

Nicola Gil

1818044

Accounting Fundamentals

LCBB4001

Assessment 1

Dr Rexon Nting

TASK 1

(a)

Cash			
	£		£
5-Apr Capital	300	7-Apr Inventory	200
8-Apr Loan from Tatiana	250	15-Apr Motor Van	150
20-Apr Sales	350	28-Apr Rent expense	50
		29-Apr Loan from Tatiana	200
		30-Apr Drawings	60
		30-Apr Balance	240
	900		
			900

Motor Van			
	£		£
15-Apr Cash	150		
		30-Apr Balance	150
	150		
			150

Capital			
	£		£
		5-Apr Cash	300
30-Apr Balance	300		
	300		300

Sales			
	£		£
		20-Apr Cash	350
30-Apr Balance	350		
	350		350

Rent expense			
	£		£

Inventory			
	£		£
7-Apr Cash	200	30-Apr Cost of Goods Sold	100
		30-Apr Balance	100
	200		200

Loan from Tatiana			
	£		£
29-Apr Cash	200	8-Apr Cash	250
30-Apr Balance	50		
	250		250

Drawings			
	£		£
30-Apr Cash	60		
		30-Apr Balance	60
	60		60

Cost of goods sold			
	£		£
29-Apr Stock	100		
		30-Apr Balance	100
	100		100

28-Apr	Cash	50			
					50
		50	30-Apr	Balance	50

(b)

Trial balance as at 30 April		
	Dr £	Cr £
	240	
	100	
	150	50
		300
Cash		350
Inventory	60	
Motor Van		
Loan from Tatiana		
Capital	100	
Drawings		
Sales	50	
Cost of goods sold		
Rent expense	700	700

(c)

Statement of Profit or Loss		
For the month ended 30 April		
	Dr	
	£	
	£ 100	350
Sales		£
(-) Cost of goods Sold		<u>250</u>
Gross Profit		
(-) Expenses		
Rent expense		
Total Expenses	<u>50</u>	£
Net Profit	<u>50</u>	<u>200</u>

Statement of Financial Position		
As at 30 April		
Assets		
Fixed Assets		
Motor Van	£	<u>150</u>
Total Fixed Assets	£	150
Current Assets		
Cash	£	240
Inventory	£	<u>100</u>
Total current assets		
	£	340
Total Assets	£	490
Capital and Liabilities		
Current Liabilities		
Loan from Tatiana	£	50
Total Liabilities	£	50
Capital	£	300
(+) Net Profit	£	<u>200</u>
Gross Capital	£	500
(-) Drawing	£	60
Net Capital	£	440
Total Liabilities and Capital	£	490

TASK 2

(a)

Cash					
		£			£
1-Jan	Capital	5,000	2-Jan	Motor Van	600
4-Jan	Loan from Sergei	1,000	3-Jan	Inventory	1,300
13-Jan	Sales	300	10-Jan	Motor Van	200
20-Jan	Sales	500	24-Jan	Storage expense	150
			27-Jan	Loan from Serge	350
			30-Jan	Drawings	175
			31-Jan	Balance	4,025
		6,800			6,800

Inventory					
		£			£
3-Jan	Cash	1,300	31-Jan	Cost of Goods	500

Capital		5,000
Drawings	175	
Sales		800
Cost of goods sold	500	
Motor van expense	200	
Storage expense	150	
	6,450	6,450

(c)

Statement of Profit or Loss			
For the month ended 31 January			
Description	Dr	Cr	
Sales		£	£
(-) Cost of goods Sold	£ 500		
Gross Profit		£	3
(-) Expenses			
Motor van expenses	200		
Storage expense	150		
Total Expenses	350		
Net Loss		-£	

Statement of Financial Position			
At 31 January			
Description			
Assets			
Fixed Assets			
Motor Van	£ 600		
Total Fixed Assets	£ 600	Current	
Assets			
Cash	£ 4,025		
Inventory	£ 800		
Total Current Assets	£ 4,825		
Total Assets		£	5,425
Capital and Liabilities			
Current Liabilities			
Loan from Sergei	£ 650		
Total Liabilities		£	650
Capital	£ 5,000		
(-) Net Loss	-£ 50	Gross	
Capital	£ 4,950		
(-) Drawing	£ 175		
Net Capital		£	4,775
Total Liabilities and Capital		£	5,425

TASK 3

(a)

Cash					
		£			£
1-Jan	Balance	343	5-Jan	Wages expense	12
7-Jan	Smith-receivable	18	9-Jan	Max-payable	21
11-Jan	Sales	64	14-Jan	Wages expense	14
21-Jan	Sales	110	14-Jan	Inventory	75
23-Jan	Harvey-receivable	25	15-Jan	Rich-payable	162
28-Jan	Sales	84	20-Jan	Furniture and fit	32
31-Jan	Sales	30	21-Jan	Wages expense	17
			23-Jan	Office expenses	3
			28-Jan	Wages expense	15
			31-Jan	Balance	323
		674			<u>674</u>
Furniture and Fittings					
		£			£
1-Jan	Balance	198			
20-Jan	Cash	32	31-Jan	Balance	230
		230			<u>230</u>
Harvey-receivable					
		£			£
1-Jan	Balance	39	23-Jan	Cash	25
2-Jan	Sales	124	31-Jan	Balance	138
		163			<u>163</u>
Rich-payable					
		£			£
15-Jan	Cash	162	1-Jan	Balance	12
			7-Jan	Inventory	150
31-Jan	Balance	-			
		162			<u>162</u>
Capital					

