

# Topic 4: Adjustments

## Activity 1: Trading stock and Consumables on hand

### RPS TRADING GENERAL JOURNAL – DECEMBER 20.1

Day	Details	fol	Debit		Credit		Debtors' Control		Creditors' Control	
							Debit	Credit	Debit	Credit
30	Trading stock deficit		1 700	00						
	Trading stock				1 700	00				
	Trading stock adjusted for a deficit									
30	Consumable stores on hand		410	00						
	Stationery				410	00				
	Stationery on hand									
30	Consumable stores on hand		750	00						
	Cleaning materials				750	00				
	Cleaning materials on hand									

### GENERAL LEDGER OF RPS TRADING BALANCE SHEET ACCOUNTS SECTION

DR						TRADING STOCK						CR	
20.1 Dec	31	Balance	b/d	84 660	00	20.1 Dec	31	Trading stock deficit	GJ	1 700	00		
								Balance	c/d	82 960	00		
				84 660	00					84 660	00		
20.2 Jan	1	Balance	b/d	82 960	00								

### CONSUMABLE STORES ON HAND

20.1 Dec	31	Stationery	GJ	410	00								
	31	Cleaning materials	GJ	750	00								
				1 160	00								

### NOMINAL ACCOUNTS SECTION

#### STATIONERY

20.1 Dec	31	Balance	b/d	1 962	00	20.1 Dec	31	Consumable stores on hand	GJ	410	00		
							31	Balance	c/d	1 552	00		
				1 962	00					1 962	00		
20.2 Jan	1	Balance	b/d	1 552	00								

DR						CLEANING MATERIALS						CR	
20.1 Dec	31	Balance	b/d	4 880	00	20.1 Dec	31	Consumable stores on hand	GJ	750	00		
							31	Balance	c/d	4 130	00		
				4 880	00					4 880	00		
20.2 Jan	1	Balance	b/d	4 130	00								
TRADING STOCK DEFICIT													
20.1 Dec	31	Trading stock	GJ	1 700	00								

## Activity 2: Depreciation

### JACOBS SUPERSTORE GENERAL JOURNAL – DECEMBER 20.8

Day	Details	fol	Debit		Credit	
31	Depreciation		102 650	00		
	Accumulated depreciation on vehicles				102 650	00
	Depreciation written off on vehicles					
31	Depreciation		8 720	00		
	Accumulated depreciation on equipment				8 720	00
	Depreciation written off on equipment					

### GENERAL LEDGER OF JACOBS SUPERSTORE BALANCE SHEET ACCOUNTS SECTION

DR						ACCUMULATED DEPRECIATION ON VEHICLES						CR	
						20.8 Jan	1	Balance	b/d	180 000	00		
						Dec	31	Depreciation	GJ	102 650	00		
										282 650	00		

### ACCUMULATED DEPRECIATION ON EQUIPMENT

						20.8 Jan	1	Balance	b/d	16 800	00		
						Dec	31	Depreciation	GJ	8 720	00		
										25 520	00		

### NOMINAL ACCOUNTS SECTION DEPRECIATION

20.8 Dec	31	Accumulated depreciation on vehicles	GJ	102 650	00								
	31	Accumulated depreciation on equipment	GJ	8 720	00								
				111 370	00								

### Activity 3: Depreciation

#### FREDO TRADERS GENERAL JOURNAL – MARCH 20.0

Day	Details	fol	Debit		Credit	
31	Depreciation (17 500 + 95 100)		112 600	00		
	Accumulated depreciation on vehicles				112 600	00
	Depreciation written off on vehicles					
31	Depreciation		7 770	00		
	Accumulated depreciation on equipment				7 770	00
	Depreciation written off on equipment					

#### GENERAL LEDGER OF FREDO TRADERS BALANCE SHEET ACCOUNTS SECTION

DR

##### ACCUMULATED DEPRECIATION ON VEHICLES

CR

						20.9 April	1	Balance	b/d	102 760	00
						20.0 March	31	Depreciation	GJ	112 600	00
										<u>215 360</u>	<u>00</u>

##### ACCUMULATED DEPRECIATION ON EQUIPMENT

						20.9 April	1	Balance	b/d	18 600	00
						20.0 March	31	Depreciation	GJ	7 770	00
										<u>26 370</u>	<u>00</u>

#### NOMINAL ACCOUNTS SECTION

##### DEPRECIATION

20.0 March	31	Accumulated depreciation on vehicles	GJ	112 600	00						
	31	Accumulated depreciation on equipment	GJ	7 770	00						
				<u>120 370</u>	<u>00</u>						

