

Credit Purchases

There are times when a business simply does not have the cash flow to be able to purchase items needed for the everyday running of a business. There is not enough money in the bank account to purchase items for cash.

Not every month is a good month for the business. There will be months where the business will spend more money than what they have. This results in an unfavourable bank balance which we call an overdraft.

Our suppliers can sell to us on credit.

This means that the business receives the items needed to run the business immediately but only pays later for them.

This is an ideal situation if the business sometimes struggles with cash flow.

Generally, **credit terms are 90 days**. This means that a business can purchase goods etc. on credit, get the goods immediately, and then take 90 days to pay it off.

This gives the business a chance to earn the cash it needs to pay off its suppliers that it owes money to.

The suppliers that we purchase on credit from are called **CREDITORS**.

The main point of a credit purchase is that there is **no exchange of cash at the time of the purchase of the goods**.

Cash is only exchanged when the business has the cash to pay off their account at the Creditor.

Credit purchases need to be recorded just like cash purchases need to be recorded.

Any cash purchase is entered into the Cash Payments Journal.

Credit purchases are recorded in a new journal called the **Creditors Journal**.

We now have three journals!

Cash Receipts Journal: records the receiving of cash

Cash Payments Journal: records the payment of cash

Creditors Journal: records the credit purchase of items in the business.

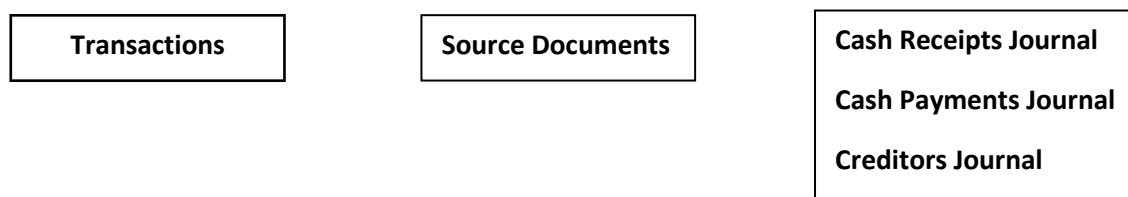
The source document for a **credit purchase** is an **INVOICE received** from our supplier. We still enter transactions into journals from source documents.

The Creditors Journal

The Creditors Journal has one task only:

Record **credit purchases**.

The Accounting Cycle now looks as follows:



The Creditors Journal is completed in the same way as the CRJ and CPJ are completed:

Transactions are entered from the source document into the journal every day of the month.

At the end of the month the journals are totalled and then posted to the General Ledger. The same occurs with the Creditors Journal.

The Creditors Journal is abbreviated to **CJ**.

We complete the Creditors Journal in exactly the same way as the Cash Payments Journal.

The only difference is that **the Creditors Journal only records CREDIT PURCHASES**.

We need to be very clear on what type of purchase the business has made:

Cash purchase? —————> Cash Payments Journal

Credit purchase? —————> Creditors Journal

The Creditors Journal

Example

CREDITORS JOURNAL OF ACE TRADERS – JANUARY 2025

CJ1

Doc no	Day	Creditor	fol	Creditors Control	Trading Stock	Stationery	SUNDRY ACCOUNTS		
							Amount	fol	Details
A1	1	Big Wholesalers		12 000	12 000				
Q12	6	Best Advertisers		6 000			6 000		Advertising
C33	10	Rose Traders		5 000	5 000				
Z4	18	Slash Suppliers		1 200		1 200			
D05	23	Giant Traders		19 000			19 000		Equipment
P56	31	Silly Ltd.		7 900	7 900				
				51 100	24 900	1 200	25 000		

Doc No	Records the invoice number received from the supplier. You will see that the invoice numbers are very different to each other. This is because each supplier has their own record keeping system for their source documents.
Day	The day on which the transaction occurred.
Details	The name of the CREDITORS we purchased various items from.
fol	This column will be used later to record the account numbers that we assign to each individual Creditor.
Creditors Control	A new account in the General Ledger that only records credit purchases.
Trading Stock	A column used to record the credit purchases of Trading Stock.
Stationery	A column used to record credit purchases of Stationery.
Sundry Accounts	Items that do not have their own columns are entered here.

At the end of the month we total all the columns in the Creditors Journal.

Then we post the totals to the General Ledger.

Therefore the process of recording credit purchases is exactly the same as cash purchases with one difference:

No cash was involved in the purchasing of any items.

Exercise 1 Credit Purchases

Enter the following invoices in the Creditors Journal of Wookie Traders for July 2034.

Provide analysis columns for Creditors Control, Trading Stock, Stationery and Sundry Accounts.

Label your journal CJ1.

Transactions, July 2034:

1. Purchased stationery for R600. Received invoice A123 from Axe Solutions.
 4. Invoice Q45 received from Axil Suppliers for merchandise purchased, R45 000.
 10. The business bought new office furniture, R34 500. Received invoice P101 from Happy Traders.
 13. Bought pens and envelopes from Pen Pals. Received invoice B88 for R700.
 15. Purchased goods from Cooper Ltd., R23 000. Received invoice 009.
 17. Packing materials were delivered to Wookie Traders from Kravitz Suppliers. Received invoice K199 for R600.
 25. Invoice D56 shows that Wookie Traders purchased goods from Together Traders, R56 780.
 27. Repairs to the business vehicle were completed. Received invoice 35 from Auto Repairs for R4 980.
 31. Barry Traders delivered trading stock to the business, R32 100. Issued invoice B99 to the business.
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Exercise 2 Credit Purchases

Enter the following invoices in the Creditors Journal of Jack Traders for January 2025.

Provide analysis columns for Creditors Control, Trading Stock, Packing Materials and Sundry Accounts.

Label your journal CJ1.

Transactions, January 2025:

1. Received invoice X12 from Advertising Solutions for advertising for the month, R25 600.
 3. Packing materials were delivered to the business, R1 300. Received invoice 101 from Pack-Mack.
 5. Purchased 7 new computers for the back office. The unit price per computer was R14 600. Received invoice J143 from Ace Computers.
 9. Purchased inventory from Supply Ltd. Received invoice M101 for R67 800.
 13. Stationery was delivered to the business, R900. Invoice T2 was issued by Pen Den to Jack Traders.
 18. The printer is broken and was sent for repairs. Received invoice F66 from Printer Solutions for R400.
 21. Bought merchandise from Ewok Specialists, R45 100. Received invoice E75.
 23. Packing materials were delivered to Jack Traders from Pack-Mack. Invoice 198 showed R6 700 had been recorded.
 27. Trading Stock purchased from ABC Traders, R17 800. Invoice A34 received.
 29. Invoice Q98 received from Repair It for repairs to vehicles. The invoice shows an amount of R13 800. The owner's car was also sent in for repairs with the business vehicles. R2 450 was for the owner's personal car.
 30. Packing materials were delivered from Pack-Mack, R12 000. Received invoice M64.
 31. Ace Traders delivered merchandise to the business, R31 900. Received invoice T78.
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Exercise 3 Credit Purchases

Enter the following invoices in the Creditors Journal of Vuyo Traders for April 2029.

