

TUTORIAL 6 --- BOOKS OF PRIME ENTRY

Mr J Ockey commenced trading as a wholesale stationer on 1 May 2001 with a capital of £5000 with which he opened a bank account for his business

During May the following transactions took place :

1 May	Bought shop fittings for cash from Store Fitments for £2000
2 May	Purchased goods on credit from Abel for £650
4 May	Sold goods on credit to Bruce for £700
9 May	Purchased goods on credit from Green for £300
11 May	Sold goods on credit to Hill for £580
13 May	Cash sales paid into bank of £200
16 May	Received cheque from Bruce in settlement of his account
17 May	Purchased goods on credit from Kaye for £800
18 May	Sold goods on credit to Nailor for £360
19 May	Sent cheque to Abel in settlement of his account
20 May	Paid rent of £200 by cheque
21 May	Paid delivery expenses of £50 by cheque
24 May	Received from Hill £200 on account
30 May	Drew cheques for personal expenses of £200 and assistant's wages £320
31 May	Settled the account of Green by cheque

REQUIREMENT

- (a) Record the above transactions in the appropriate books of prime entry
- (b) Post the entries to the ledger accounts
- (c) Balance the accounts at the month end
- (d) Extract a trial balance at 31st May 2001