Fundamentals of Financial Accounting

Trading Business-Accounting Cycle Your Choice

(Periodic Inventory System)

General Tournal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
				•	
2008					
Aug	1	Cash		500,000	
		Office Supplies		10,000	
		Furniture		40,000	
		Capital-Bhollo			550,000
		(Invested various assets into business)			
	1	Purchases		100,000	
		Freight-in		1,000	
		Cash			101,000
		(Purchased merchandise on cash and paid frieght)			
	1	Purchases		300,000	
		Import Duty		10,000	
		Accounts Payable			300000
		Cash			10,000
		(Purchased merchandise on credit and paid import duty)			
	2	Prepaid Rent		40,000	
		Cash			40,000
		(Paid rent in advance)			
	3	Cash		1000	
		Accounts Payable		5000	
		Purchase Return and Allowance			6000
		(Returned defective goods on cash and on credit)			

Fundamentals of Financial Accounting Your Choice General Journal

Date		Account Titles and Explanation		Debit	Credit
2008					
Aug	4	Accounts Payable		195000	
		Cash			194000
		Purchase Discount			1000
		(Made payment and availed discount)			
	6	Bank		30000	
		Cash			30000
		(Deposited cash into bank)			
	10	Cash		50000	
		Sales			50000
		(Sold goods on cash)			
	12	Accounts Receivable		150000	
		Sales			150000
		(Sold goods on credit)			
	12	Freight Expense		5000	
		Cash			5000
		(Paid Freight Expense)			

Fundamentals of Financial Accounting

Your Choice General Journal

Date		Account Titles and Explanation		Debit	Credit
2008 Aug	13	Sales Return and Allowance		5000	
		Cash			5000
		(To record sales return and allowance on cash)			
	13	Sales Return and Allowance		10000	
		Accounts Receivable			10000
		(To record sales return and allowance on credit)			
	18	Bank		98000	
		Sales Discount		2000	
		Accounts Receivable			100000
		(Collected cheque from customer deposited into bank and allowed discount)			
	20	Advertising Expense		1000	
		Bank			1000
		(Paid advertising expense by cheque)			

Fundamentals of Financial Accounting

Your Choice General Journal

Date		Account Titles and Explanation		Debit	Credit
2008		-			
Aug	23	Purchases		20000	
		Bank			20000
		(Purchased goods and paid by cheque)			
	25	Cash		60000	
		Sales			60000
		(Sold good on cash)			
	31	Utilities Expense		8000	
		Cash			8000
		(Paid utilities)			
	31	Salaries Expense		20000	
		Cash			20000
		(Paid salaries)			

