# Introduction to Accounting – Student Activity Booklet 2019

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

|  |  |
| --- | --- |
| Inventories­ | A |
| Delivery van | A |
| Bank Overdraft | L |
| Loan from J Smith | L |
| Land | A |
| Computer | A |
| Furniture and Fittings | A |
| Accounts Payable | L |
| Capital | O |
| Mortgage | L |
| Accounts Receivable | A |
| Drawings | -O |
| Vehicle | A |
| Loan to F Fry | A |
| Debtors | A |
| Loan from ABC Finance Co | L |

1. *Determine whether the following are true or false. Rewrite the false statements so they are true.*

* J Jones owes us money and is therefore a creditor. F
* Accounts Payable is another way of saying creditors. T
* Computers are classified as assets. T
* The owner’s contribution to the business is regarded as capital. T
* When the owner takes out money from the business, this is called inventories. F
* Inventories are amounts of money owing to people. F
* Furniture is a liability. F
* The business owes JK Rowling money and therefore JKR is a creditor. T
* Vehicles are regarded as assets. T
* Accounts Receivables is another way of saying debtors. T
* Mortgages are an asset to the business. F
* Stock is another way of saying inventories. T
* Cash at bank is a liability. F
* An overdraft is an asset to the business. F
* Capital is a special liability to the business. T

1. *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 | O | 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 | -O |
| 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: $22411

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? 36,300 b) What is the total value of liabilities of the business? 5500*

*c) What is the amount of owner’s investment in the business? 30,800Classify the nature of each of the following accounts:*

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

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 |

*Have the following accounts increased or decreased?*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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 |
| Purchases | 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 |

*To achieve a decrease or increase, has the account been debited or credited?*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Account** | **Dr or Cr** | **Inc or Dec** | **Account** | **Dr or Cr** | **Inc or Dec** |
| Insurance | Cr | 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. First one’s done.*

|  |  |  |
| --- | --- | --- |
| Bank – debit *Inc* | Accounts receivable – credit *Dec* | Accounts payable – debit |
| Furniture – debit *Dec* | Equipment – credit *Dec* | Owner’s equity – credit |
| Mortgage – debit *Inc* | Bank – credit *Dec* | Accounts payable – credit |
| Furniture – credit *Dec* | Inventories – debit *Inc* | Accounts receivable – debit |
| Bank Loan – credit *Inc* | Drawings – debit *Dec* | Investment fund - debit |

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. First one done for you.*

|  |  |
| --- | --- |
| *Transaction* | *Accounts* |
| A Simpson borrowed money from NAB to begin a business. | Bank Loan, Cash at bank |
| Purchased furniture for cash. | Furniture, cash at bank |
| Wrote cheque to pay accounting fees. | Accounting fees, cash at Back |
| Bought office furniture from Office Works. | Office Furniture, Office works |
| Charged a client for services performed. | Services Revenue, Cash at bank |
| Paid rent expense. | Rent, Cash at Bank |
| Received cash from customers for services rendered. | Cash at Bank, Services revenue |

1. *Identify the accounts involved in each of the following transactions. First one done for you.*

|  |  |
| --- | --- |
| Transaction | Accounts |
| *Borrowed $40 000 from the bank* | Cash at bank and Bank Loan |
| Bought land for $100 000 | Land, Cash at Bank/Realeste |
| Sold equipment for $4 000 cash | Cash at Bank, Equipment |
| Paid electricity $400 | Electricity, Cash at Bank |
| Received rent $4 000 | Rent revenue, Cash at Bank |
| Purchased building worth $67 000 |  |
| Owner contributed delivery van $50 000 for business use | Owners, equity, Vehicles |
| Sold motor vehicle to S Brand for $23 000 on credit | S brand, Vehicles |

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  CAB | Inc  Dec | Dr  Cr | 2200 |
| Owner withdrew cash for personal use, $500 | Drawings  CAB | Inc  Dec | Dr  Cr | 500  500 |
| Paid salaries, $4 000 | Salaries  CAB | Inc  Dec | Dr  Cr | 4000  4000 |
| Owner invested cash in the business, $12 000 | CAB  Capital | Inc  Inc | Dr  Cr | 12000  12000 |
| Purchased furniture from M Nance, $660 | Furniture  M Nance | Inc  Inc | Dr  Cr | 660  660 |
| Purchased inventories for cash, $440 | Inventories  CAB | Inc  Dec | Dr  Cr | 440  440 |
| Received commission from J Pienarr, $1 100 |  |  |  |  |
| Sold goods for cash $1000 | CAB  Sales Revenue | Inc  Inc | Dr  Cr | 1000  1000 |
| Owner withdrew stock for personal use $1000 | Drawings  CAB | Inc  Dec | Dr  Cr | 1000  1000 |
| Paid Courier-Mail for advertising $99 | Advertising  CAB | Inc  Dec | Dr  Cr | 99  99 |
| Paid monthly rent to Raine & Horne, 880 | Rent  CAB | Inc  Dec | Dr  Cr | 880  880 |
| Paid Harvey Norman for portablehard drive, $330 | Electronics  CAB | Inc  Dec | Dr  Cr | 330  330 |

