


## Chapter 10

# Journalizing Sales and Cash Receipt Using Special Journals


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## Objectives

1. Define accounting terms related to sales and cash receipts for a merchandising business.
2. Identify accounting concepts and practices related to sales and cash receipts for a merchandising business.
3. Journalize sales on accounting using a sales journal.
4. Journalize cash receipts using a cash receipts journal.
5. Record sales returns and allowances using a general journal.


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Accounting

LESSON 10-1

# Journalizing Sales on Account Using a Sales Journal

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Accounting

SALES TAX

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Sales Tax Payable

Debit	Credit
	

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## SALES OF MERCHANDISE ON ACCOUNT page 271


Accounts Receivable

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Debit



Credit



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## SALES JOURNAL page 272

SALES JOURNAL

								PAGE		
								1	2	3
DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT				
1										1
2										2

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**Accounting**

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## SALES INVOICE

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**HOBBY SHACK, INC.**  
 1420 College Plaza  
 Atlanta, GA 30337-1726

Sold to: Village Crafts No. 76  
120 Mountain Road Date 11/3/--  
Marietta, GA 30060-1320 Terms 30 days  
 Cust. No. 150


Stock No.	Description	Quantity	Unit Price	Amount
4422	Deer and fawn bisque	25	12.00	300.00
7710	Lighthouse, 6" -- bisque	30	8.00	240.00
<b>Subtotal</b>				540.00
<b>Sales Tax</b>				32.40
<b>Total</b>				572.40

Customer's Signature  
Max Schindler

Salesclerk  
S.A.

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**Accounting**

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## SALE ON ACCOUNT

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November 3. Sold merchandise on account to Village Crafts, \$540.00, plus sales tax, \$32.40; total, \$572.40. Sales Invoice No. 76.

**SALES JOURNAL** PAGE **11**

DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	
1 Nov. 3	Village Crafts	76		572.40	540.00	32.40	1
2							2

1. Write the date.
2. Write the customer name.
3. Write the sales invoice number.
4. Write the total amount owed by the customer.
5. Write the sales amount.
6. Write the sales tax amount.

Accounts Receivable

---

572.40

Sales

---

540.00


Sales Tax Payable

---

32.40

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# TOTALING, PROVING, AND RULING A SALES JOURNAL

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SALES JOURNAL										PAGE 11
		1			2		3			
	DATE	ACCOUNT DEBITED	SALE NO.	POST. REF.	ACCOUNTS RECEIVABLE DEBIT	SALES CREDIT	SALES TAX PAYABLE CREDIT			
1	Nov. 3	Village Crafts	76		572 40	540 00		32 40	1	
2	5	Fairview Church	77		1908 00	1908 00			2	
3	9	Washington Schools	78		572 00	572 00			3	
4	11	Country Crafters	79		768 50	725 00		43 50	4	
5	16	Playtime Childcare	80		1752 18	1653 00		99 18	5	
6	19	Village Crafts	81		2549 30	2405 00		144 30	6	
7	24	Cumberland Center	82		158 00	158 00			7	
8	24	Washington Schools	83		334 00	334 00			8	
9	29	Country Crafters	84		453 68	428 00		25 68	9	
10	30	Totals			9068 06	8723 00		345 06	10	

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Accounting

# Application


## Application Problem

### 10-1

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## LESSON 10-2

# Journalizing Cash Receipts Using a Cash Receipts Journal

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## PROCESSING SALES TRANSACTIONS

Cash Register Receipt

Antique Shop  
123 Eagle Street  
Hanson, Iowa

	13.23
	2.45
	2.45
	10.34
Subtotal	28.47
Tax	1.71
Total	30.18

UPC (Universal Product Code)



7 805386 774629

Point-of-Sale (POS) Terminal Receipt

Hobby Shack, Inc.  
1420 College Plaza  
Atlanta, Georgia

Totex paint, blue 1 oz.	
5 @ \$1.45	7.25
paint brush, 3/4 g'ize	
3 @ \$3.25	9.75
Subtotal	17.00
Tax	1.02
TOTAL	18.02

VISA RECEIPT


Jan Windham XXXXXXXXX1122  
Exp 02/-- Ref3534423  
04/01/--  
Register #: 002 Cashier #: 010

Thanks, Come Again

*(continued on next slide)*

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**Accounting**

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## PROCESSING SALES TRANSACTIONS

**Terminal Summary**

TERMINAL SUMMARY Hobby Shack, Inc.	
Code:	34
Date:	11/27/--
Time:	18:24
Visa	034
Sales	295.38
Sales Tax	17.72
Total	313.10
MasterCard	042
Sales	107.21
Sales Tax	6.43
Total	113.64
Cash	152
Sales	5,057.41
Sales Tax	303.45
Total	5,360.86
Totals	
Sales	5,460.00
Sales Tax	327.60
Total	5,787.60


**Batch Report**

BATCH REPORT	
MERCHANT	02938493 234
TERMINAL	923874
DATE	04/03/--TIME 18:45
BATCH	45
VISA	
COUNT	= 007
SALES	= \$ 325.23
RETURNS	= \$ 12.13
NET	= \$ 313.10
MASTERCARD	
COUNT	= 003
SALES	= \$ 145.86
RETURNS	= \$ 32.22
NET	= \$ 113.64
TOTALS	
COUNT	= 010
SALES	= \$ 471.09
RETURNS	= \$ 44.35
NET	= \$ 426.74
CONTROL NUMBER: 0938904235343	