Fundamentals of Financial Accounting

Your	C	hoice
Genera	il	Ledger

2008 Aug 1		Cash						
Allowance		Capital	500,000		Purchases	100,000		
25 Sales 60,000 2 Prepaid Rent 40,000 4 Accounts Payable 194,000 6 Bank 30,000 12 Freight Expense 5,000 31 Sales Return & Allowance 198,000 31 Balance 198,000 5 Bank 30,000 6 Bank 30,000 31 Utilities Expense 8,000 31 Balance 198,000 5 Bank 30,000 6 Bank 30,000 7 Balance 107,000 8 Balance 107,000 8 Bank 98,000 9 Sales Discount 2,000 150,000 150,000 150,000 150,000 150,000 150,000 10 Balance 40,000 10	3		1,000		Freight -in	1,000		
4 Accounts Payable 194,000 6 Bank 30,000 12 Freight Expense 5,000 13 Sales Return & Allowance 5,000 31 Salaries Expense 8,000 31 Salaries Expense 20,000 31 Balance 198,000 5ep 1 Balance 198,000 18 Accounts Receivable 98,000 23 Purchases 20,000 18 Accounts Receivable 98,000 23 Purchases 20,000 18 Balance 107,000 19 Balance 107,000 10 Balance 107,000 11 Balance 107,000 12 Balance 107,000 13 Balance 10,000 14 Bank 98,000 15 Balance 40,000 15 Balance 10,000 10 Balance	10	Sales	50,000	1	Import Duty	10,000		
6 Bank 30,000 12 Freight Expense 5,000 31 Sales Return & Allowance 5,000 31 Utilities Expense 8,000 31 Salaries Expense 20,000 31 Balance 198,000 611,000 198,000 8 Accounts Receivable 98,000 23 Purchases 20,000 128,000 128,000 Sep 1 Balance 107,000 128,000 128,000 Sales 150,000 Sales Return & Allowance 10,000 Sales Discount 2,000 Sales Discount 2,000 150,000 150,000	25	Sales	60,000	2	Prepaid Rent	40,000		
12 Freight Expense 5,000 13				4	Accounts Payable	194,000		
13				6	Bank	30,000		
13				12	Freight Expense	5,000		
31 Salaries Expense 20,000				13		5,000		
31 Salaries Expense 20,000				31	Utilities Expense	8,000		
Sep 1 Balance 198,000				31		·		
Balance 198,000					_			
Sep 1 Balance 198,000				31	Balance	198,000		
Bank			611,000					
2008 Aug 6 Cash 30,000 2008 Aug 20 Advertising Expense 1,000 18 Accounts Receivable 98,000 23 Purchases 20,000 31 Balance 107,000 128,000 128,000 Sep 1 Balance 107,000 128,000 10,000 Accounts Receivable 2008 Aug 13 Sales Return & Allowance 10,000 18 Bank 98,000 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000	Sep 1	Balance	198,000					
2008 Aug 6 Cash 30,000 2008 Aug 20 Advertising Expense 1,000 18 Accounts Receivable 98,000 23 Purchases 20,000 31 Balance 107,000 128,000 128,000 Sep 1 Balance 107,000 128,000 10,000 Accounts Receivable 2008 Aug 13 Sales Return & Allowance 10,000 18 Bank 98,000 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000	_							
Aug 6 Cash 30,000 Aug 20 Advertising Expense 1,000 18 Accounts Receivable 98,000 23 Purchases 20,000 Sep 1 Balance 128,000 128,000 128,000 Sep 1 Balance 107,000 128,000 128,000 Accounts Receivable 2008 Sales Return & Allowance 10,000 10,000 18 Bank 98,000 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000			Baı	nk				
31 Balance 107,000 Sep 1 Balance 107,000 Sep 1 Balance 107,000 Sep 1 Balance 107,000 Accounts Receivable		Cash	30,000		Advertising Expense	1,000		
Sep 1 Balance 107,000 128,000	18	Accounts Receivable	98,000	23	Purchases	20,000		
Sep 1 Balance 107,000				31	Balance	107,000		
Accounts Receivable 2008			128,000			128,000		
2008 Aug 12 Sales 150,000 2008 Aug 13 Sales Return & Allowance 10,000 18 Bank 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000	Sep 1	Balance	107,000					
2008 Aug 12 Sales 150,000 2008 Aug 13 Sales Return & Allowance 10,000 18 Bank 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000								
Aug 12 Sales 150,000 Aug 13 Allowance 10,000 18 Bank 98,000 Sales Discount 2,000 31 Balance 40,000 150,000 150,000			Accounts I	Receivab	ole			
Sales Discount 2,000 31 Balance 40,000 150,000 150,000		Sales	150,000			10,000		
Sales Discount 2,000 31 Balance 40,000 150,000 150,000								
31 Balance 40,000 150,000 150,000				18	Bank	98,000		
150,000 150,000				18				
150,000 150,000				18				
					Sales Discount	2,000		
			150,000		Sales Discount	2,000		

Accounting with Jaweed Hassan (ACMA, MBA)

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Fundamentals of Financial Accounting

		Office S	upplies		
2008 Aug 1	Capital	10,000			
8					
			2008 Aug 31	Balance	10,000
		10,000			10,000
Sep 1	Balance	10,000			
		Prepaid	d Rent		
2008	0 1				
Aug 2	Cash	40,000			
			2008 Aug 31	Balance	40,000
		40,000			40,000
Sep 1	Balance	40,000			,
		Furn	iture		
2008 Aug 1	Capital	40,000			
			2008 Aug 31	Balance	40,000
		40,000			40,000
Sep 1	Balance	40,000			
		Accounts	Payable		
2008 Aug 3	Purchase Return & Allowance	5,000	2008 Aug 1	Purchases	300,000
4	Cash	194,000	3 -		
	Purchase Discount	1,000			
31	Balance	100,000			
	_ 52502700	300,000			300,000
		, -	Sep 1	Balance	100,000

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Fundamentals of Financial Accounting

		Capital-	Bhollo		
		•	2008	0 1	500,000
			Aug 1	Cash	500,000
				Office Supplies	10,000
				Furniture	40,000
2008 Aug 31	Balance	550,000			
		550,000			550,000
			Sep 1	Balance	550,000
		Sal	es		
			2008 Aug 10	Cash	50,000
			12	Accounts Receivable	150,000
			25	Cash	60,000
2008 Aug 31	Balance	260,000			
		260,000			260,000
			Sep 1	Balance	260,000
	Sal	es Return	& Allow	ance	
2008 Aug 13	Cash	5,000			
13	Accounts Receivable	10,000			
			2008 Aug 31	Balance	15,000
		15,000			15,000
Sep 1	Balance	15,000			
		Sales Di	iscount		
2008 Aug 18	Accounts Receivable	2,000			
			2008 Aug 31	Balance	2,000
		2,000			2,000
Sep 1	Balance	2,000			

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		Purca	hses				
2008 Aug 1	Cash	100,000					
1	Accounts Payable	300,000					
23	Bank	20,000					
			2008 Aug 31	Balance	420,000		
		420,000			420,000		
Sep 1	Balance	420,000					
	Purcahse Return & Allowance						
			2008 Aug 3	Cash	1,000		
				Accounts Payable	5,000		
2008 Aug 31	Balance	6,000					
		6,000			6,000		
			Sep 1	Balance	6,000		
		Purcahse		<u>t </u>			
			2008 Aug 4	Accounts Payable	1,000		
2008 Aug 31	Balance	1,000					
		1,000			1,000		
			Sep 1	Balance	1,000		

