

## 50.2 A drill to practise reading the Bad and Doubtful Debts Expense Account

REQUIRED: below is a Bad and Doubtful Debts expense account with DR and CR entries. State where you would find the CR corresponding to each DR in the account, and where you would find the DR corresponding to each CR. Balance the account and make the relevant transfer to the P&L Account.

<i>Bad and Doubtful Debt Expense Account</i>			
<i>bad debt written off</i>	60	<i>bad debt recovered</i>	65
<i>Debtor A – written off</i>	45	<i>Debtor A – release of specific provision</i>	25
<i>Debtor B – creation of specific provision</i>	125	<i>Debtor Z – release of specific provision</i>	30
<i>increase in general provision</i>	20		

### Response

1. bad debt written off £60: corresponding CR will be the debtor's account
2. Debtor A written off £45: CR will be in Debtor A's account
3. Debtor B creation of specific provision: CR will be in the Specific Provisions for Doubtful Debts Account
4. increase in general provision: CR will be in the General Provision for Doubtful Debts Account
5. bad debt recovered: corresponding DR will be in debtor's account
6. Debtor A release of specific provision: DR will be in Specific Provisions for Doubtful Debts Account
7. Debtor Z release of specific provision: DR will be in Specific Provisions for Doubtful Debts Account

<i>Bad and Doubtful Debt Expense Account</i>			
<i>bad debt written off</i>	60	<i>bad debt recovered</i>	65
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<i>Debtor B – creation of specific provision</i>	125	<i>Debtor Z – release of specific provision</i>	30
<i>increase in general provision</i>	20		
	<u>250</u>	<i>c/f</i>	<u>130</u>
			<u>250</u>
<i>b/f</i>	<u>130</u>	<i>transfer to P&amp;L</i>	<u>130</u>

<i>P&amp;L Account</i>	
<i>bad and doubtful debts expense</i>	130