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INTRODUCTION

Accounting the technique of recording all transactional entries in specific books. These entries have been made in the books with considering standards and principles of IASB and GAAP. In the present report, there have been preparation of various accounts such as ledgers, trial balance, income statements and balance sheet. Along with this, this study also has analysis over the differences between capital and revenue expenditures. Moreover, such analysis will be helpful to make appropriate ascertainment of the business activities.

TASK 1

Journal entries:

	Journal entries		
Date	Particulars	Dr	CR
05-Apr	cash a/c dr	300	
	To capital account		300
07-Apr	Purchase a/c dr	200	
	To cash		200
08-Apr	Bank a/c dr	250	
	To cash		250
15-Apr	Motor van a/c dr	150	
	to cash		150
20-Apr	Cash a/c dr	350	
	To sales		350
28-Apr	Rent a/c dr	50	
	To cash		50
29-Apr	Bank a/c dr	200	
	To cash		200
30-Apr	Drawings a/c dr	60	
	To cash		60
30-Apr	Closing stock a/c DR	100	
	To trading a/c		100
	Total	1660	1660

A. Ledger accounts

DR		Cash account			CR
Date	Particulars	Amount	Date	Particulars	Amount
05-Apr	Capital account	300	07-Apr	Purchase of goods	200
20-Apr	Sales	350	08-Apr	Bank	250
			15-Apr	Motor van	150
			28-Apr	Rent	50
			29-Apr	Bank	200
			30-Apr	Drawings	60
	Total	910		Total	910
	Balance c/f	260			

DR		Trading Account			CR
Date	Particulars	Amount	Date	Particulars	Amount
	Balance B/d	0	20-Apr		
			30-Apr	Closing stock	100
	Total	100		Total	100
	To balance C/f	100			

DR		Capital account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			05-Apr	Cash	300
	To balance C/f	300			
	Total	300		Total	300

DR		Rent account			CR
Date	Particulars	Amount	Date	Particulars	Amount
28-Apr	Cash	50			
				Balance C/f	50
	Total	50		Total	50

DR		Closing stock account			CR
Date	Particulars	Amount	Date	Particulars	Amount
30-Apr	Trading account	100			
				Balance C/f	100
	Total	100		Total	100

DR	Purchase account				CR
Date	Particulars	Amount	Date	Particulars	Amount
07-Apr	Cash	200			
				Balance c/f	200
	Total	200		Total	200

DR	Bank account				CR
Date	Particulars	Amount	Date	Particulars	Amount
08-Apr	Cash	250			
29-Apr	Cash	200			
				Balance c/f	450
	Total	450		Total	450

DR	Motor van account				CR
Date	Particulars	Amount	Date	Particulars	Amount
15-Apr	To cash	150			
				Balance c/f	150
	Total	150		Total	150

DR	Sales account				CR
Date	particulars	Amount	Date	Particulars	Amount
			20-Apr	Cash	350
	Balance c/f	350			
	Total	350		Total	350

DR	Drawings account				CR
Date	particulars	Amount	Date	particulars	Amount
30-Apr	Cash	60			
				Balance c/f	60
	Total	60		Total	60

B. Trial balance account

Trial balance	Debit	Credit
Cash	260	
Trading account	100	
Capital account	300	

Rent account		50
Purchase		200
Bank account		450
Motor van account		150
Sales Account	350	
Drawing account		60
Closing stock account		100
Total	1010	1010

C. Final statements

DR	Profit and Loss account				CR
Date	particulars	Amount	Date	particulars	Amount
07-Apr	Purchase	200	20-Apr	Sales	350
15-Apr	Motor van account	150	30-Apr	Drawings	60
28-Apr	Rent	50	30-Apr	Closing balance	100
	Profit	310		Interest	200
	Total	710		Total	710

