cr	
5	Ch 4553	6972		88119	Cr	
7	EFT (Wages)	3540		84579	Cr	
8	Deposit		3350	87929	Cr	
9	Deposit		645	88574	Cr	
12	Deposit		5800	94374	Cr	
14	EFT (Wages)	3540		90834	Cr	
15	Deposit		250	91084	Cr	
18	EFT (Q Tel)	1285		89799	Cr	
19	Qatar Furnishings (Deposit)		1100	90899	Cr	
21	Ch 4554	3540		87359	Cr	
	Deposit		3985	91344	Cr	
24	Ch 4555	4000		87344	Cr	
28	EFT (Wages)	3540		83804	Cr	
30	Bank charge (EFT Transfers)	125		83679	Cr	
	Bank charges (EFTPOS fees)	75		83604	Cr	



Source documents and their purpose

Source documents	Business Activity
<i>Cash Receipt and bank statement</i>	<i>Cash received by business</i>
<i>Cheque, Cheque stub (butt) bank statement, EFT</i>	<i>Cash paid by the business</i>
<i>Bank statement</i>	<i>Reconcile cash journals (received and paid) against bank records</i>
<i>Tax invoice to customer</i>	<i>Business giving credit to customer (sell on credit)</i>
<i>Tax invoice to supplier</i>	<i>Business receiving credit from a supplier (purchase on credit)</i>

Activity 9

The information mentioned above to identify the following types of source documents, and in which transaction you can use:

D. LISH'S HAMBURGERS
 3 JESSICA SU 02
 ORDER 31 APR11 '99 12:37PM

DINE IN

1 D LISH DBL	2.40
1 FRIES	0.95
1 MED PEPSI	0.99
CASH	5.00

# SUBTOTAL #	4.34
TAX	0.34
PAYMENT	4.69
CHANGE DUE	0.31

THANKS FOR CHOOSING D. LISH'S HAMBURGERS
 WE HOPE TO SEE YOU AGAIN SOON!!!
 TRN 64955
 ORDER # 31

Company Name Here
 Address Line Here
 Phone: 555-555-5555
 Fax: 123-123-123456
 Email: abc@sample.com
 Website: www.websiteaddress.com

Cash Receipt

Cash Receipt #: 123456789 Date: dd/mm/yyyy

Cash Received From _____ of \$ _____

For _____

Payment Received

Cash	<input type="checkbox"/>
Cheque	<input type="checkbox"/>
Other	<input type="checkbox"/>

Total Amount Due	
Amount Received	
Balance Due	

Cash Receipt Signed by _____

Type of source document	Transactions you can use

Date: 1 March 2005	ABC Bank Business Account Pay: Office Decorators The sum of: Five Hundred and Seventy Rands Only <u>570.00</u> Handyman Hardware Store	600 001
To: Office Decorators		Date 1 March 2005
For: Purchase of 1 Desk		or Bearer
Balance b/f:		
Deposit:		
Balance:		
This Cheque: R 570.00 (Incl)		
Balance c/f:		
105	105	600001 : 1003030031 "01

Type of source document	Transactions you can use

Encore Music 530 Anoka Avenue Tampa, FL 33601		Sold to: <u>Kids Time</u> <u>405 Michigan Avenue</u> <u>Tampa, FL 33619</u>	No. <u>1</u> Date <u>8/12/--</u> Terms <u>30 days</u>
Description	Amount		
Individual lessons on Aug. 12	\$200.00		
Total	\$200.00		

DELICIOUS SWEETS	
ABN 55 214 587 963	
TAX INVOICE	
	\$
* 500 g Choc hollows	\$16.60
* 5kg choc bears	\$37.30
2 Subtotal	\$53.90
Total	\$53.90
Cash	\$55.00
Change	\$1.10
* Taxable items	
Total includes GST	\$4.90

