

Review questions

6.1 You are to enter up the necessary accounts for the month of May from the following information relating to a small printing firm. Then, balance off the accounts and extract a trial balance as at 31 May 20X6.

- 20X6
May
- 1 Started in business with capital in cash of £800 and £2,200 in the bank.
 - 2 Bought goods on credit from the following persons: J Ward £610; P Green £214; M Taylor £174; S Gemmill £345; P Tone £542.
 - 4 Sold goods on credit to: J Sharpe £340; G Boycott £720; F Titmus £1,152.
 - 6 Paid rent by cash £180.
 - 9 J Sharpe paid us his account by cheque £340.
 - 10 F Titmus paid us £1,000 by cheque.
 - 12 We paid the following by cheque: M Taylor £174; J Ward £610.
 - 15 Paid carriage by cash £38.
 - 18 Bought goods on credit from P Green £291; S Gemmill £940.
 - 21 Sold goods on credit to G Boycott £810.
 - 31 Paid rent by cheque £230.

6.2 Enter the following transactions of an antiques shop in the accounts and extract a trial balance as at 31 March 20X6.

- 20X6
March
- 1 Started in business with £8,000 in the bank.
 - 2 Bought goods on credit from the following persons: L Frank £550; G Byers £290; P Lee £610.
 - 5 Cash sales £510.
 - 6 Paid wages in cash £110.
 - 7 Sold goods on credit to: J Snow £295; K Park £360; B Tyler £640.
 - 9 Bought goods for cash £120.
 - 10 Bought goods on credit from: G Byers £410; P Lee £1,240.
 - 12 Paid wages in cash £110.
 - 13 Sold goods on credit to: K Park £610; B Tyler £205.
 - 15 Bought shop fixtures on credit from Stop Ltd £740.
 - 17 Paid G Byers by cheque £700.
 - 18 We returned goods to P Lee £83.
 - 21 Paid Stop Ltd a cheque for £740.
 - 24 B Tyler paid us his account by cheque £845.
 - 27 We returned goods to L Frank £18.
 - 30 G Prince lent us £1,000 by cash.
 - 31 Bought a van paying by cheque £6,250.

6.3A Record the following details relating to a carpet retailer for the month of November 20X7 and extract a trial balance as at 30 November 20X7:

- 20X7
Nov
- 1 Started in business with £15,000 in the bank.
 - 3 Bought goods on credit from: J Small £290; F Brown £1,200; T Rae £610; R Charles £530.
 - 5 Cash sales £610.
 - 6 Paid rent by cheque £175.
 - 7 Paid business rates by cheque £130.
 - 11 Sold goods on credit to: T Potts £85; J Field £48; T Gray £1,640.
 - 17 Paid wages by cash £290.
 - 18 We returned goods to: J Small £18; R Charles £27.

- 19 Bought goods on credit from: R Charles £110; T Rae £320; F Jack £165.
- 20 Goods were returned to us by: J Field £6; T Potts £14.
- 21 Bought van on credit from Turnkey Motors £4,950.
- 23 We paid the following by cheque: J Small £272; F Brown £1,200; T Rae £500.
- 25 Bought another van, paying by cheque immediately £6,200.
- 26 Received a loan of £750 cash from B. Bennet.
- 28 Received cheques from: T Potts £71; J Field £42.
- 30 Proprietor brings a further £900 into the business, by a payment into the business bank account.

6.4A Record the following transactions for the month of January of a small finishing retailer, balance off all the accounts, and then extract a trial balance as at 31 January 20X8:

- 20X8
Jan
- 1 Started in business with £10,500 cash.
 - 2 Put £9,000 of the cash into a bank account.
 - 3 Bought goods for cash £550.
 - 4 Bought goods on credit from: T Dry £800; F Hood £930; M Smith £160; G Low £510.
 - 5 Bought stationery on credit from Buttons Ltd £89.
 - 6 Sold goods on credit to: R Tong £170; L Fish £240; M Singh £326; A Tom £204.
 - 8 Paid rent by cheque £220.
 - 10 Bought fixtures on credit from Chiefs Ltd £610.
 - 11 Paid salaries in cash £790.
 - 14 Returned goods to: F Hood £30; M Smith £42.
 - 15 Bought van by cheque £6,500.
 - 16 Received loan from B Barclay by cheque £2,000.
 - 18 Goods returned to us by: R Tong £5; M Singh £20.
 - 21 Cash sales £145.
 - 24 Sold goods on credit to: L Fish £130; A Tom £410; R Pleat £158.
 - 26 We paid the following by cheque: F Hood £900; M Smith £118.
 - 29 Received cheques from: R Pleat £158; L Fish £370.
 - 30 Received a further loan from B Barclay by cash £500.
 - 30 Received £614 cash from A Tom.

6.5 Note, this question should not be attempted until cash discounts and trade discounts have been covered (see Chapters 13 and 14).

On 1 October 20X9, the owner of the USS Enterprise, Mr Kirk, decided that he will boldly go and keep his records on a double entry system. His assets and liabilities at that date were:

	£
Fixtures and equipment	20,000
Stock including weapons	15,000
Balance at Universe Bank	17,500
Cash	375
Creditors – Spock	3,175
– Scott	200
– McCoy	500

Kirk's transactions during October were as follows:

- 1 Sold faulty phasers, original cost £500, to Klingon Corp, for cash £5,000
- 2 Bought Photon Torpedoes (weapons), on credit from Central Council £2,500
- 3 Sold Stocks to Aardvarks, original cost £250, on credit, £1,500
- 4 Bought Cloaking Device (Fixture and Fittings) from Klingon Corp £3,500
- 5 Paid the balance owed to Spock at 1 October less a 5% cash discount
- 6 Paid Central Council full amount due by cheque
- 7 Received full amount due from Aardvarks by cheque