Provide analysis columns for Creditors Control, Trading Stock, Advertising and Sundry Accounts.

Label your journal CJ1.

Transactions, April 2029:

4. Received invoice 100 for advertising from Axe Printers, R12 000.
 7. Vuyo Traders received merchandise from Purple Traders. Invoice F37 shows merchandise for R35 000 and delivery costs for R1 000.
 11. Purchased stationery from Highlight Traders, R1 300. Received invoice A987.
 15. Packing Materials were purchased for the business, R7 600. Received invoice G56 from Pack-Mate.
 20. Trading Stock purchased from Rose Traders. Invoice Q123 received for R50 000.
 22. Advertising costs amounting to R45 000 was received from Ace Prints. Invoice 657 was received.
 25. Equipment was delivered to the business, R14 000. Received invoice K98 from Tori Suppliers.
 28. Purchased goods from Starship suppliers, R68 000. Received invoice T56.
 30. Advertising costs amounted to R3 400. Received invoice 234 from Axe Printers.
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Cash & Credit Purchases

Most businesses buy goods and services for cash and credit. Therefore every day businesses record cash purchases in the CPJ and credit purchases in the CJ.

It is important to tell the difference between a cash purchase and a credit purchase.

Cash purchases: Source document is a cheque counterfoil. (CPJ)

Credit purchases: Source document is an invoice received. (CJ)

Some business only sell goods and services for cash to our business while others only sell on credit to our business. Most businesses sell to our business with a combination of cash and credit.

Our own business may have a policy of buying certain items only on credit. E.g. Trading Stock.

Exercise 1 Cash & Credit Purchases

Enter the transactions below into the Cash Payments Journal and the Creditors Journal of Sunny Traders for January 2023.

Provide the following analysis columns:

Cash Payments Journal: Bank, Trading Stock, Wages, Sundry Accounts.

Creditors Journal: Creditors Control, Trading Stock, Stationery, Sundry Accounts.

Transactions, January 2023:

1. Purchased merchandise from ABC Suppliers, R30 000. Issued cheque 120.
 3. Received invoice D15 from Cloudy Traders for stationery purchased on credit, R680.
 8. Desks, chairs and other office furniture purchased from Slash Traders, R120 000. Invoice Q87 received.
 9. Paid the week's wages, R4 000. Cashed cheque.
 11. Goods delivered to the business, R50 000. Received invoice 150 from Joy Traders.
 17. Stationery delivered to the business. Invoice D78 received from Slash Traders for R900.
 19. Bought trading stock on credit from Big Suppliers, R80 000. Received invoice P100.
 23. Paid the week's wages, R4 000. Cashed business cheque.
 25. Paid the month's telephone account, R1 400 to Telkom. Issued cheque.
 26. Packing material received from Pack-Up, R12 000. Invoice K91 received.
 30. Paid the Municipality R12 800 for the water and electricity account for the month. Issued cheque.
 31. Paid the salary of the office manager, R17 900. Issued cheque to Mandy Green.
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Exercise 2 Cash & Credit Purchases

Enter the transactions below into the Cash Payments Journal and the Creditors Journal of Music Traders for March 2025.

Provide the following analysis columns:

Cash Payments Journal: Bank, Trading Stock, Wages, Sundry Accounts.

Creditors Journal: Creditors Control, Trading Stock, Packing Materials, Sundry Accounts.

Transactions, March 2025:

1. The business received invoice 01 from Smart Traders for trading stock purchased, R500 000. On the same day the business paid for a trading licence for business operations, R8 000. Issued cheque 1.
2. Office furniture and computers were purchased for the business, R150 000. Issued cheque 2 to Office Wholesalers. The owner had advertising logos of the business placed on her vehicle for advertising, R5 000. Issued cheque 3 to Best Advertisers.
3. Packing materials received at the business premises, R26 000. Received invoice BB9 from Pack-It. Purchased stationery for the office, R500. Issued cheque 4 to Pen Pals. Paid casual labour for the day. Cashed business cheque 5, R780.
7. Paid the rent for the month to Luxury Properties, R45 000. Issued cheque 6 in their favour. Received invoice V13 from "BIG BANG" for advertising, R2 000. Purchased goods for the store from Music Giants, R37 000. Paid them with cheque 7.
10. Credit purchase of goods, R38 900. Received invoice J45 from Jay Suppliers. Paid the week's wages with cheque 8, R13 000. The owner cashed cheque 9 for personal use, R500.
15. Invoice F56 received from Sunny Traders for equipment purchased, R56 300. Trading stock was purchased from Play Ltd., R30 000. Issued cheque 10 in their favour. Stationery was bought from Pen Pals with cheque 11, R400.
20. Purchased stock for the business from Giant Music, R18 000. Issued cheque 12. New computers purchased, R24 560. Received invoice C90 from Rad PC.
25. Paid the telephone account to Telkom, R6 500. Issued cheque 13. Received invoice M65 from Pack-It for packing materials, R21 000.

29. The Municipality charged Music Traders R9 800 for water and electricity for the month. Paid with cheque 14. Trading stock was bought from Landslide Notes, R12 000. Issued cheque 15. Invoice B76 received from Sunny Traders for stationery, R6 000.
31. Paid the salary of B. Blue with cheque 16, R15 000.
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Exercise 3 Cash & Credit Purchases

Enter the transactions below into the Cash Payments Journal and the Creditors Journal of Collective Traders for September 2031.

Provide the following analysis columns:

Cash Payments Journal: Bank, Trading Stock, Wages, Sundry Accounts.

Creditors Journal: Creditors Control, Trading Stock, Packing Materials, Sundry Accounts.

Transactions, September 2031:

1. The business received invoice A10 from Andrew Traders for packing materials, R10 000. On the same day the business paid for a trading licence for business operations. Issued cheque 01 for R10 000.
2. Trading Stock was purchased for the business, R150 000. Issued cheque 02 to Office Traders. The owner paid for advertising for the month, R13 000. Issued cheque 03 to Print Advertisers.
3. Office equipment bought from Office Mate, R46 000. Received invoice B14. Purchased stationery for the office, R900. Issued cheque 04 to Eraser Ltd. Paid casual labour for the day. Cashed business cheque 05, R7 800.
7. Received invoice C53 from Brown Traders for goods purchased, R25 000. Purchased goods from Ace Ltd., R97 000. Paid them with cheque 06.
10. Packing Materials purchased from Pack-It according to invoice D45, R38 900. Paid the week's wages with cheque 07, R3 000. The owner cashed cheque 08 to pay for his son's rugby tour, R7 000.
13. Trading stock was purchased from USA Ltd, R300 000. Issued cheque 09 in their favour. Paid the week's wages, R4 000. Cashed business cheque 10.
21. Purchased stock for the business from Daughtry Suppliers, R118 000. Issued cheque 11. Invoice E42 shows stationery purchased from Office Mate, R4 560.
25. Paid the telephone account to Telkom, R15 500. Issued cheque 12. Inventory bought from Big Suppliers according to invoice G14, R201 000.
29. The Municipality charged R19 800 for water and electricity for the month. Paid with cheque 13. Trading stock was bought from USA Ltd., R212 000. Issued cheque 14. Packing materials purchased, R13 000. Received invoice H41 from Pack-Up Traders.

