

THE TRAINING PLACE OF EXCELLENCE

Processing Bookkeeping Transactions

Practice Assessment: Answers

1. Sales Day Book

| Date | Details | Customer account code | Invoice number | Total £ | VAT £ | Net £ | Product APA | Product ABB |
|---------|-------------|-----------------------|----------------|---------|--------|-------|-------------|-------------|
| 20/1/XX | Tomsi & Co. | TOC231 | BE0075 | 3368.40 | 561.40 | 2807 | 1736 | 1071 |

Sales Returns Day Book

| Date | Details | Customer account code | Credit note number | Total £ | VAT £ | Net £ | Product APA | Product ABB |
|---------|------------------|-----------------------|--------------------|---------|-------|--------|-------------|-------------|
| 25/1/XX | Jerison Services | JS320 | CN421 | 403.20 | 67.20 | 336.00 | 336.00 | |

What will be the entry in the sales ledger?

| Account name | Amount £ | Dr | Cr |
|------------------|----------|----|----|
| Tomsi & Co. | 3368.40 | ✓ | |
| Jerison Services | 403.20 | | ✓ |

What will be the entry in the general ledger for the sales invoice?

| Account name | Amount £ | Dr | Cr |
|--------------|----------|----|----|
| SLCA | 3368.40 | ✓ | |
| VAT | 561.40 | | ✓ |
| Sales | 2807.00 | | ✓ |

What will be the entry in the general ledger for the credit note?

| Account name | Amount £ | Dr | Cr |
|---------------|----------|----|----|
| Sales returns | 336.00 | ✓ | |
| VAT | 67.20 | ✓ | |
| SLCA | 403.20 | | ✓ |

2. Purchases Day Book

| Date | Details | Supplier account code | Invoice number | Total £ | VAT £ | Net £ | Product TAM | Product BAM |
|---------|-------------|-----------------------|----------------|---------|--------|---------|-------------|-------------|
| 18/2/XX | Jaffatt Ltd | 77BEL | XX2112 | 1428.60 | 238.10 | 1190.50 | 728.00 | 462.50 |

Purchases Returns Day Book

| Date | Details | Supplier account code | Credit note number | Total £ | VAT £ | Net £ | Product TAM | Product BAM |
|--------|-----------|-----------------------|--------------------|---------|-------|--------|-------------|-------------|
| 2/3/XX | Encho Ltd | 21ENC | 213CN | 266.40 | 44.40 | 222.00 | | 222.00 |

What will be the entry in the purchases ledger?

| Account name | Amount £ | Dr | Cr |
|--------------|----------|----|----|
| Jaffatt Ltd | 1428.60 | | ✓ |
| Encho Ltd | 266.40 | ✓ | |

What will be the entry in the general ledger for the purchase invoice?

| Account name | Amount £ | Dr | Cr |
|--------------|----------|----|----|
| Purchases | 1190.50 | ✓ | |
| VAT | 238.10 | ✓ | |
| PLCA | 1428.60 | | ✓ |

3. i. Cash book- debit side

| Date | Details | Discounts £ | Cash £ | Bank £ | VAT £ | Trade receivables £ | Cash sales £ |
|--------------|---------------|----------------|-----------|-----------|----------|------------------------|-----------------|
| 03 May | Bal b/f | | 104 | | | | |
| 04 May | Cash sales | | 234 | | 39 | | 195 |
| 05 May | Ads Ltd | 23 | | 456 | | 456 | |
| 08 May | Bata Services | 98 | | 1,804 | | 1,804 | |
| Total | | 121 | 338 | 2,260 | 39 | 2,260 | 195 |

ii. £44

iii. £745

iv. What will be the entry in the sales ledger to record the receipts from the credit customers?

| Account name | Amount (£) | Debit | Credit |
|---------------|------------|-------|--------|
| Ads Ltd | 456 | | ✓ |
| Bata Services | 1,804 | | ✓ |