*(continued from previous slide)*

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## CASH RECEIPTS JOURNAL

CASH RECEIPTS JOURNAL

										PAGE		
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT		
				DEBIT	CREDIT							
1												1
2												2
3												3

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**CASH AND CREDIT CARD SALES**

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*November 4. Recorded cash and credit card sales, \$5,460.00, plus sales tax, \$327.60; total, \$5,787.60. Terminal Summary 34.*


CASH RECEIPTS JOURNAL											PAGE 11
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT	
				DEBIT	CREDIT						
20 Nov 4	✓	TS34	✓				5,460.00	327.60		5,787.60	

1. Write the date.
2. Place a check mark in the Account Title column.
3. Write the terminal summary document number.
4. Place a check mark in the Post. Ref. column.
5. Write the sales amount.
6. Write the sales tax amount.
7. Write the cash amount.

Cash	
5,787.60	
Sales	
	5,460.00
Sales Tax Payable	
	327.60

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**CASH RECEIPTS ON ACCOUNT**

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*November 6. Received cash on account from Country Crafters, \$2,162.40, covering S69. Receipt No. 90.*


CASH RECEIPTS JOURNAL											PAGE 11
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT	
				DEBIT	CREDIT						
6	Country Crafters	R90				2,162.40				2,162.40	

1. Write the date.
2. Write the customer's name.
3. Write the receipt number.
4. Write the credit amount.
5. Write the debit amount.

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**JOURNALIZING CASH RECEIPTS ON  
ACCOUNT WITH SALES DISCOUNTS**

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*November 7. Received cash on account from Cumberland Center, \$1,176.00, covering Sales Invoice No. 74 for \$1,200.00, less 2% discount, \$24.00. Receipt No. 91.*

CASH RECEIPTS JOURNAL											PAGE 11
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT	
				DEBIT	CREDIT						
7	Cumberland Center	R91				1200.00			24.00	1176.00	

1

2

3

4


5

6

1. Write the date.
2. Write the customer's name.
3. Write the receipt number.
4. Write the original invoice amount.
5. Write the amount of sales discount.
6. Write the debit to cash.

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**TOTALING, PROVING, AND RULING A  
CASH RECEIPTS JOURNAL**


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CASH RECEIPTS JOURNAL											PAGE 11
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	GENERAL		ACCOUNTS RECEIVABLE CREDIT	SALES CREDIT	SALES TAX PAYABLE CREDIT	SALES DISCOUNT DEBIT	CASH DEBIT	
				DEBIT	CREDIT						
30	✓	T38	✓				1380.00	82.80		1462.80	
30	Totals					9540.00	2753.25	1648.80	52.50	3866.88	

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# Application


## Application Problem

### 10-2

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# LESSON 10-3

## Recording Transactions

## Using a General Journal

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## CREDIT MEMORANDUM FOR SALES RETURNS AND ALLOWANCES

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CREDIT MEMORANDUM NO. 41

**Hobby Shack, Inc.**  
1420 College Plaza  
Atlanta, GA 30337-1726

DATE
March 11, 20--

TO
Village Crafts 120 Mountain Road Marietta, GA 30060-1320

ACCOUNT NO.
150

➤ We have this day credited your account as follows:

Item No.	Quantity	Units	Description	Price	Total
17126	3	ea.	18" × 24" Wood Frame	19.50	58.50
			Sales tax		3.51
			<b>Total</b>		<u>62.01</u>

If the above is incorrect, please return stating difference.

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LESSON 10-1

## JOURNALIZING SALES RETURNS AND ALLOWANCES

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*March 11. Granted credit to Village Crafts for merchandise returned, \$58.50, plus sales tax, \$3.51, from S160; total, \$62.01. Credit Memorandum No. 41.*

GENERAL JOURNAL								PAGE 3
DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT		CREDIT		
11	Sales Returns and Allowances	CM41		58.50				
	Sales Tax Payable					3.51		
	Accounts Receivable/Village Crafts					62.01		

1. Write the date.
2. Write *Sales Returns and Allowances*.
3. Write CM and the credit memorandum number.
4. Write the amount of the sales return.
5. Write *Sales Tax Payable*.
6. Write the sales tax amount.
7. Write the accounts to be credited.
8. Draw a diagonal line in the Post. Ref. column.
9. Write the total accounts receivable amount.

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## Terms

- customer
- sales tax
- sales journal
- cash sales
- credit card sales
- point-of-sale (POS) terminal
- terminal summary
- batch report
- batching out
- cash receipts journal
- sales discount
- sales return
- sales allowance
- credit memorandum

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## Application


### Application Problem

### 10-3

### (pg. 290)

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## Homework

- 1.1 Application Problems
  - a. Review problems completed in class.
  - b. Use available interactive e-work papers to complete application problems not worked in class.
  - c. No Chapter 10 application problems are due this week.
- 1.2 Mastery Problem 10-4 (p. 290)
  - Sect. 3A – Due 07/18/07
  - Sect. 5B – Due 07/16/07
- 1.3 Quiz – Chapter 5
  - a. Sect. 3A – Due 07/18/07  
Sect. 5B – Due 07/16/07
  - b. Email quiz results to Instructor  
([pcarter9@mccneb.edu](mailto:pcarter9@mccneb.edu)) and to yourself.

Congratulations ! You have made it through Chapter 10.

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Exam #3

## Coverage

### Chapters 9-13

Sect 3A: 07/28/07

Sect 5B: 07/26/07

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