

15.3 More drills to practise recording transactions and balancing accounts

Return to the drills at the end of Chapter 11, and, for each separate business, record the given transactions on the relevant accounts, balance the accounts, and prepare a trial balance at the end of the period.

A.**11.1 BUSINESS A - transactions**

1. owner puts £1 000 cash into the business
2. business buys goods value £800 on credit from X
3. business sells goods on credit to Y for £900
4. business pays £750 cash to X
5. business receives £900 cash from Y
6. business sells goods for £100 cash
7. business buys goods value £200 from X on credit
8. business pays £220 cash to X
9. business puts £500 cash into the bank
10. owner takes £30 out of the bank for his own use

Cash	
(1) 1 000	(4) 750
(5) 900	(8) 220
(6) 100	(9) 500
	c/f 530
<u>2 000</u>	<u>2 000</u>
b/f 530	

Capital	
(10) 30	(1) 1 000
c/f 970	
<u>1 000</u>	<u>1 000</u>
	b/f 970

Purchases	
(2) 800	
(7) 200	c/f 1 000
<u>1 000</u>	<u>1 000</u>
b/f 1 000	

Promises from/to X	
(4) 750	(2) 800
(8) 220	(7) 200
c/f 30	
<u>1 000</u>	<u>1 000</u>
	b/f 30

Promises from/to Y	
(3) 900	(5) 900
<u>900</u>	<u>900</u>

Sales	
c/f 1 000	(3) 900
<u>1 000</u>	(6) 100
	<u>1 000</u>
	b/f 1 000

Bank	
(9) 500	(10) 30
	c/f 470
<u>500</u>	<u>500</u>
b/f 470	

11.1A Trial Balance

	DR	CR
cash	530	
capital		970
purchases	1 000	
promises from/to X		30
sales		1 000
bank	470	
TOTAL	<u>£2 000</u>	<u>£2 000</u>

B.**11.1 BUSINESS B - transactions**

1. owner puts £750 of her own money into bank for her business
2. business borrows £250 from XYZ, receiving a cheque for this amount
3. business buys goods on credit from S for £500
4. business sells goods on credit to C for £400
5. C returns goods previously sold to him for £100
6. business returns goods to S, previously bought for £80
7. business pays wages of £80 by cheque
8. business receives cheque for £250 from C
9. business pays £110 by cheque to XYZ, being £10 interest and £100 repayment of principal
10. business pays wages £20 by cheque

Bank	
(1) 750	(7) 80
(2) 250	(9) 110
(8) 250	(10) 20
	c/f 1 040
<u>1 250</u>	<u>1 250</u>
b/f 1 040	

Capital	
	(1) 750

Promises from/to XYZ	
(9) 100	(2) 250
c/f 150	
<u>250</u>	<u>250</u>
	b/f 150

Purchases	
(3) 500	(6) 80
	c/f 420
<u>500</u>	<u>500</u>
b/f 420	

Promises from/to S	
(6) 80	(3) 500
c/f 420	
<u>500</u>	<u>500</u>
	b/f 420

Promises from/to C	
(4) 400	(5) 100
	(8) 250
	c/f 50
<u>400</u>	<u>400</u>
b/f 50	

Sales	
(5) 100	(4) 400
c/f 300	
<u>400</u>	<u>400</u>
	b/f 300

Wages or Labour	
(7) 80	
(10) 20	c/f 100
<u>100</u>	<u>100</u>
b/f 100	

Interest Payable	
(9) 10	

11.1B Trial Balance

	DR	CR
Bank	1 040	
Capital		750
Promises from/to XYZ		150
Purchases	420	
Promises from/to S		420
Promises from/to C	50	
Sales		300
Wages or Labour	100	
Interest Payable	10	
	<u>£1 620</u>	<u>£1 620</u>

C.**11.1 BUSINESS C - transactions**

1. owner puts £2 000 of her own money into bank for the business
2. business buys goods for £1 500 on credit from P
3. business sells goods on credit for £1 300 to Q
4. business pays rent £200 by cheque
5. business receives cheque for £1 200 from Q
6. Q returns goods previously sold to him for £100
7. business pays insurance £250 by cheque
8. business pays parking fine £50 by cheque
9. business pays £1 000 by cheque to P
10. owner takes goods value £50 out of business for her own use

Bank	
(1) 2 000	(4) 200
(5) 1 200	(7) 250
	(8) 50
	(9) 1 000
	c/f 1 700
<u>3 200</u>	<u>3 200</u>
b/f 1 700	

Capital	
(10) 50	(1) 2 000
c/f 1 950	
<u>2 000</u>	<u>2 000</u>
	b/f 1 950

Purchases	
(2) 1 500	(10) 50
	c/f 1 450
<u>1 500</u>	<u>1 500</u>
b/f 1 450	

Promises from/to P	
(9) 1 000	(2) 1 500
c/f 500	
<u>1 500</u>	<u>1 500</u>
	b/f 500

Promises from/to Q	
(3) 1 300	(5) 1 200
	(6) 100
<u>1 300</u>	<u>1 300</u>

Sales	
(6) 100	(3) 1 300
c/f 1 200	
<u>1 300</u>	<u>1 300</u>
	b/f 1 200

Rent Payable
(4) 200

Insurance
(7) 250

Parking Fine
(8) 50

11.1C Trial Balance

	DR	CR
Bank	1 700	
Capital		1 950
Purchases	1 450	
Promises from/to P		500
Sales		1 200
Rent Payable	200	
Insurance	250	
Parking Fine	50	
	<u>£3 650</u>	<u>£3 650</u>