**Problem 1:**

On ***July 1, 2020*** Moin started business with Tk. 100,000 and other transactions for the month are:

***2.***Purchase Furniture for Cash Tk. 7,000.

***8.***Purchase Goods for Cash Tk. 2,000 and for Credit Tk. 1,000 from Khalid Retail Store.

***14.***Sold Goods to Khan Brothers Tk. 12,000 and Cash Sales Tk. 5,000.

***18.***Owner withdrew of worth Tk. 2,000 for personal use.

***22.***Paid Khalid Retail Store Tk. 500.

***26.***Received Tk. 10,000 from Khan Brothers Tk.

***30.***Paid Salaries Expense Tk. 2,000

**Solution:**

Moin’s

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Accounts Name | Ref | Debit | Credit |
| 2020  July-1  ,,-2  ,,-8  ,,-14 | Cash-------------------------Dr.  Owner’s Capital------------Cr. |  | 100,000  7,000  3,000  5,000  12,000 | 100,000  7,000  2,000  1,000  17,000 |
| Furniture------------------Dr.  Cash----------------------Cr. |
| Purchase------------------Dr.  Cash---------------------Cr.  Accounts payable------Cr. |
| Cash--------------------Dr.  Accounts Receivables----Dr.  Sales Revenue----------------Cr. |
| ,,-18  ,,-22  ,,-26  ,,-30 | Drawings----------------Dr.  Cash-----------------------Cr. |  | 2,000  500  10,000  2,000 | 2,000  500  10,000  2,000 |
| Accounts payable------------Dr.  Cash-----------------------Cr. |
| Cash-------------------Dr.  Accounts Receivables------Cr. |
| Salaries expense-----------Dr.  Cash-----------------Cr. |

## 

## ****Problem 2:****

Prepare general journal entries for the following transactions of a business called Pose for Pics in 2021:

***Jan. 1:*** Hashim Khan, the owner, invested Tk. 57,500 cash and Tk. 32,500 of photography equipment in the business.

**04:**Paid Tk. 3,000 cash for an insurance policy covering the next 24 months.

**07:**Services are performed and clients are billed for Tk. 10,000.

**13:** Purchased office supplies for Tk. 1,400. Cash paid Tk. 400 and remaining outstanding.

**20:**Received Tk. 2,000 cash in photography fees earned previously.

**24:**The client immediately pays Tk. 15,000 for services to be performed at a later date.

**29:**The business acquires photography equipment. The purchase price is Tk. 100,000, pays Tk. 25,000 cash and signs a note for the balance.

**Solution:**

**Pose for Pics**

**Journal**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Accounts Name | Ref | Debit | Credit |
| 2021  Jan-1 | Cash----------------------Dr.  Equipment---------------Dr.  Owner’s Capital------------Cr. |  | 57,500  32,500 | 90,000 |
| ,,- 4 | Prepaid Insurance----------Dr.  Cash-------------------------Cr. |  | 3,000 | 3,000 |
| ,,- 7 | Accounts Receivables----------Dr.  Service Revenue------------Cr. |  | 10,000 | 10,000 |
| ,,-13 | Office Supplies---------------Dr.  Cash---------------------------Cr.  Accounts payable-----------Cr. |  | 1,400 | 400  1,000 |
| ,,-20 | Cash-------------------------Dr.  Accounts Receivables-----Cr. |  | 2,000 | 2,000 |
| ,,-24 | Cash-------------------------Dr.  Unearned Service revenue---Cr. |  | 15,000 | 15,000 |
| ,,-29 | Photography Equipment------Dr.  Cash--------------------------Cr.  Notes payable---------------Cr. |  | 100,000 | 25,000  75,000 |

**Problem 3:**

On***March 2021,*** Farhan Rahim, starts wholesaling business. Following transactions as follows:

***1.***He started business with capital of Tk. 15,000 and Land worth Tk. 10,000.

***8.***Bought goods from Bilal and Friends Tk. 1,000 and by cash from XYZ Co. TK. 2,000.

***13.***Sold goods to Rehman & sons Tk. 1,500 and sale by cash Tk. 5,000.

***17.***Gave away charity of cash Tk. 50 and merchandising worth Tk. 30.

***21.***Paid Bilal and Friends cash Tk. 975; discount received Tk. 25.

***28.***Received cash from Rehman & Sons Tk. 1,450; allowed him discount of Tk. 50.

**Solution:**

Farhan Rahim’s

Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Accounts name | Ref | Debit | Credit |
| 2021  March-1 | Cash--------------------------Dr.  Land-------------------------Dr.  Owner’s Capital---------Cr. |  | 15000  10000 | 25000 |
| ,,-8 | Purchase--------------------Dr.  Accounts payable---------Cr.  Cash---------------------------Cr. |  | 3000 | 1000  2000 |
| ,,-13 | Cash--------------------------Dr.  Accounts receivables-------Dr.  Sales Revenue----------------Cr. |  | 5000  1500 | 6500 |
| ,,-17 | Miscellaneous expense-------Dr.  Cash---------------------------Cr.  Purchase----------------------Cr. |  | 80 | 50  30 |
| ,,-21 | Accounts payable------------Dr.  Cash------------------------Cr.  Discount received---------Cr. |  | 1000 | 975  25 |
| ,,-28 | Cash----------------------------Dr.  Discount paid-----------------Dr.  Accounts receivables------Cr. |  | 1450  50 | 1500 |
|  |  |  |  |  |

