

ACCOUNTING FUNDAMENTAL

ASSIGNMENT 1

University of Wales Trinity Saint David

MODULE CODE: LCBB4001

Year1, Term1

Student ID: 1905517

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Lecturer: Dr Rexon Nting

Task1

Journal

Date:	Particulars			Debit	Credit
05.04.18	Cash a/c			300	
	To Capital a/c				300
	(being capital introduced in the business)				
07.04.18	Purchases a/c			200	
	To Cash a/c				200
	(being goods purchased)				
08.04.18	Cash a/c			250.00	
	To loan a/c (Tatiana)				250.00
	(being loan received from Tatiana)				
15.04.18	Motor Van a/c			150	
	To cash a/c				150
	(being Motor van purchased in cash)				
20.04.18	Cash a/c			350.00	
	To Sales a/c				350.00
	(being good is sold)				
28.04.18	Rent a/c			50	
	To Cash a/c				50
	(being rent paid in cash)				
29.04.18	Loan a/c (Tatiana)			200	
	To Cash				200
	(being loan's part repaid)				
30.04.18	Capital a/c			60.00	
	To Cash a/c				60.00
	(being cash withdrawal by owner)				

Task1.2**Capital**

30.04 Drawings	60.00	05.04 Cash	300.00
Bal c/d	240.00		
	300.00		300.00
		Bal b/d	240.00

Cash

05.04 capital	300.00	07.04 purchases	200.00
08.04 loan	250.00	29.04 loan	200.00
20.04 sales	350.0	15.04 motor van	150.00
		28.04 rent	50.00
		30.04 drawings	60.00
		bal c/d	240.00
	900.00		900.00
bal b/d	240.00		

Purchases

07.04 cash	200.00	30.04 cost of goods sold	100.00
		30.04 closing stock	100.00
	200.00		200.00
Bal b/d	100.00		

Loan

29.04 Cash	200.00	08.04 Cash	250.00
Balance c/d	50.00		
	250.00		250.00
		Bal b/d	50.00

Motor Van

15.04 cash	150.00	Bal c/d	150.00
	150.00		150.00
Bal b/d	150.00		

Sales

bal c/d	350.00	20.04 cash	350.00
	350.00		350.00
		Bal b/d	350.00

Rent

28.04 Cash	50.00	Bal c/d	50.00
	50.00		50.00
Bal b/d	50.00		

Drawings

30.04 Cash	60.00	30.04 Capital	60.00
	60.00		60.00
Bal b/d	60.00		

Stock

closing stock	100.00	Bal c/d	100.00
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	100.00		100.00
Bal b/d	100.00		

Trial Balance
30th April

	Dr	Cr
Capital		240.00
Cash	240.00	
Loan		50.00
Motor Van	150.00	
Sales		350.00
Cost of goods sold	100.00	
Rent	50.00	
Stock	100.00	
	640.00	640.00

Statement of Profit and Loss
30th April

Sales	350.00
less cost of goods sold	100.00
Gross profit	250.00
Expenses	
Rent	50.00
Total expenses	50.00
NET PROFIT	200.00

Statement of financial position
30th April

				Pound
Assets				
Non-Current Assets				
Motor Van				150.00
				150.00
Current Assets				
Inventories				100.00
Cash and cash equivalents				240.00
				340.00
Total Assets				490.00

Equity and Liabilities				
Equity				
Share Capital				300.00
less: Drawings				60.00
Profit				200.00
Total Equity				440.00
Current liabilities				
Loan				50.00
Total current liabilities				50.00
Total liabilities				50.00
Total equity and liabilities				490.00

Task2**Cash**

01.01 Capital	5000.00	02.01 motor van	600.00
04.01 loan	1000.00	03.01 purshases	1300.00
13.01 Sales	300.00	10.01 motor van expenses	200.00
20.01 sales	500.00	24.01 storage expenses	150.00
		27.01 loan	350.00
		30.01 drawings	175.00
		Balance c/d	4025.00
	6800.00		6800.00
Balance b/d	4025.00		

Capital

30.01 drawings	175.00	01.01 cash	5000.00
Bal c/d	4825.00		
	5000.00		5000.00
		Bal b/d	4825.00