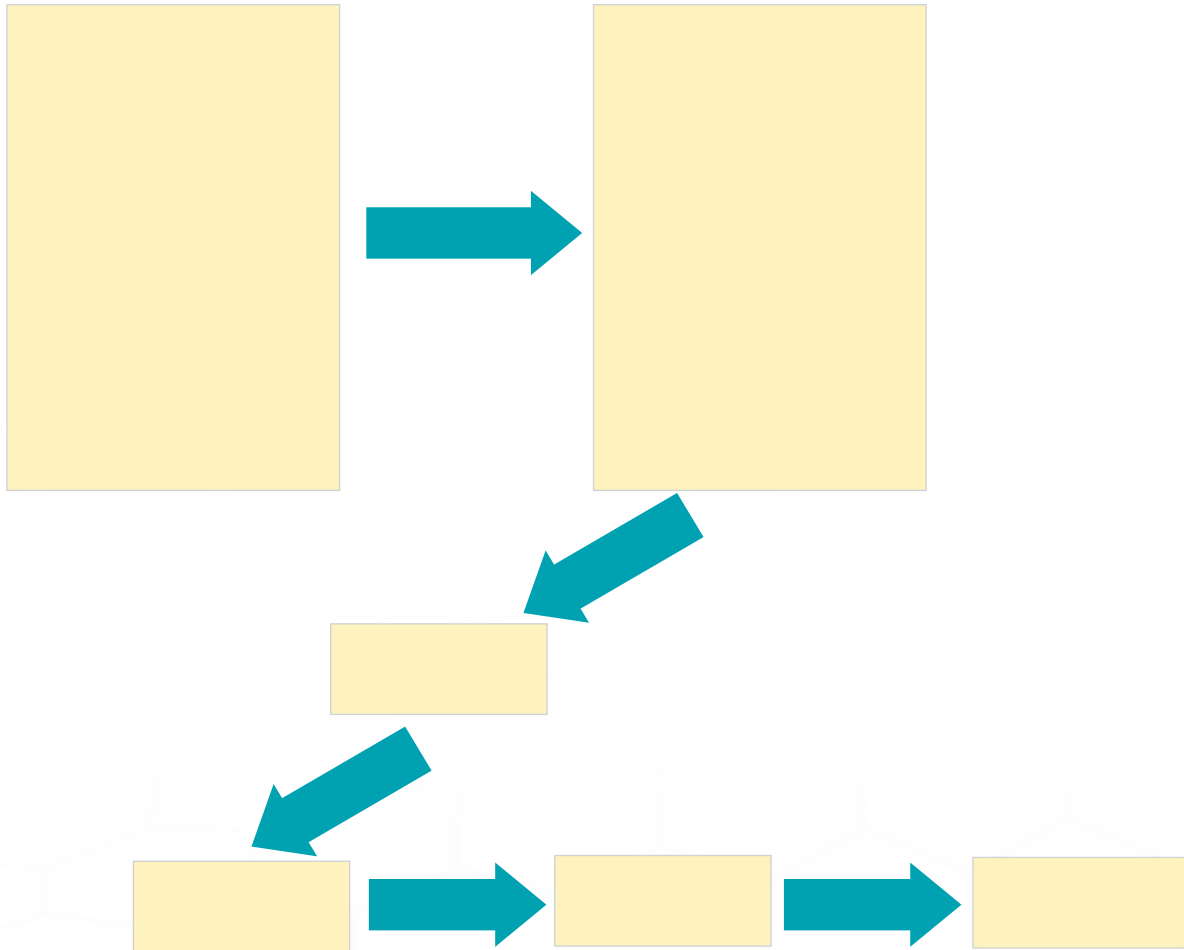
Type of source document	Transactions you can use

Bank Statement			
ABC BANK 123 St., Apple Avenue Newtown, NY			
Account No. <u>0123456789</u>			
Date	Particulars	Debit	Credit
Nov 15	Transfer from Branch		\$10,000.00
Oct 25	12563	5.00	
Oct 10	Cheque Book	650.00	
Sept 2	12364	800.00	

Type of source document	Transactions you can use

Activity 10

In the boxes below, write in the stages of the accounting process.



Activity 11

Choose the correct answer:

- 1 In accounting, pieces of paper that prove that a transaction occurred are
- ☐ A Ledgers ☐ B Journals
☐ C Source Documents ☐ D Balance Sheets
- 2 Examining the source documents is the _____ step in the accounting cycle.
- ☐ A 1st ☐ B 2nd
☐ C 3rd ☐ D 4th
- 3 Source documents give the information needed to complete _____.
- ☐ A Journal entries ☐ B Transactions
☐ C Income Statement ☐ D Balance Sheet
- 4 The source document for cash payments is a/(n)
- ☐ A invoice. ☐ B receipt.
☐ C calculator tape. ☐ D check.
- 5 Business documents are
- ☐ A The beginning of the accounting process.
☐ B Provide an evidence of the business transactions
☐ C Documents sent to and received from other business.
☐ D All the above.

