

Q1 Trish's Taylor's

Workings:
MUST SHOW
WORKINGS
= MARKS!

Accrued Interest $180 \times 3 = \$540$
Insurance $\frac{4500}{12} \times 5 = 1875$

Sales income $14000 - 3,700 = 10,300$

Unearned Sales Income

30/6/18	Sales income	10,300	30/6/18	Balance b/f	14,000
	Bal c/d	<u>3,700</u>			<u>14,000</u>
		<u>14,000</u>	1/7/18	Bal b/d	3,700

Sales Income

30/6/18	Unearned sales income	10,300
---------	-----------------------	--------

Bad debts

30/6/18	Balance b/f	2,500	30/6/18	Allowance for doubtful debts	2,500
---------	-------------	-------	---------	------------------------------	-------

Allowance for doubtful debts

30/6/18	Bad debts	2,500	30/6/18	Balance	2,000
	Balance c/d	<u>3,000</u>		Doubtful debts	<u>3,500</u>
		<u>5,500</u>			<u>5,500</u>
				Balance b/d	3,000

Wages

30/6/18	Accrued expenses	2,300
---------	------------------	-------

Accrued expenses

30/6/18	Wages	2,300
---------	-------	-------

Interest income

30/6/18	Bal b/f.	1,280
	Accrued income	540

Accrued income

30/6/18	Interest income	540
---------	-----------------	-----

Doubtful debts

30/6/18	Allowance for doubtful debts	3500
---------	------------------------------	------

Insurance expense

30/6/18 Prepaid insurance 1,875

Prepaid insurance

30/6/18 Balance b/f 4,500
4,500
 Balance b/d 2,625

30/6/18 Prepaid insurance 1,875
 Balance c/d 2,625
4,500

DATE	DETAILS	DEBIT	CREDIT
2018 June 30	Unearned sales income	10,300	
	Sales income		10,300
	Sales income for the year		
	Allowance for doubtful debts	2,500	
	Bad debts,		2,500
	Transfer of bad debts to allowance for doubtful debts		
	Doubtful debts	3,500	
	Allowance for doubtful debts		3,500
	Allowance for doubtful debts set at \$3,000.		
	Wages	2,300	
	Accrued expenses		2,300
	Accrued wages on balance date		
	Accrued income	540	
	Interest income		540
	Interest income accrued		
	Insurance expense	1,875	
	Prepaid insurance		1,875
	Prepaid insurance expired		

Q2 Wally's Books

Workings:

Doubtful debts $\frac{AR}{BD} (24,400 - 500) \times 5\% = 1,195$

Insurance $\frac{5,100}{12} \times 8 = 3,400$

Sales income $16,900 - 9,100 = 7,800$

MUST SHOW WORKINGS

Accounts receivable

2018 Jun 30	Balance b/f	24,400	2018 June 30	Bad debts	500
				Balance c/d	23,900
		<u>24,400</u>			<u>24,400</u>
	Balance b/d	23,900			

Bad debts

2018 June 30	Balance b/f	1,500	2018 June 30	Allowance for Doubtful debts	2,000
	Accounts receivable	500			

Allowance for doubtful debts

2018 June 30	Bad debts	2,000	2017 June 30	Balance b/f	3,000
	Balance c/d	1,195	2018 June 30	Doubtful debts	195
		<u>3,195</u>			<u>3,195</u>
				Balance b/d	1,195

Doubtful debts

2018 June 30	Allowance for doubtful debts	195			
-----------------	---------------------------------	-----	--	--	--

Insurance expense

2018 June 30	Prepaid insurance	3,400			
-----------------	-------------------	-------	--	--	--

Prepaid insurance

2018 June 30	Balance b/f	5,100	2018 June 30	Insurance expenses	3,400
				Balance c/d	1,700
		<u>5,100</u>			<u>5,100</u>
	Balance b/d	1,700			

See Doyle pg 20
for support ↓

Telephone		
2018	Accrued expenses	150
June 30		

Accrued expenses		
2018	Telephone	150
June 30		

Sales income		
2018	Unearned sales income	7,800
June 30		

Unearned sales income					
2018	Sales income	7,800	2018	Balance b/f	16,900
June 30	Balance c/d	9,100	June 30		
		<u>16,900</u>			<u>16,900</u>
				Balance b/d	9,100

DATE	DETAILS	DEBIT	CREDIT
2018 June 30	Bad debts	500	
	Accounts receivable		500
	Bad debts written off		
	Allowance for doubtful debts	2000	
	Bad debts		2000
	Clear bad debts to allowance for doubtful debts		
	Doubtful debts	195	
	Allowance for doubtful debts		195
	Allowance for doubtful debts set at 1,195.		
	Insurance expense		
	Prepaid insurance	3,400	
	Prepaid insurance expired		3,400
	Telephone	150	
	Accrued expenses		150
	Accrued telephone expenses at balance day		
	Unearned sales income	7,800	
	Sales income		7,800
	Sales income for the year.		