

University of Wales Trinity Saint David

Student's Name: Desislava Yordanova

Student Number: 1912503

Module title: Accounting Fundamentals

Assignment title: Assessment 1

Module Lecturer's Name: Dr. Rexion Nting

Module code: LCBB4000

Table of contents

Task 1 Maxim

- a) write up balance and balancing ledger account
- b) Trial balance
- c) Profit and loss account and balance sheets

Task 2 Pendo

- a) Balancing of ledger account
- b) Trial balance
- c) Profit and loss account and balance sheets

Task 3 Mafuta

- a) Ledger accounting balancing
- b) Trial balance
- c) Profit and loss account and balance sheets

Task 4 Ricardo

- a) write up balance and balancing ledger account
- b) Trial balance

Task 1.

Answers.

(a) Write up, balance and close the relevant ledger accounts for the above transactions.

Cash at bank a/c

	£		£
5 April Capital a/c	300	7 April Purchases a/c	200
8 April Loan a/c	250	15 April Motor van a/c	150
20 April Revenue	350	28 April Rent a/c	50
		29 April Loan a/c	200
		30 April Drawing a/c	60
		30 April Balance c/d	240
	900		900
1 May Balance b/d	250		
(900-660) = 240			

Capital a/c

	£		£
30 April Drawing a/c	60	5 April Bank a/c	300
30 April Balance c/d	440	30 April I & E a/c profit	200
	500		500

Purchases a/c

	£		£
7 April Bank a/c	200	30 April Trading a/c	200

Loan a/c

	£		£
29 April Bank a/c	200	8 April Bank a/c	250
30 April Balance c/d	50		
	<u>250</u>		<u>250</u>
		1 May Balance	250

Motor van a/c

	£		£
15 April Bank	150	30 April Balance c/d	150
1 May Balance b/d	150		

Rent a/c

	£		£
28 April Bank a/c	50	30 April I & E a/c	50

Revenue a/c

	£		£
30 April a/c Trading a/c	50	20 April Bank a/c	350

Drawing a/c

	£		£
30 April Bank a/c	60	30 April Capital a/c	60

(b) Prepare the list of account balances at 30 April.

	Dr £	Cr £
Cash at Bank	240	
Capital		300
Purchases	200	
Loan		50
Motor van	150	
Rent	50	
Revenue		350
Drawing	60	
	700	700

(c) Prepare the statement of profit or loss for the month ended 30 April and a statement of financial position at that date.

1.Statement of profit or loss for the month ended 30 April.

	£	£
Revenue		350
Purchases: Closing inventory	200	
Less: Closing inventory	(100)	
Cost of sales		(100)
Gross profit		250
Less: Expenses		
Rent		(50)

Profit for the period	200
-----------------------	-----

1. Statement of the financial position as at 30 April.

	£	£
Tangible not - current assets		
Motor van		150
Current assets		
Inventory	100	
Cash	240	
		340

Total assets:	490
---------------	-----

Capital accounts	
Introduced	300
Profit for the period: Add	200

	500

Less: drawing	(60)

	440

Current liabilities	50

Total capital and liabilities	490
-------------------------------	-----

Task 2.

Answers:

(a) Write up the ledger accounts for the above transactions, including dates, descriptions and balances.

Cash at Bank a/c

	£		£
1 Jan Capital a/c	5000	2 Jan Motor van a/c	600
4 Jan Loan a/c Sergei	1000	3 Jan Purchases (Bought goods) a/c	1300
13 Jan Revenue (sold goods) a/c	300	10 Jan Motor expenses a/c	200
20 Jan Revenue (sold goods) a/c	500	24 Jan Storage expenses a/c	150
		27 Jan Loan (paid Sergei part) a/c	350
		30 Jan Drawing	175
		31 Jan Balance c/d	4025
	6800		6800
1 February Balanced b/d	4025		
(6800 – 2775) = 4025			

Capital a/c

	£		£
31 Jan Balance c/d	5000	1 Jan Bank a/c	5000
	5000		5000
		1 Feb Balance b/d	5000

Motor van a/c

	£		£
2 Jan Bank (bought Motor van) a/c	600	31 Jan Balance c/d	600
1 Feb Balance b/d	600		

Purchases a/c

	£		£
3 Jan Bank (bought goods) a/c	1300	31 Jan Balance c/d	1300
1 Feb Balance b/d	1300		

