

SUVA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WEEK 1 (MONDAY 5TH JULY TO FRIDAY 9TH JULY)

STRAND 3	FINANCIAL ACCOUNTING AND THE ACCOUNTING PROCESS-1
SUBSTRAND	LEDGER ACCOUNTS AND TRIAL BALANCE
ACHIEVEMENT INDICATOR	Prepare general ledger accounts from Analysis Chart in T form

Notes:

Ledgers- are individual accounts where all changes affecting each account are shown with its balance

Types of Ledger accounts

1. "T" Account got its name from its shape, as it looks like the alphabet letter "T". It is also known as 2 column ledger namely debit and credit.

Sample of a ledger in a "T" Form.

Date	Particulars	Folio	\$	Date	Particulars	Folio	\$
	←		→		←		→
	Debit Side				Credit Side		

[Right hand side]

[Left hand side]

Rules for ledger Posting



EXAMPLE& ACTIVITY

1. Shanty owns a Car sales Business. The transaction for his business for the month of September 2020 is recorded in the Analysis Chart below. The opening balance for cash at bank \$2000Dr, capital \$6000, Debtor: Mere \$5000 Liabilities: loan \$1000

<u>Date</u>	<u>Accounts Affected</u>	<u>Element</u> <u>AE,L,P,R</u>	<u>Inc/Dec</u>	<u>Dr/Cr</u>	<u>\$</u>
<u>Sep 1</u>	Mere	A	Inc	Dr	20000
	Sales – car	R	inc	Cr	20000
10	Shriya	A	inc	Dr	12000
	Sales – car	A	inc	Cr	12000
3	Computer	A	Inc	Dr	3000
	Cash	A	Dec	Cr	2000
	Bondwell	L	Inc	Cr	1000
5	Drawings	P	Dec	Dr	1600
	Cash	A	Dec	Cr	1600
7	Purchases-Car	A	Inc	Dr	50000
	Atoz- Ltd	L	Inc	Cr	50000

8	Cash	A	Inc	Dr	19600
	Discount allowed	E	Inc	Dr	400
	Mere	A	Dec	Cr	20000
9	Cash	A	Inc	Dr	40000
	Loan- BNZ	L	Inc	Cr	40000
15	Bad Debts	E	Inc	Dr	100
	Debtors- Sam	A	Dec	Cr	100
18	Cash	A	Inc	Dr	5000
	Capital- Shanty	P	Inc	Cr	5000

Required: Prepare the relevant ledger accounts using T Form from the data given in the analysis chart above for the following accounts. For each account find the total and calculate the new balance. (Use the example on cash at bank account and Sales Account as a guide).

- | | | | |
|-----------------|----------|--------------|---------------------|
| 1. Cash at bank | 2. Mere | 3. Computer | 4. Bondwell |
| 5. Loan | 6. Sales | 7. Bad Debts | 8. Discount Allowed |
| 9. Capital | | | |

(Opening balance)
Cash at bank (A)

Date	Particulars	\$	Date	Particulars	\$
Sep 1	Balance	2000√	Sep 3	computer	2000√
8	Mere	19600√	5	Drawings	1600√
9	Loan – BNZ	40000√	30	Balance c/d	63000**√
18	Capital	5000√			
		\$66600			\$66600
Oct 1	Balance c/f	63000**√			{ larger total is put on both sides

** (66600 - (2000 + 1600)) = 63000

√ (8 ticks * 1/2 mark each)

(4marks)

(From the analysis chart look at all the places where you can see the account Cash and whether it is a Dr or Cr and make entries on that particular side. For particulars column put the name of the contra (corresponding or partner) account.

Sales (R)

Date	Particulars	\$	Date	Particulars	\$
Sep 30	Balance	32000	Sep 1	Mere	20000√
			10	Shriya	12000√
					\$32000 ♣√
			Oct 1	Balance b/f	32000√

(2 marks)

♣ (sales has 2 entries on credit side only, so the amounts are added (20000 + 12000))

√ 4 ticks 1/2 m each)

{Text book reference: Year 11 Accounting pp 70-74}

SUVA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WEEK 2 (MONDAY 12TH JULY TO FRIDAY 16TH JULY)

STRAND 3	FINANCIAL ACCOUNTING AND THE ACCOUNTING PROCESS-1
SUBSTRAND	LEDGER ACCOUNTS AND TRIAL BALANCE
ACHIEVEMENT INDICATORS	Prepare general ledger accounts from Analysis Chart in T form

ACTIVITY:

1. The two accounts affected when the owner takes goods home for own use are

- | | |
|-------------------------------|----------------------------|
| A. Drawing Dr and purchase Cr | B. Drawings Dr and cash Cr |
| C. Cash Dr and Drawing Cr | D. Drawing Dr and stock Cr |

2. The owners' equity in the business is

- | | |
|----------------------------|-----------------------------------|
| A. Assets of the business | B. Liabilities of the business |
| C. Expense of the business | D. Proprietorship of the business |

3. Identify the accounts affected in the following transactions:

Malakai operates an accounting firm known as Mala's A & A Services. The following transactions were taken from the books of his business for the month of September 2017.