## Activity 4: Depreciation

### GENERAL LEDGER OF GiGi STORES BALANCE SHEET ACCOUNTS SECTION

DR						ACCUMULATED DEPRECIATION ON VEHICLES						CR	
						20.2 Jan	1	Balance	b/d	268 600	00		
						Dec	31	Depreciation (9 040 + 85 920)	GJ	94 960	00		
										363 560	00		

### ACCUMULATED DEPRECIATION ON EQUIPMENT

						20.2 Jan	1	Balance	b/d	88 260	00		
						Dec	31	Depreciation (3 281 + 17 376)	GJ	20 657	00		
										108 917	00		

### NOMINAL ACCOUNTS SECTION DEPRECIATION

20.2 Dec	31	Accumulated depreciation on vehicles	GJ	94 960	00								
	31	Accumulated depreciation on equipment	GJ	20 657	00								
				115 617	00								

## Activity 5: Bad debts and correction of errors

### CHOICE STORES CASH RECEIPTS JOURNAL – DECEMBER 20.0

CRJ

Doc No	Day	Details	Fol	Analysis of receipts		Bank		Sales	Cost of sales	Debtors' control	Sundry accounts			
											Amount		Fol	Details
	31	P. Kale		1 982	00	1 982	00				1 982	00		Bad debts recovered

### CHOICE STORES GENERAL JOURNAL – DECEMBER 20.0

Day	Details	fol	Debit		Credit		Debtors' control			
							Debit		Credit	
31	Bad debts		2 870	00						
	T. James				2 870	00			2 870	00
	Debtor written off as a bad debt									
31	Repairs		3 890	00						
	Land and buildings				3 890	00				
	Correction of error									

**GENERAL LEDGER OF CHOICE STORES  
BALANCE SHEET ACCOUNTS SECTION**

DR						LAND AND BUILDINGS						CR	
20.0 Dec	31	Balance	b/d	989 600	00	20.0 Dec	31	Repairs	GJ	3 890	00		
DEBTORS' CONTROL													
20.0 Dec	31	Balance	b/d	37 540	00	20.0 Dec	31	Journal credits	GJ	2 870	00		

**NOMINAL ACCOUNTS SECTION**

BAD DEBTS													
20.0 Dec	31	Debtors' control	GJ	2 870	00								
REPAIRS													
20.0 Dec	31	Land and buildings	GJ	3 890	00								
BAD DEBTS RECOVERED													
						20.0 Dec	30	Bank	CRJ	1 982	00		

**Activity 6: Omissions**

**FINE STORES  
GENERAL JOURNAL – March 20.0**

Day	Details	fol	Debit		Credit	
31	Salaries & Wages		3 200	00		
	SARS (PAYE)				608	00
	Medical aid				300	00
	UIF				32	00
	Creditors for wages				2 260	00
	Correction of omission					
31	UIF contribution		64	00		
	UIF				64	00
	Correction of omission					

**GENERAL LEDGER OF FINE STORES  
BALANCE SHEET ACCOUNTS SECTION**

DR						CREDITORS FOR WAGES						CR	
						20.0 March	31	Net wage	GJ	2 260	00		
SARS (PAYE)													
						20.0 March	31	Creditors for wages	GJ	608	00		

DR		MEDICAL AID FUND								CR	
						20.0 March	31	Creditors for wages	GJ	300	00
UIF											
						20.0 March	31	Creditors for salaries	GJ	32	00
							31	UIF contribution	GJ	64	00
										96	00

### NOMINAL ACCOUNTS SECTION

#### SALARIES AND WAGES

20.0 March	31	Gross wage	GJ	3 200	00						
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#### UIF CONTRIBUTION

20.0 March	31	UIF	GJ	64	00						
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### Activity 7: Accrued income and Income received in advance

