



Department of Education, Sabaragamuwa/weekly school

week- December 2

Subject-Accounting

Grade-12

Prepared by -  
Zonal Education Office, Rathnapura.

Competency 4.0 – Posts transactions to the ledger using prime entry books.

Competency Level 4.5 – Maintains records related to trading goods purchased on credit.

- (01) Tharindu Enterprise placed an order with Murthi Enterprise on 2017/03/10 for the supply of 20nos. Wrist watches for resale that had a marked price of Rs. 1,200 each. Murthi Enterprise supplied 20 wrist watches. Due to the brand being different to what was ordered 10nos wrist watches were returned on 2017/03/20.

State below the relevant book of prime entry and source document.

Transaction	Relevant book of prime entry	Source document
•	•	•
•	•	•

- (2) Identifying the method to record the totals of the Returns Outwards Journal in the General Ledger of a business that is not registered for VAT.

- (i) Credit to Purchases a/c and the relevant Creditor's a/c.
- (ii) Debit to Creditor's a/c and to Returns Outwards a/c.
- (iii) Credit to Returns Outwards a/c and Creditors Control a/c.
- (iv) Debit to Creditors Control a/c and Credit to Returns Outwards a/c.
- (v) Credit to Returns Outwards a/c only.

- (3) Indicate whether the following statements are True (T) or False (F).

- (i) Trade discounts will be accounted for after the Purchases Journal is prepared. ( )
- (ii) The net balances of the Debit Notes are debited to the respective creditors' accounts. ( )

