

Accounting

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INTRODUCTION

Accounting is said to be one of the crucial aspects for an organisation. It is basically known as the systematic analysis of the financial transactions that during the period of time. This project aimed at providing specific information about the journal, ledger and trail balance that are considered as primary record of the company. Apart from this, information about the revenue and capital expenses are covered under this report (Zeff, 2016).

TASK 1

Journal entries:

Journal entries in the books of Maxim

(In £)			
<u>Date</u>	<u>Particulars</u>	<u>Debit</u>	<u>Credit</u>
05-04-18	Cash A/c Dr.	300	
	To Capital A/c		300
	(Being Capital introduced in the business)		
07-04-18	Purchases A/c Dr.	200	
	To Cash A/c		200
	(Being goods is purchased)		
08-04-18	Cash A/c Dr.	250	
	To Tatiana A/c		250
	(Being loan is received from Tatiana)		
15-04-18	Motor Van A/c Dr.	150	
	To cash a/c		150
	(being motor van purchased in cash)		
20-04-18	Cash A/c Dr.	350	
	To Sales A/c		350
	(being goods in sold)		
28-04-18	Rent A/c Dr.	50	
	To Cash A/c		50
	(Being rent is paid in cash)		
29-04-18	Tatiana A/c Dr.	200	

	To Cash A/c		200
	(Being part of loan is repaid)		
30-04-18	Capital A/c Dr.	60	
	To Cash A/c		60
	(Being cash is withdrawal by owner)		

Ledger account:

(a) LEDGER ACCOUNTS					
					(In ₹)
Capital A/c					
Date	Particulars	Amount	Date	Particulars	Amount
30-04-18	To Cash A/c	60	05-04-18	By Cash A/c	300
	To Closing Balance C/d	240			
Total		300	Total		300

Cash A/c					
Date	Particulars	Amount	Date	Particulars	Amount
05-04-18	To Capital A/c	300	07-04-18	By Purchases A/c	200
08-04-18	To Tatiana A/c	250	15-04-18	By Motor Van A/c	150
20-04-18	To Sales A/c	350	28-04-18	By Rent A/c	50
			29-04-18	By Tatiana A/c	200
			30-04-18	By Capital A/c	60
				By Closing Bal. C/d	240
Total		900	Total		900

Purchases A/c

Date	Particulars	Amount	Date	Particulars	Amount
07-04-18	To Cash A/c	200	30-04-18	By Trading and P&L A/c	200
Total		200	Total		200

Tatiana A/c					
Date	Particulars	Amount	Date	Particulars	Amount
29-04-18	To Cash A/c	200	08-04-18	By Cash A/c	250
30-04-18	To Closing Balance C/d	50			
Total		250	Total		250

Motor Van A/c					
Date	Particulars	Amount	Date	Particulars	Amount
15-04-18	To Cash A/c	150	30-04-18	By Closing Bal. C/d	150
Total		150	Total		150

Sales A/c					
Date	Particulars	Amount	Date	Particulars	Amount
30-04-18	To Trading and P&L A/c	350	20-04-18	By Cash A/c	350
Total		350	Total		350

Rent A/c					
Date	Particulars	Amount	Date	Particulars	Amount
28-04-18	To Cash A/c	50	30-04-18	By Trading and P&L A/c	50
Total		50	Total		50

Trail balance:

TRIAL BALANCE		
		(In £)
Particulars	Debit	Credit
Capital	-	240
Cash	240	-
Purchases	200	-
Tatiana	-	50
Motor Van	150	-
Sales	-	350
Rent	50	-
Total	640	640

(c) Statement of Trading and Profit or Loss for the Month ended 30 April			
			(In £)
Particulars	Amount	Particulars	Amount
To Purchases A/c	200	By Sales A/c	350
To Gross Profit C/d	250	By Closing Stock A/c	100
	450		450
To Rent A/c	50	By Gross Profit B/d	250
To Net Profit C/d	200		
	250		250

Statement of Financial Position at 30 th April				
				(In £)
Liabilities	Amount		Assets	Amount
Capital	240		Non-Current Assets:	
Add: Net Profit For the Year	200	440	Motor Van	150
			Current Assets:	
Unsecured Loans:			Cash in Hand	240
Tatiana		50	Closing Stock	100
Total		490	Total	490