Motor Van

02.01 Cash	600.00	Balance c/d	600.00
	600.00		600.00
Balance b/d	600.00		

Purchases

03.01 Cash	1300.00	31.01 Closing Inventory	800.00
		Cost of goods sold	500.00
	1300.00		1300.00

Loan

27.01 Cash	350.00	04.01 cash	1000.00
Bal c/d	650.00		
	1000.00		1000.00
		Bal b/d	650.00

Motor Van Expense

10.01 Cash	200.00	Bal c/d	200.00
	200.00		200.00
Bal b/d	200.00		

Sales

Bal c/d	800.00	13.01 Cash	300.00
		20.01 Cash	500.00
	800.00		800.00
		Bal b/d	800.00

Storage Expenses

24.01 Cash	150.00	Bal c/d	150.00
	150.00		150.00
Bal b/d	150.00		

Stock

31.01 Closing stock	800.00	Bal c/d	800.00
	800.00		800.00
Bal b/d	800.00		

Drawings

30.01 Cash	175.00	30.01 Capital	175.00
	175.00		175.00

Trial Balance 31st January

	Dr	Cr
Capital		4825.00
Cash	4025.00	
Loan		650.00
Motor Van	600.00	
Sales		800.00
Cost of goods sold	500.00	
Motor van expense	200.00	
Storage expense	150.00	
Closing Inventory	800.00	
	6275.00	6275.00

Statement of Profit and Loss 31st January

Sales	800.00
less cost of goods sold	500.00
Gross profit	300.00
Expenses	
Motor van expense	200.00
Storage expense	150.00
Total expenses	350.00

NET PROFIT/Loss	-	50.00
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Statement of financial position
31st January

Assets				
Non-Current Assets				
Motor Van				600.00
Total Non Current Assets				600.00
Current Assets				
Inventories				800.00
Cash and cash equivalents				4025.00
Total Current Assets				4825.00
Total Assets				5425.00
Equity and Liabilities				
Equity				
Share Capital				5,000.00
less: Drawings				175.00
Net Profit/Loss				- 50.00
Total Equity				4,775.00
Current liabilities				
Loan				650.00
Total current liabilities				650.00
Total liabilities				650.00
Total equity and liabilities				5425.00

Task3**Cash**

Balance b/d	343.00	Wages	12.00
receivable:Smith	18.00	payables:Smith	21.00
Sales	64.00	Wages	14.00
Sales	110.00	Purchase	75.00
receivable:Harvey	25.00	payables:Rich	162.00
Sales	84.00	Office desk	32.00
sales	30.00	wages	17.00
		Office expense	3.00
		wages	15.00
		Balance c/d	323.00
	674.00		674.00
Bal b/f	323.00		

Wages Expenses

Cash	12.00	Bal c/d	58.00
Cash	14.00		
Cash	17.00		
cash	15.00		
	58.00		58.00
Bal b/d	58.00		

Furniture and Fittings

Balance b/d	198.00	Balance c/d	230.00
Office desk	32.00		
	230.00		230.00
Balance b/d	230.00		

Sales

Bal c/d	412.00	Harvey	124.00
		Cash	64.00
		Cash	110.00
		Cash	84.00
		Cash	30.00
	412.00		412.00

		Bal b/d	412.00
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Receivables

Smith:Bal b/d	18.00	Cash	18.00
Harvey:Bal b/d	39.00	Harvey cash payment	25.00
Moon:Bal b/d	26.00		
Harvey	124.00	bal c/d	164.00
	207.00		207.00
Bal b/d	164.00		

Office Expense

Cash	3.00	Bal c/d	3.00
	3.00		3.00
Bal b/d	3.00		

Inventory

Balance b/d	458.00		
Rich:Payables	150.00	cost of goods sold	309.00
Cash	75.00		
		Balance c/d	374.00
	683.00		683.00
Bal b/d	374.00		

	Payables		
Cash	21.00	Rich-Bal b/d	12.00
Cash	162.00	Max-Bal b/d	21.00
		Sales-Rich	150.00
	183.00		183.00

Trial Balance
31st January

	Dr	Cr
Furniture and fittings	230.00	
Cash	323.00	
Accounts Receivable	164.00	
Sales		412.00
Cost of goods sold	309.00	
Office expense	3.00	
Wages expense	58.00	
Capital		1,049.00
Closing Inventory	374.00	
	1,461.00	1,461.00