30. Paid the salary of B. July with cheque 15, R25 000. Credit purchases of trading stock, R309 500. Received invoice K100 from Sting Traders.
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Posting the Creditors Journal to the General Ledger

Posting to the General Ledger from the Creditors Journal is done in the exact same way that we post Cash Journals to the General Ledger.

At the end of the month we total the Creditors Journal money columns.

We post the totals at the bottom of the money columns to the General Ledger at the end of the month. Items in Sundry Accounts get posted to the General Ledger on the day they were recorded in the Creditors Journal.

A new account will be included in the General Ledger: **CREDITORS CONTROL**.

This account is a **liability** account and is therefore included in the Balance Sheet Accounts Section of the General Ledger.

The format of the General Ledger can now be summarised in the given Trial Balance below:

Balance Sheet Accounts Section	fol	Debit	Credit
Capital	B1		
Drawings	B2		
Land & Buildings	B3		
Vehicles	B4		
Equipment	B5		
Trading Stock	B6		
Cash Float	B7		
Petty Cash	B8		
Bank	B9		
Creditors Control	B10		
Nominal Accounts Section			
Sales	N1		
Cost of Sales	N2		
Rent Income	N3		
Commission Income	N4		
Current Income	N5		
Water & Electricity	N6		
Telephone	N7		
Salaries	N8		
Wages	N9		
Packing Materials	N10		
Stationery	N11		

Example

Post the Creditors Journal to the General Ledger of Ace Traders at the end of the month.

CREDITORS JOURNAL OF ACE TRADERS – JANUARY 2025

CJ1

							SUNDRY ACCOUNTS		
Doc no	Day	Creditor	fol	Creditors Control	Trading Stock	Stationery	Amount	fol	Details
A1	1	Big Wholesalers		12 000	12 000				
Q12	6	Best Advertisers		6 000			6 000	N8	Advertising
C33	10	Rose Traders		5 000	5 000				
Z4	18	Slash Suppliers		1 200		1 200			
D05	23	Giant Traders		19 000			19 000	B5	Equipment
P56	31	Silly Ltd.		7 900	7 900				
				51 100	24 900	1 200	25 000		
				B10	B6	N7			

General Ledger of Ace Traders

Balance Sheet Accounts Section

Dr		EQUIPMENT						B3	Cr
2025									
Jan	23	Creditors Control	CJ1	19 000					

Dr		TRADING STOCK						B6	Cr
2025									
Jan	31	Creditors Control	CJ1	24 900					

Dr		CREDITORS CONTROL						B10	Cr
					2025				
					Jan	31	Sundry Accounts	CJ1	51 100

Nominal Accounts Section

Dr		STATIONERY						N7	Cr
2025									
Jan	31	Creditors Control	CJ1	1 200					

Dr		ADVERTISING						N8	Cr
2025									
Jan	6	Creditors Control	CJ1	6 000					

If we add up all the **debit** amounts they will equal the **total** in the Creditors Control account on the **credit** side.

You will notice that when posting from the Creditors Journal that we write "Creditors Control" as the contra account name.

All transactions in the Creditors Journal are credit transactions.

NO cash was exchanged. Therefore we cannot write "Bank" as the name of the contra account.

You will notice that we **credit** the **Creditors Control** account.

Creditors Control is a **liability** account. All liability accounts increase on the credit side and decrease on the debit side.

Dr	LIABILITY ACCOUNTS	Cr
Decrease		Increase

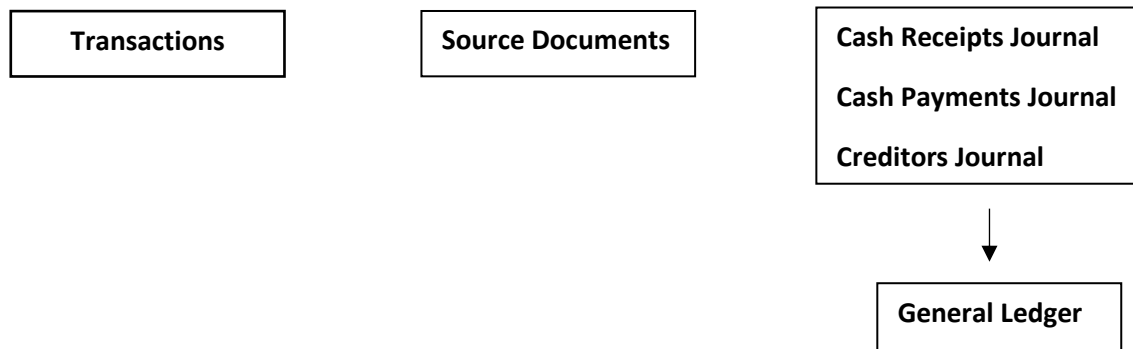
Therefore each time we **purchase on credit** we credit the Creditors Control account and debit what it was that we purchased.

The **double entry principle** when **purchasing on credit** is always the same:

Debit: What the business purchased

Credit: Creditors Control

The Accounting Cycle is now represented as follows:



Exercise 1 The General Ledger

Post the Creditors Journal to the General Ledger of Ace Traders at the end of the month.

CREDITORS JOURNAL OF BERMUDA TRADERS – MARCH 2025

CJ1

							SUNDRY ACCOUNTS		
Doc no	Day	Creditor	fol	Creditors Control	Trading Stock	Packing Materials	Amount	fol	Details
A1	1	Big Wholesalers		12 000	12 000				
Q12	6	Best Advertisers		6 000			6 000		Stationery
C33	10	Rose Traders		5 000	5 000				
Z4	18	Slash Suppliers		1 200		1 200			
D05	23	Giant Traders		19 000			19 000		Repairs
P56	31	Silly Ltd.		7 900	7 900				
				51 100	24 900	1 200	25 000		

Exercise 2

The General Ledger

Post the Creditors Journal to the General Ledger of Top Supermarket at the end of the month.

