

# PENANG SANGAM HIGH SCHOOL

## YEAR 12 ACCOUNTING

### WORKSHEET 2

#### VALUE ADDED TAX AND SOURCE DOCUMENTS

1. A cheque which a bank refuses to accept after six months from the date cheque is issued is known as \_\_\_\_\_ cheque.

- A. crossed                      B. stale                      C. post-dated                      D. mutilated

2. Name the source document used to record the following transactions:

- i. Sold goods to Mr. Kaykay on credit \$300.
- ii. Wrote off Ms. Lilly's account as bad debts \$100.
- iii. Purchased goods on account from A.B. Suppliers \$250.
- iv. Cash sales \$80.
- v. Paid rent \$200.
- vi. Owner withdrew \$100 from the business.

3. State one significance of filing Value Added Tax (VAT) returns honestly.

4. The following source document relates to Foodworld Supermarket. Study the Purchase Order form given below and answer the questions that follow.

Foodworld Supermarket Lot 3, High Street, Suva, Fiji Islands Tele: 334 3312 Fax: 334 3330 Email: foodworld@connect.com.fj TIN: 03-23561-0-8		Purchase Order Order No: 536 Date: 16/07/19 Your ref: 322 Payment Term: On Account Entered by: Rusiate Tuisese	
To: Reyes & Sons Ltd Lot 5, Laujania Street, Lautoka, Fiji Islands			
Product Description	Quantity	Unit Price (\$)	Total (\$)
Reyes Premium Quality Long Grain Rice	100 x 45kg	64.17 6	417.00
Royal Harvest Calrose Rice	50 x 45kg	77.82 3	891.00
Reyes Sungrown Long Grain Rice 5% Broken	30 x 40kg	56.90 1	707.00
		Subtotal	12 015.00
		VAT 9%	(1)
		Total VIP	(2)
Authorised by: Florence Hazlemen			

### **Required**

- (i) State the purpose of the above source document.
- (ii) Identify the vendor from the above source document.
- (iii) What does the acronym TIN stand for?
- (iv) Calculate the Value Added Tax (VAT) and total Vat Inclusive Price (VIP) in the source document for (1) and (2) respectively.

### **JOURNALS**

Ms. Yashmin Khan operates a tax consultancy firm known as YK's Tax Consultancy Services. Given below is a list of transactions for her business for the month of June, 2019:

June 2 Issued tax invoice to Nacuqu amounting to \$400.

4 Provided tax consultancy services for a fee of \$250 for cash.

7 Received consultancy fees \$395 from Nacuqu and allowed a discount of \$5.

8 Received commission \$80.

11 Owner withdrew cash \$40 for her personal use.

16 Provided tax consultancy services to Andrew for a fee of \$500 on account.

19 Paid electricity bill \$30.

23 Purchased a laptop for cash \$1 300.

27 Received cheque from Andrew for amount owing at 16th June, less 5% discount.

### **Required**

- 1. Select the relevant transactions given above and prepare a Columnar Cash Receipts Journal of YK's Tax Consultancy Services.
- 2. Differentiate between cash discount and trade discount.