

UWTSD

Category- LONDON BUSINESS SCHOOL

BA BUSINESS MANAGEMENT

ACCOUNTING FUNDAMENTALS - LCBB4001

ASSESSMENT 1 GROUP- 1 TERM -1

- **LECTURER: REXON NTING**
- **STUDENT NUMBER: 1905211**

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1. Task 1

Journal Maxim

Date	Account	Debit	Credit
5.04	Cash Maxim introduced into business	£300,00	
5.04	Capital Maxim Cash		£300,00
7.04	Goods Purchases	£200,00	
7.04	Cash purchases goods		£200,00
8.04	Cash loan Tatiana	£250,00	
8.04	Loan Tatiana		£ 250,00
15.04	Motor Van	£150,00	
15.04	Cash motor van purchases		£150,00
20.04	Cash Sales Goods	£350,00	
20.04	Goods sales		£350,00
28.04	Rent	£50,00	
28.04	Cash paid rent		£50,00
29.04	Loan Tatiana	£200,00	
29.04	Cash loan Tatiana		£200,00
30.04	Drawing	£60.00	
30.04	Cash Maxim withdraw		£60.00

Ledger accounts all amount in £

Capital Account

Drawings	60,00	Cash	300,00
Balance c/f	240,00		
	300,00		300,00
		Balance b/f	240,00

Cash Account

Capital	300,00	Loan Tatiana repayment	200,00
Loan	250,00	Motor van	150,00
Sales	350,00	Rent	50,00
		Drawings	60,00
		Purchases	200,00
		Balance c /f	240,00
	900,00		900,00
Balance b/f	240,00		

Motor Van Account

Van Cash	150,00	Balance c/f	150,00
	150,00		150,00
Balance b/f	150,00		

Purchases Account

Cash	200,00	Cash CGS	100,00
		Closing stock	100,00
	200,00		200,00

Loan Account Tatiana

Cash Tatiana	200,00	Tatiana Loan cash	250,00
Balance c/f	50,00		
	250,00		250,00
		Balance b/f	50,00

Sales Account

Balance c/f	350,00	Cash CGS	350,00
	350,00		350,00
		Balance b/f	350,00

Drawings Account

Cash	60,00	Balance c/f	60,00
	60,00		60,00
Balance b/f	60,00		

Stock Account

Closing stock	100,00	Balance c/f	100,00
	100,00		100,00
Balance b/f	100,00		

Maxim Bakery Trial Balance at 30 April

	Dr	Cr
Capital		240,00
Cash	240,00	
Loan		50,00
Motor Van	150,00	
Sales		350,00
CGS	100,00	
Rent Expense	50,00	
Stock	100,00	
	640,00	640,00

Maxim Bakery Statement of Profit and Loss as at 30 April

Sales	350,00
less CGS	100,00
Gross profit	250,00
Expenses	
Rent Expense	50,00
Total expenses	50,00
NET PROFIT	200,00

Maxim Bakery Statement of financial position at 30 April

Assets	
Non-Current Assets	
Motor Van	150,00
	150,00
Current Assets	
Inventories	100,00
Cash and cash equivalents	240,00
	340,00
Total Assets	490,00
Equity and Liabilities	
Equity	
Share Capital	300,00
less: Drawings	60,00
Retained earnings	200,00
Total Equity	440,00
Current liabilities	
Loan	50,00
Total current liabilities	50,00
Total liabilities	50,00
Total equity and liabilities	490,00

Task 2

Journal Pendo

Date	Account	Debit	Credit
1.01	Pendo introduced into business	£5000,00	
1.01	Capital Pendo Cash		£5000,00
2.01	Motor Van Purchase	£600,00	
2.01	Cash Motor Van		£600,00
3.01	Goods Purchase	£1300,00	
3.01	Cash Purchased goods		£1300,00
4.01	Cash Loan- Sergei	£1000,00	
4.01	Loan Sergei		£1000,00
10.01	Motor Van Expenses	£200,00	
10.01	Cash for Motor Van Expenses		£200,00
13.01	Cash GS Sales	£300,00	
13.01	Goods Sales		£300,00
20.01	Cash GS Sales	£500,00	
20.01	Goods Sales		£500,00
24.01	Storage Expenses	£150,00	
24.01	Cash Storage Expenses		£150,00
27.01	Sergei- Loan part repayment	£350,00	
27.01	Cash Sergei Loan part repayment		£350,00
30.01	Drawing Pendo withdrew	£175,00	
30.01	Cash drawings Pendo		£175,00

Ledger Accounts all amount in £

Capital Account

Drawings	175,00	Cash	5000,00
Balance c/f	4 825,00		
	5 000,00		5000,00
		Balance b/f	4825,00

Cash Account

Capital	5000,00	Motor Van	600,00
Loan	1000,00	Purchases	1300,00
Sales	300,00	Motor van exp.	200,00
Sales	500,00	Storage exp.	150,00
		Loan	350,00
		Drawing	175,00
		Balance c/f	4025,00
	6800,00		6800,00
Balance b/f	4025,00		

