

- 1 Seok buys and sells goods on credit. He has three credit customers and allows one of them, Naomi, trade discount of 10%. All customers pay Seok by bank transfer.

The following balances were extracted from Seok’s sales ledger at 1 August 2023.

	\$
Naomi	450
Siena	155
Bwana	<u>386</u>
	<u>991</u>

The following transactions took place in August 2023.

- Aug 3 Sold goods on credit, to Naomi, list price \$410
- 5 Sold goods on credit, \$89, to Bwana
- 10 Naomi returned goods, list price \$20
- 11 Naomi paid \$423 in full settlement of the amount she owed at 1 August
- 19 Sold goods on credit, \$180, to Bwana
- 22 Sold goods on credit, to Naomi, list price \$230
- 27 Bwana returned goods, \$19
- 29 Bwana paid \$400

REQUIRED

- (a) Prepare the sales journal for August 2023.
Total the journal and indicate the ledger account where the total would be posted.

Seok
Sales journal

Date	Details	\$	\$
.....
.....
.....
.....
.....
.....
.....
.....

[4]

- (b) Prepare the sales returns journal for August 2023.
Total the journal and indicate the ledger account where the total would be posted.

Seok
Sales returns journal

Date	Details	\$	\$
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.....
.....
.....

[3]

- (c) Prepare the account for Naomi for August 2023 as it would appear in the books of Seok.
Balance the account and bring down the balance at 1 September 2023.

Seok
Naomi account

Date	Details	\$	Date	Details	\$
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.....
.....

[6]

On 31 August Seok decided to write off the amount owing by Siena as an irrecoverable debt.

REQUIRED

- (d) Prepare Seok’s sales ledger control account for August 2023. Balance the account and bring down the balance at 1 September 2023.

Seok
Sales ledger control account

Date	Details	\$	Date	Details	\$
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[7]

[Total: 20]

Question	Answer	Marks																					
1(a)	<p style="text-align: center;">Seok Sales journal</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 60%;">Details</th> <th style="width: 25%;">\$</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td></td> <td></td> </tr> <tr> <td>Aug 3</td> <td>Naomi (410 – 41)</td> <td style="text-align: right;">369 (1)</td> </tr> <tr> <td>5</td> <td>Bwana</td> <td style="text-align: right;">89}</td> </tr> <tr> <td>19</td> <td>Bwana</td> <td style="text-align: right;">180} (1)</td> </tr> <tr> <td>22</td> <td>Naomi (230 – 23)</td> <td style="text-align: right;">207 (1)</td> </tr> <tr> <td>31</td> <td>Transfer to sales account</td> <td style="text-align: right;"><u>845</u> (1) OF</td> </tr> </tbody> </table>	Date	Details	\$	2023			Aug 3	Naomi (410 – 41)	369 (1)	5	Bwana	89}	19	Bwana	180} (1)	22	Naomi (230 – 23)	207 (1)	31	Transfer to sales account	<u>845</u> (1) OF	4
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Question	Answer						Marks
1(c)	Seok Naomi account						6
	Date	Details	\$	Date	Details	\$	
	2023			2023			
	Aug 1	Balance b/d	(1) 450	Aug 10	Sales returns	(1) OF 18	
	3	Sales }	369	11	Bank	(1) 423	
	22	Sales }	(1)OF 207	31	Discount allowed	(1) 27	
			<u>1026</u>		Balance c/d	558	
	Sept 1	Balance b/d	(1)OF 558			<u>1026</u>	
1(d)	Seok Sales ledger control account						7
	Date	Details	\$	Date	Details	\$	
	2023			2023			
	Aug 1	Balance b/d	(1) 991	Aug 31	Sales returns	(1)OF 37	
	31	Sales	(1)OF 845		Bank (423 + 400)	(1) 823	
					Discount allowed	(1) 27	
					Irrecoverable debts	(1) 155	
			<u>1836</u>		Balance c/d	794	
	Sept 1	Balance b/d	(1)OF 794			<u>1836</u>	