

Recording Financial Information

F7JV 34

A Lesson Pack for Double Entry Book Keeping

Revision for Summative Assessment

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Day Books

In Work Books 3 and 4 we looked at the following day books:

SALES DAY BOOK	in which SALES INVOICES are listed
PURCHASES DAY BOOK	in which PURCHASE INVOICES are listed
SALES RETURNS DAY BOOK	in which SALES CREDIT NOTES are listed
PURCHASE RETURNS DAY BOOK	in which PURCHASE CREDIT NOTES are listed
CASH BOOK	in which CHEQUES/BANK TRANSFERS ISSUED, CHEQUES/BANK TRANSFERS RECEIVED, CASH RECEIPTS ISSUED and CASH RECEIPTS RECEIVED are listed.

There is one further day book known as the **Journal Proper** where we enter any transactions which do not go into any of the other day books and we will learn about this in the Workbook 8.

Remember the Cash Book is unusual in that it is both a Day Book and it is also a Ledger Account for Bank and for Cash

The Book-Keeping System

We have now covered all the elements of a book-keeping system and **you should now be able to write up the books of a business from the start of trading.**



At the moment, you know that a transaction has taken place because you are supplied with a Student Assignment which lists all the transactions. Of course, when you work in an office you won't be given a list of transactions. What you will get is a bundle of **business documents**. They are likely to be all jumbled up and not in any specific order. What you require to do is to **sort** the documents into the various types - put all the sales invoices together and put them in chronological order (date order). Similarly, sort all the purchase invoices, the sales credit notes, the purchase credit notes, etc. Of course with advances in technology it is now becoming more common to issue and receive documents electronically. Even with paper documents, many organisations scan these onto electronic files as soon as they are received.

Once all the documents are sorted you would then enter the documents into the appropriate **Day Books**: Sales Day Book, Purchases Day Book, Sales Returns Day Book, Purchase Returns Day Book, Cash Book and Journal Proper.

The Day Books are chronological listings of transactions and they are useful in tracing transactions. They also provide the data for posting to the Leger Accounts.

Finally, once all the Day Books are written up, you would then **post** the required double entries into the **accounts** in the **Ledgers** of the business.

Most businesses operate with four ledgers:

Sales Ledger

- Trade Receivables
- Contains the personal accounts of all the businesses or individuals to whom we have sold goods on credit

Purchase Ledger

- Trade Payables
- Contains the personal accounts of all the businesses or individuals from whom we have bought goods on credit

Cash Book

- this is the odd one out in that it is a Day Book but it is also a Ledger - for Cash Account and for Bank Account.

Nominal Ledger

- Contains all the other accounts
- It contains a separate account for each individual asset, liability, source of income and expense

Entries are made into the individual accounts following the **double-entry book-keeping rules**:



DEBIT to increase an asset or an expense
CREDIT to decrease an asset or an expense



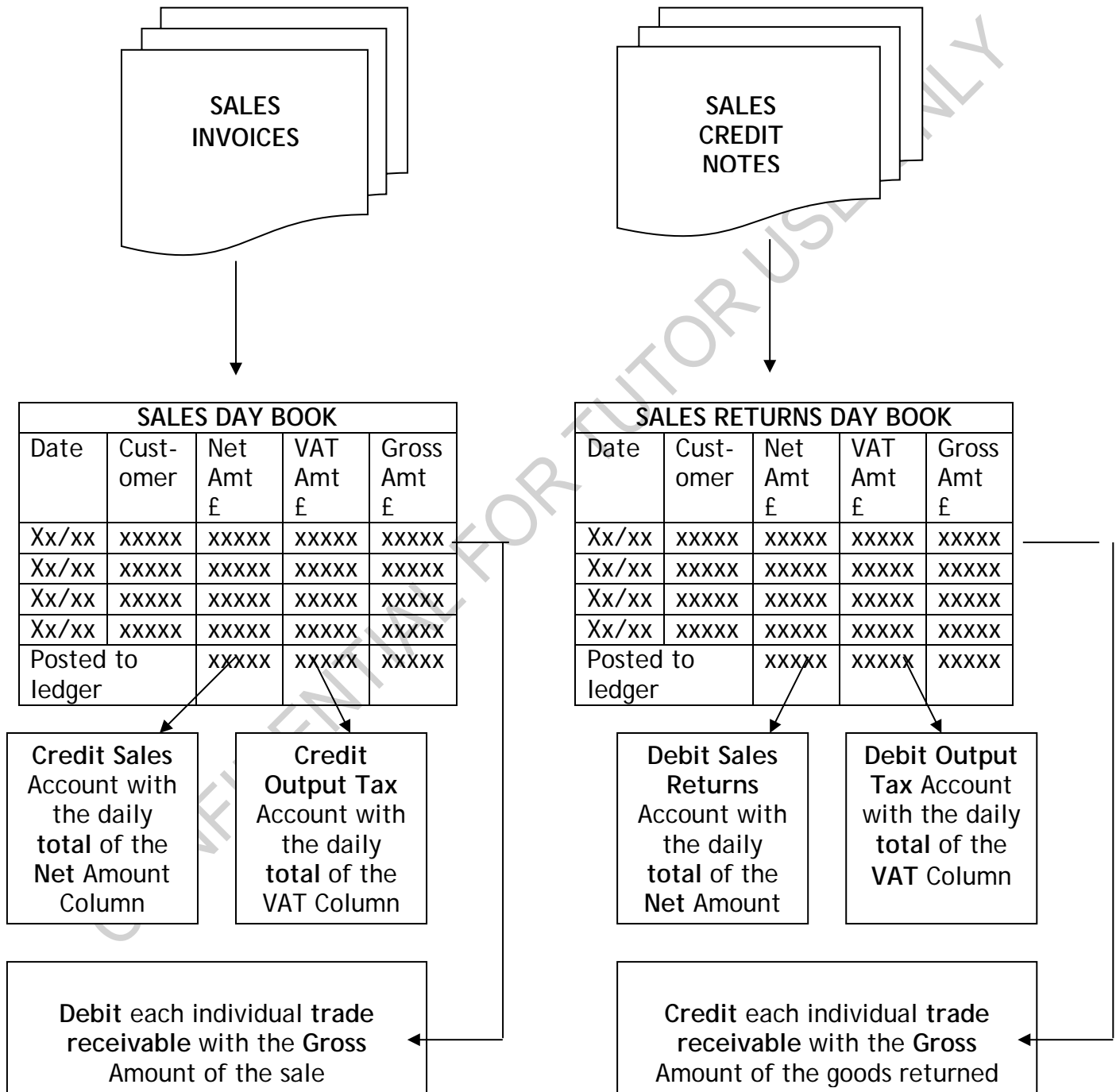
CREDIT to increase a liability or a source of income
DEBIT to decrease a liability or a source of income

