

- 1 Addo is a trader who only sells on credit.

His trade receivables at 1 April 2024 were as follows:

	\$
Nuru	920
Mahia	1145
Ava	1378
Rachel	215
	<u>3658</u>

During April 2024, the following transactions took place:

- April 2 Sold goods to Ava, list price \$150, less 6% trade discount
- 9 Received telephone transfer from Ava, \$689
- 12 Sold goods to Nuru, \$165
- 13 Received cheque, \$627, from Mahia, in full settlement of an invoice for \$660
- 19 Received \$760 from Nuru by electronic transfer. Nuru had deducted 5% cash discount
- 20 Nuru returned goods \$30
- 21 Sold goods to Mahia, list price \$480, trade discount 5%, cash discount 5% if invoice paid within 30 days
- 30 Rachel has become bankrupt and Addo decides to write off the amount owing from her, as irrecoverable

REQUIRED

- (a) Prepare the sales journal for April 2024.
Total the sales journal and indicate the ledger account to which the total would be posted.

Addo
Sales journal

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

[3]

(b) Prepare the journal entry to write off the amount owing by Rachel. A narrative **is** required.

Addo
Journal

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

[3]

(c) Calculate:

(i) the total amount of money which Addo received from trade receivables during April 2024.

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..... [1]

(ii) the total amount of cash discount which Addo allowed in April 2024.

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..... [2]

Question	Answer	Marks																				
1(a)	<div><div>Addo Sales journal</div><table><tr><th>Date</th><th>Details</th><th>\$</th><th></th></tr><tr><td>2024 Apr 2</td><td>Ava (150 – 9)</td><td>141</td><td>(1)</td></tr><tr><td>12</td><td>Nuru</td><td>165</td><td></td></tr><tr><td>21</td><td>Mahia (480 – 24)</td><td>456</td><td>(1)</td></tr><tr><td>30</td><td>Transfer to sales account</td><td><u>762</u></td><td>(1)OF</td></tr></table></div>	Date	Details	\$		2024 Apr 2	Ava (150 – 9)	141	(1)	12	Nuru	165		21	Mahia (480 – 24)	456	(1)	30	Transfer to sales account	<u>762</u>	(1)OF	3
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1(b)	<div><div>Addo Journal</div><table><tr><th>Date</th><th>Details</th><th>Debit \$</th><th>Credit \$</th></tr><tr><td>2024 April 30</td><td>Irrecoverable debts (1) Rachel (1)</td><td>215</td><td>215</td></tr><tr><td></td><td>Amount due from Rachel written off as irrecoverable (1)</td><td></td><td></td></tr></table></div>	Date	Details	Debit \$	Credit \$	2024 April 30	Irrecoverable debts (1) Rachel (1)	215	215		Amount due from Rachel written off as irrecoverable (1)			3								
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1(c)(i)	Total amount received = \$689 +\$627 + \$760 = \$2 076 (1)	1																				
1(c)(ii)	Total cash discount = \$40(1) + \$33 = \$73 (1)OF	2																				