# Introduction to Accounting – Student Activity Booklet 2019

### *Classify the following accounts as either Assets, Liabilities or Owners Equity*

|  |  |
| --- | --- |
| Inventories | **Asset** |
| Delivery van | **Asset** |
| Bank Overdraft | **Liability** |
| Loan from J Smith | **Liability** |
| Land | **Asset** |
| Computer | **Asset** |
| Furniture and Fittings | **Asset** |
| Accounts Payable | **Liability** |
| Capital | **Owners Equity** |
| Mortgage | **Liability** |
| Accounts Receivable | **Asset** |
| Drawings | **-Owners Equity** |
| Vehicle | **Asset** |
| Loan to F Fry | **Asset** |
| Debtors | **Asset** |
| Loan from ABC Finance Co | **Liability** |

1. *Determine whether the following are true or false. Rewrite the false statements so they are true.*
2. J Jones owes us money and is therefore a creditor. **F**
3. Accounts Payable is another way of saying creditors. **T**
4. Computers are classified as assets. **T**
5. The owner’s contribution to the business is regarded as capital. **T**
6. When the owner takes out money from the business, this is called inventories. **F**
7. Inventories are amounts of money owing to people. **F**
8. Furniture is a liability. **F**
9. The business owes JK Rowling (owner) money and is therefore a creditor. **F**
10. Vehicles are regarded as assets. **T**
11. Accounts Receivables is another way of saying debtors. **T**
12. Mortgages are an asset to the business. **F**
13. Stock is another way of saying inventories. **T**
14. Cash at bank is a liability. **F**
15. An overdraft is an asset to the business. **F**
16. Capital is a special liability to the business.  **T**
17. *Classify the items in the following list as an asset, Liability or an Owner’s Equity:*

|  |  |  |  |
| --- | --- | --- | --- |
| 1. Land | **A** | k) Motor Vehicle | **A** |
| b) Petty Cash | **A** | l) Plant and Equipment | **A** |
| c) J Baker (debtor) | **A** | m) Delivery Van | **A** |
| d) Capital | **OE** | n) Loan to R Smith | **A** |
| e) Accounts Payable | **L** | o) Cash on Hand | **A** |
| f) Loan from AGC Finance | **L** | p) Cash at Bank | **A** |
| g) Furniture and Fittings | **A** | q) Inventories | **A** |
| h) Buildings | **A** | r) Drawings | **-OE** |
| i) Mortgage | **L** | s) Accounts Receivable | **A** |
| j) S Jones (creditor) | **L** | t) Land | **A** |

1. *If P Pollock had the following Assets and Liabilities, what would the business be worth?*

|  |  |  |  |
| --- | --- | --- | --- |
| ASSETS | | LIABILITIES | |
| Bank | 2000 | Creditors | 345 |
| Debtors | 10000 | Mortgage | 2000 |
| Furniture | 756 |  |  |
| Buildings | 12000 |  |  |

Owner’s Equity: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. *Decide whether the following statements about the owner’s equity are true or false:*

|  |  |
| --- | --- |
| **T** | Owner’s equity is really the difference between assets and liabilities |
| **F** | Owner’s equity is the same as an asset |
| **T** | Owner’s equity is the owner’s investment into the business |
| **F** | The amount of the owner’s equity is what the owner owes the business |

1. F McMahon’s business has the following items:

|  |  |
| --- | --- |
| Cash | 4000 |
| Furniture | 5000 |
| Accounts Payable | 500 |
| Inventories | 2000 |
| Accounts Receivable | 300 |
| Land | 10000 |
| Buildings | 15000 |
| Mortgage | 5000 |

*a) What is the total value of assets that the business has? \_\_\_\_\_\_\_\_\_\_\_*

*b) What is the total value of liabilities of the business? \_\_\_\_\_\_\_\_\_\_\_\_\_*