Particulars	Amount
Assets	
Current assets	
Cash	260
bank	450
Inventory	100
Total current assets	810
Fixed assets	
Motor van	150
Total non-current assets	150
Total assets	960
Liabilities	
Current liabilities	
Drawings	60
Total current liabilities	60
Non-current liabilities	

Loan	250
Capital	300
Profit	350
Total liabilities	960

TASK 2

A. Writing up balances

Journal Entries:

	Journal entries		
Date	Particulars	Dr	CR
01-Jan	cash a/c dr	5000	
	To capital account		5000
02-Jan	Motor van a/c dr	600	
	To cash		600
03-Jan	Purchase a/c dr	1300	
	To cash		1300
04-Jan	cash a/c dr	1000	
	to loan		1000
10-Jan	Expenses paid	200	
	To cash		200
13-Jan	cash a/c dr	300	
	To sales		300
20-Jan	Cahs a/c dr	500	
	To sales		500
24-Jan	Storage expenses paid	150	
	To cash		150
27-Jan	Repaid loan	350	
	To bank		350
30-Jan	Drawings a/c dr	175	
	To cash		175
31-Jan	closing a/c dr	800	
	To profit and loss a/c		800
	Total	10375	10375

Ledger account

DR		Cash account			CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	Capital	5000	02-Jan	Motor van	600
			03-Jan	purchase	1300
13-Jan	sales	300	10-Jan	motor van expenses	200
20-Jan	sales	500	24-Jan	Storage expenses paid	150
			30-Jan	Drawings	175
				Balance c/f	3375
	Total	5800		Total	5800

DR		Capital account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			01-Jan	cash	5000
	Balance c/f	5000			
	Total	5000		Total	5000

DR		Motor van account			CR
Date	Particulars	Amount	Date	Particulars	Amount
02-Jan	Cash	600			
10-Jan					
				Balance c/f	600
	Total	600		Total	600

DR		Purchase account			CR
Date	Particulars	Amount	Date	Particulars	Amount
03-Jan	cash	1300		Balance c/f	1300
	Total	1300		Total	1300

DR		Loan account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			04-Jan	bank	1000
	Balance c/f	1000			
	Total	1000		Total	1000

DR	Repaid Loan account				CR
Date	Particulars	Amount	Date	Particulars	Amount
27-Jan	bank	350		Balance c/f	350
	Total	350		Total	350

DR	bank account				CR
Date	Particulars	Amount	Date	Particulars	Amount
04-Jan	loan	1000	27-Jan	Loan repaid	350
				Balance c/f	650
	Total	1000		Total	1000

DR	Sales account				CR
Date	Particulars	Amount	Date	Particulars	Amount
			13-Jan	Cash account	300
	Balance c/f	800	20-Jan	Cash account	500
	Total	800		Total	800

DR	Storage expense account				CR
Date	Particulars	Amount	Date	Particulars	Amount
24-Jan	cash	150			
				Balance c/f	150
	Total	150		Total	150

DR	Drawings account				CR
Date	Particulars	Amount	Date	Particulars	Amount
30-Jan	Cash	175			
				Balance c/f	175
	Total	175		Total	175

DR	Closing balance account				CR
Date	Particulars	Amount	Date	Particulars	Amount
31-Jan	Profit and loss account	800			
				Balance c/f	800
	Total	800		Total	800

DR	expenses account				CR
Date	Particulars	Amount	Date	Particulars	Amount
10-Jan	cash	200			
				Balance c/f	200
	Total	200		Total	200

B. Trial balance

Particulars	Debit	Credit
Cash		3375
Capital	5000	
Motor van account		600
Purchase account		1300
Loan account	1000	
Sales Account	800	
Storage expenses account		150
Repaid Loan account		350
Expenses account		200
Bank		650
Drawings account		175
Total	6800	6800