In order to check the accuracy of your postings to the ledger accounts you will take out a **trial balance** regularly. This is simply a list of all the balances on each and every account in your books separated into debit balances and credit balances. The total of all the debit balances should equal the total of all the credit balances. If the totals do not agree then you know that there are errors in your books.

On the following pages there are diagrammatic representations of the postings from the day books to the ledgers.

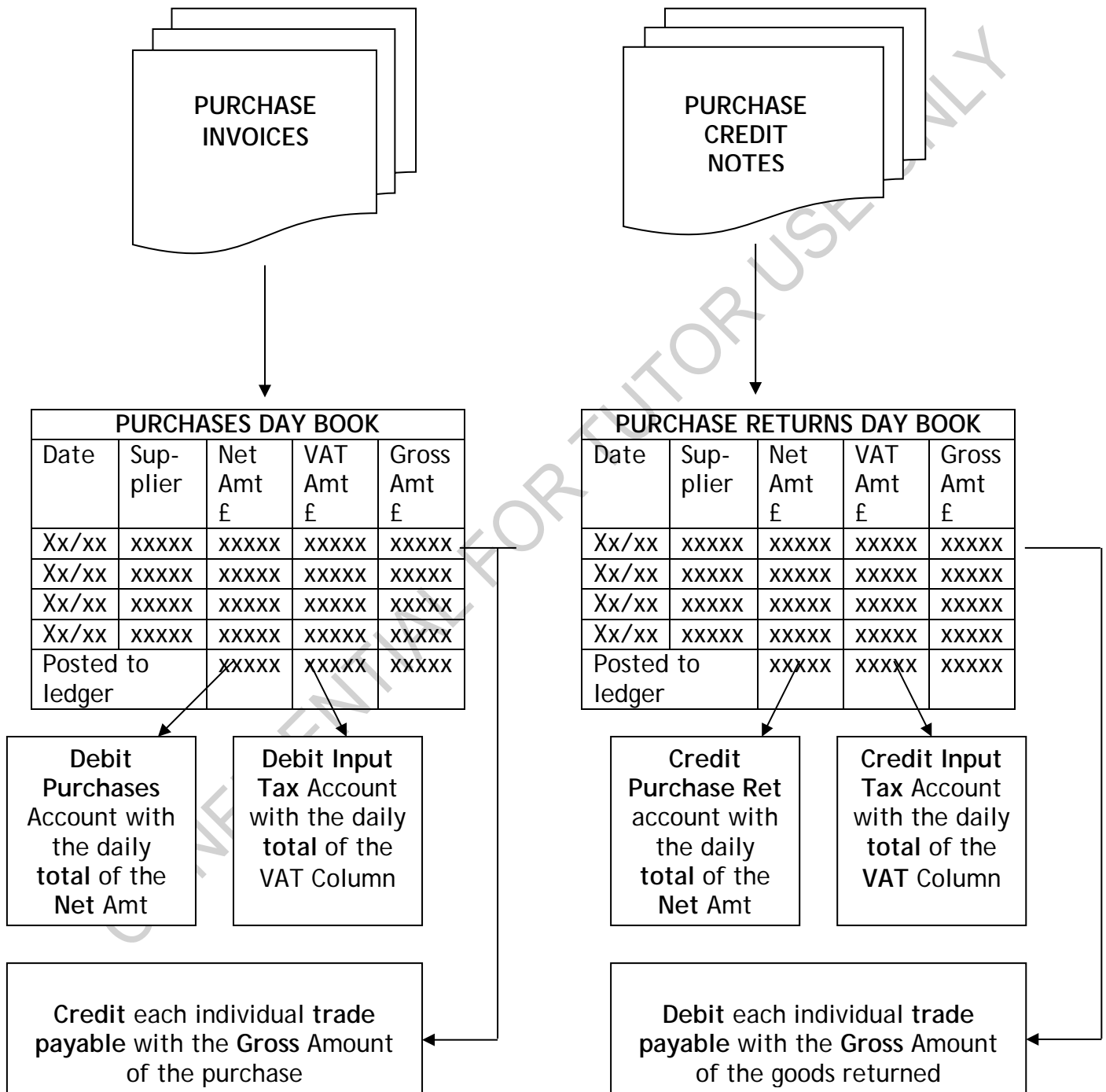
Posting of Sales Invoices and Sales Credit Notes (Issued)