TASK 2

Journal:

(a) Journal Entries in the books of Pendo for the month of January

(In £)

date	Particular	debit	credit
01/01/18	Cash a/c Dr.	5000	
	To Capital a/c		5000
	(Being Capital is introduced in the business)		
02/01/18	Motor Van a/c Dr.	600	
	To Cash A/c		600
	(Being Motor Car is purchased in cash)		
03/01/18	Purchases A/c Dr.	1300	
	To Cash A/c		1300
	(Being goods is purchased)		
04/01/18	Cash A/c Dr.	1000	
	To Sergei A/c		1000
	(Being loan is received from Sergei)		
10/01/18	Motor Van Expenses A/c Dr.	200	
	To Cash A/c		200
	Being Expenses is paid on motor van)		
13/01/18	Cash A/c Dr.	300	
	To Sales A/c		300
	(Being goods is sold on cash)		
20/01/18	Cash A/c Dr.	500	
	To Sales A/c		500
	(Being goods is sold on cash)		
24/01/18	Storage Expenses A/c Dr.	150	
	To Cash A/c		150
	(Being storage Expense is paid)		
27/01/18	Sergei A/c Dr.	350	

	To Cash A/c		350
	(Being part of loan is repaid to Sergei)		
30/01/18	Capital A/c Dr.	175	
	To Cash A/c		175
	(Being Cash is Withdrawal from business)		

Ledger accounts

a) ledger account

(In £)

Capital A/c					
Date	Particulars	Amount	Date	Particulars	Amount
30-01-18	To Cash A/c	175	01-01-18	By Cash A/c	5000
31-01-18	To Closing Balance C/d	4825			
Total		5000	Total		5000

Cash A/c					
Date	Particulars	Amount	Date	Particulars	Amount
01-01-18	To Capital A/c	5000	02-01-18	By Motor Van A/c	600
04-01-18	To Sergei A/c	1000	03-01-18	By Purchases A/c	1300
13-01-18	To Sales A/c	300	10-01-18	By Motor Van Expenses A/c	200
20-01-18	To Sales A/c	500	24-01-18	By Storage Expenses A/c	150
			27-01-18	By Sergei A/c	350
			30-01-18	By Capital A/c	175
				By Closing Balance C/d	4025
Total		6800	Total		6800

Motor Van A/c					
Date	Particulars	Amount	Date	Particulars	Amount
02-01-18	To Cash A/c	600	31-01-18	By Closing Balance C/d	600
Total		600	Total		600

Purchases A/c					
Date	Particulars	Amount	Date	Particulars	Amount
03-01-18	To Cash A/c	1300	31-01-18	By Trading and P&L A/c	1300
Total		1300	Total		1300

Sergei A/c					
Date	Particulars	Amount	Date	Particulars	Amount
27-01-18	To Cash A/c	350	04-01-18	By Cash A/c	1000
31-01-18	To Closing Balance C/d	650			
Total		1000	Total		1000

Motor Van Expenses A/c					
Date	Particulars	Amount	Date	Particulars	Amount
10-01-18	To Cash A/c	200	31-01-18	By Trading and P&L A/c	200
Total		200	Total		200

Sales A/c					
Date	Particulars	Amount	Date	Particulars	Amount
31-01-18	To Trading and P&L A/c	800	13-01-18	By Cash A/c	300
			20-01-18	By Cash A/c	500
Total		800	Total		800

Storage Expenses A/c					
Date	Particulars	Amount	Date	Particulars	Amount
24-01-18	To Cash A/c	150	31-01-18	By Trading and P&L A/c	150
Total		150	Total		150

(b): Trial balance

<u>TRIAL BALANCE</u>		
		(In £)
Particulars	Debit	Credit
Capital	-	4825

Cash	4025	-
Motor Van	600	-
Purchases	1300	-
Sergei	-	650
Motor Van Expenses	200	-
Sales	-	800
Storage Expenses	150	-
Total	6275	6275

(c): Statement of profit and loss

Statement of Trading and Profit or Loss for the Month ended 30th January
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(In £)

