**Closing Entries**

**Question 1 (35 Marks)**

The following information has been taken from the accounting records of Jet Traders for the year ended 30 June 2019.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account** | **Acc Type** | **Amount** | **Debit** | **Credit** |
| Motor Vehicle |  | 22 000 |  |  |
| Rent Expense |  | 12 000 |  |  |
| Capital |  | ? |  |  |
| Office Equipment |  | 9 000 |  |  |
| Cost of Sales |  | 60 000 |  |  |
| Inventory |  | 8 000 |  |  |
| Wages |  | 19 000 |  |  |
| Interest on Loan |  | 1 000 |  |  |
| Sales |  | 120 000 |  |  |
| Accounts Receivable |  | 15 000 |  |  |
| Cash at Bank |  | 22 000 |  |  |
| Advertising |  | 5 000 |  |  |
| Loan: ABC Bank |  | 12 000 |  |  |
| Discount Received |  | 1 000 |  |  |
| Telephone |  | 5 000 |  |  |
| Accounts Payable |  | 6 000 |  |  |
| Electricity |  | 2 000 |  |  |
| Discount Allowed |  | 1 000 |  |  |
| Drawings |  | 11 000 |  |  |
| TOTAL |  |  |  |  |

**Required:**

1. Determine the balance of the Capital account (2 marks)

2. Do the Closing Entries in the General Journal (16 marks)

3. Transfer the General Journal entries to the Profit and Loss Summary, Drawings and Capital Accounts. Include the opening balances where necessary. (17 marks)

**GENERAL JOURNAL – JUNE 2019**

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Details | Debit | Credit |
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**GENERAL LEDGER OF JET TRADERS**

**Profit and Loss Summary**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
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**Capital**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
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**Drawings**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Contra Account | Dr | Date | Contra Account | Cr |
|  |  |  |  |  |  |
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