#### KULA SUPERSTORE GENERAL JOURNAL – MARCH 20.0

Day	Details	fol	Debit		Credit	
31	Accrued oncome		1 850	00		
	Rent income				1 850	00
	Rent income accrued					
31	Commission income		640	00		
	Income received in advance				640	00
	Commission income received in advance					

#### GENERAL LEDGER OF KULA SUPERSTORE BALANCE SHEET ACCOUNTS SECTION

DR		ACCRUED INCOME								CR	
20.0 March	31	Rent income	GJ	1 850	00						
INCOME RECEIVED IN ADVANCE											
						20.0 March	31	Commission income	GJ	640	00

### NOMINAL ACCOUNTS SECTION

#### COMMISSION INCOME

20.0 March	31	Income received in advance	GJ	640	00	20.0 March	31	Balance	b/d	8 960	00
	31	Balance	c/d	8 320	00						
				8 960	00					8 960	00
						April	1	Balance	b/d	8 320	00

#### RENT INCOME

						20.0 March	31	Balance	b/d	20 350	00
							31	Accrued income	GJ	1 850	00
										22 200	00

## Activity 8: Accrued and Prepaid expenses

### G&R TRADERS GENERAL JOURNAL – SEPTEMBER 20.0

Day	Details	fol	Debit	Credit
30	Prepaid expense		450 00	
	Insurance			450 00
	Insurance expense prepaid			
30	Water and electricity		1 022 00	
	Accrued expense			1 022 00
	Water and electricity expense accrued			

### GENERAL LEDGER OF G&R TRADERS BALANCE SHEET ACCOUNTS SECTION

DR				PREPAID EXPENSE								CR	
20.0 Sept	30	Insurance	GJ	450	00								
ACCRUED EXPENSE													
						20.0 Sept	30	Water and electricity	GJ	1 022	00		

### NOMINAL ACCOUNTS SECTION

INSURANCE											
20.0 Sept	30	Balance	b/d	5 850	00	20.0 Sept	30	Prepaid expense	GJ	450	00
							30	Balance	c/d	5 400	00
				5 850	00					5 850	00
Oct	1	Balance	b/d	5 400	00						
WATER AND ELECTRICITY											
20.0 Sept	30	Balance	b/d	13 250	00						
	30	Accrued expense	GJ	1 022	00						
				14 272	00						

## Activity 9: Income and Expenses

### JIVE SUPERSTORE GENERAL JOURNAL – JUNE 20.9

Day	Details	fol	Debit	Credit
30	Prepaid expense		675 00	
	Advertising			675 00
	Advertising expense prepaid			
30	Accrued income		1 068 00	
	Interest on fixed deposit			1 068 00
	Interest income accrued			
30	Telephone		1 480 00	
	Accrued expense			1 480 00
	Telephone expense accrued			
30	Rent income		1 440 00	
	Income received in advance			1 440 00
	Rent income received in advance			

**GENERAL LEDGER OF JIVE SUPERSTORE  
BALANCE SHEET ACCOUNTS SECTION**

DR				ACCRUED INCOME				CR			
20.9 June	30	Interest on fixed deposit	GJ	1 068	00						

**INCOME RECEIVED IN ADVANCE**

						20.9 June	30	Rent income	GJ	1 440	00
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**PREPAID EXPENSE**

20.9 June	30	Advertising	GJ	675	00						
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**ACCRUED EXPENSE**

						20.9 June	30	Telephone	GJ	1 480	00
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**NOMINAL ACCOUNTS SECTION**

**INTEREST ON FIXED DEPOSIT**

						20.9 June	30	Balance	b/d	6 880	00
							30	Accrued income	GJ	1 068	00
										7 948	00

**ADVERTISING**

20.9 June	30	Balance	b/d	2 700	00	20.9 June	30	Prepaid expense	GJ	675	00
							30	Balance	c/d	2 025	00
				2 700	00					2 700	00
July	1	Balance	b/d	2 025	00						