6 Information from business documents is summarized in

- A** Purchase and purchase return journal.
- B** Sales and Sales return Journal
- C** Cash Receipt and Cash Payment Journal and General Journal
- D** All the above

7 Stages of the accounting process are

- A** Source documents – journals – ledger
- B** Source documents – journals – ledger – trial balance
- C** Source documents – journals –Trail balance - ledger- Financial Statement.
- D** Source documents – journals –ledger – Trail Balance- Financial Statement.

8 Trail Balance is prepared to

- A** Determine how much profit or loss the business made
- B** Report the Assets and liabilities of the business.
- C** Check that transactions have been correctly entered to the ledger and rules of double entry have been followed
- D** All the above

9 Journals are Prepared to

- A** Determine how much profit or loss the business made
- B** Report the Assets and liabilities of the business.
- C** Summarize all business documents
- D** All the above

10 *Information that should be checked for accuracy in Business Documents are*

- A** Names – Contact details –Authorization.
- B** Names – Contact details- Sensitive information –Authorization
- C** Names – Contact details – Sensitive information – Financial Data - Authorization.
- D** None of the above.

Activity 12

Indicate whether each of the following statement is (T) True or (F) False

Statement	True	False
1- Accounts payable are accounts that you expect will be paid to you.		
2- The double-entry accounting system records each transaction twice.		
3- The process of recording a transaction in the journal is called journalizing.		
4- When a business receives a utility bill, no entry should be made until the invoice is paid.		
5- The recording of cash receipts will be done by debiting the cash account.		
6- The recording of cash payments is done by entering the amount as a credit.		
7- A transaction that is recorded in the journal is called a journal entry.		
8- Assets are increased with debits and decreased with credits.		
9- Liabilities are increased with debits and decreased with credits.		
10- When an accounts payable account is paid in cash, the owner's equity decreases.		
11- When an account receivable is collected in cash, the total assets of the business increase.		
12- The drawee of the cheque is the person or company who writes the cheque		
13- The cheque is valid during six months from its issuance		

Activity 13

Technology Solutions Company completes these transactions during December of the current year 2016 and all amounts BEFORE Tax.

Dec.1 The company invested \$100,000 cash into the business.

2 Purchased \$20,000 of merchandise on credit from Al-Emadi Company, invoice 110

3 Sold merchandise on credit to Hamad Inc, Invoice No. 760, for \$10,000

4 Purchased \$15,000 of merchandise on credit from Al-Meera Inc. Invoice 215

6 Sold merchandise on credit to Mohamed Inc, Invoice No. 761. for \$10,000

7 Return merchandise and received a \$1,000 credit memo No. 5 from Al-Meera

11 Sold merchandise on credit to Ashraf, Invoice No. 762, for \$8,000

13 Sold \$8,000 of merchandise on credit to Hamad Inc, Invoice No. 763.

23 Issued a \$1,000 credit memo No. 1 to Hamad Inc, for the return of merchandise.

25 Issued a \$2,000 credit memo No. 2 to Ashraf, for the return of merchandise.

Required

- 1. Record transactions in the Special Journals.**
- 2. Post accounts payable and accounts receivable into subsidiary ledger.**

PURCHASES JOURNAL

Date	Invoice No	Particulars	Folio	Purchases	GST PAID	Accounts Payable

PURCHASES RETURNS & ALLOWANCES JOURNAL

Date	Adj. Note	Particulars	Folio	Purchases Returns	GST PAID	Accounts Payable

SALES JOURNAL

Date	Invoice No	Particulars	Folio	Sales	GST Collected	Accounts Receivable

SALES Returns & Allowances JOURNAL

Date	Adj. Note	Particulars	Folio	Sales Returns	GST Collected	Accounts Receivable

Technology Solutions General Journal

Subsidiary A/P

Date	Particulars	Debit	Credit	Balance

Date	Particulars	Debit	Credit	Balance

Subsidiary A/R

Date	Particulars	Debit	Credit	Balance

Date	Particulars	Debit	Credit	Balance

Date	Particulars	Debit	Credit	Balance

Activity 14

Ahmed started an engineering firm called Green Tea Co. He began operations and completed several transactions during the year, which included. After those transactions, the ledger included the following accounts with normal balances.

