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CCS Insights

Bookkeeping - Everybody Can Do It - 35:
Discount Allowed

簿记 - 每个人都能做到 - 35: 销货折扣

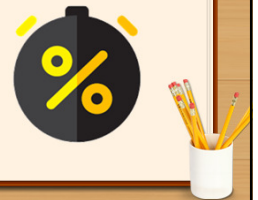
Feel the CCS & Co Difference



Discount Allowed



- When a seller offers a cash discount to its buyers in exchange for prompt payment, this type of cash discount is what we call a “Sales Discount.”
- If a cash discount is granted, the seller's revenues are reduced, shown in the accounting records as a “Discount Allowed Account”.
- Whenever a seller sells a product or service and offers a cash discount on the goods or services, it is impossible to know the buyer,
 - Whether will accept the cash discount offered; or
 - pay the invoice on the due date.



02/24/22

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3

Discount Allowed



- Allowing a discount reduces company revenue, decreases the profitability of the Company, and reduces the amount of equity the business owner owns.
- Let me show you an example to help you get a better grasp of what I'm talking about.
- Company A sold goods to Company B for a total sales price of RM50,000.
- Company B has 90 days to pay the amount due, however, if payment can be made within 14 days, a cash discount of 7% is available.



02/24/22

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4

Discount Allowed



- However, Company A does not know if Company B would make payment within 14 days or not at the time of sale.
- For this reason, Company A must invoice the entire retail value of the sale; Company A should debit accounts receivable with the gross invoice amount and credit sales revenues with the same amount as follow:

Entity	Amount	Debit	Credit
Seller (Company A)	RM50,000	Accounts Receivable	Sales Revenue

- This journal entry demonstrates that both the Accounts Receivable and Sales Revenue increase in terms of the gross invoice sale price.



Discount Allowed



- We presume that Company A will get the payment within 14 days.
- Consequently, Company A should keep a record that shows an increase in the Bank Account with the net sale price, which is the sales price less the cash discount, and a decrease in the Accounts Receivable with the gross sale price.
- The difference between the amount received and the amount invoiced is recorded in a Discount Allowed Account, which reduces the amount of sales revenue earned.

Amount Invoiced	50,000	Decrease in the Accounts Receivable
Amount Received	46,500	Increase in the Bank Account
Cash Discount	3,500	



Discount Allowed



- It is necessary to make the following Journal Entry.
 - A debit to a Bank Account of RM46,500, a debit to Discount Allowed Account of RM3,500, and a credit to Accounts Receivable account of RM50,000 is recorded.
 - The company must reduce sales revenue in proportion to the discount offered.
 - Therefore, a debit of RM3,500 should be made to the Sales Revenue Account, and credit of RM3,500 should be made to the Discount Allowed Account, according to the accounting rules.



Discount Allowed



- Company A should record the following entry as follow:

Company A	Debit	Credit
Bank	46,500	
Contra Revenue Account - Discount Allowed	3,500	
Accounts Receivable		50,000

- The net sum received should be debited to the Bank Account, the discount should be debited to the Discount Allowed Account, and the gross sale price should be credited to the Accounts Receivable Account.



Discount Allowed



- Following that, Company A is required to reduce sales revenue by the amount of the discount allowed.

Company A	Debit	Credit
Sales Revenue	3,500	
Discount Allowed Account		3,500

Sales Revenue Account should be debited for the discount amount, and the Discount Allowed Account should be credited for the same amount.



销货折扣



- 当卖方为其买方提供折扣以换取提早付款时，这类型现金折扣，我们称之为“销货折扣”。
- 如果授予买方销货折扣，卖方的收入就会减少，这在会计记录中显示为“销货折扣账户” [Discount Allowed Account]。
- 每当卖方销售产品或服务并提供现金折扣时，它是无法知道买方是否：
 - 会接受所提供的现金折扣，提前付款；或
 - 等到期日才支付发票。



销货折扣



- 给予销货折扣会减少公司的收入，降低公司的盈利能力，从而减少业主权益 [Owner's Equity]。
- 我就举一个例子，以帮助你更好地掌握我在说什么。
- A 公司销售货物给 B 公司，总销售价格为 50,000 令吉。
- B 公司有 90 天的时间来支付该应付款项，然而如果能在 14 天内付款，则可以获得 7% 的现金折扣。

02/24/22

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11

销货折扣



- 然而，A 公司在销售时并不知道 B 公司是否会在 14 天内付款。
- 基于这个原因，A 公司必须为整个销售的零售价值开具发票。A 公司应以发票总额借记应收账款，以相同的金额贷记销售收入，如下：

实体	金额	借方	贷方
卖方	RM50,000	应收账款	销售收入

- 这条分录表明，此时应收账款和销售收入都随着总发票销售价格增加而增加。

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12

销货折扣



- 我们假设 A 公司在 14 天内收到付款。
- 因此，A 公司应该保留一份记录，显示银行账户中净价的增加 (也就是销售价格减去现金折扣)，以及应收账款账户中依据销售总价的减少。
- 收到的金额和发票金额之间的差额，将记录在销货折扣账户中，这就减少了所获得的销售收入金额。

发票金额	50,000	应收账款账户的减少
收到金额	46,500	银行账户的增加
现金折扣	3,500	

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13

销货折扣



- 有必要做以下日记账：
 - 借记银行账户46,500令吉以及销货折扣账户3,500令吉，
 - 贷记应收账款账户50,000令吉。
 - 公司必须按照提供折扣的比例减少销售收入。
 - 因此根据会计规则，应在销售收入账户中借记3,500令吉，在销货折扣账户中则贷记3,500令吉。

02/24/22

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14

销货折扣



A公司	借方	贷方
银行 [Bank]	46,500	
销货折扣 [Discount Allowed]	3,500	
应收账款 [Accounts Receivable]		50,000

- 收到的净额应借记于银行账户，折扣应借记于销货折扣账户，而销售总额应贷记于应收账款账户。

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15

销货折扣



- 随后，A公司需要为所提供的销货折扣的折扣额减少销售收入。
- 销售收入账户应按折扣金额记入借方，而销货折扣账户应按相同金额记入贷方。

A公司	借方	贷方
销售收入	3,500	
销货折扣 [Discount Allowed]		3,500

折扣金额应借记销售收入账户，相同金额应贷记销货折扣账户。

02/24/22

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16

For further consultation, please contact:

Chin Chee Seng
Partner
+6012 365 4331
cschin@ccs-co.com

Wong Woei Teng
Audit Partner
+6017 237 8233
woeiteng@ccs-co.com

Jared Low
Assurance Director
+6018 763 4813
jared@ccs-co.com

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