

6 Assets, Liabilities and Equity

Question 1

a	Motor vehicle	✓
b	Office equipment	✓
c	Loan from a bank	
d	Cash at bank	✓
e	Accounts payable (or creditors)	
f	Accounts receivable (or debtors)	✓
g	Inventory (or trading stock)	✓
h	GST payable	
i	GST credits (GST input tax credits)	✓
j	Prepaid rent (rent of office space paid for the next 2 months)	✓

Question 2

a	Prepaid insurance (motor vehicle insurance paid for the next 12 months)	✓
b	Accounts receivable (or debtors)	✓
c	GST credits	✓
d	GST payable	
e	Cash at bank	✓
f	Accounts payable (or creditors)	
g	Inventory	✓
h	Office furniture	✓

Question 3

a	Loan from A Friend	
b	Accounts payable (or creditors)	
c	Land and buildings	✓
d	GST credits	✓
e	Inventory	✓
f	Office supplies	✓
g	Motor vehicle	✓

Question 4

c \$21,000

Workings

a	Cash at bank	\$9,000
b	Office furniture	3,000
e	Accounts receivable	1,000
g	Office equipment	5,000
h	Prepaid rent (rent of office space paid for the next 3 months)	3,000
Total		21,000

Question 5

a	Accounts payable or creditors	✓
b	Loan from a bank	✓
c	Accrued expenses, such as, wages owing to employees	✓
d	Accounts receivable	
e	GST payable	✓
f	Bank overdraft	✓

Question 6

c \$15,000

Workings

GST payable	\$2,000
Loan from ANZ Bank	\$5,000
Accounts payable	\$1,000
Accrued expenses	\$4,000
Bank overdraft	\$3,000
Total	\$15,000

Question 7

a	Accounts payable	✓
b	Accounts receivable	
c	GST payable	✓
d	Motor vehicle	
e	Loan from Commonwealth Bank	✓
f	GST credits	
g	Loan from A Friend	✓
h	Accrued expenses	✓
i	Bank overdraft	✓

Question 8

b \$16,000

Workings

Accounts payable	\$4,000
Accrued wages	\$2,000
GST payable	\$3,000
Loan from a bank	\$7,000
Total	\$16,000

Question 9

b \$4,000

Workings

Assets	\$9,000
Less	
Liabilities	\$5,000
Total	\$4,000

Question 10

a \$13,000

Workings

Assets	
Motor vehicle	\$7,000
Inventory	\$3,000
Accounts receivable	\$9,000
Total Assets	\$19,000
Less	
Liabilities	
Accounts payable	\$1,000
Loan from ANZ Bank	\$5,000
Total Liabilities	\$6,000
Equity	\$13,000

Question 11

a \$14,000

Workings

Assets	
Motor vehicle	\$8,000
Accounts receivable	\$3,000
Inventory	\$5,000
Total Assets	\$16,000
Less	
Liabilities	
Loan from Bank	\$2,000
Equity	\$14,000