

South Tuen Mun Government Secondary School
Business, Accounting and Financial Studies
Books of Original entry and ledgers

- 1) Open a set of accounting books for K Yuk, a sole trader, record the daily transactions for the month of May in the books of the ledgers. You are also required to balance off all the accounts at the end of May 20X8.

20X8

- May -1 **Assets:** Premises \$200,000; Vans \$45,000; Fixtures \$60,000; Inventory \$128,900;
 Accounts receivable: T Hung \$4,000, C Ng \$18,000; Bank \$125,400; Cash in hand \$4,500.
 Liabilities: Accounts payable: W Yiu \$6,000, Y Hop \$20,000.
- 1 Paid \$1,500 by cheque for rent.
- 2 Goods bought on credit: W Yiu \$2,000, T Lee \$5,600, H Ho \$3,800, A Wing \$6,900.
- 3 Goods sold on credit to: K Oi \$5,600, T Sun \$7,800, Sunflower Ltd \$9,800, C Ng \$4,000.
- 4 Paid \$1,300 in cash for motor expenses.
- 7 Cash drawings of \$2,000 were made by K Yuk.
- 9 Goods sold on credit to: T Sun \$2,200, L Ping \$6,700.
- 11 Goods returned to K Yuk by: K Oi \$1,600, Sunflower Ltd \$1,800.
- 14 Bought another van on credit from Better Motors for \$30,000.
- 16 The following trade debtors settled their accounts by cheque, less a 5% cash discount:
 T Hung, C Ng, K oi Sunflower Ltd.
- 19 Goods of \$900 were returned by K Yuk to A Wing.
- 22 Goods bought on credit from: J Wang \$8,900, Blue sky co \$7,200
- 24 The following creditors' accounts were settled by cheque, less a 5% cash discount:
 W Yiu, Y Hop, A Wing
- 27 Salaries of \$5,600 were paid by cheque
- 30 Paid \$6,600 by cheque for rates
- 31 Paid \$30,000 to Better Motors by cheque

The Journal

		Dr	Cr
		\$	\$
2006			
May 1	Premises	200,000	
	Vans	45,000	
	Fixtures	60,000	
	Inventory	128,900	
	Accounts receivable: T Hung	4,000	
	C Ng	18,000	
	Bank	125,400	
	Cash	4,500	
	Accounts payable: W Yiu		6,000
	Y Hop		20,000
	Capital		559,800
		<u>585,800</u>	<u>585,800</u>
" 14	Vans	30,000	
	Better Motors		30,000

<i>Received</i> Cash Book					<i>Allowed</i>				
Date	Details	Discount	Cash	Bank	Date	Details	Discount	Cash	Bank
		\$	\$	\$			\$	\$	\$
2006					2006				
May 1	Balances		4,500	125,400	May 1	Rent			1,500
" 16	T Hung	200		3,800	" 4	Motor expenses		1,300	
" 16	C Ng	1,100		20,900	" 7	Drawings		2,000	
" 16	K Oi	200		3,800	" 24	W Yiu	400		7,600
" 16	Sunflower Ltd	400		7,600	" 24	Y Hop	1,000		19,000
					" 24	A Wing	300		5,700
					" 27	Salaries			5,600
					" 30	Rates			6,600
					" 31	Better Motors			30,000
					" 31	Balances c/d		1,200	85,500
		<u>1,900</u>	<u>4,500</u>	<u>161,500</u>			<u>1,700</u>	<u>4,500</u>	<u>161,500</u>

General Ledger

Premises			
2006		\$	2006
May 1	Balance	<u>200,000</u>	May 31 Balance c/d
			<u>200,000</u>

Vans			
2006		\$	2006
May 1	Balance	45,000	May 31 Balance c/d
" 14	Better Motors	<u>30,000</u>	
		<u>75,000</u>	<u>75,000</u>

Fixtures			
2006		\$	2006
May 1	Balance	<u>60,000</u>	May 31 Balance c/d
			<u>60,000</u>

Inventory			
2006		\$	2006
May 1	Balance	<u>128,900</u>	May 31 Balance c/d
			<u>128,900</u>

Capital			
2006		\$	2006
May 31	Balance c/d	<u>559,800</u>	May 1 Balance
			<u>559,800</u>