		Freig	ht-in		
2008 Aug 1	Cash	1,000			
			2008 Aug 31	Balance	1,000
		1,000			1,000
Sep 1	Balance	1,000			
		Import	t Duty		
2008 Aug 1	Cash	10,000			
			2008 Aug 31	Balance	10,000
		10,000			10,000
Sep 1	Balance	10,000			
		Freight 1	Expense		
2008 Aug 12	Cash	5,000			
			2008 Aug 31	Balance	5,000
		5,000			5,000
Sep 1	Balance	5,000			

		Advertisin	g Expense		
2008 Aug 20	Bank	1,000			
			2008 Aug 31	Balance	1,000
		1,000			1,000
Sep 1	Balance	1,000			
		Utilities	Exnense		
2008		Ctiffics	Expense		
Aug 31	Cash	8,000			
			2008 Aug 31	Balance	8,000
		8,000			8,000
Sep 1	Balance	8,000			
		Salaries	Expense		
2008 Aug 31	Cash	20,000			
			2008 Aug 31	Balance	20,000
		20,000			20,000
Sep 1	Balance	20,000			

Your Choice

Pre-Closing Trial Balance

Aug 31, 2008

Rs.

		A/c		
S.no	Account Titles	No.	Debit	Credit
1	Cash		198,000	
2	Bank		107,000	
3	Accounts Receivable		40,000	
4	Office Supplies		10,000	
5	Prepaid Rent		40,000	
6	Furniture		40,000	
7	Accounts Payable			100,000
8	Capital-Bhollo			550,000
9	Sales			260,000
10	Sales Return & Allowance		15,000	
11	Sales Discount		2,000	
12	Purchases		420,000	
13	Purchase Return & Allowance			6,000
14	Purchase Discount			1,000
15	Freight-in		1,000	
16	Import Duty		10,000	
17	Freight Expense		5,000	
18	Advertising Expense		1,000	
19	Utilities Expense		8,000	
20	Salaries Expense		20,000	
	Total		917,000	917,000

Fundamentals of Financial Accounting

Your Choice General Journal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
2008 Aug 31		(Adjustments)			
	1	Salaries Expense √		5,000	
		Salaries Payable			5,000
		(To adjust salaries expense)			
	2	Prepaid Salaries		10,000	
		Salaries Expense √			10,000
		(To record prepaid salaries)			
	3	Rent Expense		30,000	
		Prepaid Rent √			30000
		(To adjust prepaid rent)			
	4	Prepaid Advertising		500	
		Advertising Expense √			500
		(To adjust advertising expense)			
	5	Prepaid Freight		3,000	
		Freight Expense √			3000
		(To adjust freight expense)			
	6	Depreciation Expense		5,000	
		Accumulated Depreciation -Furniture			5,000
		(To record estimated depreciation)			
	7	Bad Debts Expense(40000x10%)		4,000	
		Allowance for Bad Debts			4,000
		(To record estimated bad debts)			

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General Ledger (W-1) Salaries Expense								
2008 Aug 31	Balance	20,000	2008 Aug 31(2)	Adj	10,000			
1	Adj	5,000	•					
Balance	15,000							
(W-2) Prepaid Rent								
2008 Aug 31	Balance	40,000	2008 Aug 31(3)	Adj	30,000			
Balance 10,000								
(W-3)	E	Advertisi	ng Exper) ISE				
2008 Aug 31	Balance	1,000	2008 Aug 31(4)	Adj	500			
Balance	500							
(W-4)		Freight	Expense	<u> </u>				
2008 Aug 31	Balance	5,000	2008 Aug 31(5)	Adj	3,000			
Balance	2,000							

Fundamentals of Financial Accounting

Your Choice

Adjusted Trial Balance Aug 31, 2008

Rs.

		A/c		
S.no	Account Titles	No.	Debit	Credit
1	Cash		198,000	
2	Bank		107,000	
3	Accounts Receivable		40,000	
4	Allowance for Bad Debts			4,000
5	Office Supplies		10,000	
6	Prepaid Rent (W-2)		10,000	
7	Prepaid Salaries		10,000	
8	Prepaid Advertising		500	
9	Prepaid Freight		3,000	
10	Furniture		40,000	
	Accumulated Depreciation			
11	-Furniture			5,000
12	Accounts Payable			100,000
13	Salaries Payable			5,000
14	Capital-Bhollo			550,000
15	Sales			260,000
16	Sales Return & Allowance		15,000	
17	Sales Discount		2,000	
18	Purchases		420,000	
19	Purchase Return & Allowance			6,000
20	Purchase Discount			1,000
21	Freight-in		1,000	
22	Import Duty		10,000	
23	Freight Expense (W-4)		2,000	
24	Salaries Expense (W-1)		15,000	
25	Utilities Expense		8,000	
26	Advertising Expense (W-3)		500	
27	Depreciation Expense		5,000	
28	Rent Expense		30,000	
29	Bad Debts Expense		4,000	
	Total		931,000	931,000