*c) What is the amount of owner’s investment in the business? \_\_\_\_\_\_\_*

1. *Classify the nature of each of the following accounts:*

|  |  |  |
| --- | --- | --- |
| Accounts | Dr | Cr |
| Inventories | **✓** |  |
| Accounts Payable |  | **✓** |
| Capital |  | **✓** |
| Buildings | **✓** |  |
| Electricity | **✓** |  |
| Accounts Receivable | **✓** |  |
| Land | **✓** |  |
| Rent Revenue |  | **✓** |
| Furniture | **✓** |  |
| Salaries and wages | **✓** |  |
| Fittings and Fixtures | **✓** |  |
| Mortgage |  | **✓** |
| Equipment | **✓** |  |
| Sales |  | **✓** |
| Motor Vehicle Expenses | **✓** |  |
| Service Fees Revenue |  | **✓** |
| Loan to another enterprise | **✓** |  |
| Loan (borrowed from bank, finance company) |  | **✓** |
| Drawings (by the owner – cash or inventories) | **✓** |  |
| Cash at Bank | **✓** |  |
| Commission Revenue |  | **✓** |
| Motor Vehicles | **✓** |  |
| Interest (paid on overdue accounts) | **✓** |  |
| Rent (paid) | **✓** |  |

1. *Indicate whether a* ***debit entry or a credit entry*** *is required to* ***decrease*** *the balance of the account.*

|  |  |
| --- | --- |
| **Account** | **Dr/Cr** |
| Accounts Receivable | **Cr** |
| Accounts Payable | **Dr** |
| Mortgage | **Dr** |
| Furniture | **Cr** |
| Land | **Cr** |
| Capital | **Dr** |

*INCREASING OR DECREASING?*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account** | **Dr or Cr** | **Inc or Dec** | **Account** | **Dr or Cr** | **Inc or Dec** |
| Bank | Dr | **inc** | Wages | Dr | **inc** |
| Furniture | Cr | **dec** | Mortgage | Dr | **dec** |
| Capital | Cr | **Inc** | Fees Expense | Dr | **inc** |
| Electricity | Dr | **Inc** | Sales | Cr | **inc** |
| Inventories | Dr | **inc** | Interest Revenue | Cr | **inc** |
| Accounts Payable | Cr | **inc** | Accounts Receivable | Dr | **inc** |
| Creditors | Dr | **dec** | Vehicle | Cr | **dec** |
| Stationery | Dr | **inc** | Land | Dr | **inc** |
| Cleaning Services | Dr | **inc** | Rent Expense | Dr | **inc** |
| Postage | Dr | **inc** | Bank Fees | Dr | **inc** |

*DEBIT OR CREDIT?*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account** | **Dr or Cr** | **Inc or Dec** | **Account** | **Dr or Cr** | **Inc or Dec** |
| Insurance | **dr** | Dec | Freight Expense | **dr** | Inc |
| Vehicle | **cr** | Dec | Debtor | **dr** | Inc |
| Shares | **dr** | Inc | Cash at Bank | **cr** | Dec |
| Advertising | **dr** | Inc | Service Fees Revenue | **cr** | Inc |
| Loan | **dr** | Dec | Creditor | **dr** | Dec |
| Equipment | **cr** | Dec | Computer | **dr** | Inc |
| Wages | **dr** | Inc | Capital | **dr** | Dec |
| Drawings | **dr** | Inc | Buildings | **dr** | Inc |
| Sales | **cr** | Inc | Inventories | **cr** | Dec |
| Vehicle Registration | **dr** | Inc | Land | **cr** | Dec |

1. *State whether the following accounts have increased or decreased in value:*

|  |  |  |  |
| --- | --- | --- | --- |
| Bank – debit **inc** | Accounts receivable – credit **dec** | Accounts payable – debit | **dec** |
| Furniture – debit  **inc** | Equipment – credit **dec** | Owner’s equity – credit | **inc** |
| Mortgage – debit **dec** | Bank – credit **dec** | Accounts payable – credit | **inc** |
| Furniture – credit **dec** | Inventories – debit  **inc** | Accounts receivable – debit | **inc** |
| Loan from bank – credit  **inc** | Drawings – debit **inc** | Investment fund - debit | **inc** |

1. *From the list of transactions given below, identify which transactions are cash and which are credit.*

|  |  |  |
| --- | --- | --- |
| **Date** | **Transaction** | **Cash or Credit** |
| May 3 | Received payment from S Green from the sale of furniture $1000 | **Cash** |
| 4 | L Turner sold us inventories $5,000 | **Credit** |
| 5 | Sold stock to F Carter $3,000 cash | **Cash** |
|  | Wrote cheque to Harvey Norman for $25,000 goods purchased on 12/3 | **Cash** |
| 6 | Bought inventories from ABC Industries $2000. | **Credit** |
|  | Received $100 bank interest | **Cash** |
|  | Paid Cairns Post for advertising $200 | **Cash** |