4. Petty cash book

| Date | Details | Amount | Date | Details | Amount | VAT | Stationery | Travel |
|-------|--------------|---------------|--------|-----------------|---------------|--------------|---------------|--------------|
| 1 May | Bal b/f | 103.47 | 7 May | Print rolls | 48.00 | 8.00 | 40.00 | |
| 1 May | Cash | 146.53 | 13 May | Office supplies | 41.40 | 6.90 | 34.50 | |
| | | | 13 May | Taxi fare | 26.00 | | | 26.00 |
| | | | 13 May | Printing paper | 53.10 | 8.85 | 44.25 | |
| | | | 13 May | Train ticket | 16.00 | | | 16.00 |
| | | | 13 May | Bal c/f | 65.50 | | | |
| | Total | 250.00 | | Total | 250.00 | 23.75 | 118.75 | 42.00 |

ii. What will be the corresponding entries in the general ledger?

| Account name | Amount (£) | Debit | Credit |
|--------------|------------|-------|--------|
| VAT | 23.75 | ✓ | |
| Stationery | 118.75 | ✓ | |
| Travel | 42.00 | ✓ | |

iii. £65.50

iv. YES, it reconciles

v. £100.26

5. Place the balances in the debit and credit columns as appropriate and total the columns.

| | | Dr | Cr |
|-------------------------------------|----------------|---------------|---------------|
| Motor vehicles | 8,010 | 8,010 | |
| Motor insurance | 1,400 | 1,400 | |
| VAT owing to HM Revenue and Customs | 2,499 | | 2,499 |
| Bank charges | 649 | 649 | |
| Cash at bank | 4,500 | 4,500 | |
| Capital | 11,500 | | 11,500 |
| Sales ledger control | 17,100 | 17,100 | |
| Office equipment | 6,410 | 6,410 | |
| Discount allowed | 1,033 | 1,033 | |
| Accumulated Depreciation | 3,806 | | 3,806 |
| Wages | 11,410 | 11,410 | |
| Purchases | 10,844 | 10,844 | |
| Purchases ledger control | 10,400 | | 10,400 |
| Inventory as at 1 January 20X1 | 2,871 | 2,871 | |
| Petty cash | 246 | 246 | |
| Sales | 50,000 | | 50,000 |
| Motor expenses | 1,670 | 1,670 | |
| Sales returns | 1,472 | 1,472 | |
| Commission received | 2,160 | | 2,160 |
| Loan from bank | 5,400 | | 5,400 |
| Discount received | 1,543 | | 1,543 |
| Rates | 1,987 | 1,987 | |
| Miscellaneous expenses | 723 | 723 | |
| Premises expenses | 1,640 | 1,640 | |
| Purchases returns | 820 | | 820 |
| Office expenses | 3,511 | 3,511 | |
| Rent | 8,050 | 8,050 | |
| Stationery | 1,087 | 1,087 | |
| Bank interest received | 511 | | 511 |
| Advertising | 4,026 | 4,026 | |
| Totals | 177,278 | 88,639 | 88,639 |

6.

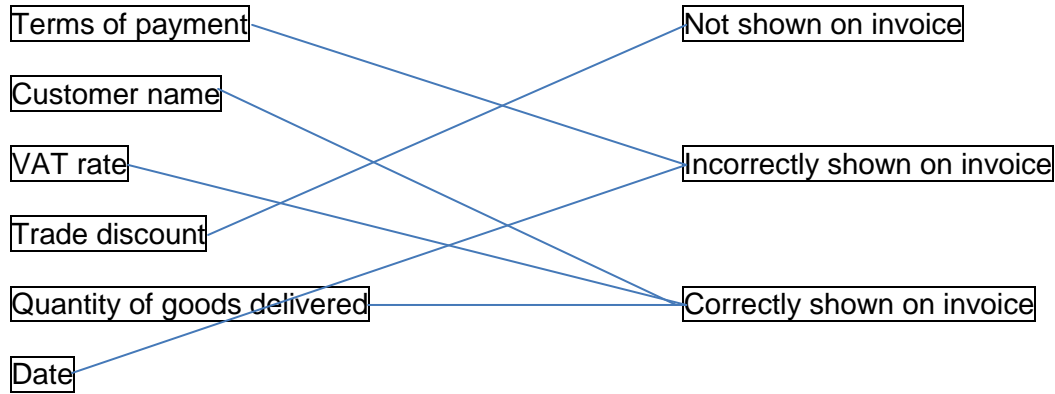
| Account name | Amount (£) | Debit | Credit |
|--------------|------------|-------|--------|
| Bank | 6,676.60 | ✓ | |
| Sales | 1,480.50 | | ✓ |
| VAT | 296.10 | | ✓ |
| SLCA | 4,900.00 | | ✓ |