Particulars	Amount	Particulars	Amount
To Purchases A/c	1300	By Sales A/c	800
To Gross Profit C/d	300	By Closing Stock A/c	800
	1600		1600
To Motor Van Expenses A/c	200	By Gross Profit B/d	300
To Storage Expenses A/c	150		
		By Net Loss C/d	50
	350		350

Statement of Financial Position at 31 th January				
				(In £)
Liabilities	Amount		Assets	Amount
Capital	4825		<u>Non-Current Assets:</u>	
Less: Net Loss For the Year	50	4775	Motor Van	600
			<u>Current Assets:</u>	
<u>Unsecured Loans:</u>			Cash in Hand	4025
Sergei		650	Closing Stock	800
Total		5425	Total	5425

TASK 3

(a): Journals

(a) Journal Entries In the Books of Mufta			
Date	Particulars	Debit	(In £) Credit
02-01-18	Harvey A/c Dr.	124	
	To Sales A/c		124
	(Being Goods sold to Harvey on credit)		
05-01-18	Wages A/c Dr.	12	
	To Cash A/c		12
	(Being wages paid in cash)		
05-01-18	Purchases A/c Dr.	150	
	To Rich A/c		150
	(Being goods purchased on credit from rich)		
07-01-18	Cash A/c Dr.	18	
	To Smith A/c		18
	(Being smith settled his dues)		
09-01-18	Max A/c Dr.	21	-
	To Cash A/c		21
	(Being amount paid owing to max)		
11-01-18	Cash A/c Dr.	64	
	To Sales A/c		64
	(Being goods sold in cash)		
14-01-18	Wages A/c Dr.	14	
	To Cash A/c		14
	(Being wages paid in cash)		
14-01-18	Purchases A/c Dr.	75	
	To Cash A/c		75
	(Being goods purchased in cash)		
15-01-18	Rich A/c Dr.	162	
	To Cash A/c		162
	(Being amount is paid to rich)		
20-01-18	Furniture and Fittings A/c Dr.	32	
	To Cash A/c		32

	(Being office desk is purchased in cash)		
21-01-18	Wages A/c Dr.	17	
	To Cash A/c		17
	(Being wages paid in cash)		
21-01-18	Cash A/c Dr.	110	
	To Sales A/c		110
	(Being goods sold in cash)		
23-01-18	Office expenses A/c Dr.	3	
	To Cash A/c		3
	(Being Office expenses paid in cash)		
23-01-18	Cash A/c Dr.	25	
	To Harvey A/c		25
	(Being Cash is received from Harvey)		
28-01-18	Cash A/c Dr.	84	
	To Sales A/c		84
	(Being goods sold in cash)		
28-01-18	Wages A/c Dr.	15	
	To Cash A/c		15
	(Being wages paid in cash)		
31-01-18	Cash A/c Dr.	30	
	To Sales A/c		30
	(Being goods sold in cash)		

LEDGER ACCOUNTS					
					(In £)
Capital A/c					
Date	Particulars	Amount	Date	Particulars	Amount
31-01-18	By Closing Balance C/d	1049	01-01-18	By Opening Balance B/d	1049
Total		1049	Total		1049

Harvey A/c					
Date	Particulars	Amount	Date	Particulars	Amount
01-01-	To Opening Balance B/d	39	23-01-	By Cash A/c	25

18			18		
02-01-18	To Sales A/c	124	31-01-18	BY Closing Balance C/d	138
Total		163	Total		163

Sales A/c					
Date	Particulars	Amount	Date	Particulars	Amount
31-01-18	To Trading and P&L A/c	412	02-01-18	By Harvey A/c	124
			11-01-18	By Cash A/c	64
			21-01-18	By Cash A/c	110
			28-01-18	By Cash A/c	84
			31-01-18	By Cash A/c	30
Total		412	Total		412