1. *Complete the table indicating what accounts are involved from each of the transactions.*

|  |  |
| --- | --- |
| A Simpson borrowed money from NAB to begin a business. | **Cash at bank & loan from bank** |
| Purchased furniture for cash. | **Furniture & cash at bank** |
| Wrote cheque to pay accounting fees. | **Cash at bank & accounting fees** |
| Bought office furniture from Office Works. | **Office furniture & Office Works** |
| Charged a client for services performed. | **Cash at bank & Service Fees Rev** |
| Paid rent expense. | **Rent expense & cash at bank** |
| Received cash from customers for services rendered. | **Cash at bank & Service Fees Rev** |

1. *Identify the accounts involved in each of the following transactions:*

* Borrowed $40 000 from the bank **loan from bank and cash at bank**
* Bought land for $100 000 **land and cash at bank**
* Sold equipment for $4 000 cash **equipment and cash at bank**
* Paid electricity $400 **cash at bank and electricity**
* Received rent $4 000 **cash at bank and rent revenue**
* Purchased building worth $67 000 **building and cash at bank**
* Owner contributed delivery van $50 000 for business use **delivery van and capital**
* Sold motor vehicle to S Brand for $23 000 on credit **motor vehicle and S Brand**

1. Indicate the accounts concerned for each of the following transactions and state whether the account will increase or decrease. Indicate which accounts will be debited and which will be credited.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Transaction** | **Accounts** | **Inc or Dec** | **Dr/Cr** | **Amount** |
| Purchased furniture for cash, $2 200 | **Furniture**  **Cash at bank** | **Inc**  **dec** | **Dr**  **Cr** |  |
| Owner withdrew cash for personal use, $500 | **Drawings**  **Cash at bank** | **Inc**  **dec** | **Dr**  **Cr** |  |
| Paid salaries, $4 000 | **Cash at bank**  **Salaries** | **Dec**  **Inc** | **Cr**  **Dr** |  |
| Owner invested cash in the business, $12 000 | **Cash at bank**  **Capital** | **Inc**  **Inc** | **Dr**  **Cr** |  |
| Purchased furniture from M Nance, $660 | **Furniture**  **M Nance** | **Inc**  **Inc** | **Dr**  **Cr** |  |
| Purchased inventories for cash, $440 | **Inventories**  **Cash at bank** | **Inc**  **dec** | **Dr**  **Cr** |  |
| Received commission from J Pienarr, $1 100 | **Commission rev**  **Cash at bank** | **Inc**  **Inc** | **Cr**  **Dr** |  |
| Sold goods for cash $1000 | **Sales**  **Cash at bank** | **Inc**  **Inc** | **Cr**  **Dr** |  |
| Owner withdrew stock for personal use $1000 | **Inventories**  **Drawings** | **Dec**  **Inc** | **Cr**  **Dr** |  |
| Paid Courier-Mail for advertising $99 | **Advertising**  **Cash at bank** | **Inc**  **Inc** | **Dr**  **Cr** |  |
| Paid monthly rent to Raine & Horne, 880 | **Cash at bank**  **Rent expense** | **Dec**  **Inc** | **Cr**  **Dr** |  |
| Paid Harvey Norman for computer discs, $330 | **Cash at bank**  **Computer discs** | **Dec**  **Inc** | **Cr**  **Dr** |  |

1. *State whether each account in the following transactions is increasing or decreasing.*

|  |  |  |
| --- | --- | --- |
| **Transaction** | **Accounts involved** | **Inc/dec** |
| 1. Bought motor vehicle for $40 000 cash | Motor vehicle  Cash at bank | **Inc**  **Dec** |
| 1. Bought equipment on credit from W White $5 000 | Equipment  W White | **Inc**  **Inc** |
| 1. Paid wages $900 | Cash at bank  wages | **Dec**  **Inc** |
| 1. Sold equipment on credit to Eric Wise $699 | Equipment  Eric Wise | **Dec**  **Inc** |
| 1. Owner invested $500 cash and equipment worth $900 | Capital  Cash at bank  Equipment | **Inc**  **Inc**  **Inc** |
| 1. Received interest on investment $10 | Interest revenue  Cash at bank | **Inc**  **Inc** |