Documents are sorted into date order, entered into Day Books then posted to Ledger Accounts.

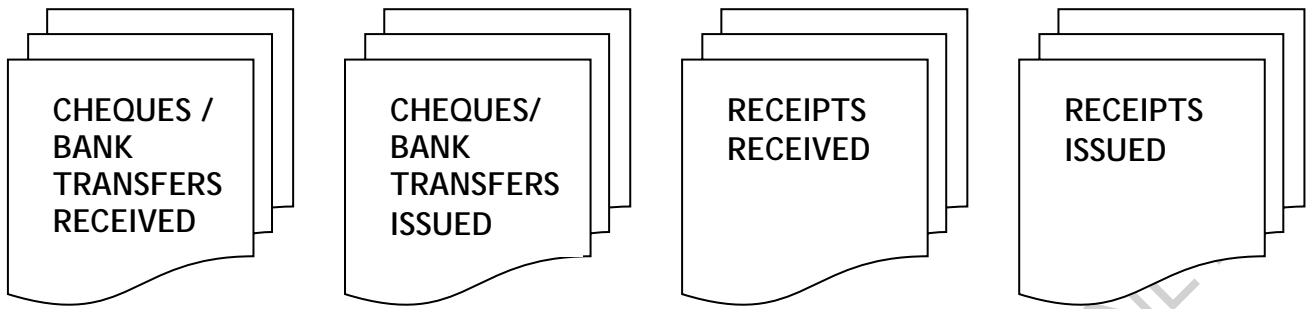


Posting of Purchase Invoices and Purchase Credit Notes (Received)

Documents are sorted into date order, entered into Day Books then posted to Ledger Accounts.



Documents are sorted into date order, entered into Day Books then posted to Ledger Accounts.



C A S H B O O K									
DEBITS - Receipts					CREDITS - Payments				
Date & details	VAT Amt £	DISC ALL £	Cash £	Bank £	Date & details	VAT Amt £	DISC RCD £	Cash £	Bank £
Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx	Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx
Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx	Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx
Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx	Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx
Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx	Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx
Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx	Xx/xx	xxxxx	xxxxx	xxxxx	xxxxx

