

UNIT 10: FINANCIAL ACCOUNTING

LO1: RECORD BUSINESS TRANSACTIONS USING DOULBE ENTRY BOOK KEEPING, AND ABLE TO EXTRACT A TRIAL BALANCE

P1 Apply the double entry book-keeping system of debits and credits. Record sales and purchases transactions in a general ledger.

You are to enter the following items in the Sales AND Purchases account in the General Ledger.

2018

July 1 Credit purchases from: K Hill \$380; M Norman \$500; N Senior \$106.

== 3 Credit sales to: E Rigby \$510; E Phillips \$246; F Thompson \$356.

== 5 Credit purchases from: R Morton \$200; J Cook \$180; D Edwards \$410; C Davies \$66.

== 8 Credit sales to: A Green \$307; H George \$250; J Ferguson \$185.

== 20 Credit sales to: E Phillips \$188; F Powell \$310; E Lee \$420.

== 24 Credit purchases from: C Ferguson \$550; K Ennevor \$900.

P2 Produce a trial balance applying the use of the balance off rule to complete the ledger.

CASH AT BANK			
	\$		\$
Capital: Ron Knuckle	7,000	Rent	3,500
Bank loan	1,000	Shop fittings	2,000
Sales	10,000	Trade accounts payable	5,000
Trade accounts receivable	2,500	Bank loan interest	100
		Other expenses	1,900
		Drawings	1,500
CAPITAL (RON KNUCKLE)			
	\$		\$
		Cash at bank	7,000

BANK LOAN			
	\$		\$
		Cash at bank	1,000
PURCHASES			
	\$		\$
Trade accounts payable	5,000		
TRADE ACCOUNTS PAYABLE			
	\$		\$
Cash at bank	5,000	Purchases	5,000
RENT			
	\$		\$
Cash at bank	3,500		
SHOP FITTINGS			
	\$		\$
Cash at bank	2,000		
SALES			
	\$		\$
		Cash at bank	10,000
		Trade accounts receivable	2,500
TRADE ACCOUNTS RECEIVABLE			
	\$		\$
Sales	2,500	Cash at bank	2,500
BANK LOAN INTEREST			
	\$		\$
Cash at bank	100		
OTHER EXPENSES			
	\$		\$
Cash at bank	1,900		
DRAWINGS			
	\$		\$
Cash at bank	1,500		

M1 Analyse sales and purchase transactions to compile a trial balance using double entry bookkeeping appropriately and effectively

May 2018

A Henriques has the following purchases and sales for May 2018:

May 1 Sold to M Marshall: brass goods \$24, bronze items \$36.

== 7 Sold to R Richards: tin goods \$70, lead items \$230.

== 9 Bought from C Clarke: tin goods \$400.

May 16 Bought from A Charles: copper goods \$320.

== 23 Sold to T Young: tin goods \$50, brass items \$70, lead figures \$80.

== 31 Bought from M Nelson: brass figures \$100.

D1 Record correctly transactions and produce an accurate trial balance by completing the balance off of ledger accounts, checking that each transaction is recorded in line with accepted accounting principles

Record the following transaction for the month of January 2018 of a small retailer, balance off all the accounts, and then extract a trail balance as at January 31, 2018.

2018

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.

Sources:

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