Loan a/c

	£		£
27 Jan Bank a/c	350	4 Jan Bank a/c	1000
31 Jan Balance c/d	650		
	<u>1000</u>		<u> </u>
		1 Feb Balance b/d	650

Motor van expenses a/c

	£		£
10 Jan Bank a/c	200	31 Jan Balance c/d	200
1 Feb b/d	200		

Storage expenses a/c

	£		£
24 Jan Bank a/c	150	31 Jan Balance c/d	150
1 Feb b/d Balance	150		

Drawing a/c

	£		£
30 Jan Bank a/c	175	31 Jan Balance c/d	175
1 Feb Balance b/d	175		

(b) Prepare the list of account balances at 30 April.

	Dr £	Cr £
Cash at Bank	4,025	
Capital		5,000
Motor van	600	
Purchases	1,300	
Loan		650
Motor van expenses	200	
Revenue		800

Storage expenses	150	
Drawing	175	
	6,450	6,450

(c) Prepare the statement of profit or loss for the month ended 31 January and a statement of financial position at that date.

Statement of profit or loss for the 31 January

	£	£
Revenue	800	800
Purchases	1,300	
Less: Expenses	800	
Cost of goods sold		500
Gross Profit:		300

Less: Expenses

Motor van expenses	200	
Storage expenses	150	
		350

Los for the period (50)

Statement of the financial position at 31 January.

£	£
---	---

Tangible non-current assets		
Motor van		600
Current assets		
Inventory	800	
Cash	4,025	
		———
		4,825
Total assets:		5,425
Capital Account at 1 st January		5000
Less: Loss for the period		(50)
		———
		4,950
Less: Drawing		(175)
		———
		4,775
Current liabilities		
Loan		650
		———
Total Capital and liabilities		5,425

Task3.

Answers:

(a) Write up and close the relevant ledger accounts

Bank a/c

	£		£
1 Jan Balance b/c	343	5 Jan Wages (paid) a/c	12
7 Jan Smith's a/c	18	9 Jan Max's a/c	21
11 Jan Sales (cash) a/c	64	14 Jan Wages (paid) a/c	14
21 Jan Sales (cash) a/c	110	14 Jan Purchases (good cash) a/c	75
23 Jan Harvey's a/c	25	15 Jan Rich's a/c	162
28 Jan Sales (cash) a/c	84	20 Jan Furnitures and Fittings a/c	32
31 Jan Sales (cash) a/c	30	21 Jan Wages (paid) a/c	17
		23 Jan Office expenses a/c	3
		28 Jan Wages a/c	15
		31 Jan Balance	323
	674		674
1 Feb Balanced	323		
(674 - 351) = 323			

Capital a/c

	£		£
31 Jan Balance b/d	1091	1 Jan Balance b/d	1049
		31 Jan I & E a/c	42
	1091		1091
		1 Feb Balance	1091

Furniture and fitting a/c

	£		£
1 Jan Balance b/d	198	31 Jan Balance c/d	230
20 Jan Bank	32		
	230		230
1 Feb b/d	230		

Sales a/c

	£		£
31 Jan Trading a/c	412	2 Jan Harvey's a/c	124
		11 Jan Bank a/c	64
		21 Jan Bank a/c	110
		28 Jan Bank a/c	84
		31 Jan Bank a/c	30
	412		412

Wages a/c

	£		£
5 Jan Bank a/c	12	31 Jan I & E a/c	58
14 Jan Bank a/c	14		
21 Jan Bank a/c	17		
28 Jan Bank a/c	15		
	58		58

Purchases a/c

	£		£
5 Jan Rich's a/c	150	31 Jan Trading a/c	225
14 Jan Bank a/c	75		
	225		225

Office expenses a/c

	£		£
23 Jan Bank a/c	3	31 Jan I & E a/c	3

Receivable Smith's a/c

	£		£
1 Jan Balance b/d	18	7 Jan Balance a/c	18

Receivable Moon's a/c

	£		£
1 Jan Balance b/d	26	31 Jan Balance c/d	26
1 Feb Balance	26		

Receivable Harvey's a/c

	£		£
1 Jan Balance b/d	39	23 Jan Bank a/c	25
2 Jan Sales a/c	124	31 Jan Balance	138
	<u>163</u>		<u>163</u>
1 Feb Balance b/d	138		
(163 – 25) = 138			

Payable Rich's a/c

	£		£
15 Jan Bank a/c	162	1 Jan Balance b/d	12
	<u>162</u>	5 Jan Purchases a/c	150
			<u>162</u>

Payable Max's a/c

	£		£
9 Jan Bank a/c	21	1 Jan Balance b/d	21

Inventory a/c

	£		£
1 Jan Balance b/d	458	31 Jan Trading a/c	458
31 Jan Trading	374	31 Jan Balance c/d	374
1 Feb Balance b/d	374		

(b) Extract a trial balance at 31 January.