1. *Analyse the following transactions of XYZ Co and complete a Transaction Table:*

|  |  |  |
| --- | --- | --- |
| Jan | 1 | Purchased stock valued at $5 000 cash |
|  | 3 | Inventories worth $2 000 were bought on credit from Wholly Suppliers |
|  | 5 | Sold stock to Tickle Co for $12 000 |
|  | 7 | Purchased a new delivery van for $60 000 cash |
|  | 8 | Paid Wholly Suppliers $2000 |
|  | 9 | Bought a motor vehicle from Westside Motors for $33 000 on credit and paid  $5 000 deposit. |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | Accounts | Type of a/c | Nature | inc or dec | Dr or cr | Amount |
| ***Jan 1*** | ***Purchases***  ***Cash at bank*** | ***Expense***  ***Cash at bank*** | ***Dr***  ***Dr*** | ***Inc***  ***Dec*** | ***Dr***  ***Cr*** | ***5000***  ***5000*** |
| ***3*** | ***Purchases***  ***Wholly suppliers*** | ***Expense***  ***Liability*** | ***Dr***  ***Cr*** | ***Inc***  ***Inc*** | ***Dr***  ***Cr*** | ***2000***  ***2000*** |
| ***5*** | ***Sales***  ***Tickle co*** | ***Revenue***  ***Asset*** | ***Cr***  ***Dr*** | ***Inc***  ***Inc*** | ***Cr***  ***Dr*** | ***12000***  ***12000*** |
| ***7*** | ***Delivery van***  ***Cash at bank*** | ***Asset***  ***Asset*** | ***Dr***  ***Dr*** | ***Inc***  ***Dec*** | ***Dr***  ***Cr*** | ***60000***  ***60000*** |
| ***8*** | ***Wholly suppliers***  ***Cash at bank*** | ***Liability***  ***Asset*** | ***Cr***  ***Dr*** | ***Dec***  ***Dec*** | ***Dr***  ***Cr*** | ***2000***  ***2000*** |
| ***9*** | ***Motor vehicle***  ***Westside motors***  ***Cash at bank*** | ***Asset***  ***Liability***  ***Asset*** | ***Dr***  ***Cr***  ***Dr*** | ***Inc***  ***Inc***  ***Dec*** | ***Dr***  ***Cr***  ***Cr*** | ***33000***  ***28000***  ***5000*** |

1. *Complete the following transaction analysis table:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Transaction | Accounts  involved | Account Type | Increase or Decrease | Dr/Cr | Amount |
| Sold vehicle for $20 000 cash | Cash at Bank  Vehicle | **Asset**  **Asset** | **Increase**  **Decrease** | **Dr**  **Cr** | **20000**  **20000** |
| **Sold furniture for $500 cash** | Cash at Bank  Furniture | **Asset**  **Asset** | Increase  Decrease | **Dr**  **Cr** | $500  $500 |
| **Sold Adams machinery on credit $1000** | Accounts Receivable – A Adams  Machinery | **Asset**  **Asset** | **Increase**  **Decrease** | Dr  Cr | $1 000  $1 000 |
| Sold equipment to V Collins $900 | **Equipment**  **V Collins** | **Asset**  **Asset** | **Decrease**  **Increase** | **Cr**  **Dr** | **$900**  **$900** |
| Sold furniture worth $1 000 to B Henry on credit. Received $200 as deposit | **Furniture**  **B Henry**  **Cash at bank** | **Asset**  **Asset**  **Asset** | **Decrease**  **Increase**  **Increase** | **Cr**  **Dr**  **Dr** | **$1000**  **$800**  **$200** |
| Sold P Fleming a computer for $2 000 | **P Fleming**  **Computer** | **Asset**  **Asset** | **Increase**  **Decrease** | **Dr**  **Cr** | **$2000**  **$2000** |
| **Bought equipment from O Redding on credit $5000, paid $1000 deposit** | Accounts Payable – O Redding  Cash at bank  Equipment | **Liability**  **Asset**  **Asset** | **Increase**  **Decrease**  **Increase** | **Cr**  **Cr**  **Dr** | $4 000  $1 000  $5 000 |

1. *Jamie Dimitradis the owner of an art gallery made the following transactions in February. Analyse the transactions and complete a table like the one below:*

|  |  |  |
| --- | --- | --- |
| Feb | 1 | Jamie invested $300 000 into the business |
|  | 2 | Paid $150 000 to purchase building |
|  | 3 | Purchased $1 700 of stock on credit from A Adams |
|  | 4 | Paid $900 A Adams |
|  | 5 | Purchased land worth $180 000 with a bank loan |
|  | 5 | Paid $400 in salaries and $250 for electricity |
|  | 7 | Jamie withdrew $2 000 cash |