CREDITORS JOURNAL OF TOP SUPERMARKET – OCTOBER 2026

CJ2

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	Advertising	Consumable stores	SUNDRY ACCOUNTS		
								Amount	fol	Details
A15	4	Ultra - Traders		24 000				24 000		Equipment
C17	7	Count Suppliers		46 800	46 800					
D98		Best Adverts		5 200		5 200				
E41	13	Lauren Wholesalers		5 200	5 200					
F82	14	Best Adverts		5 720		5 720				
G13	15	Ink Pals		420			420			
H84	19	Lauren Wholesalers		10 800	10 800					
J95	20	Fix-It		880				880		Repairs
L27	21	Best Adverts		5 720		5 720				
M38	23	Lauren Wholesalers		3 600	3 600					
N29	25	Crayon Stores		880			880			
P20	26	TS Suppliers		1 340			1 340			
R61	28	Best Adverts		5 720		5 720				
S52	30	BP Petrol Station		8 800				8 800		Fuel
T13	31	Fix-It		6 000				6 000		Repairs
				131 080	66 400	22 360	2 640	39 680		

Exercise 3 The General Ledger

Post the journals below to the General Ledger at the end of the month:

CREDITORS JOURNAL OF SOUL TRADERS – MARCH 2025

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
1	1	M. Black		1 500 000		1 500 000		Equipment
A3	3	"B" Great Store		26 000	26 000			
2	7	BIG BANG		2 000		2 000		Packing Materials
B45	10	"B" Great Store		38 900	38 900			
C54	15	"B" Great Store		56 300	56 300			
D61	20	"B" Great Store		24 560	24 560			
E13	25	"B" Great Store		21 000	21 000			
F24	29	"B" Great Store		6 000	6 000			
G43	31	"B" Great Store		39 500	39 500			
I72		Lambert Suppliers		2 000		2 000		Repairs
				1 716 260	212 260	1 504 000		

CASH PAYMENTS JOURNAL OF SOUL TRADERS – MARCH 2025

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Packing Materials	SUNDRY ACCOUNTS		
								Amount	fol	Details
1	1	Fix-It		8 000				8 000		Repairs
2	2	Office Wholesalers		150 000				150 000		Equipment
3		Best Advertisers		5 000				5 000		Advertising
4	3	Pen Pals		500		500				
5		Boho		780			780			
6	7	Smart Works		45 000				45 000		Advertising
7		Music Giants		37 000	37 000					
8	10	Boho		13 000			13 000			
9		Fix-It		500				500		Repairs
10	15	Play Ltd.		30 000	30 000					
11		Pen Pals		400		400				
12	20	Giant Music		18 000	18 000					
13	25	Fix-It		6 500				6 500		Repairs
14	29	Smart Works		9 800				9 800		Advertising
15		Landslide Notes		12 000	12 000					
16	31	Blue Suppliers		15 000				15 000		Equipment
				351 480	97 000	900	13 780	239 800		

Exercise 4 The General Ledger

Post the journals below to the General Ledger at the end of the month:

CREDITORS JOURNAL OF COLLECTIVE TRADERS – SEPTEMBER 2031

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	Equipment	SUNDRY ACCOUNTS		
							Amount	fol	Details
01	1	Andrew Motors		1 000 000			1 000 000		Vehicles
BB9	3	Best Suppliers		46 000		46 000			
02	7	Brown Advertising		25 000			25 000		Advertising
M76	10	Maq Traders		308 900	308 900				
A12	13	Best Traders		506 300		506 300			
T34	21	Maq Traders		204 560	204 560				
MC2	25	Maq Traders		201 000	201 000				
B34	29	Maq Traders		68 000	68 000				
P89	30	Maq Traders		309 500	309 500				
				2 669 260	1 091 960	552 300	1 025 000		

CASH PAYMENTS JOURNAL OF COLLECTIVE TRADERS – SEPTEMBER 2031

CPJ1

								SUNDRY ACCOUNTS		
Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Vehicles	Amount	fol	Details
01	1	Moon Blue		10 000				10 000		Equipment
02	2	Office Traders		150 000	150 000					
03		Print Advertisers		13 000				13 000		Advertising
04	3	Eraser Ltd.		900		900				
05		Blue Motors		7 800			7 800			
06	7	Ace Ltd.		97 000	97 000					
07	10	Blue Motors		3 000			3 000			
08		A. Andrews		7 000				7 000		Repairs
09	13	USA Ltd.		300 000	300 000					
10		Blue Motors		4 000			4 000			
11	21	Daughtry Suppliers		118 000	118 000					
12	25	July Traders		15 500				15 500		Packing Materials
13	29	Smart Ads		19 800				19 800		Advertising
14		USA Ltd		212 000	212 000					
15	30	July Traders		25 000				25 000		Packing Materials
				983 000	877 000	900	14 800	90 300		

Exercise 5 The General Ledger

Post the journals below to the General Ledger at the end of the month:

CREDITORS JOURNAL OF PURPLE RAIN TRADERS – JANUARY 2021

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
A1	1	Purple Motors		900 000		900 000		Vehicles
B1		Best Suppliers		1 000 000	1 000 000			
B2	2	Best Suppliers		40 000	40 000			
A2	5	Booi Traders		20 000		20 000		Equipment
B3		Best Suppliers		50 000	50 000			
B4	10	Best Suppliers		60 000	60 000			
A3	12	Smith Ads		14 500		14 500		Advertising
B5		Best Suppliers		54 500	54 500			
B6	17	Best Suppliers		100 000	100 000			
B7	22	Best Suppliers		50 000	50 000			
B8	25	Best Suppliers		20 000	20 000			
B9	28	Best Suppliers		32 000	32 000			
B10	31	Best Suppliers		90 000	90 000			
				2 431 000	1 496 500	934 500		

CASH PAYMENTS JOURNAL OF PURPLE RAIN TRADERS – JANUARY 2021

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Equip-ment	SUNDRY ACCOUNTS		
								Amount	fol	Details
001	1	Cash		15 000				15 000		Trading Licence
002	2	BB8 Wholesalers		80 000	80 000					
003		Luke Suppliers		120 000			120 000			
004		Office Mate		700		700				
005	5	Cash		3 000				3 000		Wages
006	10	OK Computers		52 500			52 500			
007		Pen Pals		400		400				
008	12	Star Properties		1 200 000				1 200 000		Land & Buildings
009	17	Wookie Traders		120 000	120 000					
010	22	Leia Suppliers		12 500			12 500			
011		Storm Enterprises		78 900	78 900					
012		Cash		1 000				1 000		Wages
013	25	Telkom		4 500				3 300		Telephone
								1 200		Drawings
014	28	Municipality		3 200				3 200		Water & Electricity
015		Office Suppliers		43 000	43 000					
016	31	B. Brown		16 000				16 000		Salaries
017		P. Pink		19 000				19 000		Salaries
				1 769 700	321 900	1 100	185 000	1 261 700		

Posting the Creditors Journal to the Creditors Ledger

The business needs to keep a record of precisely how much it owes to each creditor. Hundreds of transactions occur within any given business each month and this makes it difficult to keep track of how much the business owes to which creditor.

A solution to this problem is that each creditor has its own account in a specific place called a "Creditors Ledger".

The Creditors Ledger is completely different to a General Ledger.

The Creditors Ledger only deals with creditors.

Each creditor has its own account with information relating to that creditor only.

In this way we can see exactly how much we owe which creditor just by looking at the final amount in the accounts in the Creditors Ledger.

If we were to add up the final amounts of each account in the Creditors Ledger it should equal the balance of the **Creditors Control** account in the **General Ledger**.

Therefore the Creditors Ledger is linked to **ONE** account in the General Ledger: **Creditors Control**.

Example

Creditors Ledger of Ace Traders

XYZ Traders						C1
Date		Details	fol	Debit	Credit	Balance
2030						
Jan	1	Account rendered				5 000
	14	Invoice A67	CJ2		2 000	7 000
	31	Invoice A90	CJ2		3 000	10 000

XYZ Traders The name of the Creditor that the business owes money to.

C1 The account number of creditor XYZ Traders.

Date The date on which the transaction took place.