Cash	134,000	Accounts payable	25,000
Accounts receivable	22,000	Interest payable	10,000
Supplies	7,000	Salaries payable	10,960
Equipment	62,960	Ahmed, Capital	245,000
Furniture	60,000	Ahmed, Withdrawals	5,000

Required:

Prepare a trial balance for this business as of the end of the year 2016.

Green Tea Co. Trial Balance December 31, 2016			
Date	Account Name	Debit	Credit
Total			

Final Exam Activities

May selected transactions were completed by Fahad Al-Kawari Company W.L.L Wholesale Supply. Sales and collections from customers relate to the entries recorded in the sales journal **Not** included GST. (amount before tax) The entries in the cash receipts journal are based on the following cash receipts.

Date	Transaction
May 1	Fahad Al-Kawari invested \$50,000 in the business, Cash Receipt Voucher 00001.
May 8	Cash sales of merchandise \$11,900 cash memo No. 00005.
May 10	Received a check for \$10,388 from Al-Shamal Company in payment of invoice No. 00003.
May 12	Cash sales of merchandise total \$3,500 cash memo No. 00006.
May 14	Received a check for \$11,123 from Jassem Trading Company in partial payment of invoice No. 00004 for \$20,350
May 17	Received cash in advance from Al-Shamal Company, Cash Receipt Voucher 00002 for \$10,000.
May 21	Received a check for \$7,410 from Bin Thani Company in full settlement for invoice No. 00005.
May 30	The bank statement records shown an interest earned for \$150.

●

●

Cash - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Capital - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Cash Sales - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

GST Collected - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Interest earned- (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Al-Shamal Company - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Jassem Trading Company - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Bin Thani Company - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Fahad Al-Kawari Company W.L.L

Trial Balance as at

Account Name	Debit	Credit
Total		

..... Business





Question 2

What journal is prepared for each of the transactions below?

Sale of products on account	Recorded in —→
Providing services on account	Recorded in —→
Receipt of cash from any source	Recorded in —→
Purchase of items on account	Recorded in —→
Payment of cash for any purpose	Recorded in —→



Question 3

The major sources of cash receipt in a business are as follows:

- 1-
- 2-
- 3-
- 4-
- 5-
- 6-



Question 4

Choose the correct answer:

Each of the following is a subsidiary ledger except the:

- ☐ A accounts receivable ledger.
- ☐ B accounts payable ledger.
- ☐ C customers' ledger.
- ☐ D general ledger.



Credit purchases of equipment or supplies other than merchandise are recorded in the:

A cash payments journal.

B cash receipts journal.

C general journal.

D purchases journal.

Which of the following is not one of the credit columns in the cash receipts journal?

A Other accounts.

B Accounts payable.

C Accounts receivable.

D Sales.



Question 5

December selected transactions were completed by Fahad Al-Kawari Company W.L.L Wholesale Supply. Sales and collections from customers relate to the entries recorded in the sales journal doesn't included (GST). The entries in the cash receipts journal are based on the following cash receipts.

Date	Transaction
Dec. 01	Received \$5,000 from Salem & Co. for goods sold on account in part settlement of his account of \$25,000 for invoice no.367.
Dec. 03	Received \$550 as interest on investment shown in the bank statement.
Dec. 05	Cash sales of merchandise \$23,534 cash memo No. 00113.
Dec. 10	Received \$9,600 from Al-Nour Trading Co. and allowed discount \$150. in part settlement of his account of \$37,567 of invoice No. 00368.
Dec. 15	Received \$7,000 from Salem & Co. for goods sold on account. Discount allowed \$130.
Dec. 18	Received \$1600 cash from World Supply Corporation and allowed a cash discount of \$100, in full settlement of his account invoice No. 00369.
Dec. 20	Cash sales of merchandise total \$12,500 cash memo No. 00114.

Required:

Record the following transactions in a cash receipt journal:

.....

