

TUTORIAL 5 --- LEDGER ACCOUNTING AND TRIAL BALANCE

A business was commenced on 1 May 2001 . The following transactions occurred during the month of May:

1 May	The owner invested £6800 into the business' bank account
3 May	Goods costing £950 were purchased on credit from Mr Black
6 May	Sales were made for £300 cash
8 May	Paid rates of £100 by cheque
11 May	Paid wages of £50 by cash
15 May	Sold goods on credit amounting to £1700
17 May	Bought goods costing £1500 on credit from Mr Black
21 May	Bought a motor vehicle by cheque for £3500
24 May	Paid Mr Black £950 by cheque
31 May	Paid wages of £150 by cheque

The stock left at 31st May 2001 was valued at £950

REQUIREMENT

- (a) Enter the transactions into appropriate ledger accounts

N.B. Use separate accounts for cash and bank

- (b) Balance the accounts off at the month end

- (c) Prepare a trial balance at 31st May 2001

- (d) Prepare a profit and loss account for the month and a balance sheet at the month end