Details	The source document that was used to record the transaction.
Account rendered	What the business still owes the creditor from the previous month.
fol	The journal that the original transaction was recorded in.
Debit	This money column is used for when we pay the creditor.
Credit	This money column is used when we purchase on credit.
Balance	This money column calculates how much the business owes the creditor after each transaction.

Example

Enter the following transactions on behalf of ABC Traders into the account of creditor, Happy Traders (C1), for June 2035.

Transactions, June 2035:

1. Balance carried forward from May, R10 000.
9. Purchased goods on credit, R45 000. Received invoice A10.
15. Received invoice A70 for merchandise delivered to the business, R15 000.
20. Paid R36 000 to Happy Traders with cheque 100.
25. Trading Inventory bought, R20 000. Received invoice A100.
30. Cheque 150 issued to Happy Traders in part-payment of our account, R15 000.

Creditors Ledger of ABC Traders

Happy Traders						C1
Date		Details	fol	Debit	Credit	Balance
2035						
June	1	Account rendered				10 000
	9	Invoice A10	CJ2		45 000	55 000
	15	Invoice A70	CJ2		15 000	70 000
	20	Cheque 100	CPJ2	36 000		34 000
	25	Invoice A100	CJ2		20 000	54 000
	30	Cheque 150	CPJ2	15 000		39 000

Example

Post the Creditors Journal to the Creditors Ledger of Purple Rain Traders for January 2021.

CREDITORS JOURNAL OF PURPLE RAIN TRADERS – JANUARY 2021

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
A1	1	Purple Motors	C1	900 000		900 000		Vehicles
B1		Best Suppliers	C2	1 000 000	1 000 000			
B2	2	Ace Wholesalers	C3	40 000	40 000			
A2	5	Booi Traders	C4	20 000		20 000		Equipment
B3		Best Suppliers	C2	50 000	50 000			
B4	10	Best Suppliers	C2	60 000	60 000			
A3	12	Smith Ads	C5	14 500		14 500		Advertising
B5		Best Suppliers	C2	54 500	54 500			
B6	17	Ace Wholesalers	C3	100 000	100 000			
B7	22	Best Suppliers	C2	50 000	50 000			
B8	25	Best Suppliers	C2	20 000	20 000			
B9	28	Ace Wholesalers	C3	32 000	32 000			
B10	31	Best Suppliers	C2	90 000	90 000			
				2 431 000	1 496 500	934 500		

Creditors Ledger of Purple Rain Traders

Purple Motors						C1
Date		Details	fol	Debit	Credit	Balance
2021						
Jan	1	Invoice A1	CJ1		900 000	900 000

Best Suppliers					C2	
Date		Details	fol	Debit	Credit	Balance
2021						
Jan	1	Invoice B1	CJ1		1 000 000	1 000 000
	5	Invoice B3	CJ1		50 000	1 050 000
	10	Invoice B4	CJ1		60 000	1 110 000
	12	Invoice B5	CJ1		54 500	1 164 500
	22	Invoice B7	CJ1		50 000	1 214 500
	25	Invoice B8	CJ1		20 000	1 234 500
	31	Invoice B10	CJ1		90 000	1 324 500

Ace Wholesalers						C3
Date		Details	fol	Debit	Credit	Balance
2021						
Jan	2	Invoice B2	CJ1		40 000	40 000
	17	Invoice B6	CJ1		100 000	140 000
	28	Invoice B9	CJ1		32 000	172 000

Booi Traders						C4
Date		Details	fol	Debit	Credit	Balance
2021						
Jan	5	Invoice A2	CJ1		20 000	20 000

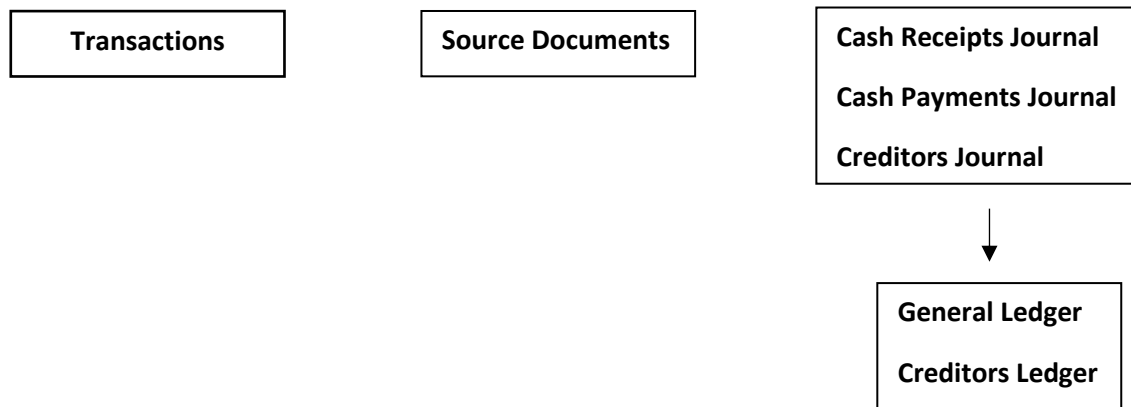
Smith Ads						C5
Date		Details	fol	Debit	Credit	Balance
2021						
Jan	12	Invoice A3	CJ1		14 500	14 500

You will notice that the first folio column next to the details column in the Creditors Journal has now been completed.

In this column we write down the creditor account number in our Creditors Ledger.

Each time we transact with a particular creditor we must enter their account number in the Creditors Journal so that we can post correctly to the Creditors Ledger.

The Accounting Cycle is now represented as follows:



Exercise 1 The Creditors Ledger

Post the Creditors Journal to the Creditors Ledger for the month.

CREDITORS JOURNAL OF COLLECTIVE TRADERS – SEPTEMBER 2031

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	Equipment	SUNDRY ACCOUNTS		
							Amount	fol	Details
01	1	Andrew Motors		1 000 000			1 000 000		Vehicles
BB9	3	Best Suppliers		46 000		46 000			
02	7	Brown Advertising		25 000			25 000		Advertising
M76	10	Maq Traders		308 900	308 900				
A12	13	Best Suppliers		506 300		506 300			
T34	21	Maq Traders		204 560	204 560				
MC2	25	Maq Traders		201 000	201 000				
B34	29	Maq Traders		68 000	68 000				
P89	30	Maq Traders		309 500	309 500				
				2 669 260	1 091 960	552 300	1 025 000		

Exercise 2 The Creditors Ledger

Post the Creditors Journal to the Creditors Ledger for the month.

CREDITORS JOURNAL OF SOUL TRADERS – MARCH 2025

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
1	1	Black Magic		1 500 000		1 500 000		Equipment
A3	3	"B" Great Store		26 000	26 000			
2	7	Black Magic		2 000		2 000		Packing Materials
B45	10	"B" Great Store		38 900	38 900			
C54	15	"B" Great Store		56 300	56 300			
D61	20	Lambert Suppliers		24 560	24 560			
E13	25	"B" Great Store		21 000	21 000			
F24	29	"B" Great Store		6 000	6 000			
G43	31	"B" Great Store		39 500	39 500			
I72		Lambert Suppliers		2 000		2 000		Repairs
				1 716 260	212 260	1 504 000		

Exercise 3 The Creditors Ledger

Post the Creditors Journal to the Creditors Ledger for the month.