	Dr £	Cr £
Cash at Bank	323	
Capital		1,094
Furniture and Fittings	230	

Sales		412
Wages	58	
Purchases	225	
Office expenses	3	
Receivable		
Harvey	138	
Moon	26	
Inventory	1,461	

(c) Prepare a statement of profit or loss for the month ended 31 January.

	£	£
Revenue		412
Opening inventory	458	
Purchases	225	
	683	
Less: Closing inventory	(374)	
Cost of goods sold		(309)
Gross profit:		103
Less: Expenses		
Wages	58	
Office expenses	3	
		(61)
Profit for the period		42

Statement of financial period at 31 January.

	£	£
Non – current assets		
Furniture and fitting		230
Current assets		
Inventory	374	
Trade receivable (138+26)	164	
Cash	323	
		861
		1,091
Capital account		
At 1 st January		1,049
Add: Profit for the period		42
		1,091

Task 4.

Answers:

(a) Prepare the relevant ledger accounts to record the above transactions.

Revenue a/c

	£		£
		2Jun Claire receivable a/c	8500
		14 Jun Hywel receivable a/c	9000
		20 Jan Cash a/c	6000
		24 Jan Mandy a/c	5000
27 Jan Trading	28000		28000

Sales a/c

	£		£
27 Jan Claire receivable a/c	1000	27 Jun trading a/c	1000

Note: Sales returns may alternatively be debited to the sales revenue a/c.

Purchases a/c

	£		£
13 Jun Georgina payable a/c	12000	27 Jun Trading a/c	16500
21 Jun Andrew payable a/c	4500		
			16500
	16500		

Cash a/c

	£		£
20 Jun Sales a/c	6000	25 Jun Georgina payable a/c	11160
14 Jun Claire receivable a/c	7125	27 Jun Andrew payable a/c	4410
25 Jun Hywel receivable a/c	9000	27 Jun Balance c/d	6553
	22125		22125

Balanced b/d (22125 – 15570)	6555	
---------------------------------	------	--

Discount allowed a/c

24 Jan Claire receivable a/c	£ 375	27 Jan I & E a/c	£ 375
	<u>375</u>		<u>375</u>

Discount receivable a/c

27 Jun I & E a/c	£ 930	25 Jun Georgina payable a/c	£ 840
	<u>930</u>	27 Jun Andrew payable a/c	90
			<u>930</u>

Claire receivable a/c

2 Jun Sales a/c	£ 8500	22 Jun Sales return	£ 1000
		24 Jun Cash a/c	7125
		24 Jun Discount allowed a/c	375
	<u>8500</u>		<u>8500</u>

Hywel receivable a/c

14 Jun Sales a/c	£ 9000	25 Jun Cash a/c	£ 9000
------------------	-----------	-----------------	-----------

Mandy receivable a/c

24 Jun	£ 5000		£ 5000
--------	-----------	--	-----------

Georgina payable a/c

	£		£
25 Jun Cash a/c	11600	13 Jun Purchases a/c	12000
25 Jun Discount receivable a/c	840		_____
	_____		12000
	12000		

Andrew payable a/c

	£		£
27 Jan Cash a/c	4410	21 Jan Purchases a/c	4500
27 Jan Discount receivable a/c	90		_____
	_____		4500
	4500		

(b) Extract a trial balance at 27 June and close the relevant ledger accounts.

	Dr £	Cr £
Revenue		28,500
Purchases	16,500	
Cash	6,555	
Sales returns	1,000	
Mandy receivable	5,000	
Discount allowed		930
Discount receivable	375	
	_____	_____
	29,430	29,430

Conclusion

Double-entry bookkeeping is the technique of recording financial transactions as they occur so that summaries may be made of the transactions and presented as a report for the users of accounts. The bookkeeping method applies to the recording of transactions in ledger accounts. After double-entry bookkeeping we produce the trial balance by listing each closing balance from the ledger accounts as either a debit or a credit balance.