**TELEPHONE**

20.9 June	30	Balance	b/d	10 590	00						
	30	Accrued expense	GJ	1 480	00						
				12 070	00						

**RENT INCOME**

20.9 June	30	Income received in advance	GJ	1 440	00	20.9 June	30	Balance	b/d	10 080	00
	30	Balance	c/d	8 640	00						
				10 080	00					10 080	00
						July	1	Balance	b/d	8 640	00



## Activity 10: Interest capitalised

### JT WHOLESALERS GENERAL JOURNAL – NOVEMBER 20.9

Day	Details	fol	Debit	Credit
30	Interest on loan		19 000 00	
	Loan: Umgeni Bank			19 000 00
	Interest on loan capitalised			

### GENERAL LEDGER OF JT WHOLESALERS BALANCE SHEET ACCOUNTS SECTION

DR						LOAN: UMGENI BANK						CR	
20.9 Nov	30	Bank	CPJ	45 500	00	20.9 Nov	30	Balance	b/d	130 000	00		
	30	Balance	c/d	103 500	00		30	Interest on loan	GJ	19 000	00		
				149 000	00					149 000	00		
						Dec	1	Balance	b/d	103 500	00		

  

INTEREST ON LOAN													
20.9 Nov	30	Loan: Umgeni Bank	GJ	19 000	00								

## Activity 11: All adjustments

### J&T SPORT WAREHOUSE GENERAL JOURNAL – FEBRUARY 20.0

Day	Details	fol	Debit	Credit	Debtors' control			
					Debit		Credit	
28	Trading Stock		1 060 00					
	Trading stock surplus			1 060 00				
28	Consumable stores on hand		1 822 00					
	Stationery			1 822 00				
28	Rent income		815 00					
	Income received in advance			815 00				
28	Bad debts		1 615 00					
	P. Peters			1 615 00			1 615 00	
28	Municipal expenses		1 022 00					
	Accrued expense			1 022 00				
28	Prepaid expense		1 260 00					
	Insurance			1 260 00				
28	Discount allowed		200 00					
	Discount received			200 00				
28	Salaries and wages		2 500 00					
	PAYE: SARS			450 00				
	UIF			25 00				
	Creditors for wages			2 025 00				
28	Depreciation		12 800 00					
	Accumulated depreciation on vehicles			12 800 00				
28	Depreciation		3 500 00					
	Accumulated depreciation on equipment			3 500 00				

## Activity 12: All adjustments

### GENERAL LEDGER OF KD STORES BALANCE SHEET ACCOUNTS SECTION

DR						ACCUMULATED DEPRECIATION ON VEHICLES						CR	
						20.1 Dec	1	Balance	b/d	62 000	00		
							31	Depreciation	GJ	21 680	00		
										83 680	00		

#### ACCUMULATED DEPRECIATION ON EQUIPMENT

						20.1 Dec	1	Balance	b/d	48 600	00		
							31	Depreciation	GJ	12 000	00		
										60 600	00		

#### TRADING STOCK

20.1 Dec	31	Balance	b/d	38 940	00	20.1 Dec	31	Trading stock deficit	GJ	2 830	00		
								Balance	c/d	36 110	00		
				38 940	00					38 940	00		
20.2 Jan	1	Balance	b/d	36 110	00								

#### LOAN: SAVE BANK

20.1 Dec	31	Bank	CP J	90 000	00	20.1 Dec	31	Balance	b / d	450 000	00		
	31	Balance	c/d	380 000	00		31	Interest on loan	G J	20 000	00		
				470 000	00					470 000	00		
						20.2 Jan	1	Balance	b / d	380 000	00		

#### CONSUMABLE STORES ON HAND

20.1 Dec	31	Stationery	GJ	1 060	00								
	31	Packing material	GJ	950	00								
				2 010	00								

#### ACCRUED INCOME

20.1 Dec	31	Rent income	GJ	4 420	00								
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#### PREPAID EXPENSE

20.1 Dec	31	Advertising	GJ	900	00								
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#### ACCRUED EXPENSE

						20.1 Dec	31	Telephone	G J	1 890	00		
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# **NOMINAL ACCOUNTS SECTION**

DR						STATIONERY						CR	
20.1 Dec	31	Balance	b/d	11 470	00	20.1 Dec	31	Consumable stores on hand	G J	1 060	00		
	31	Trading Stock	GJ	800	00		31	Balance	c / d	11 210	00		
				12 270	00					12 270	00		
20.2 Jan	1	Balance	b/d	11 210	00								