CREDITORS JOURNAL OF BEST TRADERS – SEPTEMBER 2025

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
1	1	Henry Traders		1 500 000		1 500 000		Vehicles
A32	3	Happy Traders		26 000	26 000			
Q12	7	Forest Supplies		2 000		2 000		Stationery
B415	10	Henry Traders		38 900	38 900			
C504	15	Cool Wholesalers		56 300	56 300			
D161	20	Henry Traders		24 560	24 560			
E213	25	Forest Supplies		21 000	21 000			
F254	29	Happy Traders		6 000	6 000			
G413	30	Forest Supplies		39 500	39 500			
I732		Cool Wholesalers		2 000		2 000		Repairs
				1 716 260	212 260	1 504 000		

Exercise 4 The Creditors Ledger

Post the Creditors Journal to the Creditors Ledger for the month.

CREDITORS JOURNAL OF TOP SUPERMARKET – OCTOBER 2026

CJ2

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	Advertising	Consumable stores	SUNDRY ACCOUNTS		
								Amount	fol	Details
A15	4	Ultra - Traders		24 000				24 000		Equipment
C17	7	Count Suppliers		46 800	46 800					
D98		Best Adverts		5 200		5 200				
E41	13	Lauren Wholesalers		5 200	5 200					
F82	14	Best Adverts		5 720		5 720				
G13	15	Ink Pals		420			420			
H84	19	Lauren Wholesalers		10 800	10 800					
J95	20	Fix-It		880				880		Repairs
L27	21	Best Adverts		5 720		5 720				
M38	23	Lauren Wholesalers		3 600	3 600					
N29	25	Ink Pals		880			880			
P20	26	Ink Pals		1 340			1 340			
R61	28	Best Adverts		5 720		5 720				
S52	30	BP Petrol Station		8 800				8 800		Fuel
T13	31	Fix-It		6 000				6 000		Repairs
				131 080	66 400	22 360	2 640	39 680		

Paying Creditors

Generally accepted credit terms to pay accounts is 90 days.

Therefore our business will be paying creditors regularly.

Any time we pay someone the spending of cash is involved. Therefore this entry will go through the Cash Payments Journal. This includes when we pay our creditors.

The business will make all the usual payments every month for items like telephone, salaries and wages etc.

A new column will be entered into the Cash Payments Journal called "Creditors Control".

This column is used when our business pays its creditors.

Every creditor is assigned an account number in the Creditors Ledger.

Each time we pay our creditors we must show their account number in the Cash Payments Journal so that when we post to the Creditors Ledger we know which creditor to assign the payment to.

Example

CASH PAYMENTS JOURNAL OF PURPLE RAIN TRADERS – FEBRUARY 2021

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Creditors Control	SUNDRY ACCOUNTS		
								Amount	fol	Details
100	1	Cash		15 000				15 000		Trading Licence
101	2	BB8 Wholesalers		80 000	80 000					
102		Luke Suppliers	C1	120 000			120 000			
103		Office Mate		700		700				
104	5	Cash		3 000				3 000		Wages
105	10	OK Computers	C2	52 500			52 500			
106		Pen Pals		400		400				
107	12	Star Properties		1 200 000				1 200 000		Land & Buildings
108	17	Wookie Traders		120 000	120 000					
109	22	Leia Suppliers	C3	12 500			12 500			
110		Storm Enterprises		78 900	78 900					
111		Cash		1 000				1 000		Wages
112	25	Telkom		4 500				3 300		Telephone
								1 200		Drawings
113	28	Municipality		3 200				3 200		Water & Electricity
				1 691 700	278 900	1 100	185 000	1 226 700		

In the example you will notice that the business still makes its everyday payments for items like normal.

A new column called "Creditors Control" has been entered into the Cash Payments Journal.

Each time our business pays a creditor, the transaction involves cash. Therefore we must enter the payments made to creditors into the Cash Payments Journal.

We post like normal from the Cash Payments Journal to the General Ledger and the Creditors Ledger at the end of the month.

Example

Post the given journals to the Creditors Control account in the General Ledger and the Creditors Ledger at the end of March 2025.

The following balance appeared in the General Ledger: Creditors Control, R980 000 (Cr)

The following balances appeared in the Creditors Ledger: Alice Suppliers, R120 000, Ben Traders, R340 000, Duncan Ltd, R50 000, Roger Traders, R350 000, Brian Wholesalers, R80 000, Jimmy Repairs, R40 000.

CREDITORS JOURNAL OF HAPPY TRADERS – MARCH 2025

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
1	1	Alice Suppliers	C1	1 500 000		1 500 000		Equipment
A3	3	Ben Traders	C2	26 000	26 000			
2	7	Duncan Ltd.	C3	2 000		2 000		Packing Materials
B45	10	Brian Wholesalers	C5	38 900	38 900			
C54	15	Roger Traders	C4	56 300	56 300			
D61	20	Ben Traders	C2	24 560	24 560			
E13	25	Roger Traders	C4	21 000	21 000			
F24	29	Brian Wholesalers	C5	6 000	6 000			
G43	31	Ben Traders	C2	39 500	39 500			
I72		Jimmy Repairs	C6	2 000		2 000		Repairs
				1 716 260	212 260	1 504 000		
				B7				

CASH PAYMENTS JOURNAL OF HAPPY TRADERS – MARCH 2025

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Creditors Control	SUNDRY ACCOUNTS		
								Amount	fol	Details
101	1	Alice Suppliers	C1	80 000			80 000			
102	2	Ben Traders	C2	150 000			150 000			
103		Best Advertisers		5 000				5 000		Advertising
104	3	Pen Pals		500		500				
105		Brian Wholesalers	C5	78 000			78 000			
106	7	Duncan Ltd.	C3	45 000			45 000			
107		Music Giants		37 000	37 000					
108	10	Roger Traders	C4	130 000			130 000			
109		Fix-It		500				500		Repairs
110	15	Play Ltd.		30 000	30 000					
111		Pen Pals		400		400				
112	20	Giant Music		18 000	18 000					
113	25	Fix-It		6 500				6 500		Repairs
114	29	Roger Traders	C4	90 800			90 800			
115		Landslide Notes		12 000	12 000					
116	31	Ben Traders	C2	150 000			150 000			
				833 700	97 000	900	723 800	12 000		
							B7			

General Ledger of Happy Traders

Balance Sheet Accounts Section

Dr					CREDITORS CONTROL					B7	Cr
2025					2025						
Mar	31	Bank	CPJ1	723 800	Mar	1	Balance	b/d		980 000	
		Balance	c/d	1 972 460		31	Sundry Accounts	CJ1		1 716 260	
				2 696 260						2 696 260	
					Apr	1	Balance	b/d		1 972 460	

Creditors Ledger of Happy Traders

Alice Suppliers						C1
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				120 000
	1	Invoice 1	CJ1		1 500 000	1 620 000
	1	Cheque 101	CPJ1	80 000		1 540 000