**Problem 4:**

Shah Sauood Marine is a boat repair yard. During ***September 2020,*** its transactions included the following:

***03.***Loan taken from Al-Arafah Bank Ltd. of Tk. 25,000. Tk. 20,000 withdrawn for business and remaining in the bank a/c.

***06.***Paid rent for the month of September Tk. 4,400 and accrued rent expenses was Tk. 600.

***12.***At request of Kiwi Insurance, Inc, made repairs on boat of Jon Seaways. Sent bill for Tk. 5,620 for services rendered to Kiwi Insurance Inc. (credit Repair Service Revenue).

***18.***Made repairs to boat of Dennis Copper and collected in full the charge of Tk. 2,830.

***20.***Placed Advertisement in The Dawn of Tk. 165, payment to be made within 30 days.

***25***. Received a check for 5,620 from Kiwi Insurance Inc representing collection of the receivable of September 12.

**30.** Sent check to The Dawn in payment of the liability incurred on September 20.

**Solution:**

Shah Sauood Marine’s Journal

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Accounts Name | Ref | Debit | Credit |
| 2020  Sep-3 | Cash-------------------------Dr.  Bank-------------------------Dr.  Bank Loan-------------------Cr. |  | 20000  5000 | 25000 |
| ,,-6 | Rent expense---------------Dr.  Cash------------------------Cr.  Rent payable---------------Cr. |  | 5000 | 4400  600 |
| ,,-12 | Accounts Receivable---------Dr.  Service revenue--------------Cr. |  | 5620 | 5620 |
| ,,-18 | Cash------------------------Dr.  Service revenue------------Cr. |  | 2830 | 2830 |
| ,,-20 | Advertisement expense------Dr.  Accounts payable-----------Cr. |  | 165 | 165 |
| ,,-25 | Cash------------------------Dr.  Accounts receivable-----Cr. |  | 5620 | 5620 |
| ,,-30 | Accounts payable--------------Dr.  Bank--------------------------Cr. |  | 165 | 165 |

**Problem 5:**

***1st June, 2019***, Saeed Ahmad started business named Saeed Enterprise, the other transactions for the month of June as follows:

**02.**Purchased from Kareem goods of list price of Tk. 6,000 subject to 10% trade discount by cash.

***04.***Sold goods to Din Muhammad Tk. 800 and cash sales of Tk. 200.

***10.***Distributed goods worth Tk. 200 as free samples and goods taken away by the proprietor for personal use Tk. 100.

***12.***Received discount Tk. 20 and Commission Tk. 500.

***17.***Goods returned by Din Muhammad Tk. 200 and payment other outstanding amount.

***24.***Furniture lost by fire of worth Tk. 500.

***30.***Bad Debts during the period was Tk.100.

**Solution:**

**Saeed Enterprise’s Journal**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Accounts name | Ref | Debit | Credit |
| 2019  June 2 | Purchase----------------------Dr.  Cash------------------------Cr. |  | 5400 | 5400 |
| ,,-4 | Cash--------------------------Dr.  Accounts receivables-------Dr.  Sales Revenue-----------------Cr. |  | 200  800 | 1000 |
| ,,-10 | Advertisement expense-------Dr.  Drawings--------------------Dr.  Purchase------------------------Cr. |  | 200  100 | 300 |
| ,,-12 | Cash-------------------------Dr.  Discount received----------Cr.  Commission received-----Cr. |  | 520 | 20  500 |
| ,,-17 | Sales return and Allowance---Dr.  Cash--------------------------Dr.  Accounts receivables--------Cr. |  | 200  600 | 800 |
| ,,-24 | Miscellaneous -------------Dr.  Furniture---------------Cr. |  | 500 | 500 |
| ,,-30 | Bad debt---------------------Dr.  Accumulated Bad debt------Cr. |  | 100 | 100 |

Debit- Credit System:

|  |  |  |
| --- | --- | --- |
| **Accounts Name** | **Debit** | **Credit** |
| Assets | Increase | Decrease |
| Expenses | Increase | Decrease |
| Liabilities | Decrease | Increase |
| Owner’s equity | Decrease | Increase |
| Revenues | Decrease | Increase |

Golden Rules of Accounting:

1. Debit the Receiver, Credit the Giver.
2. Debit what comes in, Credit what goes out.
3. Debit the expenses and losses, Credit the revenues and profits