

Exercises

- 1) Enter the following transactions in the accounts.

2010

May 1	started business with £2000 in the bank
May 2	bought goods on credit from Mr Shaw £900
May 3	bought goods on credit from Mr Hughes £250
May 5	sold goods for cash £180
May 6	we returned goods to Mr Shaw £40
May 8	bought goods on credit from Mr Hughes £190
May 10	sold goods on credit to Mr Wood £390
May 12	sold goods for cash £210
May 18	took £300 of the cash and paid it into the bank
May 21	bought machinery by cheque £550
May 22	sold goods on credit to Mr Moore £220
May 23	Mr Wood returned goods to us £140
May 25	Mr Moore returned goods to us £10
May 28	we returned goods to Mr Hughes £30
May 29	we paid Mr Shaw by cheque £860
May 31	bought machinery on credit from Mr Lee £270

- 2) Write up the following transactions in the books of Mr Good

2011

May 1	started business with £2000 in the bank
May 2	bought goods on credit from Mr M. Mills £175
May 3	bought fixtures and fittings £150 paying by cheque
May 5	sold goods for cash £275
May 8	bought goods on credit from Mr Waites £114
May 9	paid rent by cash £15
May 10	sold goods on credit to Mr U. Henry for £77
May 15	we returned goods to Mr M. Mills £23
May 17	Let off part of the premises receiving rent by cheque £5
May 21	bought stationery £27 paying in cash
May 23	bought a van paying by cheque £300
May 25	paid the month's wages by cash £117
May 28	the proprietor took cash for his own personal use £44

3) The following is a list of Helen's transactions for May 2012:

- 1 Goods purchased on credit from Gill.
- 2 Goods sold on credit to Ash.
- 3 Goods sold for cash to Crosby.
- 4 Goods purchased in cash from Lowe.
- 5 Cheque sent to Gill.
- 6 Cash received from Ash.

Required:

State which account in Helen's books should be debited and which account should be credited for each transaction.

4) Ford buys and sells goods on cash and credit terms. The following is a list of his transactions for June 2011:

- 1 Goods sold on cash terms to Orange.
- 2 Goods purchased from Carter on credit.
- 3 Goods sold to Holly on credit.
- 4 Goods bought on cash terms from Apple.
- 5 Holly returns some of the goods.
- 6 Goods returned to Carter.

Required:

State which account in Ford's books of account should be debited and which account should be credited for each transaction.