**Video link:** [**https://www.loom.com/share/ec37586fbdd041e7ae698953d99616f0**](https://www.loom.com/share/ec37586fbdd041e7ae698953d99616f0)

**Write off of bad debts**

Record the following transaction in the general journal and the general ledger. This business "Downtown Traders" uses the perpetual inventory system and is registered for GST.  On May 3, 2025 Downtown traders sold goods on credit to Endgame Pty Ltd for $13,200 (GST inclusive).



1. On 31 December 2025, "Downtown traders" decided to write off the amount

owing, $13,200 (GST inclusive) as a bad debt.

**GENERAL JOURNAL**

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Details | Debit | Credit |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

GST payable

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | 2025 1 Dec | Balance | 4,050 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Accounts Receivable

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2025 1 Dec | Balance | 33 250 |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

Bad debt

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |