**Activity 26: Eagles plc**

Eagles plc returned 2,400 units of G8 which were faulty. These parts were invoiced at the list price of £0.85 per unit plus VAT. Hamley & Co raised a sales credit note on 28 December.

|  |  |  |
| --- | --- | --- |
| **Gross £** | **VAT £** | **Net £** |
| 2,448 | 408 | 2,040 |

1. Show the double entry required to enter this sales credit note into the general ledger accounts.

|  |  |  |
| --- | --- | --- |
| **Ledger account** | **Debit £** | **Credit £** |
| Receivables ledger control |  | 2448 |
| Receivables ledger control | 408 |  |
| Receivables ledger control | 2,040 |  |

**\* Options**

Receivables ledger control

VAT control

Sales

Sales returns

1. What entry will be made into Eagle plc’s receivables ledger account to reflect this sales credit note?

|  |  |  |  |
| --- | --- | --- | --- |
| **Customer account** | **Amount** | **Debit** | **Credit** |
| Eagle plc | 2448 |  |  |