## **BAD DEBTS**

20.1 Dec	31	Balance	b/d	1 040	00								
	31	Debtors' control	GJ	744	00								
				1 784	00								

## **PACKING MATERIAL**

20.1 Dec	31	Balance	c/d	14 980	00	20.1 Dec	31	Stationery	GJ	800	00		
							31	Consumable stores on hand	GJ	950	00		
							31	Balance	c/d	13 230	00		
				14 980	00					14 980	00		
20.2 Jan	1	Balance	b/d	13 230	00								

## **INTEREST ON LOAN**

20.1 Dec	30	Loan: Save Bank	GJ	20 000	00								
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## **TRADING STOCK DEFICIT**

20.1 Dec	31	Trading stock	GJ	2 830	00								
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## **ADVERTISING**

20.1 Dec	30	Balance	b/d	15 078	00	20.1 Dec	30	Prepaid expense	GJ	900	00		
							30	Balance	c/d	14 178	00		
				15 078	00					15 078	00		
20.2 Jan	1	Balance	b/d	14 178	00								

## **TELEPHONE**

20.1 June	30	Balance	b/d	8 260	00								
	30	Accrued expense	GJ	1 890	00								
				10 150	00								

## **DEPRECIATION**

20.1 Dec	31	Accumulated depreciation on vehicles	GJ	21 680	00								
	31	Accumulated depreciation on equipment	GJ	12 000	00								
				33 680	00								

DR						RENT INCOME				CR		
						20.1 June	30	Balance	b/d	48 620	00	
							30	Accrued income	GJ	4 420	00	
										<u>53 040</u>	<u>00</u>	

### Activity 13: Final accounts

#### ROBERTO WHOLESALERS GENERAL JOURNAL – NOVEMBER 20.0

Day	Details	fol	Debit		Credit	
30	Sales		1 980	00		
	Debtors' allowances				1 980	00
	Closing transfers					
30	Sales		239 700	00		
	Trading account				239 700	00
	Closing transfers					
30	Trading account		160 740	00		
	Cost of sales				160 740	00
	Closing transfers					
30	Trading account		78 960	00		
	Profit and Loss				78 960	00
	Closing transfers					
30	Bad debts recovered		1 610	00		
	Discount received		920	00		
	Rent income		11 160	00		
	Profit and Loss				13 690	00
	Closing transfers					
30	Profit and Loss		44 520	00		
	Discount allowed				840	00
	Insurance				3 810	00
	Packing material				4 510	00
	Bad debts				2 680	00
	Stationery				3 240	00
	Depreciation				28 410	00
	Trading stock deficit				1 030	00
	Closing transfers					
30	Profit and loss		48 400	00		
	Capital				48 400	00
	Closing transfers					
30	Capital		2 950	00		
	Drawings				2 950	00
	Closing transfers					

**GENERAL LEDGER OF ROBERTO WHOLESALERS**  
**BALANCE SHEET SECTION**

DR					CAPITAL					CR	
20.0 Nov	30	Drawings	GJ	2 950	00	20.0 Nov	30	Balance	b/d	204 410	00
	30	Balance	c/d	249 590	00		30	Profit & Loss	GJ	48 130	00
				252 540	00					252 540	00
						Dec	1	Balance	b/d	249 590	00

**DRAWINGS**

20.0 Nov	30	Balance	b/d	2 950	00	20.0 Nov	30	Capital	GJ	2 950	00
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**NOMINAL ACCOUNTS SECTION**

**SALES**

20.0 Nov	30	Debtors' allowances	GJ	1 980	00	20.0 Nov	30	Total	b/f	241 680	00
	30	Trading Account	GJ	239 700	00						
				241 680	00					241 680	00

**COST OF SALES**

20.0 Nov	30	Total	b/f	160 740	00	20.0 Nov	30	Trading account	GJ	160 740	00
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**DEBTORS' ALLOWANCES**

20.0 Nov	30	Total	b/f	1 980	00	20.0 Nov	30	Sales	GJ	1 980	00
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**BAD DEBTS RECOVERED**

20.0 Nov	30	Profit & Loss	GJ	1 610	00	20.0 Nov	30	Total	b/f	1 610	00
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**DISCOUNT ALLOWED**

20.0 Nov	30	Total	b/f	840	00	20.0 Nov	30	Profit & Loss	GJ	840	00
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**INSURANCE**

20.0 Nov	30	Total	b/f	3 810	00	20.0 Nov	30	Profit & Loss	GJ	3 810	00
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**PACKING MATERIAL**

20.0 Nov	30	Total	b/f	4 510	00	20.0 Nov	30	Profit & Loss	GJ	4 510	00
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**DISCOUNT RECEIVED**

20.0 Nov	30	Profit & Loss	GJ	920	00	20.0 Nov	30	Total	b/f	920	00
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**BAD DEBTS**

20.0 Nov	30	Total	b/f	2 680	00	20.0 Nov	30	Profit & Loss	GJ	2 680	00
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**STATIONERY**

20.0 Nov	30	Total	b/f	3 240	00	20.0 Nov	30	Profit & Loss	GJ	3 240	00
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**RENT INCOME**

20.0 Nov	30	Profit & Loss	GJ	11 160	00	20.0 Nov	30	Total	b/f	11 160	00
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DR				DEPRECIATION				CR			
20.0 Nov	30	Total	b/f	28 410	00	20.0 Nov	30	Profit & Loss	GJ	28 410	00

**TRADING STOCK DEFICIT**

20.0 Nov	30	Total	b/f	1 030	00	20.0 Nov	30	Profit & Loss	GJ	1 030	00
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**FINAL ACCOUNTS SECTION**

**TRADING ACCOUNT**

20.0 Nov	30	Cost of sales	GJ	160 740	00	20.0 Nov	30	Sales	GJ	239 700	00
	30	Profit & Loss	GJ	78 960	00						
				239 700	00					239 700	00

**PROFIT & LOSS**

20.0 Nov	30	Discount allowed	GJ	840	00	20.0 Nov	30	Trading account	GJ	78 960	00
	30	Insurance	GJ	3 810	00		30	Bad debts recovered	GJ	1 610	00
	30	Packing material	GJ	4 510	00		30	Discount received	GJ	920	00
	30	Bad debts	GJ	2 680	00		30	Rent income		11 160	00
	30	Stationery	GJ	3 240	00						
	30	Depreciation	GJ	28 410	00						
	30	Trading stock deficit	GJ	1 030	00						
	30	Capital	GJ	48 130	00						
				92 650	00					92 650	00

**Activity 14: Adjustments and Final accounts**

**GENERAL LEDGER OF P2P SUPERSTORE  
BALANCE SHEET SECTION**

DR				CAPITAL				CR			
20.0 Dec	31	Drawings	GJ	11 610	00	20.0 Dec	31	Balance	b/d	705 650	00
	31	Balance	c/d	710 050	00		31	Profit & Loss	GJ	16 010	00
				721 660	00					721 660	00
						20.1 Jan	1	Balance	b/d	710 050	00

**DRAWINGS**

20.0 Dec	31	Balance	b/d	9 410	00	20.0 Dec	31	Capital	GJ	11 610	00
	31	Insurance	GJ	2 200	00						
				11 610	00					11 610	00

**DR****ACCUMULATED DEPRECIATION ON VEHICLES****CR**

						20.0 Dec	31	Balance	b/d	148 960	00
							31	Depreciation	GJ	69 140	00
										<u>218 100</u>	<u>00</u>

**ACCUMULATED DEPRECIATION ON EQUIPMENT**

						20.0 Dec	31	Balance	b/d	46 800	00
							31	Depreciation	GJ	14 000	00
										<u>60 800</u>	<u>00</u>

**TRADING STOCK**

20.0 Dec	31	Balance	b/d	49 170	00	20.0 Dec	31	Balance	c/d	49 890	00
	31	Trading stock surplus	GJ	720	00						
				<u>49 890</u>	<u>00</u>					<u>49 890</u>	<u>00</u>
20.1 Jan	1	Balance	b/d	49 890	00						