1. *For each of the following situations give an example of a transaction that could produce this effect.*

**Situation: Transaction:**

|  |  |
| --- | --- |
| Increase a liability and increase an asset | **Purchased land on credit from Act Payable** |
| Increase an asset and increase owner’s equity | **Owner invested equipment into business** |
| Decrease an asset and decrease owner’s equity | **Owner withdrew goods or cash from business** |
| Decrease an asset and decrease a liability | **Paid S Supplier for goods purchased on credit** |

1. *For each of the following items, describe the transaction that has occurred:*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Land | dr | $100 000 |  | Drawings | dr | $400 |
| Cash at Bank | cr | $100 000 |  | Cash at Bank | cr | $400 |
|  | | | | | | |
| Salaries | dr | $40 000 |  | Accounts Receivable | dr | $800 |
| Cash at Bank | cr | $40 000 |  | Sales | cr | $800 |
|  | | | | | | |
| Inventories | dr | $12 000 |  | Cash at Bank | dr | $800 |
| Accounts Payable | cr | $12 000 |  | Accounts Receivable | cr | $800 |
|  | | | | | | |

***Bought land for cash$100000***

***Paid salaries $40000***

***Bought inventories on credit $12000***

***Owner withdrew cash for personal use $400***

***Sold goods on credit to Accounts Receivable $800***

***Received payment form Accounts Receivable $800***

1. *Complete the following table.*

|  |  |  |
| --- | --- | --- |
| **Transaction** | **Accounts Involved** | |
| Owner deposited $125 000 into the business’s bank account. | **Cash at bank** | dr |
| **Capital** | cr |
| Purchased computer equipment from Sunrise Computers for $12 000 cash. | **Computer equipment** | dr |
| **Cash at bank** | cr |
| Paid for insurance $3 500. | **Insurance** | dr |
| **Cash at bank** | cr |
| Received fees in cash $3 750. | **Cash at bank** | dr |
| **Service Fees Revenue** | cr |
| Performed services for M. Hartigan on credit $8 680. | **M Hartigan** | dr |
| **Service Fees Revenue** | cr |
| J. Hunter withdrew $800 cash for private use. | **Drawings** | dr |
| **Cash at bank** | cr |
| Purchased furniture from Freedom $2 590 on credit. | **Furniture** | dr |
| **Freedom** | cr |
| Received $4 000 from M. Hartigan. | **Cash at bank** | dr |
| **M Hartigan** | cr |
| Received $250 interest earned from Westpac for money deposited in bank. | **Cash at bank** | dr |
| **Interest revenue** | cr |

1. *What transactions would give rise to the following double entries?*

|  |  |  |  |
| --- | --- | --- | --- |
| *a.* | *Cash at bank* | *dr* | ***Sold furniture for cash*** |
|  | *Furniture* | *cr* |  |
|  |  |  |  |
| *b.* | *Interest expense* | *dr* | ***Were charged interest by our creditors on overdue a/c*** |
|  | *Accounts payable* | *cr* |  |
|  |  |  |  |
| *c.* | *Land* | *dr* | ***Bought land from Corinda on credit*** |
|  | *C Corinda* | *cr* |  |
|  |  |  |  |
| *d.* | *C Corinda* | *dr* | ***Paid Corinda*** |
|  | *Cash at bank* | *cr* |  |
|  |  |  |  |
| *e.* | *Cash at bank* | *dr* | ***Owner invested cash into the business*** |
|  | *Capital* | *cr* |  |
|  |  |  |  |
| *f.* | *Rent expense* | *dr* | ***Paid rent*** |
|  | *Cash at bank* | *cr* |  |
|  |  |  |  |
| *g.* | *L Brunello* | *dr* | ***Performed services for L Brunello on credit*** |
|  | *Service fees revenue* | *cr* |  |
|  |  |  |  |
| *h.* | *Inventories* | *dr* | ***Bought inventories on credit from Sampson*** |
|  | *S Sampson* | *cr* |  |

1. *Complete the following General Journal entries by writing the appropriate narrations.*

