

Chapter 2A Santos Luggage Ltd.

1. The types of transactions that can be journalized in the RECEIVABLES module are:
 - a) Sales Invoice on credit.
 - b) Sales Invoice with Payment.
 - c) Sales Returns
 - d) Receipts from customers for:
 - i) Full payment.
 - ii) Partial payment.
 - iii) Deposit for future invoice.
2. The main difference is that in the General Journal both the debits and credits must be entered while only one entry is required in the Sales, Orders & Quotes Journal. The debit or credit to Accounts Receivable is done automatically after the other account(s) (one or more accounts) are entered.
3. When you post journal transactions in the RECEIVABLES module, the customer's account is updated and the General Ledger accounts affected are updated.
4. A business may need two bank accounts when:
 - a) The business deposits normal receipts from customers in a Canadian dollar account.
 - b) The business has a separate Canadian dollar account for credit card receipts.
 - c) The business receives and deposits foreign currency in a foreign funds bank account. (U.S. dollars, Euros, Chinese Yen, etc.)
5. Aging is the process of sorting sales invoices by number of days from the transaction date to the current session date for each customer. Normally the dates are in ranges, e.g., 0-30 days old, 31-60 days old, etc. An aging report in Summary or Detail can be viewed/printed that managers will use to control the collection of old (outstanding) receivable invoices.
6. Uses of the Customer Aged Detail report are:
 - Identify Customers that are slow in paying.
 - Identify large invoices that have not been paid.
 - Estimate the dollar amount of accounts that may not be collected.
7. A Sales **Quote** is a form given to a customer listing the quantity and selling prices of goods or services they require and that you can provide.

A Sales **Order** is a form given to a customer confirming the quantity and the selling prices of goods or services that they have requested.
8. The default revenue account is used when recording a sales quote, order or invoice to the customer. The default revenue account will display on the first line of the customer invoice, helping the user charge the sale to the account normally used. Other businesses have many sales accounts (e.g., Sales Fresh Flowers, Sales Dried Flowers, etc.) and the use of a default account speeds up recording of invoices and reduces errors when recording transactions.
9. A cheque payment advice is a document normally at the bottom of a two-part cheque and stub. The advice or stub shows details of invoices being paid by the cheque. The advice normally shows customer name, invoice numbers and amounts, discounts taken, if any, and payments made.
10. The return of inventory is recorded in the Sales Invoice Journal as a negative.
11. The entry for a Sales Return is:

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| Inventory |
| HST Charged on Sales |
| Sales- Returns & Allowances |
| Accounts Receivable |
| Cost of Goods Sold |