

**Exercise 1**

For each of the following accounts state if they should be debited or credited in the Trial Balance.

Accounts	Debit	Credit
Cash		
Purchases		
Sales Returns		
Return Inwards		
Bank		
Motor Van		
Sales		
Purchases Returns		
Return Outwards		
Carriage Outwards		
Wages		
Rent Income		
Trade Receivables		
Trade Payables		
Loan (2 years)		
Loan (6 months)		
Bank Overdraft		
Capital		
Drawings		
Inventory		

## Exercise 2

**The following information is given for the business of Maria:**

<b>2018</b>	
<b>Oct 1</b>	Maria started her business with €15000 in the bank.
<b>Oct 2</b>	Transferred €7000 from the bank account into the cash account.
<b>Oct 4</b>	Bought Machinery €10000 by cheque.
<b>Oct 5</b>	Purchased goods €15000 on credit from George.
<b>Oct 8</b>	Purchased a Motor Car €8000 on credit from Beauty Cars Ltd.
<b>Oct 15</b>	Cash sales for the month amounted to €7000.
<b>Oct 17</b>	Goods returned by us to George €500.
<b>Oct 23</b>	The owner took €5000 cash for personal use.
<b>Oct 27</b>	Bought more Machinery €1000 by cash.
<b>Oct 31</b>	Paid Beauty Cars Ltd the amount owing by cash.

**Required:** Enter the transactions in the ledger accounts of John and then close all accounts.

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

Date		€	Date		€

### **Exercise 1**

The following Trial Balance has been extracted from the books of Nike as at 31 December 2018

	€
Inventory	2.500
Carriage Inwards	500
Carriage Outwards	900
Rent Income	1.600
Insurance	1.900
Motor Van Expenses	65.000
Commission Income	2.500
Purchases	65.000
Sales	150.000
Salaries	7.000
Machinery	5.000
Returns Inwards	1.300
Returns Outwards	600
Motor Cars	9.000
Trade receivables	4.500
Trade payables	8.400
Bank Overdraft	1.500
Cash	600
Drawings	11.000
Capital	?

**Note:** Inventory as at 31 December 2018 was valued at €4000.

### **Required:**

- Prepare an Income Statement for the year ended 31 December 2018.
- Prepare a Statement of Financial Position as at 31 December 2018.







Those are the details of George Joannou at 31<sup>st</sup> December 2017:

	€
Buildings .....	250.000
Machinery .....	180.000
Trade Payables .....	30.000
Trade Receivables .....	40.000
Bank Overdraft .....	15.000
Bank Loan .....	285.000
Office Furniture .....	40.000
Inventory .....	120.000
Cash .....	10.000
Capital .....	400.000
Motor van .....	90.000

You are asked to prepare the Statement of Financial Position of George Joannou at 31<sup>st</sup> December 2017 after considering the following:

- The trade receivable paid a cheque of €18.000
- Sold goods and received €4.000 cash
- Purchased goods of €80.000 on credit
- Purchased a new computer and paid €2.000 cash
- Sold goods and received a €25.000 cheque
- Paid a cheque of €12.000 to the trade payable

Those are some information relating to K. Aristo market during March 2016:

- March 1 Started business with Capital of €80 000 in the Bank Account and €10 000 in the Cash Account.
- March 8 Bought €30 000 goods on credit from M. Christakis.
- March 15 Sold goods and received €5 000 cash.
- March 20 Sold €60 000 goods on credit to X. Zahariou.
- March 25 X. Zahariou returned €800 damaged goods.
- March 30 Paid a €12 000 cheque to M. Christakis.

**Required:**

- a) Open the necessary ledger accounts.
- b) Enter the above transactions.
- c) Close the accounts.

The following Trial Balance was extracted from the Books of B. Barnie at 31 December 2015:

	€	€
Sales		
Sales Returns		
Purchases		
Purchases Returns		
Wages & Salaries		
Insurance		
Rent		
Trade Payables		
Trade Receivables		
Buildings		
Machinery		
Furniture		
Bank		
Cash		
Capital		
Loan		
Inventory (1 January 2015)		
Drawings		

Additional Information:

- a) Inventory (31 December 2015)
- b) Rent due €500

Required:

- a) The Income Statement for the year ended 31 December 2015.
- b) The Statement of Financial Position as at 31 December 2015.