

Debtors Control Accounts – Summary

Plus: owe more	Debtors	Minus: owe less
Big b/d-A		Little b/d-L
Credit Sales		
		Credit Sales Returns
Restocking Charge		
		Bank
Discount Dis(allowed)		Discount
Bills Rec (dishonoured)		Bills Rec Accepted
Interest Charged		
		Interest Reduced
Little c/d-L		Big c/d-A

Students who studied Junior Cycle Business Studies may have seen "Day Books"

I.E. Sales/Purchases>Returns Boks and Analysed Cash Book.

1. Depending on how figures are taken *wrongly* from the Day Books to the Ledger Accounts
2. And which accounts they are wrongly entered into

this determines whether it is

- the Control Account or
- the Schedule of Debtors/Creditors

that needs to be corrected.

For Example

Sales Day Book			Net	VAT	Total
Date	Smith Ltd	DL1	10,000	1,000	11,000
Date	Jones Ltd	DL2	20,000	2,000	22,000
			30,000	3,000	33,000

If **these figures** end up somehow
 - Wrong - in the Ledger Accounts

If **these figures** end up being "Wrong"
 In the Ledger Accounts

Then the figures entered in the
Personal a/c's are Wrong.
 That is;
 Wrong in the **Smith (Dr) a/c** or
 Wrong in the **Jones (Dr) a/c**

It is the **Personal Account** that needs to be corrected
 Correcting them will then change the

SCHEDULE OF Debtors

Alternatively

Sales Day Book			Net	VAT	Total
Date	Smith Ltd	DL1	10,000	1,000	11,000
Date	Jones Ltd	DL2	20,000	2,000	22,000
			30,000	3,000	33,000

If **these figures** end up somehow
 - Wrong - in the Ledger Accounts

If **these figures** end up being "Wrong"
 In the Ledger Accounts:

Then the figures entered in the
Nominal a/c's Are Wrong.
 That is;
 Wrong in the **Sales a/c** or
 Wrong in the **VAT a/c**

It is the **Nominal Account** that needs to be corrected
 Correcting these accounts, will then change the

Debtors **CONTROL ACCOUNT**

Debtors Control Accounts – Summary

The Same is true for figures taken from the Cash Book or General Journal

	Entered wrong in the Books		Not Entered at all		Entered wrong in the Personal a/c	
	Control a/c	Personal a/c (Schedule)	Control a/c	Personal a/c (Schedule)	Control a/c	Personal a/c (Schedule)
<i>Originally Recorded</i>	X	X			✓	X
<i>Now Student is Required to;</i>						
<i>Remove the error</i>	- X	- X				- X
<i>Record the Correct entry</i>	✓	✓	✓	✓		✓

Debtors Control Accounts – Summary

1. Discount allowed to a customer of €120 had been treated as discount disallowed €210 in the general ledger. No entry was made to the customer's account
2. Discount disallowed to a customer of €60 had been recorded as discount allowed in the general ledger and credited as €16 in the customer's account.
3. Discount disallowed to a customer €46 had been treated as discount allowed in the discount account.

1. Interest amounting to €95, charged to a customer's overdue account, had been correctly entered in the customer's account and entered as €59 in the interest account. Following a complaint by the customer the charge was reduced to €65. This reduction had not been entered in the books.
2. Interest amounting to €140, had been entered correctly in the interest account, but credited as €40 in the customer's account. Following a complaint by the customer this was reduced by €20. This reduction had not been entered in the books.
3. Interest amounting to €90, charged to a customer's overdue account, had been posted to the interest account as €110. Following a complaint by the customer this was reduced to €40. This reduction had not been entered in the books.
4. O'Dowd had charged a customer interest amounting to €82 on an overdue account. The only entry in the books for this interest had been €28 credited to the customer's account. After a protest this interest was reduced to €20 but this reduction had not been reflected in the accounts.

1. Sales of €1,720 had been entered on the credit side of a customer's account. This included cash sales of €1,240.
2. Cash sales €1,200 and credit sales €710 had both been entered by O'Leary on the credit side of a customer's account.
3. Cash sales €1,600 and credit sales €820 had both been entered by Forrester on the credit of the customer's account.
4. Cash sales €1,800 and credit sales €800 had both been entered by O'Dowd on the credit of a customer's account.

1. McGuinness accepted returns of €300 from a customer and this was entered correctly in the books. However, a credit note was sent showing a restocking charge of 10% of the sales price. The accounts clerk only made the necessary adjustment in the customer's account. Later this charge was reduced to 5% but this reduction was not reflected in the accounts.
2. A credit note was sent to a customer for €45 after a restocking charge of €20 was applied. The only entry made was €35 in the returns book. After a complaint was made by the customer, the restocking charge was cancelled.
3. A credit note was sent to a customer for €520. The only entry made in the books was €52 debited to the customer's account.

Debtors Control Accounts – Summary

4. A credit note was sent to a customer for €566. The only entry made in the books was €56 debited to the customer's account.

Debtors Control Accounts – Summary

An invoice sent by O’Leary to a customer for €1,450 had been entered in the appropriate day book as €1,540. When posting from this book to the ledger no entry had been made in the customer’s account.

An invoice sent by Forrester to a customer for €1,560 had been entered in the appropriate day book as €1,650. When posting from this book to the ledger no entry had been made in the customer’s account.

O’Dowd had sent an invoice to a customer for €1,680. This had been entered in the appropriate day book as €1,860. However when posting from this book to the ledger no entry had been made in the customer account.

€140 was received from a debtor for a debt previously written off. This represents 70% of the original bad debt. The debtor has undertaken to pay the remainder of the debt and now wishes to trade again with O’Leary. No entries were made in the accounts.

Forrester had accepted sales returns €300 from a customer and entered this correctly in the books. The accounts clerk sent out a credit note showing a restocking charge of 10% of sales price but made the necessary adjustment only in the customer’s account. Later this charge was reduced to 4% but this reduction was not reflected in the accounts.

A cheque for €850, received from a customer in full settlement of a debt of €880, had been entered correctly in the books. However, this cheque was dishonoured but no entry had been made in the books relating to the cancelled cheque.