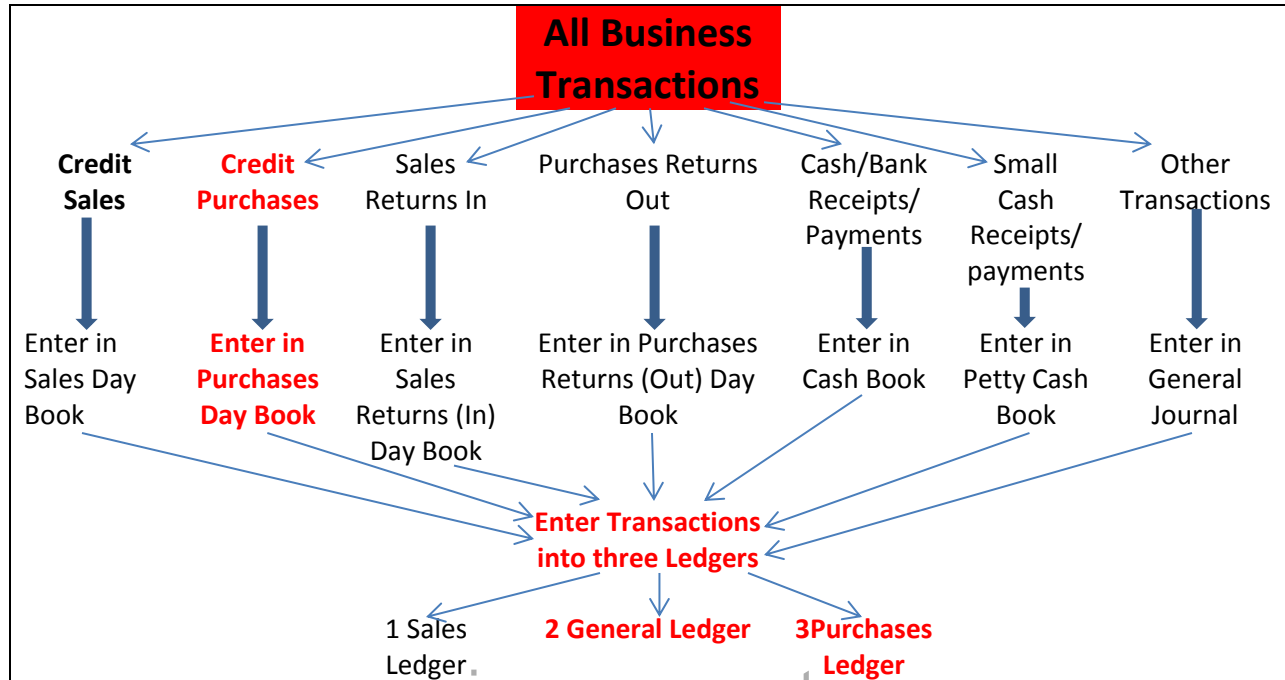


Purchases Day Book



- 1) **Sales Ledger:** To record the **trade receivables (debtors)** in personal named accounts only.
- 2) **Purchases Ledger:** To record the **trade payables (creditors)** personal account only.
- 3) **General Ledger:** To record everything all other **non-personal accounts**.

Purchases Day Book → A book of original entry used by the book-keeper to enter all creditors (trader payables) of stock (Inventory). Once the firm has received an invoice from the Creditor (Supplier) the purchase is considered legal and the book-keeper will enter the debtor and amount owed into the Purchases Day Book.

Seller: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW. Telephone: 01773832834 Fax: 01773832836		
Invoice #001		
Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB		10 June 2XX5
Quantity & Description	Price per Unit	\$
21 Boxes of Cherries	\$40	840
5 Boxes of Apples	\$8	40
6 Boxes of Tomatoes	\$20	240
	Total	1120
	Less Trade Discount for Bulk Buying 10%	112
	Final amount due for payment	1008
Terms: 1- Payment due within 90 days 2- Cash discount 5% if invoice is paid before 17 June X5		Signed: E Z Street (Sales Manager)

Trade discount → A discount given to the customer for bulk buying (buying in large quantities) or to encourage the customer to buy again from the company.

Purchases Day Book

Date	Description	Amount \$
10 June 2XX3	GLT Fruits Ltd	1008
27 June 2XX3	R Simpson	592
	Total Purchases (Creditors) transferred to Purchases Account for the month	<u>1600</u>

Purchases Ledger

Dr	Villa a/c	\$ Cr
	10.6.X5 Purchases	1008

Dr	Simpson a/c	\$ Cr
	27.6.X5 Purchases	592

General Ledger

Dr	\$	Purchases a/c	Cr
27.6.X5 Total Purchases for the month of June	1600		

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Transferring the Total Purchases from the Purchases Day Book to the Purchases 'T' or ledger account saves the senior accountant having to enter all the debit entries into the Purchases account.