

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

## Exercise 1

### Record Keeping

In which journal would you record each of the following transactions? Indicate your selection with a tick (✓)

Scenario		Cash Payments Journal	Cash Receipts Journal	Purchases Journal	Sales Journal
1	You received a cheque for goods you sold	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	You collected the car from your garage mechanic after it had been serviced that day and you wrote a cheque to cover the invoice.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	You called in at the printer and collected the printing you ordered. The printer gave you an invoice and put the amount on your account.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	The bank paid you interest on the money you had in your bank account.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5	You supplied sports equipment to ten members of your sports club on the condition that they will pay you in one month's time.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6	The monthly telephone bill arrives in the mail and must be entered into the accounting system of the company.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7	You paid rent with a cheque	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8	You received a cheque from a customer who paid his account	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9	You took delivery of stock which you purchased on account from your supplier	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10	You received a telephone call from your customer ordering goods to be sent on his account.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11	Invoices from your suppliers for goods you have purchased on account would be recorded where?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12	Receipts for items you paid for would be recorded where?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13	Receipts you have issued to your customers would be recorded where?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14	Invoices which you have issued to your customers for items they have purchased on credit would be recorded where?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

## Exercise 2

### Double Entry Bookkeeping principles

For each of the scenarios below, indicate whether the affect will result in a debit or credit of the type of account (indicated in bold).

Scenario	Debit	Credit
If an <b>asset</b> is increasing	<input type="radio"/>	<input type="radio"/>
If a <b>liability</b> is decreasing	<input type="radio"/>	<input type="radio"/>
If an <b>expense</b> is increasing	<input type="radio"/>	<input type="radio"/>
If a <b>revenue</b> is decreasing	<input type="radio"/>	<input type="radio"/>
If an <b>ownership equity</b> account is increasing	<input type="radio"/>	<input type="radio"/>
If an <b>asset</b> is decreasing	<input type="radio"/>	<input type="radio"/>
If a <b>liability</b> is increasing	<input type="radio"/>	<input type="radio"/>
If an <b>expense</b> is decreasing	<input type="radio"/>	<input type="radio"/>
If a <b>revenue</b> is increasing	<input type="radio"/>	<input type="radio"/>
If an <b>ownership equity</b> account is decreasing	<input type="radio"/>	<input type="radio"/>

For each of the scenarios below, indicate whether the affect is increasing or decreasing the type of account.

Scenario	Increasing	Decreasing
If you receive a telephone bill, is your expense increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you pay salaries, is your expense increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you purchase a motor vehicle, is your asset value increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you take out a bank loan, is your liability increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you refund fees paid by a customer is your revenue increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you sell a motor vehicle is your asset value increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you are informed that your last insurance bill was overstated and that you will receive a credit, is your expense increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you receive notification from the bank that you have been charged bank fees, is your asset (the bank account) increasing or decreasing?	<input type="radio"/>	<input type="radio"/>
If you write off an amount owed by a debtor as a bad debt, is your asset (debtors) increasing or decreasing?	<input type="radio"/>	<input type="radio"/>

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

## Exercise 3

### Account Types

For each of the accounts below, indicate whether it is an asset, liability, expense, revenue or ownership equity type of account. There is only one correct answer in each case. Mark your choice with a tick.

Account	Asset	Liability	Expense	Revenue	Ownership
Insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bank Charges	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bank Loan	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephones	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cleaning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Creditors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Donations Received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Debtors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Depreciation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electricity and Gas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fixtures and Fittings at Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Fundraising Income	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision for Depreciation on Fixtures and Fittings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest Earned	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interest Paid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Motor Vehicles at Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Postage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Premises at Cost	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Printing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provision for Depreciation on Motor Vehicles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bad Debts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchases	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rent Received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Repairs and Renewals	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Salaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sponsorship Receipts	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stationery	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stock	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Government Grant Received	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bank A/c	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

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## Exercise 4

### Double Entry Bookkeeping (Level - Simple)

Write the appropriate journal entries in the Books of Account of Lots of Fun Pty Ltd for the following questions.

- 
1. Lots of Fun Pty Ltd purchased \$500 of clothing for resale purposes from Sports Clothing Pty Ltd on credit.

