Westminster InternationalUniversity in Tashkent

4ACCN008C-n Financial Accounting, Semester I, 2020/2021

Workshop 2

**Part 1. This workshop to be dedicated to Customers and Sales**

We have established a small firm trading with stationeries. *Explain what type of business (wholesale trading of stationery)*

We start with Sales part of WaveApps.

**To enter the information on Sales we need to first enter the information about our customers (clients)**

·

So go to Dashboard – Add a customer

1. Murad Buildings - <https://www.mbc.uz>

Email – the student should write any personal so that in the upcoming weeks to send the invoices or any other transactions to that email

+998 71 200-88-22

Murad Nazarov

Business center "Avalon", first floor, 38a, Oybek Street

Account number – 20210000200200100776 (this is a hypothetical bank account number, not real one)

2)     Gross Insurance LLC - http://www.gross.uz

Email – the student should write any personal so that in the upcoming weeks to send the invoices or any other transactions to that email

+998 71 233-31-84

Abdusattorov Abduaziz

Amir Temur Avenue, 49

Account number – 20210000100100100999 (this is a hypothetical bank account number, not real one)

**Before going to Sales we should figure out what products are there in the shop to sell**

·     Dashboard – Create New – Product or Service

1. Pencil / Superior extra-refined, high-density graphite with HB hardness / 1000 sum / sell this – tick / income account – sales

Notes: Account **“Sales”** can be chosen when your firm does not produce any product itself and it buys goods (products) from vendors to sell to customers

Account **“Product sales”** can be chosen when your firm produce product itself and then sell it

1. Sticky notes / neon arrow (pack of 100) / 5000 sum / sell this – tick / income account – sales
2. Office paper -XEROX / Xerox Business, A4, 200 pieces in 1 package / 75000 sum / sell this – tick / income account – sales

Now we imagine that Murad Building is interested in purchasing some stationery from our firm and it needs some information on items and their prices before they decide to buy from us. **So we can send them our sales estimates**.

|  |
| --- |
| **Estimate**  To easily track what estimates you give to your prospective customers, you can produce sales estimates.  An estimate is a realistic guess of what you think a job will cost and is not an exact fixed price. Therefore, estimates don’t affect your account balances. Once a customer accepts an estimate, you can convert it to a sales invoice which automatically updates your ledgers with the values of the original estimate. |

For this we do the followings:

·     Dashboard – Create New – Estimate and Choose

Murad Building as Customer

Currency – do not change ( it might be Uzbek sum or Kyrgyz som)

Date – current

Expires on 2020-10-09

Skip P.O. since this item is not relevant for our case

Items – Paper Xerox

Description – business A4

Quantity – 10

Tax – no data

And SAVE

Next day we received acceptance from Murad Building. Now we can send papers to them with invoice. For this **we can convert this estimate into invoice** by clicking on “Convert to Invoice”.

Then draft invoice is prepared by WaveApps.

We fill this invoice:

Invoice number - 1

P.O./S.O. – skip

Invoice date – 2020-10-06

Payment date – 2020-10-07

We can Preview before we sent it to customer. If you are satisfied with draft invoice you can click on “Save and Continue” ->Approve a draft-> mark as sent

Assume that Murad Building **made a payment** by the end of day by cash. So we will record this payment via clicking on “Record a Payment”

Payment date – 2020-10-06

Amount – as given

Method of payment – cash

Payment account – Cash on Hand

Click on Submit – you can receipt or simply end with this transaction. -> Close

Now we can learn how **to customize the invoices**

·     Dashboard – Customize the invoice

Design, logo, color, subheading, footer

**Part 2. Now Waveapps’ purchase transaction tools are examined.**

Before making a purchase transaction let’s make a roster of vendors. Students should add the vendors below.

Go to **Purchases** (main menu) and then click **Vendors,** then **Add a Vendor** (for each additional vendor – go through the same steps)

(Please note: We cannot import any existing vendor from CSV files as we have not created any or from google contacts (unless students have such contacts in their contact list (besides not all students have signed up via google account).