Other postings from the Cash Book

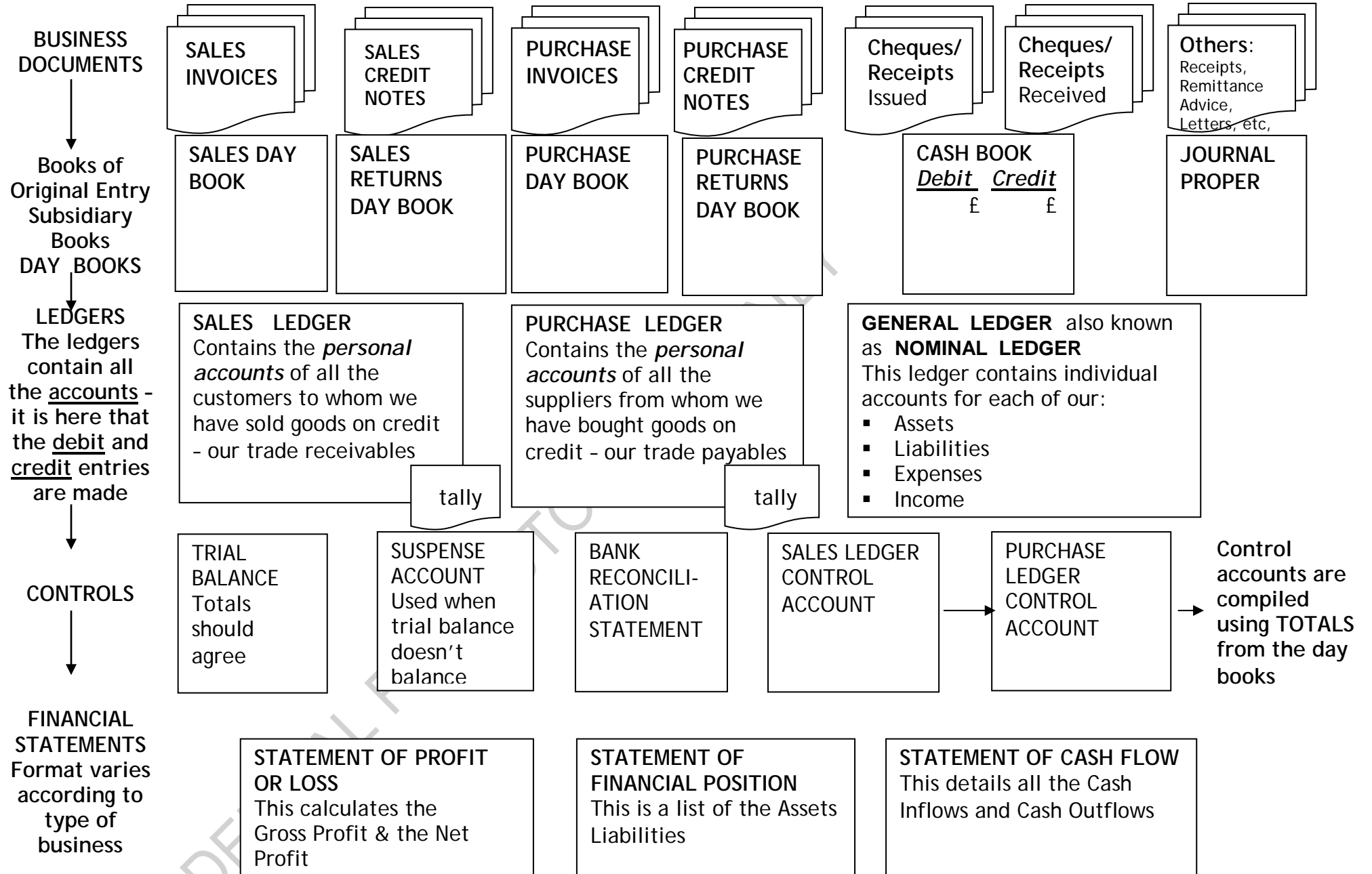
- Loans received
- Loans repaid
- Money put into the business by the owner
- Money taken out of the business by the owner
- Contra entries - transfers between bank and cash

The following page has a diagram that illustrates how an entire book-keeping system operates.

The diagram contains some items that we have not yet covered - for example:

- **Controls** incorporated into the book-keeping system. These will be covered later in your course.
- **Financial Statements** - these are produced by the business at the end of the financial year. Accounting students will learn how to produce the financial statements in a mandatory double-credit unit - **Preparing Financial Statements**. This diagram simply names the financial statements at the moment so that you are aware of their existence.

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The Book-Keeping System - Student Assignments

The remainder of this work book contains the information for you to use when you undertake **Student Assignments 1-6**.

These assignments list information about a new business that has been set up. You are responsible for recording the business transactions in the day books and ledgers.

In Student Assignment 1, a complete set of named ledger accounts are provided for you in Answer Book 5B.

However, part of the knowledge that you are expected to acquire while studying this unit is that you yourself must decide which accounts require to be opened. Therefore in Student Assignments 2-6 your lecturer will provide you with a blank set of accounts (Workbook 5C) and you will need to name each account and decide the order in which you keep the accounts.

It is suggested that you should order the accounts in the same manner as the book-keeping system already described to you in this work book - keep all the trade receivable accounts on one page (your sales ledger); all the trade payable accounts on another page (your purchase ledger) all of the remaining accounts in the following pages within the Nominal/General ledger.

Finally, at the end of each of the assignments you should draw up a trial balance to check the accuracy of your postings to the ledger accounts.

Once you have completed Student Assignments 1-6 you should then have all the knowledge and skills required to enable you to sit Assessment 1 of this unit.

The data for Student Assignments 1-6 is contained in the remainder of this work book.

Student Assignment 1 - Books of Anne Trantor

Anne Trantor started a retail business on 1 May 20X5. Her business sells some goods that are standard-rated for VAT, other goods that are zero-rated for VAT and other goods that are exempt from VAT. All cheques received are immediately paid into the business bank account.