Purchases Account

Cash	1300,00	Closing Stock	800,00
		CGS	500,00
	1300,00		1300,00

Loan Sergei Account

Cash	350,00	Cash	1000,00
Balance c/f	650,00		
	1000,00		1000,00
		Balance b/f	650,00

Motor Van Account

Cash	600,00	Balance c/f	600,00
	600,00		600,00
Balance b/f	600,00		

Motor Van Expenses

Cash	200,00	Balance c/f	200,00
	200,00		200,00
Balance b/f	200,00		

Sales Account

Balance c/f	800,00	Cash	300,00
		Cash	500,00
	800,00		800,00
		Balance b/f	800,00

Storage Expenses Account

Cash	150,00	Balance c/f	150,00
	150,00		150,00
Balance b/f	150,00		

Drawing Account

Cash	175,00	Capital	175,00

175,00	175,00

Stock Account

Closing Stock	800,00	Balance c/f	800,00
	800,00		800,00
Balance b/f	800,00		

Pendo Furniture Trial Balance as at 31 January

	Dr	Cr
Capital		4 825,00
Cash	4 025,00	
Loan		650,00
Motor Van	600,00	
Sales		800,00
CGS	500,00	
Motor van expense	200,00	
Storage expense	150,00	
Closing Inventory	800,00	
	6 275,00	6 275,00

Pendo Furniture Statement of Profit and Loss as at 31 January

Sales	800,00
less CGS	500,00
Gross profit	300,00
Expenses	
Motor van expense	200,00
Storage expense	150,00
Total expenses	350,00
NET PROFIT/Loss	- 50,00

Pendo Furniture Statement of Financial position
as at 31 January

Assets	
Non-Current Assets	
Motor Van	600,00
	600,00
Current Assets	
Inventories	800,00
Cash and cash equivalents	4 025,00
	4 825,00
Total Assets	5 425,00
Equity and Liabilities	
Equity	
Share Capital	5 000,00
less: Drawings	175,00
Retained earnings	- 50,00
Total Equity	4 775,00
Current liabilities	
Loan	650,00
Total current liabilities	650,00
Total liabilities	650,00
Total equity and liabilities	5 425,00

TASK 3

Journal Mafuta

Date	Account	Debit	Credit
02.01	GS Harvey sales on credit receivable	£124,00	
02.01	Goods Harvey on Credit		£124,00
05.01	Wages	£12,00	
05.01	Cash for wages		£12,00
07.01	Cash Receivable Smith	£18,00	
07.01	Smith receivable		£18,00
09.01	Max owing	£21.00	

09.01	Cash Max owing		£21,00
11.01	Cash GS sales	£64,00	
11.01	Goods sales		£64,00
14.01	Wages	£14,00	
14.01	Cash for Wages		£14,00
14.01	Goods purchases	£75,00	
14.01	Cash purchases goods		£75,00
15.01	Rich payable	£12,00	
15.01	Cash Rich paid		£12,00
20.01	Office desk	£32,00	
20.01	Cash purchase desk		£32,00
21.01	Wages	£17,00	
21.01	Cash for wages		£17,00
21.01	Cash GS Sales	£110,00	
21.01	Goods sales		£110,00
23.01	Office expenses	£3,00	
23.01	Cash office expenses		£3,00
23.01	Cash Receivable Harvey	£25,00	
23.01	Harvey Receivable		£25,00
28.01	Cash GS Sales	£84,00	
28.01	Goods Sales		£84,00
28.01	Wages	£15,00	
28.01	Cash for wages		£15,00
31.01	Cash GS Sales	£30,00	
31.01	Goods Sales		£30,00

Ledger Accounts all amount in £

Office Expenses Account

Cash	3,00	Balance c/f	3,00
	3,00		3,00
Balance b /f	3,00		

Cash Account

Balance b/d	343,00	Wages	12,00
Accounts receivable- Smith	18,00	Accounts payables- Smith	21,00
Sales	64,00	Wages	14,00
Sales	110,00	Purchase	75,00

Accounts receivable-Harvey	25,00	Accounts payables-Rich	162,00
Sales	84,00	Office desk	32,00
Sales	30,00	Wages	17,00
		Office exp.	3,00
		Wages	15,00
	-		
		Balance c/f	323,00
	674,00		674,00
Balance b/f	323,00		

Inventory Account

Balance b/f	458,00	Cost of goods sold	309,00
Rich account Payable	150,00		
Cash	75,00		
		Balance c/f	374,00
	683,00		683,00
Balance b/f	374,00		

Wages Expenses Account

Cash	12,00	Balance c/f	58,00
Cash	14,00		
Cash	17,00		
Cash	15,00		
	58,00		58,00
Balance b/f	58,00		

Sales account

Balance c/f	412,00	Harvey	124,00
		Cash	64,00
		Cash	110,00
		Cash	84,00
		Cash	30,00
	412,00		412,00
		Balance b/f	412,00

