**ASSIGNMENT 3**

1. Why is it important to have an account for each type of income and expenses?
2. A business sells goods on credit that are later returned by the customer because they are unsuitable. Which of the following is the correct double entry to record the goods being accepted back to the business?

Debit Credit

1. Sales Trade receivables
2. Sales returns Trade payables
3. Sales returns Trade receivables
4. Sales Trade payables
5. For each transaction state which account should be debited and which should be credited:
6. Computer bought with payment made from the bank account
7. Delivery van bought on credit from Sara
8. Owner pays own money into business bank account
9. Fixtures and fittings sold on credit to Li
10. Payment received from Li into bank
11. Equipment sold for cash