Business



276



Cash - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Accounts Receivable - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Sales - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

GST Collected - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Sales Discount - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Interest earned- (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Salem & Co - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr
Dec. 01	Balance				

Al-Nour Trading Company - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr
Dec. 01	Balance				

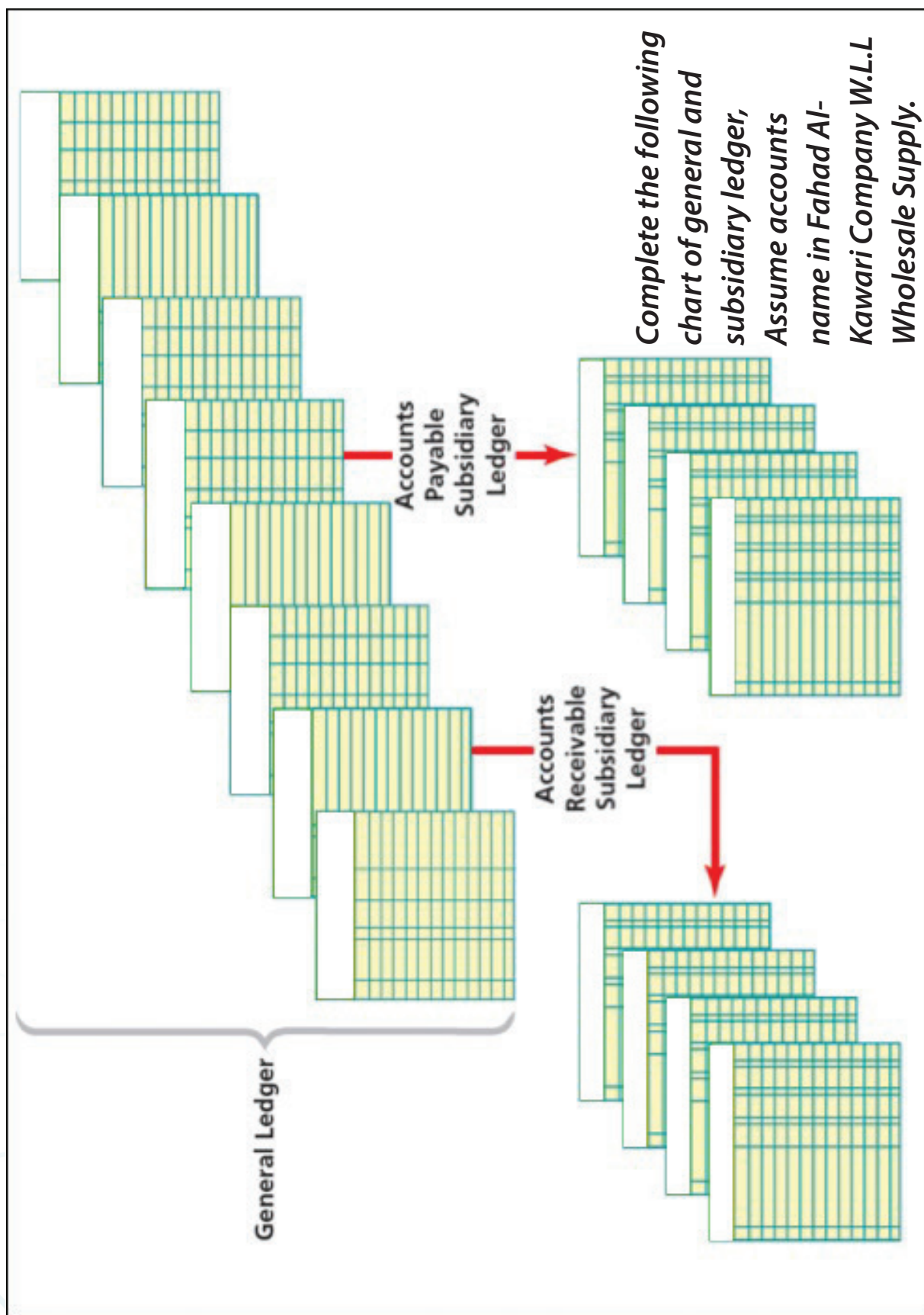
World Supply Corporation - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr
Dec. 01	Balance				Dr

Fahad Al-Kawari Company W.L.L

Trial Balance as at







Question 8

December selected transactions were completed by Fahad Al-Kawari Company W.L.L Wholesale Supply. The entries in the cash payment journal are based on the following cash payments doesn't including (GST):