The following transactions took place during the first month of trading:

May

- 01 Anne Trantor opened up a business bank account with the Clydesdale bank and deposited £26,000.00 of her own savings into the bank account.
- 03 Received a loan cheque from HMC Finance plc for £20,000.00 and paid it into the bank account
- 04 Paid by cheque for a motor van purchased from Kingston Motors plc. The van cost £16,600.00 net plus VAT of £3,320.00, gross amount £19,920.00.
- 05 Bought a road fund licence paying £140.00 by cheque. This is outwith VAT.
- 06 Withdrew £300.00 from the bank to use as cash in the till.
- 06 Received an invoice from Hart Ltd for goods. The net amount was £11,300.00 plus VAT of £2,214.80, gross amount £13,514.80.
- 08 Received an invoice from Gunn plc for goods. The net amount was £8,750.00. The goods were zero-rated.
- 09 Cash sales - net amount £210.00 plus VAT of £42.00, gross amount £252.00.
- 10 Sent an invoice to Manning Ltd - net amount £2,330.00 plus VAT of £452.02, gross amount £2,782.02.
- 10 Paid insurance premium by bank transfer - £226.90. This is exempt from VAT.
- 11 Cash sales -£804.00 - these were zero-rated sales.
- 14 Bought postage stamps paying £18.30 in cash. This is exempt from VAT.
- 19 Paid by cheque for a repair to the delivery van - net amount £143.80 plus VAT of £28.76, gross amount £172.56.
- 19 Sent an invoice to Murphy Ltd - net amount £3,442.00 plus VAT of £688.40, gross amount £4,130.40.
- 19 Sent a credit note to Manning Ltd who had returned goods to us as they were damaged - net amount £108.70 plus VAT of £21.09, gross amount £129.79.
- 19 Received a credit note from Hart Ltd to whom we had returned some goods that were faulty - net amount £206.00 plus VAT of £40.37, gross amount £246.37.

Student Assignment 1 - Books of Anne Trantor (continued)

May

- 23 Bought goods for resale paying in cash - net amount £145.00 plus VAT of £29.00, gross amount £174.00.
- 24 Ms Trantor sub-lets part of the premises to a tenant who uses it as a storage area. Received a cheque for £130.00 for rent receivable from the tenant.
- 25 Sent a credit note to Murphy Ltd - net amount £86.00 plus VAT of £17.20, gross amount £103.20.
- 25 The owner took £200.00 out of the cash till for her own personal use.
- 27 Received a bank transfer from Manning Ltd for £2,585.59. This is in full settlement of the amount owed to us - we allowed a discount of £66.64.
- 29 Received a bank statement that showed that we had been charged £22.00 in bank service charges.
- 30 Sent a bank transfer for £13,046.55 to Hart Ltd in settlement of their account - received a discount of £221.88 from them.
- 31 Banked all but £250.00 of the cash in the till.

Required

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Student Assignment 2 - Books of Fayyaz Khan

Fayyaz Khan started a retail business on 1 May 20X5. His business sells some goods that are standard-rated, zero-rated and exempt from VAT. All cheques received are immediately paid into the business bank account. The following transactions took place during the first month of trading:

May

- 01 Fayyaz Khan opened up a business bank account with the Northern Bank and deposited £65,000.00 of his own savings into the bank account
- 03 Received a loan cheque from Borders Finance plc for £35,000.00 and paid it into the bank account
- 05 Paid by bank transfer for monthly mobile phone rental charge of £110.00 net plus VAT of £22.00, gross amount £132.00
- 06 Withdrew £250.00 from the bank to use as cash in the till.
- 06 Received an invoice from Scott Ltd for goods. The net amount was £15,740.00 plus VAT of £3,085.04, gross amount £18,825.04.
- 08 Received an invoice from Walters Ltd for goods. The net amount was £4,965.00. The goods were zero-rated.
- 09 Cash sales - net amount £648.00 plus VAT of £129.60, gross amount £777.60.
- 10 Sent an invoice to Baxter Ltd - net amount £3,080.00 plus VAT of £597.52, gross amount £3,677.52.
- 12 Purchased a goods for resale paying by cheque - net amount £7,800.00 plus VAT of £1,560.00, gross amount £9,360.00.
- 14 Bought postage stamps paying £25.72 in cash. This is exempt from VAT.
- 16 Sent an invoice to Dewar Ltd - net amount £5,608.00 plus VAT of £1,121.60, gross amount £6,729.60.
- 19 Paid by cheque for a repair to the roof of the shop - net amount £645.00 plus VAT of £129.00, gross amount £774.00.
- 19 Sent an invoice to Chan Ltd - net amount £5,600.00 plus VAT of £1086.40, gross amount £6,686.40.
- 19 Sent a credit note to Baxter Ltd who had returned goods to us as they were surplus to requirements - net amount £136.00 plus VAT of £26.55, gross amount £162.55.
- 19 Received a credit note from Scott Ltd to whom we had returned some goods that were damaged in transit - net amount £265.00 plus VAT of £51.94, gross amount £316.94.