1. **DESKFORM LTD**

Website: http://www.deskform.uz/

Phone: (+99871) 232 22 71

Address: Tashkent,  [Kichik xalqa yo’li](https://www.goldenpages.uz/en/street/?Id=34802) street, 32

Bank account: 20208\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (20 digit account number)

Email: the student should write any personal email account

Contact person: Ilyos Djumaev

1. **KARANDASH**

Website: http://www.karandash.uz/

Phone: (+99871) 2721441

Address: Tashkent, Uchtepa[block of flats, CHILONZOR-24](https://www.goldenpages.uz/en/street/?Id=5168), 2A

Bank account: 20208\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (20 digit account number)

Email: the student should write any personal email account

Contact person: Adilya Khurramova

Before purchasing anything we need to add products (stationary) to buy.

For that we need to go Go to **Purchases** (main menu) and then click **Products and Services** then **Add a Product or Service** (for each additional product – go through the same steps).

Add following products (note that some of these products you added in previous workshop session as products for sale):

1. Pencil / Superior extra-refined, high-density graphite with HB hardness / 900 sum / tick “buy this”/ from “Expense account” select “Purchases – Resale Items”

*Note*

Since account “Purchases – Resale Items” is not in the list we can add it via clicking plus (+) button in Expense account then go to Expenses – Cost of Goods - Cost of Goods - Purchases – Resale Items

1. Sticky notes / neon arrow (pack of 100) / 4000 sum / tick “buy this”/ from “Expense account” select “Purchases – Resale Items”
2. Office paper -XEROX / Xerox Business, A4, 200 pieces in 1 package / 65000 sum / tick “buy this”/ from “Expense account” select “Purchases – Resale Items”
3. Calculator / 12 digit, 1601 Deli / 20 000 sum /tick “buy this”/ from “Expense account” select “Purchases – Resale Items”

Now, suppose that we want to buy office calculators, as one of our customers made a purchase request to our firm for this item. Unfortunately, we have run out of this item. But we decided to stay loyal and meet the need of our customer. We sent an inquiry to our vendors/suppliers to find out if they have this item in their stock. When settled we made a contract (Purchase order) with **DESKFORM LTD** and purchased 10 calculators. We agreed that WEST will make a payment on this contract/PO in two months.

**DESKFORM LTD** sent us an invoice (a bill) which we should record in waveapps.

Go to: Purchase – Bills – Create a bill

DESKFORM LTD as Vendor

Currency – do not change (it might be Uzbek sum or Kyrgyz som)

Date – current

Due date – put an appropriate date (date which comes after exactly 2 months)

Bill# - 5 (as if we already had 4 bills earlier)

P.O./S.O. - P.O.#5

Items – Calculator

Description – 12 digit, 1601 Deli

Quantity – 10

Price – 20000 sums

Tax – no data

And SAVE

After inserting the bill into Waveapps, the students can review financial statements (“**Reports**” section of the main menu). Pls. review Balance sheet, Incomes statement (Statement of profits and losses), Cash Flow statement for changes. Discuss if any change has been made (discuss briefly (not going too into details) why expense is accrued when WEST is billed).

Once we replenished our stock we can now resell calculators to our customer (Gross Insurance LLC) for cash (no invoicing).

Go to “**Accounting**” part of the main menu, select “Transactions”, click on “Add Income”. Go through “Edit transaction details”. Put some description, for example “Sales of 10 calculators to Gross Insurance”.

Do not change “Date”. Leave “Cash on hand” on “Account”. Do not change “Deposit” on “Deposit or Withdrawal” bar. Put 250000 sums in “Total Amount” (it means we sell 10 calculators each priced 25000 sums.). Go to the next bar below and by clicking on “Uncategorized income” choose Sales, then save this transaction.

Now you can refer to the Reports and look for any changes in the Balance sheet, Statement of incomes and Cash Flow. Hereby, the difference between the sales for cash and sales on credit can be discussed.

Since West is “in money” (has additional cash to spend), It can now pay for his bill received from DESKFORM LTD for 10 calculators (which have been sold to Gross Insurance) despite of availability of time to pay the bill later (West still has 2 months as agreed):

Go again to “Purchases”, “Bills”, click on a small arrowed bar at the end of the bill and select

Record a payment. On the appeared “Record a manual payment” window:

Payment Method: Cash

Amount: 200 000

Payment Date: today’s

Payment Account: Cash on hand

Memo: Payment of the bill for 10 calc. from Deskform

Further click on “Save”

Again go to Reports and see on what happened with financial statements (Balance, Income statement, Cash Flow). Discuss the latest changes made in there.