**Unit 1 Section 2 Question 21**

* + - 1. On 1 March, Tim Simple buys 200 pink carnations (product code PCARN) from his regular florist Tumbles Ltd at a price of £3.50 each. Tumbles gives Tim a 5% trade discount on all of his orders. In addition to this, he is offered a 4% discount if he settles his bill within 10 days.
      2. His customer account reference number is TS02, and the next invoice is numbered at 1079.
      3. **(a) Complete the following invoice for Tumbles Ltd.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **INVOICE**  **TUMBLES LTD**  24 Fernlight Road  Brighton BN43SU   |  |  |  |  | | --- | --- | --- | --- | | To: | Tim Simple | Invoice Number: | 1079 | | Customer Reference: | TS02 | | Invoice Date:  VAT Registration No: | 1 March 20XX  891 2362 88 |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Product code** | **Description** | **Quantity** | **Unit £** | **Tax Rate %** | **Total £** | | PCARN | pink carnations | 200 | 3.50 | 20 | 700.00 |  |  |  | | --- | --- | | **Net total** | **700.00** | | **Trade discount 5%** | **35.00** | | **Net Total** | **665.00** | | **VAT @ 20%** | **133.00** | | **Gross Total** | 798.00 |   Payment is due within 30 days of the invoice date.  A discount of 4% applies if payment is made within 10 days of the invoice date. |

* + - 1. Tim does pay in time to qualify for the prompt payment discount.
      2. **(b) Complete the following credit note for Tumbles Ltd.**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **CREDIT NOTE**  **TUMBLES LTD**  24 Fernlight Road  Brighton BN4 3SU   |  |  |  |  | | --- | --- | --- | --- | | To: | Tim Simple | Credit Note Number: | CR258 | | Customer Reference: | TS02 | | Date:  VAT Registration No: | 11 March 20XX  891 2362 88 |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Product code** | **Description** | **Quantity** | **Unit £** | **Tax Rate %** | **Total £** | | PCARN | Pink carnations – prompt payment discount | 1 | 26.60 | 20 | 26.60 |  |  |  | | --- | --- | | **Net Total** | **26.60** | | **VAT @ 20%** | **5.32** | | **Gross Total** | 31.92 | |