**Larsen’s Industries**

**General Journal**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Folio** | **Debit** | **Credit** |
| May 1 | Cash at bank |  | 600 |  |
|  | Capital |  |  | 600 |
|  | **(Owner invested cash into the business)** |  |  |  |
| 4 | Motor vehicle |  | 10 000 |  |
|  | T Bar Motors |  |  | 10 000 |
|  | **(bought motor vehicle from T Bar Motors)** |  |  |  |
| 9 | Drawings |  | 500 |  |
|  | Cash at bank |  |  | 500 |
|  | **(owner withdrew cash from the business)** |  |  |  |
| 10 | Wages |  | 200 |  |
|  | Cash at bank |  |  | 200 |
|  | **(paid wages)** |  |  |  |
| 15 | Cash at bank |  | 1000 |  |
|  | Equipment |  |  | 1000 |
|  | **(sold equipment for cash)** |  |  |  |
| 17 | R Thorpe |  | 550 |  |
|  | Furniture |  |  | 550 |
|  | **(sold furniture to R Thorpe on credit)** |  |  |  |

1. *Give the accounts necessary to complete the following General Journal entries.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Folio** | **Debit** | **Credit** |
| May 1 | **Cash** |  | 600 |  |
|  | **Capital** |  |  | 600 |
|  | (owner invested cash into the business) |  |  |  |
| 4 | **Drawings** |  | 10 000 |  |
|  | **Inventories** |  |  | 10 000 |
|  | (owner withdrew goods for personal use) |  |  |  |
| 9 | **Machinery** |  | 500 |  |
|  | **Cash at bank** |  |  | 500 |
|  | (bought machinery for cash) |  |  |  |
| 10 | **Cash at bank** |  | 200 |  |
|  | **Equipment** |  |  | 200 |
|  | (sold equipment for cash) |  |  |  |
| 11 | **Corinda** |  | 350 |  |
|  | **Cash at bank** |  |  | 350 |
|  | (paid C Corinda) |  |  |  |
| 15 | **Cash at bank** |  | 1000 |  |
|  | **J Jackson** |  |  | 1000 |
|  | (received $1000 from J Jackson) |  |  |  |

1. *Complete the following General Journal transactions:*

|  |  |  |
| --- | --- | --- |
| Date | Particulars | Folio |
| Apr 1 | **Cash at bank** |  |
|  | **Capital** |  |
|  | (commenced business with cash) |  |
|  | **Office Expenses** |  |
|  | **Cash at bank** |  |
|  | (paid office expense) |  |
|  | **Equipment** |  |
|  | **ABC Co** |  |
|  | (purchased equipment from ABC Co) |  |
|  | **Samson** |  |
|  | **Vehicle** |  |
|  | (sold vehicle to S Samson) |  |
|  | **Cash at bank** |  |
|  | **Service Fees Revenue** |  |
|  | (received service fees) |  |
|  | **ABC Co** |  |
|  | **Cash at bank** |  |
|  | (paid ABC Co, cheque 13) |  |
|  | **Vehicle** |  |
|  | **Cash at bank** |  |
|  | **Ford Co** |  |
|  | (bought vehicle from Ford Co, paid a deposit) |  |

1. *From the following General Journal entries, write the transaction that occurred:*

Feb 1 Cash at bank

Land

1. Furniture

Cash at bank

1. T Jones

Furniture

1. J Bellson

Cash at bank

1. Wages

Cash at bank

1. T Pollack

Service Fees Revenue

|  |  |
| --- | --- |
| Date | Transaction |
| **Feb 1** | **Sold land for cash** |
| **2** | **Bought furniture for cash** |
| **3** | **Sold furniture to T Jones on credit** |
| **4** | **Paid J Bellson** |
| **7** | **Paid wages** |
| **8** | **Performed services for T Pollack on credit** |

1. *Complete the following account by writing in the missing information in the shaded rows:*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Cash at Bank** | | | | | | | |
| Date | | Particulars | Fol | Dr | Cr | Amt | Dr/Cr |
| Mar | 1 | Rent |  | 2000 |  | **2000** | **dr** |
|  | 5 | Office Equipment |  | 500 |  | **2500** | **dr** |
|  | 18 | Wages |  |  | 1000 | **1500** | **dr** |
|  | 31 | Furniture |  |  | 500 | **1000** | **dr** |
|  |  |  |  |  |  |  |  |