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

|  |  |
| --- | --- |
| **Transaction** | **Accounts involved** |
| 1. Bought motor vehicle for $40 000 cash | Motor vehicles - Increase  CAB - Decrease |
| 1. Bought equipment on credit from W White $5 000 | Equipment - Increase  W White - Increase |
| 1. Paid wages $900 | Wages - Increase  CAB - Decrease |
| 1. Sold equipment on credit to Eric Wise $699 | Eric Wise - Increase  Equipment - Increase |
| 1. Owner invested $500 cash and equipment worth $900 | Capital - Increase  Equipment - Increase  CAB - Increase |
| 1. Received interest on investment $10 | Interest Income – Increase  CAB - Increase |

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. |

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 | $20 000  $20 000 |
| Sold furniture for $500 | Cash at Bank  Furniture | Asset  Asset | Increase  Decrease | Dr  Cr | $500  $500 |
| Sold Machinery to A Adams TO $1 000 on credit | Accounts Receivable – A Adams  Machinery | Asset  Asset | Increase  Decrease | Dr  Cr | $1 000  $1 000 |
| Sold equipment to V Collins $900 | V Collins  Equipment | Asset  Asset | Increase  Decrease | Dr  Cr | $900  $900 |
| Sold furniture worth $1 000 to B Henry on credit. Received $200 as deposit | B Henry  Cash at Bank  Furniture | Asset  Asset  Asset | Increase  Increase  Decrease | Dr  Dr  Cr | $800  $200  $1 000 |
| Sold P Fleming a computer for $2 000 | P Fleming  Computer | Asset  Asset | Increase  Decrease | Dr  Cr | $2 000  $2 000 |
| Bought equipment from O Redding for $5 000 On credit and payed $1 000 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 | Bought a house with a mortgage |
| Increase an asset and increase owner’s equity | Owner gave a house to the business |
| Decrease an asset and decrease owner’s equity | Owner drew a house from the business |
| Decrease an asset and decrease a liability | Made a payment on the houses mortgage |

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 |
| Bought land with cash | | | | Owner drew money for private usei | | |
|  |  |  |  |  |  |  |
| Salaries | dr | $40 000 |  | Accounts Receivable | dr | $800 |
| Cash at Bank | cr | $40 000 |  | Sales | cr | $800 |
| Paid salaries | | | | Made a sale on credit | | |
|  |  |  |  |  |  |  |
| Inventories | dr | $12 000 |  | Cash at Bank | dr | $800 |
| Accounts Payable | cr | $12 000 |  | Accounts Receivable | cr | $800 |
| Bought inventories on Credit |  |  |  | Someone paid loan |  |  |

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. | Computers | 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 on credit |
|  | *Furniture* | *cr* |
|  |  |  |  |
| *b.* | *Interest expense* | *dr* | Got a loan |
|  | *Accounts payable* | *cr* |
|  |  |  |  |
| *c.* | *Land* | *dr* | Bought land from C Corinda on credit |
|  | *C Corinda* | *cr* |
|  |  |  |  |
| *d.* | *C Corinda* | *dr* | Paid C Corinda |
|  | *Cash at bank* | *cr* |
|  |  |  |  |
| *e.* | *Cash at bank* | *dr* | Owner put money in the business |
|  | *Capital* | *cr* |
|  |  |  |  |
| *f.* | *Rent expense* | *dr* | Paid rent |
|  | *Cash at bank* | *cr* |
|  |  |  |  |
| *g.* | *L Brunello* | *dr* | Did a service for L Brunello |
|  | *Service fees revenue* | *cr* |
|  |  |  |  |
| *h.* | *Inventories* | *dr* | Bought Inventories from S 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 |
|  |  |  |  |  |
| 4 | Motor vehicle |  | 10 000 |  |
|  | T Bar Motors |  |  | 10 000 |
|  |  |  |  |  |
| 9 | Drawings |  | 500 |  |
|  | Cash at bank |  |  | 500 |
|  |  |  |  |  |
| 10 | Wages |  | 200 |  |
|  | Cash at bank |  |  | 200 |
|  |  |  |  |  |
| 15 |  |  | 1000 |  |
|  | Equipment |  |  | 1000 |
|  |  |  |  |  |
| 17 | R Thorpe |  | 550 |  |
|  | Furniture |  |  | 550 |
|  |  |  |  |  |

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **Folio** | **Debit** | **Credit** |
| May 1 | Cash at Bank |  | 600 |  |
|  | Capital |  |  | 600 |
|  | (owner invested cash into the business) |  |  |  |
| 4 | Drawings |  | 10 000 |  |
|  | Cash at Bank |  |  | 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 | C 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 expense? |  |
|  | Cash at Bank |  |
|  | (paid office expense) |  |
|  | Equipment |  |
|  | ABC Co |  |
|  | (purchased equipment from ABC Co) |  |
|  | S 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 |  |
|  | Ford Co |  |
|  | Cash at Bank |  |
|  | (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