**CONSUMABLE STORES ON HAND**

20.0 Dec	31	Stationery	GJ	1 085	00						
	31	Packing material	GJ	915	00						
				<u>2 000</u>	<u>00</u>						

**ACCRUED INCOME**

20.0 Dec	31	Rent income	GJ	900	00						
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**PREPAID EXPENSE**

20.0 Dec	31	Advertising	GJ	630	00						
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**ACCRUED EXPENSE**

						20.0 Dec	31	Telephone	GJ	640	00
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**INCOME RECEIVED IN ADVANCE**

						20.0 Dec	31	Commission income	GJ	1 080	00
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## NOMINAL ACCOUNTS SECTION

**DR**

**SALES**

**CR**

20.0 Dec	31	Debtors' allowances	GJ	2 140	00	20.0 Dec	31	Total	b/f	344 120	00
	31	Trading Account	GJ	341 980	00						
				344 120	00					344 120	00

### COST OF SALES

20.0 Dec	31	Total	b/f	201 680	00	20.0 Dec	31	Trading Account	GJ	201 680	00
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### DEBTORS' ALLOWANCES

20.0 Dec	31	Total	b/f	2 140	00	20.0 Dec	31	Sales	GJ	2 140	00
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### COMMISSION INCOME

20.0 Dec	31	Income received in advance	GJ	1 080	00	20.0 Dec	31	Total	b/f	9 560	00
	31	Profit & loss		8 480	00						
				9 560	00					9 560	00

### ADVERTISING

20.0 Dec	31	Total	b/f	3 970	00	20.0 Dec	31	Prepaid expense	GJ	630	00
							31	Profit & Loss	GJ	3 340	00
				3 970	00					3 970	00

### TELEPHONE

20.0 Dec	31	Total	b/f	4 020	00	20.0 Dec	31	Profit & Loss	GJ	4 660	00
	31	Accrued expense	GJ	640	00						
				4 660	00					4 660	00

### PACKING MATERIAL

20.0 Dec	31	Total	b/f	6 800	00	20.0 Dec	31	Consumable stores on hand	GJ	915	00
							31	Profit & Loss		5 885	00
				6 800	00					6 800	00

### INSURANCE

20.0 Dec	31	Total	b/f	8 420	00	20.0 Dec	31	Drawings	GJ	2 200	00
							31	Profit & Loss	GJ	6 220	00
				8 420	00					8 420	00

### INTEREST ON FIXED DEPOSIT

20.0 Dec	31	Profit & Loss	GJ	13 900	00	20.0 Dec	31	Total	b/f	13 900	00
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### SALARIES AND WAGES

20.0 Dec	31	Total	b/f	64 800	00	20.0 Dec	31	Profit & Loss	GJ	64 800	00
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DR				SUNDRY EXPENSES						CR	
20.0 Dec	31	Total	b/f	1 240	00	20.0 Dec	31	Profit & Loss	GJ	1 240	00

#### BAD DEBTS

20.0 Dec	31	Total	b/f	1 590	00	20.0 Dec	31	Profit & Loss	GJ	2 520	00
	31	Debtors' control	GJ	930	00						
				2 520	00					2 520	00

#### STATIONERY

20.0 Dec	31	Total	b/f	4 870	00	20.0 Dec	31	Consumable stores on hand	GJ	1 085	00
							31	Profit & Loss		3 785	00
				4 870	00					4 870	00

#### RENT INCOME

20.0 Dec	31	Profit & Loss	GJ	28 200	00	20.0 Dec	31	Total	b/f	27 300	00
							31	Accrued income	GJ	900	00
				28 200	00					28 200	00

#### DEPRECIATION

20.0 Dec	31	Accumulated depreciation on vehicles	GJ	69 140	00	20.0 Dec	31	Profit & Loss	GJ	83 140	00
	31	Accumulated depreciation on equipment	GJ	14 000	00						
				83 140	00					83 140	00

#### TRADING STOCK SURPLUS

20.0 Dec	31	Profit & Loss	GJ	720	00	20.0 Dec	31	Trading stock	GJ	720	00
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### FINAL ACCOUNTS SECTION