1. *Write the narration in each of the general journal entries below. Post to the ledger and take out a trial balance. You should get $67 000.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| July 1 | Cash at Bank |  |  |  |
|  | Capital |  |  |  |
|  | **(owner invested cash into the bus)** |  |  |  |
| 5 | Advertising |  |  |  |
|  | Cash at Bank |  |  |  |
|  | **(paid for advertising)** |  |  |  |
| 7 | Cash at Bank |  |  |  |
|  | Service Fees Revenue |  |  |  |
|  | **(received payment from performing services)** |  |  |  |
| 10 | Drawings |  |  |  |
|  | Cash at Bank |  |  |  |
|  | **(owner withdrew cash from business for personal use)** |  |  |  |
| 16 | GG Architectural |  |  |  |
|  | Service Fees Revenue |  |  |  |
|  | **( performed service for GG Architectural)** |  |  |  |
| 22 | Furniture |  |  |  |
|  | Ideal Furniture |  |  |  |
|  | **(bought furniture from Ideal Furniture on credit)** |  |  |  |
| 30 | Cash at Bank |  |  |  |
|  | Loan from Bendigo Bank |  |  |  |
|  | **(received a loan from Bendigo Bank)** |  |  |  |
| 31 | Motor Vehicle |  |  |  |
|  | Cash at Bank |  |  |  |
|  | **(bought motor vehicle with cash)** |  |  |  |

1. *Write the narrations for each transaction and then post the general journal entries below to the ledger for Jack Mansfield. You are also required to prepare a trial balance.*

**Jack Mansfield**

**General Journal**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Fol** | **Debit** | **Credit** |
| 2013  March 1 | Cash at Bank  Furniture  Equipment |  | 15 000  2 000  12 000 |  |
|  | Capital  **( owner invested assets into the business)** |  |  | 29 000 |
| 2 | Inventories |  | 2 000 |  |
|  | Cash at Bank  **( bought inventories with cash)** |  |  | 2 000 |
| 4 | Rent |  | 1 200 |  |
|  | Cash at Bank  **( paid rent expense)** |  |  | 1 200 |
| 6 | Cash at Bank |  | 600 |  |
|  | Sales  **( received cash from sales** **)** |  |  | 600 |
| 8 | Accounts Receivable – K Linden |  | 800 |  |
|  | Sales  **( sold stock to k Linden on credit)** |  |  | 800 |
| 12 | Inventories |  | 1 600 |  |
|  | Accounts Payable – Chris Peters  **(bought inventories off Chris Peters on credit)** |  |  | 1 600 |
| 15 | Cash at Bank |  | 200 |  |
|  | Commission Revenue |  |  | 200 |
|  | **(received cash from commission revenue)** |  |  |  |
| 18 | Cash at Bank  Accounts Receivable – K Linden |  | 800 | 800 |
|  | **( received payment from K Linden)** |  |  |  |

1. *For the following descriptions for* ***D Capper****, a retailer:*

* Select an appropriate name
* Classify each item as asset, liability, owner’s equity, expense or revenue
* Choose an appropriate chart of account number for each item (use chart of account sheet)

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Account name** | **Type of account** | **Account number** |
| a. amounts paid to employees for services performed |  |  |  |
| b. items which are held for future resale |  |  |  |
| c. the amount the business owes D Capper |  |  |  |
| d. small change kept in cash registers |  |  |  |
| e. expenses of running vehicles used for delivering goods |  |  |  |
| f. amounts owing by the firm to wholesalers who have  supplied the business with goods |  |  |  |
| g. amounts owing to the firm by customers who have  purchased goods |  |  |  |
| h. charges by the bank for keeping the business bank a/c |  |  |  |

1. *Explain the transactions that occurred in the following ledger a/c and fill in the amount column.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Particulars | Fol | Dr | Cr | Amount |
|  | **Cash at bank** |  |  |  |  |
| Jan 1 | Capital |  | 1000 |  | **1000 dr** |
| 4 | Furniture |  |  | 550 | **450 dr** |
| 5 | Rent Revenue |  | 400 |  | **850 dr** |
| 10 | Office expenses |  |  | 50 | **800 dr** |
| 20 | Y Mangan |  | 3000 |  | **3800 dr** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Jan 1 | **Owner introduced cash into the business** | | | | |
| 4 | **Bought furniture with cash** | | | | |
| 5 | **Received cash from rent revenue** | | | | |
| 10 | **Bought office expenses with cash** | | | | |
| 20 | **Received payment from Y Mangan** | | | | |