Date	Transaction
Dec. 01	Check No. 101 for \$5,200 issued for the annual premium on a fire insurance policy.
Dec. 03	Check No. 102 for \$3,500 issued in payment of freight.
Dec. 05	Check No. 103 for \$14,400 issued for the purchase of merchandise.
Dec. 10	Check No. 104 for \$10,780 sent to Talal Inc. in payment of Dec. 6 Invoice for \$11,000 less a 2 percent discount.
Dec. 15	Check No. 105 for \$6,984 mailed to Jassem Trading Co.
Dec. 18	Check No. 106 for \$6,831 sent to Al-Wajba Projects in payment of Dec. 14 invoice for \$6,900 less a 1 percent discount.
Dec. 22	Check No. 107 sent to Jassem Trading Co. settlement of the due balance.
Dec. 25	Check No. 108 for \$10,000 issued to partners as a cash dividend.
Dec. 28	Check No. 109 for \$35,000 issued for purchase merchandise.
Dec. 31	Pay cash \$2,000 electricity expense of December.

Required:

Record the following transactions in a cash payment journal:

Cash payments journal of Fahad Al-Kawari Company W.L.L Wholesale

Date	Reference	Particulars	Purchases Dr	Accounts Payable Dr	Other Payments Cr	Earned Discount Cr	GST Paid Cr	Bank/Cash Dr
Total								

Bank - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Accounts Payable - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Purchases - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

GST Paid - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Earned Discount - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Talal Inc. - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Dividends - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Jassem Trading Company - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Al-Wajba Projects - (Subsidiary Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Insurance Expense - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Fright Expense - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Electricity Expense - (General Ledger)

Date	Particulars	Debit	Credit	Balance	Dr/Cr

Fahad Al-Kawari Company W.L.L

Trial Balance as at





Question 9

Indicate the journal in which each of the following transactions should be recorded by Nasser Al-Hajri Company during December 2018:

Transaction	Type of Journal
1. Issued Check No. 610 for December rent, \$4,500.	
2. Issued Invoice No. 940 to Capps Co., \$1,980.	
3. Received check for \$5,100 from Trimble Co. in payment of account.	
5. Purchased a vehicle on account from Boston Transportation, \$39,500.	
6. Purchased office equipment on account from Austin Computer Co., \$4,800.	
6. Issued Invoice No. 941 to Dawar Co., \$5,680.	
9. Issued Check No. 611 for fuel expense, \$800.	
10. Received check from Sing Co. in payment of \$4,850 invoice.	

Transaction	Type of Journal
10. Issued Check No. 612 for \$360 to Office to Go Inc. in payment of invoice.	
10. Issued Invoice No. 942 to Joy Co., \$2,140.	
11. Issued Check No. 613 for \$3,240 to Essential Supply Co. in payment of account.	
11. Issued Check No. 614 for \$650 to Porter Co. in payment of account.	
12. Received check from Capps Co. in payment of \$1,980 invoice of December 2.	
13. Issued Check No. 615 to Boston Transportation in payment of \$39,500 balance of December 5.	
16. Issued Check No. 616 for \$40,900 for cash purchase of a vehicle.	
16. Cash fees earned for December 1–16, \$21,700.	
17. Issued Check No. 617 for miscellaneous administrative expense, \$600.	
18. Purchased maintenance supplies on account from Essential Supply Co., \$1,750.	
19. Purchased the following on account from McClain Co.: maintenance supplies, \$1,500; office supplies, \$325.	

Transaction	Type of Journal
1) <i>Providing services for cash.</i>	
2) <i>Closing of dividends account at the end of the year.</i>	
3) <i>Receipt of cash from sale of office equipment.</i>	
4) <i>Sale of office supplies on account, at cost.</i>	
5) <i>Receipt of cash on account from a customer.</i>	
6) <i>Receipt of cash for rent.</i>	
7) <i>Adjustment to record accrued salaries at the end of the year.</i>	
8) <i>Receipt of cash refund from overpayment of taxes.</i>	
9) <i>Providing services on account.</i>	
10) <i>Payment of cash for any purpose.</i>	