C. Final statements

Profit and loss account

DR	Profit and Loss account				CR
Date	Particulars	Amount	Date	Particulars	Amount
02-Jan	Motor van	600	13-Jan	Sales	300
03-Jan	Purchase	1300	20-Jan	sales	500
10-Jan	Expenses paid	200	31	Closing inventory	800
24-Jan	Storage expenses paid	150	30-Jan	Drawings a/c dr	175
27-Jan	Repaid loan	350		loss	825
	Total	2600		Total	2600

Balance sheet:

Balance sheet	
Particulars	Amount
Assets	
Current assets	
Cash	3375
Bank	650
Inventories	800
Total Current assets	4825
Non -current assets	
Motor van	600
Total non-current assets	600
Total Assets	5425
Liabilities	
Current Liabilities	
Loan	1000
Drawings	175
Total current liabilities	1175
Non-current liabilities	
capital	5000
less: loss	825
total non-current liabilities	4175
Total liabilities	5350

TASK 3

Journal entries:

date	Particulars	Debit	Credit
02-Jan	Cash	124	
	To Harvey		124
05-Jan	Wages a/c dr	12	
	To cash		12
05-Jan	Purchase a/c dr	150	
	To Rich (credit)		150
07-Jan	Cash a/c dr	18	
	To smith		18
	(being debtor received)		
09-Jan	Max a/c dr	21	
	To cash		21
	(being creditor paid)		
11-Jan	cash a/c dr	64	
	To cash sales		64
14-Jan	wages a/c dr	14	
	To cash		14
14-Jan	Purchase a/c dr	75	
	To cash		75
15-Jan	Rich a/c dr	12	
	Purchase a/c dr	150	
	To cash		162
20-Jan	New office desk	32	
	to cash		32
21-Jan	wages a/c dr	17	
	to cash		17

21-Jan	cash a/c dr	110	
	to cash sales		110
23-Jan	office expenses a/c dr	3	
	to cash		3
23-Jan	cash a/c dr	25	
	to Harvey		25
28-Jan	cash a/c dr	84	
	To sales		84
28-Jan	wages a/c dr	15	
	To cash		15
31-Jan	cash a/c dr	30	
	To sales		30
31-Jan	Inventory a/c dr	374	
	To profit and loss a/c		374

A. Ledger accounts

DR	Cash account				CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	Balance b/d	343	05-Jan	wages	12
02-Jan	Harvey	124	09-Jan	Max a/c	21
07-Jan	smith	18	14-Jan	wages	14
11-Jan	Cash sales	64	14-Jan	Purchase	75
21-Jan	Cash sales	110	15-Jan	Rich	12
23-Jan	Harvey	25	15-Jan	Purchase	150
28-Jan	Sales	84	20-Jan	New office desk	32
31-Jan	Sales	30	21-Jan	wages	17
			23-Jan	office expenses	3
			28-Jan	wages	15
			31-Jan	balance c/f	447
	Total	798		Total	798

DR	Harvey account				CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	Balance b/d	39	02-Jan	Cash	124
			23-Jan	cash	25
31-Jan	balance c/f	110			
	Total	149		Total	149

DR	Wages account				CR
Date	Particulars	Amount	Date	Particulars	Amount
05-Jan	cash	12			
14-Jan	cash	14			
21-Jan	cash	17	31-Jan	balance c/f	58
28-Jan	cash	15			
	Total	58		Total	58

DR	Purchase account				CR
Date	Particulars	Amount	Date	Particulars	Amount
05-Jan	Rich (credit)	150			
14-Jan	Cash	75			
			31-Jan	balance c/f	225
	Total	225		Total	225

DR	Smith account				CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	balance b/d	18	07-Jan	Cash	18
	Total	18		Total	18

DR	Furniture and fittings account				CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	balance b/d	198	31-Jan	balance c/f	198
	Total	198		Total	198

DR		Max account			CR
Date	Particulars	Amount	Date	Particulars	Amount
09-Jan	Cash	21	01-Jan	Balance b/d	21
	Total	21		Total	21