Account Payables Accounts

Cash	21,00	Rich-Balance b/f	12,00
Cash	162,00	Max-Balance b/f	21,00
		Sales: Rich	150,00
	183,00		183,00

Furniture and Fittings Account

Balance b/f	198,00	Balance c/f	230,00
Office desk	32,00		
	230,00		230,00
Balance b/f	230,00		

Accounts Receivables Account

Smith-Balance b/f	18,00	Cash	18,00
Harvey-Balance b/f	39,00	Harvey cash payment	25,00
Moon-Balance b/f	26,00		
Harvey	124,00	balance c/f	207,00
	207,00		
Balance b/f	164,00		

Mafuta Trial Balance at as 31 January

	Dr	Cr
Furniture and fittings	230,00	
Cash	323,00	
Accounts Receivable	164,00	
Sales		412,00
CGS	309,00	
Office expense	3,00	
Wages expense	58,00	
Capital		1 049,00
Closing Inventory	374,00	
	1 461,00	1 461,00

Mafuta Statement of Profit and Loss as at 31 January

Sales	412,00
less CGS	309,00
Gross profit	103,00
Expenses	
Office expense	3,00
Wages expense	58,00
Total expenses	61,00
NET PROFIT/Loss (Net Income)	42,00

Mafuta Statement of financial position as at 31 January

Assets	
Non-Current Assets	
Furniture and fittings	230,00
	230,00
Current Assets	
Inventories	374,00
Accounts Receivables	164,00
Cash and cash equivalents	323,00
	697,00
Total Assets	927,00
Equity and Liabilities	
Equity	969,00
Retained earnings	42,00
Total Equity	927,00
Current liabilities	
Accounts Payable	-
Total current liabilities	-
Total liabilities	-
Total equity and liabilities	927,00

Task 4

Ledger Accounts all amount in £

Sales Account

Balance c/f	28500,00	2.06 Claire Accounts receivable –5%	8500,00
		14.06 Accounts receivable Hawel –5%	9000,00
		Cash Jane bought goods	6000,00
		20.06 Accounts receivable Mandy	5000,00
	28500,00		28500,00
		Balance b/f	28500,00

Account Receivable Account

Sales Claire	8500,00	Sales Returns	1000,00
Sales Hawel	9000,00	Cash-Claire	7500,00
Sales Mandy	5000,00	Cash-Hywel	9000,00
		Balance c/f	5000,00
	22500,00		22500,00
Balance b/f	5000,00		

Account Payable Accounts

Cash	11160,00	13.06 Purchases Georgina -7%	12000,00
Cash	4410,00	21.06 Purchases Andrew -2%	4500,00
To discount	930,00		
	16500		16500

Purchase Account

From Georgina	12000,00	Balance c/f	16500,00
From Andrew	4500,00		
	16500,00		16500,00
Balance b/f	16500,00		

Discount Offered Account

Balance c/f	375,00	Discount on sales Claire	375,00
	375,00		375,00
		Balance b/f	375,00

Discount Expense Account

Discount on Sales	375,00	Balance c/f	375,00
	375,00		375,00
Balance b/f	375,00		

Cash Account

Sales	6000,00	Payable Georgina	11160,00
Accounts receivable	7125,00	Payable Andrew	4410,00
Accounts receivable	9000,00	Balance c/f	6555,00
	22125,00		22125,00
Balance b/f	6555,00		

Sales Returns Account

Accounts receivable	1000,00	balance c/f	1000,00
	1000,00		1000,00
Balance b/f	1000,00		

Discount Received Account

Discount Revenue	840,00	Balance c/f	930,00
Discount Revenue	90,00		
	930,00		930,00
Balance b/f	930,00		

Discount Revenue Account

Balance c/f	930,00	Discount on Purchases	840,00
		Discount on Purchases	90,00
	930,00		930,00
		Balance b/f	930,00

Ricardo Trial Balance at 27 June

	Dr	Cr
Sales		28 500,00
Accounts receivable Mandy	5 000,00	
Discount expense	375,00	
Discount Revenue		930,00
Cash	6 555,00	
Sales returns	1 000,00	
CGS	16 500,00	
	29 430,00	29 430,00

5.Task 5

Capital expenses is an organizational money spends for purchases or for improving the fixed assets. Also, the capital expenses increase the fixed assets.

Revenue expenses is an expense on income is a tax paid on spending as soon as the expenditure is generated. By doing so

a company uses the matching concept to relate the cost incurred to the revenues generated during the same time. It provides the effects of the most accurate statement of profits. There are two forms of spending on revenue:

The first type is maintaining an assets-generate income. It covers costs for repair and maintenance as they are paid to support current activities and do not prolong or improve the life of an object.

The second one is revenue generation. This is all the regular costs required to run a company such as selling, salaries, payroll, office supplies and utilities.

Notes:

c/f (carried forward) Balancing lane to calculate closing balance.

b/f (balance brought-forward)

REFERENCES:

Dyson, J.R. (2010) Eight edition." *Accounting for non-accounting students*". Pearson Prentice Hall Financial Times ISBN 978-0-273-72297-7