

LESSON 10-3

Recording Transactions Using a General Journal

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



*We have this day credited
your account as follows:*

DATE

March 11, 20--

TO

Village Crafts
120 Mountain Road
Marietta, GA 30060-1320

ACCOUNT NO.

150

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

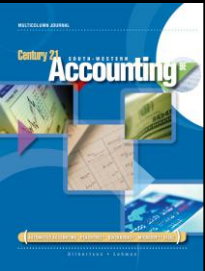
If the above is incorrect, please return stating difference.

JOURNALIZING SALES RETURNS AND ALLOWANCES

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.

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DATE	ACCOUNT TITLE	DOC. NO.	POST. REF.	DEBIT	CREDIT		
11	2 Sales Returns and Allowances	CM41	3	58 50		12	
	5 Sales Tax Payable			3 51		13	
	Accounts Receivable/Village Crafts		8		62 01	9	
	7					15	

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.



TERMS REVIEW

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- sales return
- sales allowance
- credit memorandum