Account	Dr	Cr
Clothing		
Creditors		

- 
2. Lots of Fun Pty Ltd received a bill for \$200 from Telstra

Account	Dr	Cr
Telephone Expenses		
Creditors		

- 
3. Lots of Fun Pty Ltd paid the fortnightly salary of \$2,500 of M.Davies (Executive Director)

Account	Dr	Cr
Salaries		
Bank A/c		

- 
4. Lots of Fun Pty Ltd received a sum of \$500 from Southbank Institute of Technology as a donation

Account	Dr	Cr
Bank A/c		
Donations		

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

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5. Lots of Fun Pty Ltd received and banked \$1, 500 of Fundraising Sales

Account	Dr	Cr
Bank A/c		
Fundraising		

- 
6. Lots of Fun Pty Ltd purchased a new motor vehicle costing \$20,000 with a bank loan

Account	Dr	Cr
Motor Vehicles		
Bank Loan		

- 
7. Lots of Fun Pty Ltd paid outstanding creditors of \$1,500

Account	Dr	Cr
Creditors		
Bank A/c		

- 
8. Lots of Fun Pty Ltd wrote a \$50 cheque for postage

Account	Dr	Cr
Postage		
Bank A/c		

- 
9. Lots of Fun Pty Ltd sold \$500 of equipment on credit.

Account	Dr	Cr
Debtors		
Equipment Sales		

- 
10. Lots of Fun Pty Ltd paid the Auditor \$1,000 with a cheque.

Account	Dr	Cr
Auditor Fees		
Bank A/c		

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

## Exercise 5

### Double entry book-keeping

Write the appropriate journal entries in the Books of Account of Upbeat Events Pty Ltd for the following. Unlike Exercise 4, you have only been given one account that is affected by the transaction. You must think of the other.

- 
1. Upbeat Events Pty Ltd. paid their annual insurance premium of \$1,500.

Account	Dr	Cr
Insurance		

- 
2. Upbeat Events Pty Ltd. paid \$500 for rent

Account	Dr	Cr
Bank A/c		

- 
3. Upbeat Events Pty Ltd. purchased \$2,000 of stock on credit from a supplier.

Account	Dr	Cr
Stock		

- 
4. Upbeat Events Pty Ltd. repaid a Bank Loan of \$1,000

Account	Dr	Cr
Bank Loan		

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

5. The director of Upbeat Events Pty Inc. collected printing from the printer and paid with a cheque of \$200.

Account	Dr	Cr
Bank A/c		

6. Upbeat Events Pty Inc. received \$500 from a debtor.

Account	Dr	Cr
Bank A/c		

7. Upbeat Events Pty Inc. received and banked a government grant of \$500.

Account	Dr	Cr
Bank A/c		

8. Upbeat Events Pty Ltd paid \$500 to a creditor.

Account	Dr	Cr
Creditor		

9. Upbeat Events Pty Ltd purchased computer equipment on credit for \$1,000.

Account	Dr	Cr
Computer Equipment		

10. Upbeat Events Pty Ltd received interest from the bank of \$100.

Account	Dr	Cr
Bank A/c		

Complete the following book-keeping exercises. For each answer state the accounting principle(s)

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## Exercise 6

### Double Entry Bookkeeping (Level – Advanced)

For each of the transaction scenarios below, write the appropriate journal entries in the Books of Account of Run for Joy Pty Ltd. You will need to state the appropriate name of the account and determine the debit and credit amounts.

- 
1. Run for Joy Pty Ltd. purchased a motor vehicle with \$5000 cash and \$15,000 on bank loan.

Account	Dr	Cr

- 
2. The charge for the year for depreciation on Office Equipment owned by Run for Joy was calculated to be \$4,000.

Account	Dr	Cr

- 
3. Gross salaries for January 1999 for Run for Joy Inc. totalled \$6,000. \$5,000 was paid in cash to employees and \$1,000 was deducted for PAYG Tax to be paid at the end of the quarter.

Account	Dr	Cr

- 
4. Membership fees of \$100 are refunded to a dissatisfied member of Run for Joy Inc.

Account	Dr	Cr



Complete the following book-keeping exercises. For each answer state the accounting principle(s)

5. Run for Joy Inc. purchased goods valued at \$1,200 for prizes for an Art Union Ticket on account.

Account	Dr	Cr

6. The previous month's cash payments journal contains an entry "Telephone - \$148.84". The entry should have been "Telephone - \$184.84". Make an entry to correct in this month's cash payments journal.

Account	Dr	Cr

7. After 9 months of chasing payment for goods sent to Papua New Guinea, Run for Joy Ltd wrote off the debt of \$200.

Account	Dr	Cr

8. Run for Joy Pty Ltd received cash for the sale of a motor vehicle that had a book value \$7,500. The vehicle cost \$20,000 when new and the total of depreciation that had accumulated was \$12,500. Some clues have been given.

Account	Dr	Cr