Rent			
2006		\$	2006
May 1	Bank	<u>1,500</u>	May 31 Balance c/d
			<u>1,500</u>

Motor Expenses			
2006		\$	2006
May 4	Cash	<u>1,300</u>	May 31 Balance c/d
			<u>1,300</u>

Drawings			
2006		\$	2006
May 7	Cash	<u>2,000</u>	May 31 Balance c/d
			<u>2,000</u>

Better Motors			
2006		\$	2006
May 31	Bank	<u>30,000</u>	May 14 Vans
			<u>30,000</u>

Salaries			
2006		\$	2006
May 27	Bank	<u>5,600</u>	May 31 Balance c/d
			<u>5,600</u>

Rates			
2006		\$	2006
May 30	Bank	<u>6,600</u>	May 31 Balance c/d
			<u>6,600</u>

Discounts Allowed			
2006		\$	2006
May 31	Total for the month	<u>1,900</u>	May 31 Balance c/d
			<u>1,900</u>

Discounts Received			
2006		\$	2006
May 31	Balance c/d	<u>1,700</u>	May 31 Total for the month
			<u>1,700</u>

Purchases			
2006		\$	2006
May 31	Total credit purchases for the month	<u>34,400</u>	May 31 Balance c/d
			<u>34,400</u>

Sales			
2006		\$	2006
May 31	Balance c/d	<u>36,100</u>	May 31 Total credit sales for the month
			<u>36,100</u>

Returns Inwards			
2006		\$	2006
May 31	Total for the month	<u>3,400</u>	May 31 Balance c/d
			<u>3,400</u>

Returns Outwards			
2006		\$	2006
May 31	Balance c/d	<u>900</u>	May 31 Total for the month
			<u>900</u>

Accounts Payable Ledger

W Yiu

2006		\$	2006		\$
May 24	Bank	7,600	May 1	Balance	6,000
" 24	Discounts received	<u>400</u>	" 2	Purchases	<u>2,000</u>
		<u>8,000</u>			<u>8,000</u>

Y Hop

2006		\$	2006		\$
May 24	Bank	19,000	May 1	Balance	20,000
" 24	Discounts received	<u>1,000</u>			
		<u>20,000</u>			<u>20,000</u>

T Lee

2006		\$	2006		\$
May 31	Balance c/d	<u>5,600</u>	May 2	Purchases	<u>5,600</u>

H Ho

2006		\$	2006		\$
May 31	Balance c/d	<u>3,800</u>	May 2	Purchases	<u>3,800</u>

A Wing

2006		\$	2006		\$
May 19	Returns outwards	900	May 2	Purchases	6,900
" 24	Bank	5,700			
" 24	Discounts received	<u>300</u>			
		<u>6,900</u>			<u>6,900</u>

J Wang

2006		\$	2006		\$
May 31	Balance c/d	<u>8,900</u>	May 22	Purchases	<u>8,900</u>

Blue Sky Co

2006		\$	2006		\$
May 31	Balance c/d	<u>7,200</u>	May 22	Purchases	<u>7,200</u>

Accounts Receivable Ledger

T Hung

2006		\$	2006		\$
May 1	Balance	4,000	May 16	Bank	3,800
		<u>4,000</u>	" 16	Discounts allowed	<u>200</u>
					<u>4,000</u>

C Ng

2006		\$	2006		\$
May 1	Balance	18,000	May 16	Bank	20,900
" 3	Sales	<u>4,000</u>	" 16	Discounts allowed	<u>1,100</u>
		<u>22,000</u>			<u>22,000</u>

K Oi

2006		\$	2006		\$
May 3	Sales	5,600	May 11	Returns inwards	1,600
		<u>5,600</u>	" 16	Bank	3,800
			" 16	Discounts allowed	<u>200</u>
					<u>5,600</u>

T Sun

2006		\$	2006		\$
May 3	Sales	7,800	May 31	Balance c/d	10,000
" 9	Sales	<u>2,200</u>			
		<u>10,000</u>			<u>10,000</u>

Sunflower Ltd

2006		\$	2006		\$
May 3	Sales	9,800	May 11	Returns inwards	1,800
		<u>9,800</u>	" 16	Bank	7,600
			" 16	Discounts allowed	<u>400</u>
					<u>9,800</u>

L Ping

2006		\$	2006		\$
May 9	Sales	<u>6,700</u>	May 31	Balance c/d	<u>6,700</u>