

## 15.2 A drill to practise recording transactions and balancing accounts

For each of the separate situations below, record the given transactions on the relevant accounts, balance the accounts, and prepare a trial balance at the end of the period.

### A

1. an owner puts £500 into a bank account for his business
2. business buys goods for £400 on credit from X
3. business sells goods for £700 on credit to Y
4. business pays £400 by cheque to X
5. business receives payment of £500 by cheque from Y
6. business takes back goods from Y, previously sold to him for £200
7. business pays wages £100 by cheque
8. business buys goods for £300 on credit from X
9. business sells goods for £350, receiving payment by cheque
10. business pays £40 for electricity

<i>Bank</i>			
(1)	500	(4)	400
(5)	500	(7)	100
(9)	350	(10)	40
		c/f	810
	<u>1 350</u>		<u>1 350</u>
b/f	810		

<i>Capital</i>	
(1)	500

<i>Purchases</i>			
(2)	400		
(8)	300	c/f	700
	<u>700</u>		<u>700</u>
b/f	700		

<i>Promises from/to X</i>			
(4)	400	(2)	400
		(8)	300
c/f	300		
	<u>700</u>		<u>700</u>
		b/f	300

<i>Sales</i>			
(6)	200	(3)	700
		(9)	350
c/f	850		
	<u>1 050</u>		<u>1 050</u>
		b/f	850

<i>Promises from/to Y</i>			
(3)	700	(5)	500
		(6)	200
	<u>700</u>		<u>700</u>

<i>Wages (labour)</i>	
(7)	100

<i>Electricity</i>	
(10)	40

### 15.2A Trial Balance

	DR	CR
bank	810	
capital		500
purchases	700	
promises from/to X		300
sales		850
wages	100	
electricity	40	
total	<u>£1 650</u>	<u>£1 650</u>

**B**

1. an owner puts £750 into a bank account for his business
2. business borrows £500 from ABC finance
3. business buys production machinery for £600, paying by cheque
4. business buys raw materials for £300 on credit from S
5. business sells goods for £850 on credit to C
6. business pays wages £150 by cheque
7. owner takes £50 cash out of business bank account
8. business pays £300 by cheque to S
9. business sells goods on credit to C for £150
10. business receives cheque for £900 from C

<i>Bank</i>		<i>Capital</i>		<i>ABC Finance</i>	
(1) 750	(3) 600	(7) 50	(1) 750		(2) 500
(2) 500	(6) 150	c/f 700			
(10) 900	(7) 50	<u>750</u>	<u>750</u>		
	(8) 300	<u>750</u>	b/f 700		
	c/f 1 050				
<u>2 150</u>	<u>2 150</u>				
b/f 1 050					

  

<i>Machinery</i>		<i>Raw Materials</i>		<i>Promises from/to S</i>	
(3) 600		(4) 300		(8) <u>300</u>	(4) <u>300</u>

  

<i>Promises from/to C</i>		<i>Sales</i>		<i>Wages</i>	
(5) 850	(10) 900		(5) 850	(6) 150	
(9) 150			(9) 150		
	c/f 100	c/f 1 000	<u>1 000</u>		
<u>1 000</u>	<u>1 000</u>	<u>1 000</u>	b/f 1 000		
b/f 100					

**15.2B Trial Balance**

	DR	CR
bank	1 050	
capital		700
ABC Finance		500
machinery	600	
raw materials	300	
promises from/to C	100	
sales		1 000
wages	150	
TOTAL	<u>£2 200</u>	<u>£2 200</u>