

TUTORIAL 4 --- LEDGER ACCOUNTING

Bertie Dooks began in business on 1st January 2001 as a seller of second hand books . His transactions for the first month of trading were as follows :

1 Jan	Paid in £5000 as capital
2 Jan	Took the lease of a stall and paid a months rent of £150
6 Jan	Purchased books on credit from J Fox at a cost of £275
12 Jan	Spent £140 cash on the purchase of other books from WH Smith
15 Jan	Put an advertisement in a local paper at a cost of £2
19 Jan	Sold 3 books to a customer for £350 cash
22 Jan	Sold some books on credit to a schoolmaster for £43
28 Jan	Paid J Fox the £275 due to him
30 Jan	Received £23 from the schoolmaster
31 Jan	Took £5 from the business to pay for his own groceries

REQUIREMENT

- (1) Record the above transactions in the appropriate ledger accounts
- (2) Balance off the various accounts at the month end
- (3) Prepare a profit and loss account for the month and a balance sheet at the month end

N.B. Stock at 31st January 2001 is valued at £112