Inventory					
		£			£
1-Jan	Balance	458	31-Jan	Cost of goods s	309
7-Jan	Rich-payable	150			
14-Jan	Cash	75			
			31-Jan	Balance	374
		683			<u>683</u>
Smith-receivable					
		£			£
1-Jan	Balance	18	7-Jan	Cash	18
			31-Jan	Balance	-
		18			18
Moon-receivable					
		£			£
1-Jan	Balance	26			
			31-Jan	Balance	26
		26			26
Max-payable					
		£			£
7-Jan	Cash	21	1-Jan	Balance	21
31-Jan	Balance	-			
		21			21
Sales					

£		£
	1-Jan Balance	1,049
31-Jan Balance	1,049	
	1,049	<u>1,049</u>

Cost of goods sold

£		£
31-Jan Inventory	309	
	309	<u>309</u>
31-Jan Balance		<u>309</u>

Wages expense

£		£
5-Jan Cash	12	
14-Jan Cash	14	
21-Jan Cash	17	
28-Jan Cash	15	
	<u>58</u>	
31-Jan Balance		<u>58</u>

(b)

Trial Balance as at 31 January		
	Dr	Cr
	£	£
Cash	323	
Inventory	374	

£		£
2-Jan Harvey-receiva	124	
11-Jan Cash	64	
21-Jan Cash	110	
28-Jan Cash	84	
31-Jan Cash	30	
31-Jan Balance	412	
	412	<u>412</u>

Office Expenses

£		£
23-Jan Cash	3	
	3	
31-Jan Balance		3

Harvey-receivable	138	
Moon-receivable	26	
Furniture and fittings	230	
Capital		1,049
Sales		412
Cost of goods sold	309	
Wages expense	58	
Office Expenses	3	
Total	1,461	1,461

(c)

Statement of Profit or Loss		
For the month ended 31 January		
Description	Dr	Cr
Sales	£	412
(-) Cost of goods Sold	309	
Gross Profit	£	103
(-) Expenses		
Wages expense	58	
Office Expenses	<u>3</u>	
Total Expenses	61	
Net Profit	£	42

Statement of Financial Position		
At 31 January		
Description		
Assets		
Fixed Assets		
Furniture and fittings	£ 230	
Total Fixed Assets	230	
Current Assets		
Cash	323	
Inventory	374	
Harvey-receivable	138	
Moon-receivable	<u>26</u>	
Total Current Assets	861	
Total Assets	£	1,091
Capital and Liabilities		
Capital	1,049	
(+) Net Profit	<u>42</u>	Gross Capital
	1,091	
(-) Drawing	-	
Net Capital	1,091	
Total Liabilities and Capital	£	1,091

TASK 4

Cash			
		£	
20-Jun	Sales	6,000	25-Jun
24-Jun	Claire-receivable	7,125	27-Jun
25-Jun	Hywel-receivable	9,000	
		<u>22,125</u>	<u>27-Jun</u>

Claire-receivable					
		£			£
2-Jun	Sales	8,500	22-Jun	Sales return	1,000
			24-Jun	Cash	7,125
			24-Jun	Discounts allowed	375
			27-Jun	Balance	-
		<u>8,500</u>			<u>8,500</u>

Hywel-receivable			
		£	
14-Jun	Sales	9,000	25-Jun
			27-Jun
		<u>9000</u>	

Mandy-receivable				
		£	£	
24-Jun	Sales	5,000		
				5,000
		<u>5000</u>	27-Jun	Balance
				<u>5000</u>

Georgina-payable			
		£	
25-Jun	Cash	11,160	13-Jun
25-Jun	Discount received	840	
27-Jun	Balance	-	
		<u>12000</u>	

Andrew-payable					
£			£		
27-Jun	Cash	4,410	21-Jun	Purchases	4,500
27-Jun	Discount received	90			
27-Jun	Balance	-			
		4,500			4,500

[illegible]

Discount allowed					
		£			£
24-Jun	Claire-receivable	375			
			27-Jun	Balance	375
		375			375

Trial Balance as at 27 June	
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	Dr	Cr
	£	£
Cash	6,555	
Mandy-receivable	5,000	
Sales		28,500
Sales return	1,000	
Purchases	16,500	
Discount allowed	375	
Discount received		930
	29,430	29,430

As a final point and to complete this task, I am going to mention the difference between **capital expenditure** and **revenue expenditure**:

In general they differ in three main aspects which are time, consumption and size. The capital expenditures are related to initial costs, for example when we need to buy fixed assets to run our business, such as big machines, or vans, or cars. They will stay for long period of time in our business and will help us to grow it and develop it. Revenue expenditures are our costs which are related to repair and maintenance of our fixed assets for example, or to travel expenses, or advertising expenses, or administrative costs we need to cover, or pay the rent, extra (*Month, 2018*).

So to conclude, capital expenditure are for much bigger period of time, they usually are consumed over the useful life of our goods or assets, and bigger size as well, because of the monetary value and amount. And the revenue expenditure are for the small or short period of time, they are consumed in much shorter period of time and size of the monetary amount we spend is significantly lower (*Month, 2018*).

Reference:

Month,2018.;S.Bragg.;AccountingTools.;The difference between capital expenditures and revenue expenditures