1. *Write down the transaction for each of the following:*

|  |  |  |
| --- | --- | --- |
| Furniture | dr | **Bought furniture with cash** |
| Cash at bank | cr |
| E Anderson | dr | **Sold stock to E Anderson on credit** |
| Sales | cr |
| Drawings | dr | **Owner withdrew cash from the business for personal use** |
| Cash at bank | cr |
| Cash at bank | dr | **Received cash from rent revenue** |
| Rent | cr |
| P Polding | dr | **Sold equipment to P Polding on credit and received a deposit** |
| Cash at bank | dr |
| Equipment | cr |
| Telephone | dr | **Paid telephone expense** |
| Cash at bank | cr |

1. *Write the correct chart of account numbers for each of the following:*

|  |  |  |  |
| --- | --- | --- | --- |
| J Johnson (sold him goods on credit) |  | K Bogle (bought car from her on credit) |  |
| L Brunello (sold her furniture on credit) |  | H Hetty (bought goods from him on credit) |  |
| C Carlo (sold computer to her on credit) |  | A Amatt (bought tools from him on credit) |  |
| ABC Co (sold us inventories on credit) |  | Bought inventories from P Polding (on credit) |  |

1. *Analyse the following accounts and write the transaction that occurred in the following table.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Owner’s Equity 5101** | | | | | |
| Date | Particulars | Dr | Cr | Amount | |
| Jan 1 | Cash |  | 1000 | **1000** | **cr** |
| 5 | Equipment |  | 2000 | **3000** | **cr** |
|  | Drawings | 500 |  | **2500** | **cr** |

|  |  |
| --- | --- |
| Jan 1 | **Owner introduced cash into the business** |
| 5 | **Owner introduced equipment into the business and withdrew money for personal use** |
|  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cash at bank 3101** | | | | | |
| Date | Particulars | Dr | Cr | Amount | |
| Jan 1 | Sales | 2000 |  |  |  |
| 5 | Capital | 1000 |  |  |  |
| 6 | Furniture |  | 5000 |  |  |
| 7 | R Baldi |  | 1000 |  |  |
| 8 | S Ager | 2000 |  |  |  |
| 9 | Rent | 1000 |  |  |  |
| 10 | Drawings |  | 1000 |  |  |

|  |  |
| --- | --- |
| Jan 1 |  |
| 5 |  |
| 6 |  |
| 7 |  |
| 8 |  |
| 9 |  |
| 10 |  |

1. *Examine the following account and state the transaction that occurred on each day. Complete the amount column to find the running balance.*

**Ledger of C Claris**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **F** | **Debit** | **Credit** | **Amount** |  |
|  | **Cash at bank 3103** |  |  |  |  |  |
| Jan 1 | Capital |  | 20000 |  |  | dr |
| 3 | Motor vehicles |  |  | 5000 |  |  |
| 15 | Wages and salaries |  |  | 1000 |  |  |
| 17 | Rent |  | 2000 |  |  |  |
| 20 | T Turner |  |  | 10000 |  |  |
| 25 | B Pitt |  | 5000 |  |  |  |
|  |  |  |  |  |  |  |
| Jan 1 |  | | | | | |
| 3 |  | | | | | |
| 15 |  | | | | | |
| 17 |  | | | | | |
| 20 |  | | | | | |
| 25 |  | | | | | |

1. *Complete the following general journal entries by writing the appropriate narration:*

|  |  |
| --- | --- |
| *Jan 1* | *Cash at Bank* |
|  | *Furniture* |
|  | *Equipment* |
|  | *Capital* |
|  |  |
| *5* | *Cash at Bank* |
|  | *Sales* |
|  |  |
| *7* | *Rent* |
|  | *Cash at Bank* |
|  |  |

1. *Complete the following general journal entries, post to the ledger and do a trial balance.*

|  |  |  |  |
| --- | --- | --- | --- |
| Feb 1 | Cash at bank | 22000 |  |
|  | Capital |  | 22000 |
|  |  |  |  |
| 5 | Telephone | 300 |  |
|  | Cash at bank |  | 300 |
|  |  |  |  |
| 7 | Cash at bank | 200 |  |
|  | Service Revenue |  | 200 |
|  |  |  |  |
| 10 | Printing expense | 1000 |  |
|  | Cash at bank |  | 1000 |
|  |  |  |  |
| 16 | C Mackie | 600 |  |
|  | Service revenue |  | 600 |
|  |  |  |  |
| 22 | Equipment | 12000 |  |
|  | Furniture Co |  | 12000 |
|  |  |  |  |
| 28 | Equipment | 10000 |  |
|  | Cash at bank |  | 10000 |
|  |  |  |  |