Transaction	Type of Journal
1) <i>Adjustment to prepaid insurance at the end of the month.</i>	
2) <i>Purchase of office equipment for cash.</i>	
3) <i>Advance payment of a one-year fire insurance policy on the office.</i>	
4) <i>Purchase of office supplies for cash.</i>	
5) <i>Adjustment to record accrued salaries at the end of the period.</i>	
6) <i>Adjustment to prepaid rent at the end of the month.</i>	
7) <i>Purchase of office supplies on account.</i>	
8) <i>Purchase of services on account.</i>	
9) <i>Purchase of an office computer on account.</i>	
10) <i>Payment of six months' rent in advance.</i>	

Transaction	Type of Journal
20. Issued Check No. 618 in payment of advertising expense, \$1,990.	
20. Used \$3,600 maintenance supplies to repair delivery vehicles.	
23. Purchased office supplies on account from Office To Go Inc., \$440.	
24. Issued Invoice No. 943 to Sing Co., \$6,400.	
24. Issued Check No. 619 as dividends.	
25. Issued Invoice No. 944 to Dawar Co., \$5,720.	
25. Received check for \$4,100 from Trimble Co. in payment of balance.	
26. Issued Check No. 620 to Austin Computer Co. in payment of \$4,800 invoice of December 6.	
30. Issued Check No. 621 for monthly salaries as follows: driver salaries, \$16,900; office salaries, \$7,600.	
31. Cash fees earned for December 17–31, \$19,700.	
31. Issued Check No. 622 in payment for office supplies, \$310.	



Question 10

Indicate whether each of the following statement is (T) True or (F) False

Statement	True	False
1- Net income is the result of the balance sheet reporting revenues that are larger than operating expenses.		
2- Assets are the economic resources that are expected to produce future benefits.		
3- Land, buildings, and equipment are examples of business expenses.		
4- A liability is classified as a current liability if the company is to pay it within the forthcoming year.		
5- Another name for net assets is liabilities.		
6- When cash is received on account, the Accounts Receivable account is decreased.		
7- When the owner withdraws cash from the business, the Cash account will decrease, and the Withdrawals account will decrease.		
8- Totals for the net income, additional investment, and withdrawals are found on the Statement of Owner's Equity.		
9- The financial position of the business is shown on the Income Statement.		
10- The financial statement that shows the results of a firm's operations over a specific time period is called the balance sheet.		
11- Every business transaction has an effect on one or more of the elements of the accounting equation.		
12- After every business transaction is correctly recorded and reported, the accounting equation will be in balance.		

Statement	True	False
13- The accounting cycle begins at the start of a new accounting period.		
14- Cash and office supplies are both classified as current assets.		
15- Current assets are listed in the order of liquidity.		
16- Current liabilities are obligations that the company is to pay within the coming year.		
17- Sales revenues are earned during the period cash is collected from the buyer.		
18- The major difference between the balance sheets of a service company and a merchandising company is inventory.		
19- Merchandise inventory is classified as a current asset in a classified balance sheet.		
20- Retained Earnings classified as a part of owners' equity on the Income Statement.		



Question 11

Choose the correct answer:

- 1** The first item listed under current liabilities is usually

☐ **A** accounts payable.

☐ **C** salaries payable.

☐ **B** notes payable.

☐ **D** taxes payable.
- 2** Office Equipment is classified in the balance sheet as

☐ **A** a current asset.

☐ **C** an intangible asset.

☐ **B** a Non-current asset.

☐ **D** all the above is true.

3 A current asset is

- A** the last asset purchased by a business.
- B** an asset which is currently being used to produce a product or service.
- C** usually found as a separate classification in the income statement.
- D** an asset that a company expects to convert to cash or use up within one year.

4 Liabilities are generally classified on a balance sheet as

- A** small liabilities and large liabilities.
- B** present liabilities and future liabilities.
- C** tangible liabilities and intangible liabilities.
- D** current liabilities and long-term liabilities.

5 On a classified balance sheet, current assets are customarily listed

- A** in alphabetical order.
- B** with the largest dollar amounts first.
- C** in the order of liquidity.
- D** in the order of acquisition.

6 The relationship between current assets and current liabilities is important in evaluating a company's

- A** profitability.
- B** liquidity.
- C** market value.
- D** accounting cycle.