DR		cash sales account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			11-Jan	cash a/c dr	64
			21-Jan	cash a/c dr	110
			28-Jan	cash a/c dr	84
31-Jan	balance c/f	288	31-Jan	cash a/c dr	30
	Total	288		Total	288

DR		Rich account			CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	Balance b/d	12	05-Jan	Purchase	150
31-Jan	balance c/f	150	15-Jan	Cash	12
	Total	162		Total	162

DR		Purchase account			CR
Date	Particulars	Amount	Date	Particulars	Amount
20-Jan	Cash	32	31-Jan	balance c/f	32
	Total	32		Total	32

DR		Office expenses account			CR
Date	Particulars	Amount	Date	Particulars	Amount
23-Jan	Cash	3	31-Jan	balance c/f	3
	Total	3		Total	3

DR		Inventory account			CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	Balance b/d	458	31-Jan	Profit and loss account	374
			31-Jan	balance c/f	84
	Total	458		Total	458

DR		moon account			CR
Date	Particulars	Amount	Date	Particulars	Amount
01-Jan	balance b/d	26	31-Jan	balance c/f	26
	Total	26		Total	26

B. Trial balance

Trial balance		
Particulars	Debit	Credit
Cash account		447
Harvey account	110	
Wages account		58
Purchase account		225
Furniture and fittings account	198	
cash sales account	288	
Rich account	150	
New office desk		32
Office expenses account		3
Suspense account		7
moon account	26	
Total	772	772

C. Final accounts

DR	Profit and loss account				CR
Date	Particulars	Amount	Date	Particulars	Amount
05-Jan	Wages	12	11-Jan	Cash sales	64
05-Jan	Purchase	150	21-Jan	Cash sales	110
14-Jan	wages	14	28-Jan	Sales	84
14-Jan	Purchase	75	31-Jan	Sales	30
15-Jan	Purchase	150	31-Jan	Inventory	374
20-Jan	New office desk	32			
21-Jan	wages a/c dr	17			
23-Jan	office expenses a/c dr	3			
28-Jan	wages a/c dr	15			
31-Jan	Profit	194			
	Total	662		Total	662

Balance sheet:

Balance sheet	
Particulars	Amount
Assets	
Current Assets	
Cash	447
Harvey	110
Moon	26
Inventory	84
Total current assets	667
Non-current assets	
Furniture and fittings account	198
New office desk	32
Total non-current assets	230
Total assets	897
Liabilities	
Current liabilities	
Rich	150
creditors	253
Total current liabilities	403
Non-current liabilities	
Profit	194
Other non-current liabilities	300
Total non-current liabilities	494
Total Liabilities	897

TASK 4

Journal entries:

date	Particulars	Debit	Credit
02-Jun	Claire a/c dr	8075	
	Discount a/c dr	425	
	To sales		8500
	(being goods sold at discount)		
13-Jun	purchase a/c dr	12000	
	To Georgina		11160
	To Discount received		840
14-Jun	Hywel a/c dr	8550	
	Discount a/c dr	450	
	To sales		9000
	(being goods sold at discount)		
20-Jun	Jane a/c dr	6000	
	To sales		6000
21-Jun	purchase a/c dr	4500	
	To Andrew		4410
	To Discount received		90
22-Jun	sales-return a/c dr	1000	
	to Claire		1000
24-Jun	purchase a/c dr	5000	
	To cash		4850
	To Discount received		150

Ledger accounts:

DR		Claire account			CR
Date	Particulars	Amount	Date	Particulars	Amount
02-Jun	sales	8500			
			22-Jun	Sales return	1000
			30-Jun	Balance c/f	7500
	Total	8500		Total	8500
DR		Discount allowed account			CR
Date	Particulars	Amount	Date	Particulars	Amount
02-Jun	sales	425			
14-Jun	sales	450	30-Jun	Balance c/f	875
	Total	875		Total	875