Statement of Profit and Loss
31st January

Sales	412.00
less cost of goods sold	309.00
Gross profit	103.00
Expenses	
Office expense	3.00
Wages expense	58.00
Total expenses	61.00
NET PROFIT/LOSS (Net Income)	42.00

Statement of financial position
31st January

Assets				
Non-Current Assets				
Furniture and fittings				230.00
				230.00
Current Assets				
Inventories				374.00
Accounts Receivables				164.00
Cash and cash equivalents				323.00
				697.00
Total Assets				927.00
Equity and Liabilities				
Equity				969.00

Net Profit				42.00
Total Equity				927.00
Current liabilities				
Accounts Payable				-
Total current liabilities				-
Total liabilities				-
Total equity and liabilities				927.00

Task 4**Cash**

Sales	6,000.00	Account payable	11,460.00
Account receivable	6,930.00	Account payable	4,410.00
Account receivable	9,000.00	balance c/d	6,060.00
	21,930.00		21,930.00
balance b/d	6,060.00		

Sales

balance c/d	28,500.00	Account receivable	8,500.00
		Account receivable	9,000.00
		Cash	6,000.00
		Account receivable	5,000.00
	28,500.00		28,500.00
		balance b/d	28,500.00

Discount Offered

balance c/f	825.00	Discount on sales	450.00
		Discount on sales	375.00
	825.00		825.00
		balance c/d	825.00

Discount Received

Discount Revenue	540.00	balance c/d	630.00
Discount Revenue	90.00		
	630.00		630.00
balance c/d	630.00		

Payable Account

Cash	11,460.00	Purchases	12,000.00
Cash	4,410.00	Purchases	4,500.00
balance c/f	630		
	16,500.00		16,500.00
		balance b/d	630

Cash

Sales	6,000.00	Account payable	11,460.00
Account receivable	6,930.00	Account payable	4,410.00
Account receivable	9,000.00	balance c/d	6,060.00
	21,930.00		21,930.00
balance b/d	6,060.00		

Receivable

Sales	8,500.00	Sales Returns	1,000.00
Sales	9,000.00	Cash-Claire	7,125.00
Sales	5,000.00	Cash-Hywel	9,000.00
		balance c/d	5,375.00
	22,500.00		22,500.00
balance b/d	5,375.00		

Discount Expense

Discount on sales	450.00	balance c/d	825.00
Discount on sales	375.00		
	825.00		825.00
balance b/d	825.00		

Discount Revenue

balance c/d	630.00	Discount on Purchases	540.00
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		Discount on Purchases	90.00
	630.00		630.00
		balance c/d	630.00

Purchases

Accounts payable	12,000.00	balance c/d	16,500.00
Accounts payable	4,500.00		
	16,500.00		16,500.00
balance b/d	16,500.00		

Sales Returns

Accounts receivable	1,000.00	balance c/d	1,000.00
	1,000.00		1,000.00
balance b/d	1,000.00		

Trial Balance

27th June

	Dr	Cr
Sales		28,500.00
Accounts receivable	5,375.00	
Accounts payable		630.00
Discount expense	825.00	
Discount revenue		630.00
Cash	6,060.00	
Sales returns	1,000.00	
cost of goods sold	16,500.00	
	29,760.00	29,760.00

Task 5

Capital expenditure is a purchase that a company records as an asset- fixed asset.

The fixed assets are assets which a company usually consumed over a long period of time (useful life) and are charged via depreciation expense.(W.Kenton, 2019 and Moodle).

Revenue expenditure is the amount spent by business or organization for an expense to current period for the purpose of the trade of the business.

These expenditures are reoccurringby nature and the effect of these expenditures is a short lived.(Moodle)

Examples (Moodle, W.Kenton, 2019)

Capital Expenditure

Land
Buildings
Equipment
Furnishing
Fixtures
Vehicles

Revenue Expenditure

Repairs
Maintenance
Selling
General Expenses
Administrative expenses

References:

Recommendations in Moodle

Will Kenton, 25Jun 2019 , "Capital Expenditure-Cap Ex Definition"- available at:

<https://www.investopedia.com/terms/c/capitalexpenditure.asp>

accessed at 23.12.2019