- 7** *The most important information needed to determine if companies can pay their current liabilities is the*
- A** net income for this year.
 - B** projected net income for next year.
 - C** relationship between current assets and current liabilities.
 - D** relationship between short-term and long-term liabilities.
- 8** *All the following are owners' equity accounts except*
- A** Net profit for the year.
 - B** Capital.
 - C** Notes receivable.
 - D** Retained Earnings.
- 9** *Current liabilities:*
- A** are obligations that the company is to pay within the forthcoming year.
 - B** is listed in the balance sheet in order of their expected maturity.
 - C** is listed in the balance sheet, starting with accounts payable.
 - D** should not include long-term debt that is expected to be paid within the next year.
- 10** *An asset that can be used in the business or held for a longer period, usually more than a year.*
- A** non-current Asset
 - B** current Asset
 - C** Current Liability
 - D** long Term Liability
- 11** *"Mr. Ali Al-Kawari used his own cash to pay for his business monthly rental". Based on the transaction, what are the correct account transactions?*
- A** debit - Cash, Credit - Rental
 - B** debit - Rental, Credit - Cash
 - C** debit - Rental, Credit - Bank
 - D** none of the above.

QATAR BANK
Al Sadd Branch

BANK STATEMENT

Statement of account		Account name:		Qatar Luxury Furnishing		
		Account number:		11223 78524		
Date	Particulars	Debit	Credit	Balance	CR/ DR	
1 October	Brought forward			125,845.00	Cr	
	Deposit		12,970.00	138,815.00	Cr	
2 October	Deposit		2,050.00	140,865.00	Cr	
	Ch 2458	6,550.00		134,315.00	Cr	
3 October	Ch 2547	5,800.00		128,515.00	Cr	
	Ch 2549	6,850.00		121,665.00	Cr	
	Deposit		14,755.00	136,420.00	Cr	
	EFTPOS		13,975.00	150,395.00	Cr	
	Interest (Term deposit 78524A)		135.00	150,530.00	Cr	
4 October	Deposit		635.00	151,165.00	Cr	
	EFTPOS		1,815.00	152,980.00	Cr	
	EFT (Kahramaa)	545.00		152,435.00	Cr	
	EFT (Doha Stat)	1,750.00		150,685.00	Cr	
	Ch 2462	465.00		150,220.00	Cr	
5 October	EFT (Misc transfers)	3,255.00		146,965.00	Cr	
	EFTPOS fees	415.00		146,550.00	Cr	





Cash Receipts Book

Date	Reference	Particulars	Lounge	Dining	Carpet	Kitchen	Bedroom	Other	Bank
1 October	Rec 211	J Al Ghanim	11,250.00		650.00			225.00	
	CRS	Cash sales			250.00	175.00		420.00	12,970.00
2 October	CRS	Cash sales	800.00	600.00				650.00	2,050.00
3 October	Rec 212	H Al Thani					12,450.00		
	CRS	Cash sales			200.00	855.00		1,250.00	14,755.00
4 October	EFTPOS	EFTPOS sales	2,125.00	11,850.00					13,975.00
	CRS	Cash sales						635.00	635.00
5 October	EFTPOS	EFTPOS sales					955.00	860.00	1,815.00
	CRS	Cash sales			415.00	280.00	395.00	1,245.00	2,335.00
	TOTAL								

Cash Receipts Book									
Date	Reference	Particulars	Purchases	Freight	Stationery	Wages	Rent	Other	Bank
1 October	Ch 2547	Doha Furn Dist	5,800.00						5,800.00
	Ch 2458	Al Amari Trust					6,550.00		6,550.00
2 October	Ch 2459	Doha Furn Dist	6,500.00	350.00					6,850.00
3 October	Ch 2460	QFS wll	8,250.00						8,250.00
	EFT	Kahramaa						545.00	545.00
	EFT	Doha Stationery			1,750.00				1,750.00
4 October	Ch 2461	Repairs						500.00	500.00
	Ch 2462	Petty cash reimb						465.00	465.00
5 October	EFT	Wages				3,255.00			3,255.00
	Ch 2463	Al Basara Corp	6,625.00						6,625.00
	TOTAL								

Qatar Luxury Furnishings					
Date	Particulars	Debit	Credit	Balance	
1 October	Balance				
5 October	Cash receipts				
	Cash payments				

Bank reconciliation statement		
Qatar Luxury Furnishings		
As at 5 October		
	\$	\$
Credit balance as per bank statement		
Add deposits not yet in bank		
Less unpresented cheques:		
Balance as per bank account (ledger)		