Sold land for cash

1. Furniture

Cash at bank

Bought furniture for Cash

1. T Jones

Furniture

Sold furniture to T Jones on credit

1. J Bellson

Cash at bank

Paid J Bellson

1. Wages

Cash at bank

Paid Wages

1. T Pollack

Service Fees Revenue

Performed Services for T Pollack on credit

|  |  |
| --- | --- |
| Date | Transaction |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

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.*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| July 1 | Cash at Bank |  |  |  |
|  | Capital |  |  |  |
|  | Owner invested cash |  |  |  |
| 5 | Advertising |  |  |  |
|  | Cash at Bank |  |  |  |
|  | Paid for advertising |  |  |  |
| 7 | Cash at Bank |  |  |  |
|  | Service Fees Revenue |  |  |  |
|  | Revived service fees revenue |  |  |  |
| 10 | Drawings |  |  |  |
|  | Cash at Bank |  |  |  |
|  | Owner withdrew cash |  |  |  |
| 16 | GG Architectural |  |  |  |
|  | Service Fees Revenue |  |  |  |
|  | Performed Services for GG Architectural |  |  |  |
| 22 | Furniture |  |  |  |
|  | Ideal Furniture |  |  |  |
|  |  |  |  |  |
| 30 | Cash at Bank |  |  |  |
|  | Loan from Bendigo Bank |  |  |  |
|  | Received loan |  |  |  |
| 31 | Motor Vehicle |  |  |  |
|  | Cash at Bank |  |  |  |
|  | Bought 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 cash, furniture and equipment) |  |  | 29 000 |
| 2 | Inventories |  | 2 000 |  |
|  | Cash at Bank  (Purchased inventories with cash) |  |  | 2 000 |
| 4 | Rent |  | 1 200 |  |
|  | Cash at Bank  (Paid Rent) |  |  | 1 200 |
| 6 | Cash at Bank |  | 600 |  |
|  | Sales  (Performed Sale) |  |  | 600 |
| 8 | Accounts Receivable – K Linden |  | 800 |  |
|  | Sales  (Performed Sale for cash) |  |  | 800 |
| 12 | Inventories |  | 1 600 |  |
|  | Accounts Payable – Chris Peters  (Purchased Inventories on Credit) |  |  | 1 600 |
| 15 | Cash at Bank |  | 200 |  |
|  | Commmission Revenue |  |  | 200 |
|  | (Did a commmission for cash) |  |  |  |
| 18 | Cash at Bank  Accounts Receivable – K Linden |  | 800 | 800 |
|  | (Received cash) |  |  |  |

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** |
| 1. amounts paid to employees for services performed | WAGES | EXPENSE | 2421 |
| 1. items which are held for future resale |  |  |  |
| 1. the amount the business owes D Capper |  |  |  |
| 1. small change kept in cash registers |  |  |  |
| 1. expenses of running vehicles used for delivering goods |  |  |  |
| 1. 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 account |  |  |  |

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 | GJ | 1000 |  |  |
| 4 | Furniture | GJ |  | 550 |  |
| 5 | Rent Revenue | GJ | 400 |  |  |
| 10 | Office expenses | GJ |  | 50 |  |
| 20 | Y Mangan | GJ | 3000 |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Jan 1 | Owner invested cash into the business. | | | | |
| 4 | Purchased furniture for cash | | | | |
| 5 | Received Revenue | | | | |
| 10 | Paid office expenses | | | | |
| 20 | Received cash from Y Mangan | | | | |

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

|  |  |  |
| --- | --- | --- |
| Furniture | dr |  |
| Cash at bank | cr |
| E Anderson | dr |  |
| Sales | cr |
| Drawings | dr |  |
| Cash at bank | cr |
| Cash at bank | dr |  |
| Rent | cr |
| P Polding | dr |  |
| Cash at bank | dr |
| Equipment | cr |
| Telephone | dr |  |
| 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.*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Capital 5101** | | | | | |
| Date | Particulars | Dr | Cr | Amount | |
| Jan 1 | Cash |  | 1000 |  |  |
| 5 | Equipment |  | 2000 |  |  |
|  | Drawings | 500 |  |  |  |

|  |  |
| --- | --- |
| Jan 1 |  |
| 5 |  |
|  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **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 |  |  |  |
| 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 Fees Revenue |  | 200 |
|  |  |  |  |
| 10 | Printing expense | 1000 |  |
|  | Cash at bank |  | 1000 |
|  |  |  |  |
| 16 | C Mackie | 600 |  |
|  | Service Fees revenue |  | 600 |
|  |  |  |  |
| 22 | Equipment | 12000 |  |
|  | Furniture Co |  | 12000 |
|  |  |  |  |
| 28 | Equipment | 10000 |  |
|  | Cash at bank |  | 10000 |
|  |  |  |  |