

What is in this document

This document contains details of the case study and activities that you will have to complete in this course. These activities provide an integral part of this course as they give you the opportunity to put into practice what you have learned.

You will find an Excel document to download in section 2 for sales and sales returns transactions. In this file you will find Sales invoices, credits, statements and the daybooks. We will walk through the prepared documents within this course, and then you will get the opportunity to prepare sales invoice and credits with and without discounts, prepare statements and transfer the data to the daybooks. It is important that you complete each activity as the output for each activity is needed for the next activity.

You will also find an Excel workbook to download in section 3 for purchase and purchase returns transactions. As with the sales, we will walk through a number of documents in this file before you get to check some invoices, codes invoices and credits for approval, reconcile supplier statements and also transfer the data to the daybooks. Again it is important that you complete each activity as the output for each activity is needed for the next activity.

At the end of the activities you will have a closed set of sales and sales returns, purchase and purchase returns daybooks.

You will find all of these activities within the course, however we would suggest that you have a read of them now, just so you know what is ahead of you.

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Case study

Jake owns Jakes Palace, a hotel in a hot tourist district. The hotel is in operation 5 years and Jake has good business relationships with suppliers and with clients. Many clients are corporate clients and they operate on a credit basis and the rest of the clientele makes payment when they are checking out.

Jake has hired you as the company bookkeeper and is relying on you to record the financial transactions of the business. It is a busy role that involves preparing and issuing sales invoices and credit notes and statements to the customers. It also involves approving purchase invoices, and coding purchase invoices and credits and reconciling supplier statements. In addition to this, the roles also includes transferring sales and purchase transaction information to the Sales day books and Purchase day books of Jakes Palace and closing these books at month end.

Sales invoices and credits to be raised

THE FOLLOWING INVOICE NEEDS TO BE RAISED:

PO: PO7456

CUSTOMER: Ultimate haulage

CUSTOMER CODE: ULT

Bed and Breakfast for 1 person for 3 nights @ 130 PPPN

PRODUCT CODE: B&B

DOA: 28/01/2016

DOD: 30/01/2016

SALES TAX: 20%

TRADE DISCOUNT: 5%

SETTLEMENT DISCOUNT: 0%

THE FOLLOWING INVOICE NEEDS TO BE RAISED:

PO: Jan007

CUSTOMER: Mary Poppins

CUSTOMER CODE: MAR

Bed and Breakfast & dinner for 1 person for 2 nights @ 170 PPPN

PRODUCT CODE: B&B&D

DOA: 28/01/2016

DOD: 29/01/2016

SALES TAX: 0%

TRADE DISCOUNT: 0%

SETTLEMENT DISCOUNT: 10% if paid within 10 days from date of invoice

THE FOLLOWING INVOICE NEEDS TO BE RAISED:

PO: 0112345

CUSTOMER: Love Holidays

CUSTOMER CODE: LOV

Bed and Breakfast & dinner for 6 persons for 5 nights @ 170 PPPN

PRODUCT CODE: B&B&D

DOA: 24/01/2016

DOD: 29/01/2016

SALES TAX: 0%

TRADE DISCOUNT: 15%

SETTLEMENT DISCOUNT: 10% if paid within 10 days from date of invoice

THE FOLLOWING INVOICE NEEDS TO BE RAISED:

PO: CON785

CUSTOMER: Events Conference

CUSTOMER CODE: EVE

3 days conference room hire at 1000 per day

PRODUCT CODE: CR

DOA: 21/01/2016

DOD: 23/01/2016

SALES TAX: 20%

TRADE DISCOUNT: 20%

SETTLEMENT DISCOUNT: 0

THE FOLLOWING CREDIT NOTE NEEDS TO BE RAISED:

PO: CON785

CUSTOMER: Events Conference

CUSTOMER CODE: EVE

1 day's conference room hire at 1000 per day

PRODUCT CODE: CR

DOA: 21/01/2016

DOD: 22/01/2016

SALES TAX: 20%

TRADE DISCOUNT: 20%

SETTLEMENT DISCOUNT: 0

THE FOLLOWING CREDIT NOTE NEEDS TO BE RAISED:

PO: 0112345

CUSTOMER: Love Holidays

CUSTOMER CODE: LOV

Bed and Breakfast & dinner for 1 person for 5 nights @ 170 PPPN

PRODUCT CODE: B&B&D

DOA: 24/01/2016

DOD: 29/01/2016

SALES TAX: 0%

TRADE DISCOUNT: 15%

SETTLEMENT DISCOUNT: 10% if paid within 10 days from date of invoice

Customer Statements to be raised

Events Conference. Opening balance as at 1/01/2016 2850. Payment received 25/01/2016 1750.

Sales and Sales Returns Day Book Entry and close

Using all of the sales invoices and credits that have been prepared, enter the transaction details to the daybooks provided. When you have all of the entries complete, close the day books using the cross totting method we covered earlier

Checking purchase invoices for approval

Jake has requested that you check a purchase invoice that he has received and also check the credit note. Jake is concerned that there may be still some credit due. The invoice is 5478 from Clean

galore. You must locate the purchase order and credit note in the file. Thankfully the invoice from the supplier contains Jakes PO number so it should be easy enough to find them.

Jake has instructed that if this invoice and credit are okay for payment, then it is good to code and add to the day books. If the invoice and credit are not okay, then you must hold both of them and not code or post them to the day books.

Coding Purchase invoices

It is now time for you to practice coding purchase invoices. For the remaining invoices and credits in the downloadable file from lecture 22, add a code for the supplier and also add a code for the general/nominal ledger. A list of codes can also be found in the file. You will need these coded invoices in a later activity where you will enter the transaction details to the purchase and purchase returns day books

If you are having any difficulty with this section, start a discussion in the discussion board

Transferring Purchase invoices and credits to the daybooks

In a previous activity you coded a number of invoices and credit notes. You now need to transfer the details from these invoices to both the purchase day book and the returns day book.

When you have entered all the invoices and credits, close off the period by cross casting or cross totting the necessary columns.