Cash A/c					
Date	Particulars	Amount	Date	Particulars	Amount
01-01-18	To Opening Balance B/d	343	05-01-18	By Wages A/c	12
07-01-18	To Smith A/c	18	09-01-18	By Max A/c	21
11-01-18	To Sales A/c	64	14-01-18	By Wages A/c	14
21-01-18	To Sales A/c	110	14-01-18	By Purchases A/c	75
23-01-18	By Harvey A/c	25	15-01-18	By Rich A/c	162
28-01-18	To Sales A/c	84	20-01-18	By Furniture and Fittings A/c	32
31-01-18	To Sales A/c	30	21-01-18	By Wages A/c	17
			23-01-18	By Office Expenses A/c	3
			28-01-18	By Wages A/c	15
			31-01-18	BY Closing Balance C/d	323
Total		674	Total		674

Purchases A/c					
Date	Particulars	Amount	Date	Particulars	Amount

05-01-18	To Rich A/c	150	31-01-18	By Trading and P&L A/c	225
14-01-18	To Cash A/c	75			
Total		225	Total		225

Rich A/c					
Date	Particulars	Amount	Date	Particulars	Amount
15-01-18	To Cash A/c	162	01-01-18	By Opening Balance B/d	12
			05-01-18	By Purchases	150
Total		162	Total		162

Smith A/c					
Date	Particulars	Amount	Date	Particulars	Amount
01-01-18	To Opening Balance B/d	18	07-01-18	By Cash A/c	18
Total		18	Total		18

Office Expenses A/c					
Date	Particulars	Amount	Date	Particulars	Amount
23-01-18	To Cash A/c	3	31-01-18	By Trading and P&L A/c	3
Total		3	Total		3

Max A/c					
Date	Particulars	Amount	Date	Particulars	Amount
09-01-18	To Cash	21	01-01-18	By Opening Balance B/d	21
Total		21	Total		21

Furniture and Fittings A/c					
Date	Particulars	Amount	Date	Particulars	Amount
01-01-18	To Opening Balance B/d	198	31-01-18	By Closing Balance C/d	230
20-01-18	To Cash A/c	32			
Total		230	Total		230

Wages A/c					
Date	Particulars	Amount	Date	Particulars	Amount
05-01-18	To Cash A/c	12	31-01-18	By Trading and P&L A/c	58
14-01-18	To Cash A/c	14			
21-01-18	To Cash A/c	17			
28-01-18	To Cash A/c	15			
Total		58	Total		58

(b) Trail balance

TRIAL BALANCE

(In £)		
Particulars	Debit	Credit
Capital	-	1049
Harvey	138	-
Sales	-	412
Cash	323	-
Purchases	225	-
Office Expenses	3	-
Furniture and Fittings	230	-
Wages	58	-
Opening Stock	458	-
Moon	26	-
Total	1461	1461

(c): Statement of profit and loss statement

Statement of Trading and Profit or Loss for the Month ended 31th January			
			(In £)
Particulars	Amount	Particulars	Amount

To Opening Stock	458	By Sales A/c	412
To Purchases A/c	225	By Closing Stock A/c	374
To Gross Profit C/d	103		
	786		786
To Office Expenses A/c	3	By Gross Profit B/d	103
To Furniture and Fittings A/c	230		
To Wages A/c	58		
		By Net Loss C/d	188
	291		291

Statement of Financial Position at 31th January				
				(In £)
Liabilities	Amount	Assets	Amount	
Capital	1049	<u>Non-Current Assets:</u>		
Less: Net Loss For the Year	188	Motor Van		
		<u>Current Assets:</u>		
<u>Unsecured Loans:</u>		Cash in Hand	323	
Sergei		Closing Stock	374	
		Harvey	138	
		Moon	26	
Total	861	Total	861	

TASK 4

Ledger accounts and recording of transactions in the books of Ricardo

Date	Particular		Debit amount	Credit amount
02/06/18	Claire a/c		8500	
		To sales a/c		8500
	(Being sales are made)			
13/06/18	Purchase a/c		12000	

		To Georgina		12000
	(Being purchase are made)			
14/06/18	Hywel a/c		8550	
		To sales a/c		8550
	(Being sales are made)			
20/06/18	Cash a/c		6000	
		To sales a/c		6000
	(being sales are made)			
21/06/18	Purchase a/c		4500	
		To Andrew		4500
	(Being purchase are made)			
22/06/18	Sales return a/c		1000	
		to Claire a/c		1000
	(Being sales return are made)			
24/06/18	Mandy a/c		5000	
		To sales a/c		5000
	(Being sales are made)			
24/06/18	Cash a/c		7125	
	Discount allowed a/c		375	
		to Claire a/c		7500
	(Payment made by Claire)			
25/06/18	Cash a/c		8550	
		To Hywel a/c		8550
	(Payment made to Hywel a/c)			
	Georgina		12000	
		To Cash		11160