Ben Traders						C2
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				340 000
	2	Cheque 102	CPJ1	150 000		190 000
	3	Invoice A3	CJ1		26 000	216 000
	20	Invoice D61	CJ1		24 560	240 560
	31	Invoice G43	CJ1		39 500	280 060
	31	Cheque 116	CPJ1	150 000		130 060

Duncan Ltd						C3
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				50 000
	7	Invoice 2	CJ1		2 000	52 000
	7	Cheque 106	CPJ1	45 000		7 000

Roger Traders						C4
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				350 000
	10	Cheque 108	CPJ1	130 000		220 000
	15	Invoice 54	CJ1		56 300	276 300
	25	Invoice E13	CJ1		21 000	297 300
	29	Cheque 114	CPJ1	90 800		206 500

Brian Wholesalers						C5
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				80 000
	3	Cheque 105	CPJ1	78 000		2 000
	10	Invoice B45	CJ1		38 900	40 900
	29	Invoice F24	CJ1		6 000	46 900

C6			Jimmy			Repairs
Date		Details	fol	Debit	Credit	Balance
2025						
Mar	1	Account rendered				40 000
	31	Invoice I72	CJ1		2 000	42 000

Exercise 1 Paying Creditors

Post the given journals to the Creditors Control account in the General Ledger and the Creditors Ledger at the end of March 2025.

The following balance appeared in the General Ledger on 1 March 2025: Creditors Control, R100 000 (Cr)

The following balances appeared in the Creditors Ledger on 1 March 2025: Quality Suppliers, R20 000, Ex Traders, R14 000, Best Ltd, R5 000, Wookie Traders, R35 000, Joy Wholesalers, R8 000, Joe Suppliers, R18 000.

CREDITORS JOURNAL OF PEACE TRADERS – MARCH 2025

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
01	1	Quality Suppliers		5 000		5 000		Equipment
A13	3	Ex Traders		3 000	3 000			
32	7	Best Ltd.		1 800		1 800		Packing Materials
B405	10	Joy Wholesalers		2 000	2 000			
C154	15	Ex Traders		3 500	3 500			
D261	20	Ex Traders		1 200	1 200			
E413	25	Wookie Traders		3 400	3 400			
F124	29	Joy Wholesalers		1 400	1 400			
G243	30	Best Ltd		3 600	3 600			
I572		Joe Suppliers		1 000		1 000		Repairs
				25 900	18 100	7 800		

CASH PAYMENTS JOURNAL OF PEACE TRADERS – MARCH 2025

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Creditors Control	<u>SUNDRY ACCOUNTS</u>		
								Amount	fol	Details
101	1	Quality Suppliers		8 000			8 000			
102	2	Ex Traders		5 000			5 000			
103		Best Advertisers		5 000				5 000		Advertising
104	3	Pen Pals		500		500				
105		Joy Wholesalers		8 000			8 000			
106	7	Best Ltd.		5 000			5 000			
107		Music Giants		37 000	37 000					
108	10	Wookie Traders		3 000			3 000			
109		Fix-It		500				500		Repairs
110	15	Play Ltd.		30 000	30 000					
111		Pen Pals		400		400				
112	20	Giant Music		18 000	18 000					
113	25	Fix-It		6 500				6 500		Repairs
114	29	Wookie Traders		9 800			9 800			
115		Landslide Notes		12 000	12 000					
116	30	Ex Traders		5 000			5 000			
				153 700	97 000	900	43 800	12 000		

Exercise 2 Paying Creditors

Post the given journals to the Creditors Control account in the General Ledger and the Creditors Ledger at the end of November 2028.

The following balances appeared in the General Ledger on 1 November 2028: Creditors Control, R500 000 (Cr)

The following balances appeared in the Creditors Ledger on 1 November 2028: Betty Suppliers, R120 000, Vuyo Traders, R114 000, Booi Ltd, R23 000, John Traders, R135 000, Luke Wholesalers, R60 000, Plaaityies Suppliers, R48 000.

CREDITORS JOURNAL OF HOPE TRADERS – NOVEMBER 2028

CJ1

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
P21	3	Vuyo Traders		8 900	8 900			
Q34	4	Luke Wholesalers		1 340		1 340		Stationery
R13	5	Booi Ltd		2 500	2 500			
C35	9	Plaaityies Suppliers		800		800		Packing Materials
T67	11	Betty Suppliers		5 300	5 300			
X03	14	Vuyo Traders		3 600	3 600			
A78	18	Luke Wholesalers		500		500		Repairs
L103	23	John Traders		1 400	1 400			
M56	26	Plaaityies Suppliers		10 900	10 900			
D88	30	Betty Suppliers		5 000	5 000			
				40 240	37 600	2 640		

CASH PAYMENTS JOURNAL OF HOPE TRADERS – NOVEMBER 2028

CPJ1

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Creditors Control	SUNDRY ACCOUNTS		
							Amount	fol	Details
50	1	Ace Traders		10 000	10 000				
51	3	Luke Wholesalers		8 000		8 000			
52	8	Leap Ltd		13 000	13 000				
53	13	John Traders		40 000		40 000			
54	17	Cash		1 000			1 000		Drawings
55		Able Solutions		5 000			5 000		Advertising
56		Vuyo Traders		78 000		78 000			
57	21	Telkom		4 500			4 500		Telephone
58		Ink Pal		1 000			1 000		Stationery
59	23	Leap Ltd		14 500	14 500				
60	25	Pack-It		4 000			4 000		Packing Materials
61	27	Betty Suppliers		95 000		95 000			
62		Blanche Suppliers		24 000	24 000				
63	29	Booi Ltd.		15 000		15 000			
64	29	Municipality		15 000			15 000		Water & Electricity
65	30	Plaaitjies Suppliers		36 000		36 000			
				364 000	61 500	272 000	30 500		

Exercise 3 Paying Creditors

Post the given journals to the General Ledger and the Creditors Ledger of Jump Traders at the end of March 2025.

Prepare the Trial Balance of Jump Traders at the end of March 2025.

The following balances appeared in the General Ledger on 1 March 2025: Capital, R179 900, Equipment, R34 000, Trading Stock, R50 000, Bank, R100 900 (Dr), Creditors Control, R980 000 (Cr), Sales, R30 000, Cost of Sales, R15 000, Packing Materials, R12 000, Repairs, R5 000, Stationery, R8 000, Advertising, R5 000.

The following balances appeared in the Creditors Ledger on 1 March 2025: Alice Suppliers, R120 000, Ben Traders, R340 000, Duncan Ltd, R50 000, Roger Traders, R350 000, Brian Wholesalers, R80 000, Jimmy Repairs, R40 000.

