

CLASS: JSS 1

SUBJECT: BUSINESS STUDIES

WEEK : THREE (3)

TOPIC: JOURNAL 2

LEARNING OBJECTIVES:

1. Meaning of Returns Outward Journal
2. Meaning of Returns Inwards Journal

**Returns outward journal:** This is under purchased journal, that is why it is also called purchases returns book. Returns outward journal is a book used to record damaged or substandards goods purchased that are returned to the supplier or seller. When those goods are returned to the supplier or seller, he issues a credit note to the purchaser. The purchaser enters the transaction into the purchase returns book or returns outwards journal.

**Example:**

Famvar School Port Harcourt made the following returns from the goods (school uniforms) they purchased from John & Sons Co. Ltd.

April 20 ---- 10 dozens of Cardigan #300,000  
( below standard).

April 24 ---- 5 dozens of Blazer #250,000  
(torn in transit).

The Returns Outwards Journal will appear like this:

Date	Particulars	Folio	Debit Note No.	Amount. # : k
April 20	10 dozens of Cardigan. ( below standard). @ #30,000 per dozen.		0025	300,000.00
April 24	5 dozens of Blazer. (torn in transit). @ #50,000 per dozen.		0030	250,000.00
	To Returns Outwards Account: Cr			550,000.00

**Returns Inwards Journal:** This is also called sales returns book or journal. It is a book used by a supplier or seller to record returned products. When a buyer finds any item bought to be



damaged or below standard, the item can be returned to the seller. The seller then records it in the returns Inwards Journal or sales returns book and then issues the buyer a credit note.

**Example:**

Enter the following transactions in the Returns Inwards Book of Green & Sons Co. Ltd. for goods returned to them because of damaged in transit.

March 10 ---- Mrs Joy, returned 5 cartons of Key soap @ #2,500 per carton.

March 15 --- Mr Peter, returned 2 cartons of detergent @ #5,000 per carton.

**Returns Inwards Journal**

Date	Particulars	Folio	Invoice No.	Amount # : k
March 10	Mrs Joy, returned 5 cartons of Key soap @ #2,500 per carton.	50	452	12,500.00
March 15	Mr Peter, returned 2 cartons of detergent @ #5,000 per carton.	72	435	10,000.00
	To Returns Inwards Account: Dr			22,500.00