		To discount received		840
	(Payment made to Georgina)			
27/06/18	Andrew a/c		4500	
		To discount received		90
		To cash		4410

Ledger accounts

Sales a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
30/06/18	To Trading a/c	28050	02/06/18	By Claire	8500
			14/06/18	By Hywel	8550
			20/06/18	By cash	6000
			24/06/18	By Mandy	5000
		28050			28050

Purchase a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
13/06/18	To Georgina	12000	30/06/18	By Trading a/c	16500
21/06/18	To Andrew	4500			
		16500			16500

Claire a/c

Date	Particular	Amount	Particular	Amount
02/06/18	To sale	8500	By Cash	7125
			By discount allowed	375
		8500		8500

Georgina a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
25/06/18	To Cash	11160	13/06/16	By Purchase	12000
	To Discount received	840			

		12000			12000
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Hywel a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
14/06/18	To sales	8550	25/06/18	By cash a/c	8550
		8550			8550

Andrew a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
27/06/18	To Cash	4410	21/06/18	By Purchase a/c	4500
	To Discount received	90			
		4500			4500

Cash a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
20/06/18	To sales	6000	25/06/18	By Georgian	11160
14/06/18	To Hywel	8550	27/06/18	By Andrew	4410
24/06/18	To Claire a/c	7125	30/06/18	By Balance c/d	6105
		21675			21675

Sales return a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
22/06/18	To Claire a/c	1000	30/06/18	By Trading a/c	1000
		1000			1000

Mandy a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
24/06/18	To sales	5000	30/06/18	By Balance c/d	5000
		5000			5000

Discount allowed a/c

Date	Particular	Amount (£)	Date	Particular	Amount (£)
24/06/18	To Claire	375	30/06/18	By P&L a/c	375
		375			375

Discount Received account

Date	Particular	Amount (£)	Date	Particular	Amount (£)
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30/06/18	To P&L	930	25/06/18	By Georgina	840
			27/06/18	By Andrew	90
		930			930

Trial balance

Particular	Debit amount	Credit amount
Sales		28050
Purchase	16500	
Cash a/c	6105	
Discount received		930
Discount allowed	375	
Sales return	1000	
Mandy	5000	
Total	28980	28980

TASK 5

Revenue expenses

It is said to be one of the key aspects that are related with monthly or daily basis. It has been analysed that a fixed strategy is basically related with the earning & expenses and present accounting period of time. These expenses would be occurring in every year and every month. Services maintenance, repair expenses and stationary expenditure that are having some earning expenses that are considered with the capacity to increase the capacity of the company. The cost of business is not only related with the continuous basis but also the basis aspects that are accountable with the proper expenses and installation procedure with the business (Horomnea and Paşcu, 2012).

Capital expenditure

It refers as those capital that can be used by company to modify and maintain balance among the physical assets such as equipment, property and industries building etc. These expenses are taken into account during the start-up of new project or investments made by the company. Companies are also prepared these type of financial outlays to maintain or increase the scope of their operations effectively (Nolas, Sharp and Goldsmid, 2013)

Difference between capital and revenue expenditure

Basis	Capital expenditure	Revenue expenditure
Meaning	This particular expense is made in accordance with the acquiring fixed assets the expenses those are incurred to increase the volume of the business (Toy and Hay, 2014).	All kind of expenses those are incurred to operate every day transaction and activities are taken into account as earning expense.
Term	It is associated with the long term expenditure because it is having long term effects on the business.	It is known as short term expenses that are increase with the short period of time.

CONCLUSION

From the above project report, it has been concluded that accounting is one of the crucial aspects for any kind of business. It can assist an organisation to record various financial transaction by following certain rules and regulations such as journal, ledger and trail balance. These are valuable sources which will be useful in making financial report for the effective decision making in near future time.

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