7i. Invoice 18223 and Invoice 18471

ii.

| Payment options | £ |
|--|--------|
| If Berry Ltd pays all the amounts shown on the statement of account from Tink Tank, what will be the amount paid | 11,781 |
| If Berry Ltd pays the amount shown as outstanding in the purchases ledger for April XX, what will be the amount paid | 5,961 |
| If Berry Ltd pays all the amount shown in the purchases ledger, what will be the amount paid | 16,692 |

8i.



ii. What will be the correct amounts of the invoice?

| Net amount (£) | VAT (£) | Gross amount (£) |
|----------------|---------|------------------|
| 3,681.25 | 736.25 | 4417.50 |

iii. What will be the general ledger entries to record the above totals?

| Account name | Amount (£) | Debit | Credit |
|--------------|------------|-------|--------|
| Purchases | 3,681.25 | ✓ | |
| VAT | 736.25 | ✓ | |
| PLCA | 4,417.50 | | ✓ |

9. i. Complete the sales invoice below:

| Berry Limited 80 Ready Lane, London. SE1 3YU SALES INVOICE 21145 Date: 25 June 20X1 Customer account code: VEVC031 To: Vevar & Co. 766 Belinda Road, Devon, D1 3ED Purchase order no.: VVC05879 | | | | | |
|--|--------------|--------------|-------------------------------------|--------|----------|
| Quantity of units | Product code | Unit price £ | Total amount after trade discount £ | VAT £ | Total £ |
| 420 | ATT | 12.30 | 4,959.36 | 962.12 | 5,921.48 |
| Terms: | | | | | |

10. Mandy Services:

| Date | Details | Amount £ | Date | Details | Amount £ |
|----------|--------------|---------------|----------|-----------------|---------------|
| 01/05/XX | Balance b/f | 9,342 | 03/05/XX | Cheque | 4,800 |
| 16/05/XX | Invoice 4433 | 3,960 | 20/05/XX | Credit note 141 | 1,007 |
| | | | 31/05/XX | Balance c/f | 7,495 |
| | Total | <u>13,302</u> | | Total | <u>13,302</u> |
| 01/06/XX | Balance b/f | 7,495 | | | |

| Statement of Account | | |
|--------------------------------|----------------------|----------------------|
| Berry Limited | | |
| 80 Ready Lane, London. SE1 3YU | | |
| Date and details | Transaction amount £ | Outstanding amount £ |
| 01 May 20XX- Balance b/f | 9,342 | 9,342 |
| 03 May 20XX- Cheque | 4,800 | 4,542 |
| 16 May 20XX- Invoice 4433 | 3,960 | 8,502 |
| 20 May 20XX- Credit not 141 | 1,007 | 7,495 |

11. Calculate each of the following:

| Questions | £ |
|---|--------|
| If assets total £95,250 and liabilities total £76,429, what is the amount of capital? | 18,821 |
| If liabilities total £38,127 and capital total £40,324 what is the amount of assets? | 78,451 |
| If capital is £51,000 and assets total £75,125, what is the amount of liabilities? | 24,125 |

ii.

| | |
|-------------------|---------|
| Trade receivables | £16,626 |
| Trade payables | £12,097 |
| Cash at bank | £13,743 |

iii. Classify each of these transactions into capital income, revenue income, capital expenditure or revenue expenditure.

Inventories purchased for resale Revenue expenses

Staff van purchased for employees Capital expenses

Sale of motor vehicle Capital income

Cheques received from trade receivables Revenue income

Cash paid to trade suppliers Revenue expenses

Payments made for monthly rent Revenue expenses