Student Assignment 2 - Books of Fayyaz Khan (continued)

May

- 22 Paid rates by cheque - £165.00. Rates are outwith the scope of VAT.
- 23 Paid an advertising bill by cheque - net amount £7,400.00 plus VAT of £1,480.00, gross amount £8,880.00.
- 24 Received a cheque for £112.00 from a tenant to home part of the premises are sub-let. This is exempt from VAT.
- 25 Sent a credit note to Chan Ltd - net amount £69.00 plus VAT of £13.15, gross amount £82.15.
- 25 The owner took £150.00 out of the cash till for his own personal use.
- 27 Received a bank transfer from Baxter Ltd for £3,426.65. This is in full settlement of the amount owed to us - we allowed a discount of £88.32.
- 29 Received a bank statement that showed that we had been charged £54.75 in bank service charges.
- 29 Purchased fixtures and fittings, paid by cheque - net amount £12,500 plus VAT of £2,500.00, gross amount £15,000.
- 30 Sent a bank transfer for £18,198.60 to Scott Ltd in settlement of their account - received a discount of £309.50 from them.
- 31 Banked all but £100.00 of the cash in the till.

Required

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Your lecturer will supply you with a set of pro-forma blank accounts for you to complete.

Student Assignment 3 - Books of Pauline Mogan

Pauline Mogan started a retail business on 1 April 20X5. Some of the goods she sells are standard-rated for VAT, others are Zero-rated for VAT and others are Exempt from VAT. All cheques received are immediately paid into the business bank account. On 1 April she deposited £42,000 into the business bank account and put £500 of her own cash into the business. The following transactions took place during the first month of trading:

Apr

- 03 Paid by cheque for shop fittings which cost £7,800.00 net plus VAT of £1,560.00, gross amount £9,360.00.
- 03 Paid shop rental by cheque £510.00. Rent is exempt from VAT.
- 04 Bought a second-hand van paying by cheque - net amount £11,750.00 plus VAT of £2,350.00, gross amount £14,100.00.
- 05 Paid £125.00 in cash for a road fund licence. This transaction is outwith the scope of VAT.
- 06 Received an invoice from Dunsmuir plc for goods. The net amount was £4,500.00. The goods were zero-rated.
- 06 Took out a loan from RTZ Finance and the loan funds of £25,000 were paid directly into the bank account
- 06 Received an invoice from Pearson Ltd for goods - net amount £16,600.00 plus VAT of £3,253.60, gross amount £19,853.60.
- 08 Cash sales - net amount £675.00 plus VAT of £135.00, gross amount £810.00.
- 09 Sent an invoice to Swann plc - net amount £3,120.00 plus VAT of £605.28, gross amount £3,725.28.
- 10 Paid by cheque for rates - £397.25. Rates are outwith the scope of VAT
- 10 Bought postage stamps paying £16.80 in cash. Exempt from VAT.
- 11 Cash sales - zero-rated - £394.50.
- 16 Sent an invoice to R Hill - net amount £5,920.00 plus VAT of £1,148.48, gross amount £7,068.48.
- 19 Paid by cheque for a building repair- net amount £704.00 plus VAT of £140.80, gross amount £844.80.
- 19 Bought office equipment and paid by cheque. Net amount £1,895.00 plus VAT of £379.00, gross amount £2,274.00.
- 19 Sent a cheque for £3,000.00 to Dunsmuir plc as a part-payment of their account.

Student Assignment 3 - Books of Pauline Mogan (continued)

Apr

- 19 Sent an invoice to Barnett Ltd - net amount £5,018.00 plus VAT of £973.49, gross amount £5,991.49.
- 19 Issued a credit note to Swann plc who had returned goods to us - net amount £211.50 plus VAT of £41.65, gross amount £253.15.
- 19 Paid cleaner's wages in cash - £92.00. Wages are outwith the scope of VAT.
- 22 Received a credit note from Pearson Ltd to whom we had returned some faulty goods - net amount £187.60 plus VAT of £36.77, gross amount £224.37.
- 23 Paid mobile phone rental charge by bank transfer - net amount £125.00 plus VAT of £25.00, gross amount £150.00.
- 23 Cash purchases - net amount £210.00 plus VAT of £42.00, gross amount £252.00.
- 24 Received a rent cheque from a tenant to whom part of the premises is sub-let - £185.00. Exempt from VAT.
- 25 Sent an invoice to Barnett Ltd - net amount £4,600.00 plus VAT of £892.40, gross amount £5,492.40.
- 25 Sent a credit note to R Hill as they had returned some goods that were not as ordered - net amount £116.70 plus VAT of £22.69, gross amount £139.39.
- 27 Received a bank transfer from Swann plc for £3,384.87. This is in full settlement of the amount owed to us - we allowed a discount of £87.26.
- 30 We sent a bank transfer for £19,300.98 to Pearson Ltd in settlement of their account. We received a discount of £328.25 from them.
- 31 Banked all but £500.00 of the cash in the till.

Required

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Your lecturer will supply you with a set of pro-forma blank accounts for you to complete.

