

Business Documentation

A source document - A business document that provides information about a transaction that took place.

All businesses are involved in buying and selling goods and services in order to make a profit. In the trading process important business documents are issued between the buyer and seller. The flow of documents is illustrated below:



- 1- **Quotation** → A document sent by the seller to the potential buyer detailing what is to be supplied, when, where and at what unit price.

Seller: GLT Fruits Ltd,
 7 Limes Industrial
 Estate,
 Alfreton,
 DE55 7JW.
 Telephone:
 01773832834
 Fax: 01773832836

Quotation

Buyer: Villa Market Ltd,
 Aston Industrial Park,
 Birmingham,
 BM6 7CB

1 June 2XX5

Quantity	Description	Price per Unit
21	Boxes of Cherries	\$40
5	Boxes of Apples	\$8
6	Boxes of Tomatoes	\$20

Delivery within one day
 of the order

Terms: Payment within
 90 days of invoice

Signed: E Z Street.
 (Sales Manager)

2- **Purchase Order** → A business will issue a purchase order when it wants to buy goods or services from another company (Supplier). The order will contain

- Name of the supplier
- Date of the order
- Details of the goods or service ordered
- Delivery date required

Buyer: Villa Market Ltd,
Aston Industrial Park,
Birmingham,
BM6 7CB.
Telephone: 01773832834
Fax: 01773832836

Purchase Order

Supplier: GLT Fruits Ltd,
7 Limes Industrial Estate,
Alfreton,
DE55 7JW.

3 June 2XX5

Quantity	Description	Price per Unit
21	Boxes of Cherries	\$40
5	Boxes of Apples	\$8
6	Boxes of Tomatoes	\$20

Delivery required on June 7

Signed: R. Lean.
(Purchases Manager)

- 3- **Advice Note** → a note that is sent by the seller to the buyer before the good or service is sent. This is to make sure that the buyer is aware that the purchase order is about to be dispatched.

Seller: GLT Fruits Ltd,
7 Limes Industrial Estate,
Alfreton,
DE55 7JW.
Telephone: 01773832834
Fax: 01773832836

Advice Note

Buyer: Villa Market Ltd,
Aston Industrial Park,
Birmingham,
BM6 7CB

4 June 2XX5

Quantity	Description	Price per Unit
21	Boxes of Cherries	\$40
5	Boxes of Apples	\$8
6	Boxes of Tomatoes	\$20

*Goods will be dispatched
on June 5.*

*Please advise if goods are
not received by June 7*

Signed: E Z Street.
(Sales Manager)

4- **Delivery (Dispatch) Note** → When the supplier is ready to dispatch the order to the buyer a delivery note is sent with the goods. The buyer will need to sign for the goods once they have been received. The delivery business document will contain:

- Purchaser name and address
- Details of goods dispatched (sent)
- Quantity supplied
- Delivery address
- Date
- Signature for recipient (Buyer)

Seller: GLT Fruits Ltd,
7 Limes Industrial Estate,
Alfreton,
DE55 7JW.
Telephone: 01773832834
Fax: 01773832836

Delivery Note

Buyer: Villa Market Ltd,
Aston Industrial Park,
Birmingham,
BM6 7CB

5 June 2XX5

Quantity	Description	Price per Unit
21	Boxes of Cherries	\$40
5	Boxes of Apples	\$8
6	Boxes of Tomatoes	\$20

Received by: R Lean.

Date: 5 June

5- **Invoice** → An invoice is a document that is sent by the seller whenever it sells goods or services on credit. By law a credit sale is only realised once a receipt has been sent by the seller. An invoice will contain the following information:

- Seller's name & address
- Buyer's name & address
- Date
- Date of delivery
- Description of goods and services required
- Details of trade discounts given
- Total amount owing
- Terms and conditions of any cash discounts that might be given

Seller: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW. Telephone: 01773832834 Fax: 01773832836		
Invoice #001		
Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB		10 June 2XX5
Quantity & Description	Price per Unit	\$
21 Boxes of Cherries	\$40	840
5 Boxes of Apples	\$8	40
6 Boxes of Tomatoes	\$20	240
	Total	1120
	Less Trade Discount for Bulk Buying 10%	112
	Final amount due for payment	1008
Terms: 1- Payment due within 90 days 2- Cash discount 5% if invoice is paid before 17 June X5		Signed: E Z Street (Sales Manager)

- 6- **Purchases Returns Debit Note** → A note sent by the buyer (purchaser) to the supplier if the goods are broke, damaged or not what was ordered.

Buyer: Villa Market Ltd,
Aston Industrial Park,
Birmingham,
BM6 7CB.
Telephone: 01773832834
Fax: 01773832836

Purchases Returns Debit Note

Supplier: GLT Fruits Ltd,
7 Limes Industrial Estate,
Alfreton,
DE55 7JW.

Quantity	Description	11 June 2XX5 Price per Unit
2	Boxes of Cherries	\$40
3	Boxes of Apples	\$8
2	Boxes of Tomatoes	<u>\$20</u>
Goods returned as they were damaged.	Signed: R. Lean (Purchases Manager)	144 <u> </u>

- 7- **Sales Returns Credit Note** → Once the supplier has checked to see if the goods returned are damaged, faulty or not ordered they will send the buyer a credit note that will be deducted from their statement of account.

Supplier: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW.		
Sales Returns Credit Note		
Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB. Telephone: 01773832834 Fax: 01773832836		
		15 June 2XX5
Quantity	Description	Price per Unit
2	Boxes of Cherries	\$40
3	Boxes of Apples	\$8
2	Boxes of Tomatoes	<u>\$20</u>
Goods returned accepted as damaged.	Signed: E Z Street. (Sales Manager)	144 <u> </u>

- 8- **Statement of Account** → At the end of each month the seller will send the buyer a statement of account that outlines how much is owed to the supplier.

Seller: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW. Telephone: 01773832834 Fax: 01773832836				
Statement of Account				
Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB				
			30 June	2XX5
			Debit	Credit
			\$	\$
Date	Reference			Balance
1 June 2XX5	Opening Balance b/d			540
10 June 2XX5	Invoice #001	1008		1548
15 June 2XX5	Credit Note		144	1404
	Final amount due for payment			3492
Signed: E Z Street (Sales Manager)				

- 9- **Remittance Advice** → Once the cheque or transfer of money has been sent by the buyer a remittance advice business document will be sent to the seller (supplier).

Seller: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW. Telephone: 01773832834 Fax: 01773832836				
Remittance Advice				
Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB				
			5 July	2XX5
			Debit	Credit
			\$	\$
Date	Reference			Balance
1 June 2XX5	Opening Balance b/d			540
10 June 2XX5	Invoice #001	1008		1548
15 June 2XX5	Credit Note		144	1404
Total Payment Sent				3492
Signed: R Lean.				

- 10- **Receipt** → Once the cheque or transfer of money has been received by the seller (Supplier) a receipt will be sent to the seller.

Buyer: Villa Market Ltd, Aston Industrial Park, Birmingham, BM6 7CB.					
Receipt					
Seller: GLT Fruits Ltd, 7 Limes Industrial Estate, Alfreton, DE55 7JW. Telephone: 01773832834 Fax: 01773832836					
				10 July	2XX5
		Debit	Credit	Balance	
Date	Reference	\$	\$	\$	
1 June 2XX5	Opening Balance b/d			540	
10 June 2XX5	Invoice #001	1008		1548	
15 June 2XX5	Credit Note		144	1404	
		Total Payment Received		3492	
Signed: E Z Street.					

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