DR		Purchase account			CR
Date	Particulars	Amount	Date	Particulars	Amount
13-Jun	Georgina	11160			
13-Jun	Discount received	840			
21-Jun	Andrew	4410			
21-Jun	Discount received	90			
24-Jun	cash	4850	30-Jun	Balance c/f	21500
24-Jun	Discount received	150			
	Total	21500		Total	21500

DR		Jane account			CR
Date	Particulars	Amount	Date	Particulars	Amount
20-Jun	sales	6000	30-Jun	Balance c/f	27500
	Total	27500		Total	27500

DR		cash account			CR
Date	Particulars	Amount	Date	Particulars	Amount
30-Jun	Balance c/f	5000	24-Jun	purchase	5000
	Total	5000		Total	5000

DR		Sales account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			02-Jun	Claire	8500
			02-Jun	Discount allowed	425
			14-Jun	Hywel	9000
30-Jun	Balance c/f	24375	14-Jun	Discount allowed	450
			20-Jun	jane	6000
	Total	24375		Total	24375

DR		Discount received account			CR
Date	Particulars	Amount	Date	Particulars	Amount
			13-Jun	Purchase	840
30-Jun	Balance c/f	1080	21-Jun	Purchase	90
			24-Jun	Purchase	150
	Total	1080		Total	1080

DR		Hywel account			CR
Date	Particulars	Amount	Date	Particulars	Amount
14-Jun	sales	9000	30-Jun	Balance c/f	9000
	Total	9000		Total	9000

DR		Andrew account			CR
Date	Particulars	Amount	Date	Particulars	Amount
30-Jun	Balance c/f	45000	21-Jun	Purchase	45000
	Total	45000		Total	45000

Trial balance:

Trial balance		
Particulars	Debit	Credit
Claire account		7500
Discount allowed account		875
Purchase account		21500
Jane account		27500
cash account	5000	
Sales account	24375	
Discount received account	1080	
Andrew account	45000	
Suspense account		18080
Total	75455	75455

TASK 5Evaluating the research as well as analysing the differences between revenue expenditure and capital expenditures

In consideration with the research, there have been identification of various financial outcomes based on preparing several accounts. These were the accounts which have represented the outcomes through journal, ledgers, trial balance, profit & loss statement and balance sheet of the data base (Hassler and et.al., 2017). therefore, each of the task had been addressed by considering the general principles and concepts stated by GAAP and guidelines facilitate by IASB.

On the other side, as per analysing the differences between the various kinds of expenses which are being experienced in the business such as capital and revenue expenses (Santelli and et.al., 2017). These costs can be analysed on the basis of their nature and the places of occurrence.

Capital Expenses:

This is the expense which have been incurred while purchasing the assets which will be helpful tool in enhancing the efficiency of the business (*Difference Between Capital Expenditure and Revenue Expenditure*, 2018). Thus, costs which have been paid by business for improving capital stability such as equity, purchase of building etc.

Revenue Expenses:

These are the expenses which were made by an organisation for meeting the targets for each day (Dennison, 2018). The daily basis of activities has been performed and managed with a motive to retain the higher earning and operational control.

Difference between capital and revenue expenditures

Basis	Capital expenditures	Revenue Expenditures
Meaning	These are the senses which have been made by the professionals in an organisation such as purchasing asset of expanding the life of business. It will help in improving the efficiency of the firm	These are the expenses which have been made by the professionals in an organisation with a motive to have adequate operational activities.
Term	These are invested for the long-term basis	These are invested for the short-term basis
Entries in the final statement	It has been shown in income statement and balance sheet of the organisation.	It only has entries in the income statement of the business.

CONCLUSION

On the basis of above report, it can be said that, an organisation requires appropriate accounting and auditing system which will help the accounting professionals in managing targets. Study is consisting, preparation of various accounts such as ledger, trail balance, income statement and balance sheet based on various business scenarios. Thus, solution to the such issues have been presented in a manner that it will be fruitful to the organisation in meeting the relevant financial information.

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