Student Assignment 4 - Books of Tajinder Dhaliwal

Tajinder Dhaliwal started a retail business on 1 May 20X5. Some of the goods she sells are standard-rated for VAT, others are zero-rated for VAT and others are exempt from VAT. All cheques received are immediately paid into the business bank account. On 1 May she deposited £85,000 into the business bank account and put £1,000 of her own cash into the business. The following transactions took place during the first month of trading:

May

- 03 Received an invoice from Dean plc for goods supplied. The net amount was £15,720.00 plus VAT of £3,081.12, gross amount £18,801.12.
- 04 Paid by cheque for a fixtures and fittings - net amount £3,700.00 net plus VAT of £740.00, gross amount £4,440.00.
- 06 Paid shop rent by cheque £715.00. This is exempt from VAT.
- 06 Banked a loan cheque for £18,000.00 received from Dart Finance.
- 08 Cash sales - net amount £514.00 plus VAT of £102.80, gross amount £616.80.
- 09 Sent an invoice to M Carson - net amount £3,815.00 plus VAT of £740.11, gross amount £4,555.11.
- 10 Received an invoice from Lipton Ltd for the supply of goods. The goods were zero-rated and cost £7,912.00.
- 10 Paid insurance premium by bank transfer - £376.90. Exempt from VAT.
- 11 Cash sales - net amount £904.00 plus VAT of £180.80, gross amount £1,084.80.
- 12 Bought a computer paying by cheque - net amount £1,119.00 plus VAT of £223.80, gross amount £1,342.80.
- 16 Sent an invoice to D Crombie - net amount £9,400.00 plus VAT of £1,823.60, gross amount £11,223.60.
- 17 Sold goods that were VAT exempt - received cash of £312.85.
- 19 Paid by cheque for a roof repair - net amount £360.00 plus VAT of £72.00, gross amount £432.00.
- 19 Sent an invoice to W Sweeney - net amount £5,300.00 plus VAT of £1,028.20, gross amount £6,328.20.
- 21 Paid by cheque for printing from PrintRight Ltd - net amount £389.00 plus VAT of £77.80, gross amount £466.80.
- 22 Paid a telephone bill by bank transfer - net amount £88.60 plus VAT of £17.72, gross amount £106.32.

Student Assignment 4 - Books of Tajinder Dhaliwal (continued)

May

- 23 Received a credit note from Dean plc to whom we had returned some goods that were faulty - net amount £324.00 plus VAT of £63.50, gross amount £387.50.
- 23 Cash purchase of goods for resale - net amount £160.00 plus VAT of £32.00, gross amount £192.00.
- 24 Received a bank transfer for £191.00 being rent receivable from a tenant. VAT exempt.
- 25 Sent a credit note to M Carson who had returned goods to us - net amount £117.88 plus VAT of £22.92, gross amount £140.80.
- 25 The owner took £150.00 out of the cash till for her own personal use.
- 27 Paid assistant's wages in cash - £341.40. Wages are outwith the scope of VAT.
- 27 Received a bank transfer from M Carson for £4,303.40. This is in full settlement of the amount owed to us - we allowed a discount of £110.91.
- 27 Received a cheque for £2,000.00 from W Sweeney as a part-payment of amount owed.
- 30 Sent a bank transfer for £18,105.70 to Dean plc in settlement of their account - received a discount of £307.92 from them.
- 31 Banked all but £100.00 of the cash in the till.

Required

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Your lecturer will supply you with a set of pro-forma blank accounts for you to complete.

Student Assignment 5 - Books of Joe Brown

Joe Brown started a retail business on 1 October 20X5 and opened up his bank account with £15,000. He also put £600 in the cash till. He is VAT registered. The following transactions took place during the first month of trading:

October

- 01 Received an invoice for goods purchased for resale from Jacobs plc for £4,500.00 net, VAT £886.50, gross £5,386.50.
- 02 Bought a photocopier for £600.00 net, VAT £120.00, gross £720.00, paying by cheque.
- 02 Received an invoice for goods purchased for resale from Maxwells Ltd for £3,100.00 net, VAT 610.70, gross £3,710.70.
- 03 Paid business rates of £563.40 by cheque, this item is outwith the scope of VAT.
- 05 Received an invoice for purchase of inventory from Jacobs plc for £850.40 (zero rated for VAT).
- 06 Paid newspaper account of £80.00 in cash, this item is zero rated for VAT
- 08 Purchased second-hand motor van from Premier Vehicles for £4,500.00 net, VAT £900.00, gross £5,400.00 and paid by cheque.
- 09 Cash sales of £185.70, VAT of £37.14, gross £222.84.
- 10 Issued an invoice for goods sold on credit to S & M Singh for £880.00 net, VAT £172.48, gross £1,052.48.
- 10 Issued an invoice for goods sold on credit to K Neil for £1220.00 plus VAT £239.12, gross £1,459.12.
- 12 Received an invoice for purchase of goods from Maxwells Ltd for £3,200.00 net, VAT £630.40, gross £3,830.40.
- 13 Returned goods to Jacobs plc and received a credit note for £90.00 net, VAT £17.73, gross £107.73.
- 20 Issued invoice for sale of goods to S & M Singh for £980.00 plus VAT of £193.06, gross £1,173.06.
- 17 Paid postage of £18.60 by cash. This item is exempt from VAT
- 18 Cash sales of £274.12 (zero rated for VAT).
- 22 Sent invoice for sale of goods to K Neil for £7,400.00 net, VAT £1,457.80, gross £8,857.80.