#### TRADING ACCOUNT

20.0 Dec	31	Cost of sales	GJ	201 680	00	20.0 Dec	31	Sales	GJ	341 980	00
	31	Profit & Loss	GJ	140 300	00						
				341 980	00					341 980	00

DR						PROFIT & LOSS						CR	
20.0 Dec	31	Advertising	GJ	3 340	00	20.0 Dec	31	Trading account	GJ	140 300	00		
	31	Telephone	GJ	4 660	00		31	Commission income	GJ	8 480	00		
	31	Packing material	GJ	5 885	00		31	Interest on fixed deposit	GJ	13 900	00		
	31	Insurance	GJ	6 220	00		31	Rent income	GJ	28 200	00		
	31	Salaries and wages	GJ	64 800	00		31	Trading stock surplus	GJ	720	00		
	31	Sundry expenses	GJ	1 240	00								
	31	Bad debts	GJ	2 520	00								
	31	Stationery	GJ	3 785	00								
	31	Depreciation	GJ	83 140	00								
	31	Capital	GJ	16 010	00								
				191 600	00					191 600	00		

### Activity 15: Adjustments and Final accounts

FINAL ACCOUNTS SECTION													
DR						TRADING ACCOUNT						CR	
20.3 June	30	Cost of sales	GJ	194 000	00	20.3 June	30	Sales (256 280 – 1 280)	GJ	255 000	00		
	30	Profit & Loss	GJ	61 000	00								
				255 000	00					255 000	00		

PROFIT & LOSS													
20.3 June	30	Water and electricity	GJ	5 270	00	20.3 June	30	Trading account	GJ	61 000	00		
	30	Telephone (1 600 + 350)	GJ	1 950	00		30	Commission income	GJ	4 360	00		
	30	Packing material (2 300 - 125)	GJ	2 175	00		30	Rent income (9 280 + 880)	GJ	10 160	00		
	30	Insurance (6 400 - 2 700)	GJ	3 700	00		30	Bad debts recovered	GJ	150	00		
	30	Sundry expenses	GJ	580	00								
	30	Bad debts (820 + 400)	GJ	1 220	00								
	30	Stationery (1 350 - 75)	GJ	1 275	00								
	30	Donations (650 + 300)	GJ	950	00								
	30	Trading stock deficit (13 970 – 12 900)	GJ	1 070	00								
	30	Interest on loan	GJ	40 000	00								
	30	Depreciation (6 800 + 1 800 + 4 620)	GJ	13 220	00								
	30	Capital	GJ	4 260	00								
				75 670	00					75 670	00		

## Activity 16: Adjustments and Final accounts

### FINAL ACCOUNTS SECTION

DR						TRADING ACCOUNT						CR	
20.3 June	30	Cost of sales	GJ	1 000 000	00	20.3 June	30	Sales (1 608 000 - 7 040)	GJ	1 600 960	00		
	30	Profit & Loss	GJ	600 960	00								
				1 600 960	00					1 600 960	00		

### PROFIT & LOSS

20.3 June	30	Packing material (48 000 - 12 800)	GJ	35 200	00	20.3 June	30	Trading account	GJ	600 960	00
	30	Discount allowed	GJ	3 440	00		30	Discount received	GJ	3 000	00
	30	Insurance (22 800 - 1 600)	GJ	21 200	00		30	Bad debts recovered	GJ	1 560	00
	30	Stationery (14 816 - 2 400)	GJ	12 416	00		30	Rent income (41 800 + 3 800)	GJ	45 600	00
	30	Bad debts (5 232 + 1 140)	GJ	6 372	00						
	30	Telephone (8 880 - 480)	GJ	8 400	00						
	30	Salaries and wages (192 000 + 4 210)	GJ	196 210	00						
		Pension fund contributions (7 680 + 420)		8 100	00						
	30	Trading stock deficit (124 000 - 117 600)	GJ	6 400	00						
	30	Depreciation (3 200 + 19 200 + 35 200)	GJ	57 600	00						
	30	Capital	GJ	295 782	00						
				<u>651 120</u>	<u>00</u>					<u>651 120</u>	<u>00</u>