

Zoom In Accounting Grade 11

ACTIVITY 1

Required:

Compare the periodic and perpetual inventory systems by analysing how each of the following transactions will be entered into the General Ledger of Rothman Traders. Goods are sold at cost price plus 100%.

Transactions:

1. Purchased goods on credit from SW Wholesalers for R2 500 less 8% trade discount.
2. Received an invoice for R200 from TT Deliverers for the transport costs on goods purchased from SW Wholesalers.
3. Some of the goods purchased from SW Wholesalers were badly damaged. A debit note for R500 was issued for the goods returned.
4. Goods sold on credit to BB Traders R1 200.
5. Received a debit note from GO Ltd. for goods returned. An invoice for R300 was issued earlier.
6. The owner donated stock with a selling price of R4 600 on behalf of the business to a school.

ACTIVITY 2

Bingo Traders is a retail business that uses the periodic inventory system. Its accounting period ends on 30 June each year. All goods are sold at a mark-up of 25% on the cost price.

Required:

Complete the ledger accounts.

Information:

Stock on hand:

✚ 01 June 2019	R105 000
✚ 30 June 2019	R140 000

Transactions for June 2019:

- 02 Purchased merchandise for R35 000 from Rizo Ltd. and paid by cheque.
- 07 Purchased merchandise on credit from Mabali Wholesalers for R103 000. The invoice includes delivery charges of R1 000.
- 10 Sold goods on credit to S. Naidoo for R90 000.
- 14 Returned merchandise with a cost price of R4 000 to Mabali Wholesalers.
- 23 Sold goods for cash. The cost price is R30 000.
- 28 S. Naidoo returned goods to the value of R1 200 bought on 10 June.