Student Assignment 5 - Books of Joe Brown (Continued)

- 24 Received a credit note from Maxwells Ltd for £60.00 net plus VAT of £11.76, gross £71.76.
- 26 S & M Singh returned goods and was issued a credit note for £120.00 plus VAT of £23.64, gross £143.64.
- 27 Sent a bank transfer to Maxwells Ltd for £7,375.74 in settlement of the full amount due, and received a discount of £93.60.
- 29 K Neil returned goods and was sent a credit note for £260.00 plus VAT £51.22, gross £311.22.
- 30 Received £800.00 in cash from S & M Singh as a part payment of the balance due.
- 31 K Neil sent us a bank transfer for £9,838.50 in settlement of the full amount due, and was allowed a discount of £167.20.

Required:

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Your lecturer will supply you with a set of pro-forma blank accounts for you to complete.

Student Assignment 6 - Books of Anna Zielinska

Anna Zielinska started a retail business on 1 April 20X5. Some of the goods she sells are standard-rated for VAT, others are zero-rated for VAT and others are exempt from VAT. All cheques received are immediately paid into the business bank account. On 1 April she deposited £39,000 into the business bank account and put £1,000 of her own cash into the business. The following transactions took place during the first month of trading:

Apr

- 03 Paid by cheque for a motor vehicle which cost £10,500.00 net plus VAT of £2,100.00, gross amount £12,600.00.
- 03 Bought postage stamps paying £80.00 in cash. Exempt from VAT.
- 03 Paid shop rental by cheque £600.00. Rent is exempt from VAT.
- 05 Paid £125.00 in cash for a road fund licence. This transaction is outwith the scope of VAT.
- 06 Bought office furniture paying by cheque - net amount £3,000.00 plus VAT of £600.00, gross amount £3,600.00.
- 06 Received an invoice from Kentallen plc for goods. The net amount was £3,000.00. The goods were zero-rated.
- 06 Received an invoice from Avonbank Ltd for goods - net amount £14,500.00 plus VAT of £2,842.00, gross amount £17,342.00.
- 08 Cash sales - net amount £460.80 plus VAT of £92.16, gross amount £552.96.
- 09 Took out a loan from North West Finance and received a bank transfer of £15,000 into the bank account
- 09 Sent an invoice to Vesta plc - net amount £2,800.00 plus VAT of £543.20, gross amount £3,343.20.
- 10 Paid by bank transfer for rates - £423.50. Rates are outwith the scope of VAT
- 11 Cash sales - zero-rated - £629.45.
- 13 Cash purchases - net amount £186.40 plus VAT of £37.28, gross amount £223.68.
- 16 Sent an invoice to S Zarug - net amount £4,800.00 plus VAT of £931.20, gross amount £5,731.20.
- 19 Paid by cheque for a car repair- net amount £251.80 plus VAT of £50.36, gross amount £302.16.
- 19 Sent a bank for £2,000.00 to Kentallen plc as a part-payment of their account.

Student Assignment 6 - Books of Anna Zielinska (Continued)

Apr

- 19 Sent an invoice to Foster Ltd - net amount £5,200.00 plus VAT of £1,008.80, gross amount £6,208.80.
- 19 Issued a credit note to Vesta plc who had returned goods to us - net amount £189.00 plus VAT of £37.15, gross amount £226.15.
- 19 Paid cleaner's wages in cash - £86.00. Wages are outwith the scope of VAT.
- 22 Received a credit note from Avonbank Ltd to whom we had returned some faulty goods - net amount £212.00 plus VAT of £41.55, gross amount £253.55.
- 23 Paid mobile phone rental charge by bank transfer - net amount £74.00 plus VAT of £14.80, gross amount £88.80.
- 24 Received a bank transfer for rent from a tenant to whom part of the premises is sub-let - £220.00. Exempt from VAT.
- 25 Sent an invoice to Foster Ltd - net amount £3,300.00 plus VAT of £640.20, gross amount £3,940.20.
- 25 Sent a credit note to S Zarug as they had returned some goods that were not as ordered - net amount £88.50 plus VAT of £17.05, gross amount £105.55.
- 27 Received a bank transfer from Vesta plc for £3,038.72. This is in full settlement of the amount owed to us - we allowed a discount of £78.33.
- 30 We sent a bank transfer for £16,802.69 to Avonbank Ltd in settlement of their account. We received a discount of £285.76 from them.

Required

Enter the business transactions into the appropriate **Day Books** and then post the appropriate entries to the **Ledgers**.

Take out a **trial balance** to check the accuracy of your postings. Your trial balance should include nil balances where appropriate.

Your lecturer will supply you with a set of pro-forma blank accounts for you to complete.