CREDITORS JOURNAL OF JUMP TRADERS – MARCH 2025

CJ7

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
1	1	Alice Suppliers		1 500 000		1 500 000		Equipment
A3	3	Ben Traders		26 000	26 000			
2	7	Duncan Ltd.		2 000		2 000		Packing Materials
B45	10	Brian Wholesalers		38 900	38 900			
C54	15	Roger Traders		56 300	56 300			
D61	20	Ben Traders		24 560	24 560			
E13	25	Roger Traders		21 000	21 000			
F24	29	Brian Wholesalers		6 000	6 000			
G43	31	Ben Traders		39 500	39 500			
I72		Jimmy Repairs		2 000		2 000		Repairs
				1 716 260	212 260	1 504 000		

CASH PAYMENTS JOURNAL OF JUMP TRADERS – MARCH 2025

CPJ7

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Station-ery	Creditors Control	SUNDRY ACCOUNTS		
								Amount	fol	Details
101	1	Alice Suppliers		80 000			80 000			
102	2	Ben Traders		150 000			150 000			
103		Best Advertisers		5 000				5 000		Advertising
104	3	Pen Pals		500		500				
105		Brian Wholesalers		78 000			78 000			
106	7	Duncan Ltd.		45 000			45 000			
107		Music Giants		37 000	37 000					
108	10	Roger Traders		130 000			130 000			
109		Fix-It		500				500		Repairs
110	15	Play Ltd.		30 000	30 000					
111		Pen Pals		400		400				
112	20	Giant Music		18 000	18 000					
113	25	Fix-It		6 500				6 500		Repairs
114	29	Roger Traders		90 800			90 800			
115		Landslide Notes		12 000	12 000					
116	31	Ben Traders		150 000			150 000			
				833 700	97 000	900	723 800	12 000		

*The Cash Receipts Journal showed the following totals at the end of March 2025:

Bank, R1 500 000, Sales, R520 000, Cost of Sales, R260 000.

Exercise 4 Paying Creditors

Post the given journals to the General Ledger and the Creditors Ledger of Sprint Traders at the end of April 2035.

Prepare the Trial Balance of Sprint Traders at the end of April 2035.

The following balances appeared in the General Ledger on 1 April 2035: Capital, R134 300, Equipment, R12 000, Trading Stock, R45 000, Bank, R13 900 (Dr), Creditors Control, R23 000, Sales, R40 000, Cost of Sales, R20 000, Stationery, R1 400, Advertising, R13 000, Packing Materials, R2 800, Repairs, R900, Water & Electricity, R21 000, Telephone, R8 700.

The following balances appeared in the Creditors Ledger on 1 April 2035: Blue Traders, R5 000, Purple Traders, R10 000, Green Traders, R8 000.

CREDITORS JOURNAL OF SPRINT TRADERS – APRIL 2035

CJ3

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
A11	2	Blue Traders		2 000	2 000			
B14	4	Green traders		3 500		3 500		Equipment
C76	7	Purple Traders		3 100	3 100			
D13	9	Green Traders		2 400		2 400		Stationery
E76	13	Blue Traders		1 800		1 800		Advertising
F34	17	Purple Traders		5 600	5 600			
G21	21	Green Traders		9 800	9 800			
H87	25	Purple Traders		1 800		1 800		Packing Materials
J36	27	Blue Traders		3 000	3 000			
K45	30	Purple Traders		800		800		Repairs
				33 800	23 500	10 300		

CASH PAYMENTS JOURNAL OF SPRINT TRADERS – APRIL 2035

CPJ3

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Creditors Control	SUNDRY ACCOUNTS		
							Amount	fol	Details
200	1	Blue Traders		3 000		3 000			
201	3	Pink Adverts		1 500			1 500		Advertising
202	5	Purple Traders		2 500		2 500			
203	11	Black Jack		6 900	6 900				
204	14	Xolisa Suppliers		3 800	3 800				
205	16	Auto Repairs		2 100			2 100		Repairs
206	18	Purple Traders		4 500		4 500			
207	19	Ink Mate		700			700		Stationery
208	21	Jack Traders		5 000	5 000				
209		Municipality		6 700			6 700		Water & Electricity
210	23	Green Traders		1 900		1 900			
211		Tuesday Traders		1 500	1 500				
212	24	Friday Packers		800			800		Packing Materials
213	25	Blue Traders		2 300		2 300			
214	29	Black Jack		5 600	5 600				
215	30	Telkom		3 700			3 700		Telephone
				52 500	22 800	14 200	15 500		

*The following totals appeared in the Cash Receipts Journal at the end of April 2035:

Bank, R87 600, Sales, R29 000, Cost of Sales, R14 500.

Exercise 5 Paying Creditors

Post the given journals to the General Ledger and the Creditors Ledger of Slow Traders at the end of July 2027.

Prepare the Trial Balance of Slow Traders at the end of July 2027.

The following balances appeared in the General Ledger on 1 July 2027: Capital, R200 700, Drawings, R12 000, Trading Stock, R50 000, Bank, R36 900 (Dr), Creditors Control, R49 000, Sales, R50 000, Cost of Sales, R25 000, Stationery, R2 400, Advertising, R23 000, Repairs, R3 900, Water & Electricity, R11 000, Wages, R15 000.

The following balances appeared in the Creditors Ledger on 1 July 2027: Snow Traders, R15 000, Wind Traders, R16 000, Ice Traders, R18 000.

CREDITORS JOURNAL OF SLOW TRADERS – JULY 2027

CJ2

Doc No	Day	Creditor	fol	Creditors Control	Trading Stock	SUNDRY ACCOUNTS		
						Amount	fol	Details
Q11	2	Ice Traders		7 900	7 900			
R14	4	Wind Traders		5 400		5 400		Stationery
S76	7	Snow Traders		6 300	6 300			
T13	9	Ice Traders		8 800	8 800			
U76	13	Snow Traders		1 300		1 300		Advertising
V34	17	Wind Traders		2 500		2 500		Stationery
W21	21	Ice Traders		11 200	11 200			
X87	25	Ice Traders		5 700	5 700			
Y36	27	Snow Traders		3 100	3 100			
Z45	30	Wind Traders		900		900		Repairs
				53 100	43 000	10 100		

CASH PAYMENTS JOURNAL OF SLOW TRADERS – JULY 2027

CPJ2

Doc No	Day	Name of Payee	fol	Bank	Trading Stock	Creditors Control	SUNDRY ACCOUNTS		
							Amount	fol	Details
300	1	Snow Traders		7 000		7 000			
301	3	Sand Adverts		1 700			1 700		Advertising
302	5	Rain Suppliers		6 700	6 700				
303	11	Cash		500			500		Drawings
304	14	Ice Traders		9 000		9 000			
305	16	Fix-It		800			800		Repairs
306	18	Sleet Wholesalers		7 900	7 900				
307	19	Highlight You		1 300			1 300		Stationery
308	21	Wind Traders		6 000		6 000			
309		Municipality		3 100			3 100		Water & Electricity
310	23	Berg Ltd		5 400	5 400				
311		Rain Suppliers		1 200	1 200				
313	24	Snow Traders		3 800		3 800			
314	25	Cash		7 000			7 000		Wages
315	29	Sleet Wholesalers		7 600	7 600				
316	30	Ice Traders		3 500		3 500			
				72 500	28 800	29 300	14 400		

*The Cash Receipts Journal showed the following totals for July 2027: Bank, R180 500, Sales, R60 000, Cost of Sales, R30 000.

