**ACF 1 SOLUTION**

**[55 Marks]**

**Question 6 (a)** (21 marks)

19 marks for entries

2 marks for bringing balances down

- 2 for leaving out dates

**Cash at Bank**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 | Capital | 8,600 | 2020  Mar 2 | Rent | 450 |
| 5 | Accounts receivable | 495 | 20 | Drawings | 300 |
|  |  |  | 25 | Accounts Payable | 1,470 |
|  |  |  | 31 | Balance c/d | 6,875 |
|  |  | 9,095 |  |  | 9,095 |
| 31 | Balance b/d | 6,875 |  |  |  |
|  |  |  |  |  |  |

**Inventory**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 | Capital | 13,500 | 2020  Mar 20 | Drawings | 200 |
| 10 | Account Payable | 3,300 | 31 | Balance c/d | 16,600 |
|  |  | 16,800 |  |  | 16,800 |
| 31 | Balance b/d | 16,600 |  |  |  |
|  |  |  |  |  |  |

**Accounts Receivable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 | Capital | 7,320 | 2020  Mar 1 | Cash at Bank and Discount Allowed | 500 |
|  | Sales | 5,800 | 31 | Balance c/d | 12,620 |
|  |  | 13,120 |  |  | 13,120 |
| 31 | Balance b/d | 12,620 |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Accounts Payable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar25 | Cash at Bank and Discount Received | 1,500 | 2020  Mar 10 | Inventory | 3,300 |
| 31 | Balance c/d | 1,800 |  |  |  |
|  |  | 3,300 |  |  | 3,300 |
|  |  |  | 31 | Balance b/d | 1,800 |
|  |  |  |  |  |  |

**Capital: P. Boys**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 |  |  | 2020  Mar 1 | Cash at Bank, Inventory and Accounts Receivable | 29,420 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Drawings: P. Boys**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar20 | Cash at Bank and Inventory | 500 | 2020  Mar 1 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Sales**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 |  |  | 2020  Mar 25 | Accounts Receivable | 5,800 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Discount Received**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 1 |  |  | 2020  Mar 25 | Accounts payable | 30 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Discount Allowed**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 5 | Accounts Receivable | 5 | 2020  Mar 1 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Rent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
| 2020  Mar 2 | Cash at Bank | 450 | 2020  Mar 1 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

**Question 6 (b)** (5 marks)

**BIG BOY TRADERS**

**TRIAL BALANCE as at 31 March 2020**

|  |  |  |
| --- | --- | --- |
| **General Ledger Account** | **Debit** | **Credit** |
| Cash at Bank | 6,875 |  |
| Inventory | 16,600 |  |
| Accounts Receivable | 12,620 |  |
| Accounts Payable |  | 1,800 |
| Capital: P. Boys |  | 29,420 |
| Drawings: P. Boys | 500 |  |
| Sales |  | 5,800 |
| Discount Received |  | 30 |
| Discount Allowed | 5 |  |
| Rent | 450 |  |
|  | **37,050** | **37,050** |

½ mark for each balance transferred correctly from GL to TB

Follow through with incorrect balances

**Question 7 – Recording Transactions** (29 Marks)

**ENGELSON’S TRADERS**

**GENERAL JOURNAL – February 2020**

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Details | Debit | Credit |
| 2020  Mar 1 | Cash at Bank | 46,000 |  |
|  | Capital – J. Engelson |  | 46,000 |
|  | *Owner’s Contribution* |  |  |
|  |  |  |  |
| 2 | Rent | 2,000 |  |
|  | GST Credits | 200 |  |
|  | Cash at Bank |  | 2,200 |
|  | *Rent paid for February 2020* |  |  |
|  |  |  |  |
| 3 | Shop Fittings | 21,500 |  |
|  | GST Credits | 2,150 |  |
|  | Cash at Bank |  | 13,650 |
|  | Loan |  | 10,000 |
|  | *Purchased Shop Fittings for cash and on credit* |  |  |
|  |  |  |  |
| 4 | Inventory | 20,000 |  |
|  | GST Credits | 2,000 |  |
|  | Cash at Bank |  | 22,000 |
|  | *Inventory purchased cash* |  |  |
|  |  |  |  |
| 16 | Cash at Bank | 33,000 |  |
|  | Sales |  | 30,000 |
|  | GST Payable |  | 3,000 |
|  | Accounts Receivable | 6,050 |  |
|  | Sales |  | 5,500 |
|  | GST Payable |  | 550 |
|  | Cost of Sales | 16,000 |  |
|  | Inventory |  | 16,000 |
|  | Sales recorded |  |  |
|  |  |  |  |
| 23 | Cash at Bank | 2,090 |  |
|  | Discount Allowed | 100 |  |
|  | GST Payable | 10 |  |
|  | Accounts Receivable |  | 2,200 |
|  | *Customer paid account; 5% discount allowed* |  |  |
|  |  |  |  |
| 25 | Bad Debts | 750 |  |
|  | GST Payable | 75 |  |
|  | Accounts Receivable |  | 825 |
|  | *Bad Debts written off* |  |  |
|  |  |  |  |
| 28 | Salaries | 4,500 |  |
|  | Cash at Bank |  | 4,500 |
|  | *Paid Salaries for February 2020* |  |  |
|  |  |  |  |

1 mark for each correct entry

-2 marks for dates left out / incorrect dates

-2 marks for journal descriptions omitted.