Sept 1	Paid for Computer repairs \$230.
6	Received Cheque from Raju Enterprises \$1 200.
10	Paid TT's Fiji Ltd \$15 000 less 2% discount.
12	Interest charged to Devi on overdue accounts \$40.
14	Paid Loan \$2 000.
17	Bought a new set of computers from Smart Computer Ltd \$5 000.
25	Paid rent \$350 and electricity \$120 using the same cheque.
30	Received cash from customers \$4 500 for services provided.

4. The following analysis chart relate to the business of Rakesh for the month of December 2020. The opening balances for his business are: Cash at bank \$10000, furniture \$5000 Liabilities: Ana \$500 Capital \$ 14500.

Date	Accounts Affected	Elements (A,E,L,P,R)	Entry Dr/Cr	Amounts \$
Dec 5	Cash	A	Dr	6000
	Capital	P	Cr	6000
10	Purchases	E	Dr	300
	Cash	A	Cr	300
12	Debtor – John	A	Dr	1000
	Furniture	A	Cr	1000
15	Cash	A	Dr	350
	Sales	R	Cr	350
18	Bad debts	E	Dr	280
	Semi	A	Cr	280
19	Drawings	P	Dr	100
	Cash	A	Cr	100
22	Cash	A	Dr	600
	Loan - Luisa	L	Cr	600
24	Ana	L	Dr	200
	Cash	A	Cr	180
	Disc received	R	Cr	20
27	Peter	A	Dr	120
	Sales	R	Cr	120
29	Cash	A	Dr	256
	Commission	R	Cr	256
31	Insurance premium	E	Dr	430
	Cash	A	Cr	430

Required: Prepare the following ledger accounts in “T” form.

- a. Cash at bank b. Ana c. Discount received d. Bad debts e. Sales
 f. Furniture g. Capital

SUVA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WEEK 3(MONDAY 19TH JULY TO FRIDAY 23TH JULY)

STRAND 3	FINANCIAL ACCOUNTING AND THE ACCOUNTING PROCESS-1
SUBSTRAND	LEDGER ACCOUNTS AND TRIAL BALANCE
ACHIEVEMENT INDICATORS	Prepare general ledger accounts from Analysis Chart in Three column form

Notes:

The second type of ledger is:

Three-Column Ledger Account- it has three columns namely debit, credit and balance. It is also known as running balance account since balance is calculated after each transaction.

Sample of Three-Column Ledger Account:

Date	Particulars	Debit \$	Credit \$	Balance \$

Advantages

- o It helps to calculate balance after each transaction
- o Avoids monthly ruling of accounts which is usually done in Two Column ledger
- o is suitable for computer where progressive balance is worked out automatically after posting each transaction

EXAMPLE AND ACTIVITY

3. Masi owns a watch shop. His analysis chart is given on the next page. The opening balances for month of May: cash at bank \$ 10000 motor vehicle \$20000 Furniture \$ 1000 Irshad Gani \$500 Capital \$30600

2. Masi owns a watch shop in Nadi. In the Analysis chart given below, each date records the effect of transactions for the month of May.

Date	Accounts Affected	Elements (A,E,L,P,R)	Entry Dr/Cr	Amounts \$
May 4	Purchases	E	Debit	1000
	Orisi & Co	L	Credit	1000
7	Irshad Gani	A	Debit	200
	Sales	R	Credit	200
11	Cash	A	Debit	50
	Commission	R	Credit	50
14	Drawings	P	Debit	100
	Purchases	E	Credit	100
16	Cash at bank	A	Debit	7000
	Loss on sale	E	Debit	3000
	Motor vehicle	A	Credit	10000

19	Furniture	A	Debit	800
	Cash at bank	A	Credit	200
	Dass & Co.	L	Credit	600
24	Orisi & Co	L	Debit	1000
	Cash at bank	A	Credit	950
	Discount received	R	Credit	50
27	Cash at bank	A	Debit	150
	Bad debts	E	Debit	50
	Irshad Gani	A	Credit	200
29	Advertising	E	Debit	150
	Cash at bank	A	Credit	150
30	Delivery van	A	Debit	2880
	Capital	P	Credit	2880

Required: Prepare the relevant ledger accounts using three column Form from the data given in the analysis chart above for the following accounts.

(Use the example on cash at bank account and discount received Account as a guide).

- a. Cash at bank b. Orisi&Co c. Furniture. d. Motor vehicle e. Irshad Gani
f. Advertising

(Increase so add)

Cash at Bank (A)

(decrease so subtract)

Date	Particulars	Debit	Credit	Balance
May 1	Balance			10000
11	Commission	50		10050
16	Motor vehicle	7000		17050 (100 50 + 7000)
19	furniture		200	16850
24	Orisi &Co		950	15900 (16850 – 950)
27	Irshad Gani	150		16050 (15900+150)
29	advertising		150	15900 Dr

(Using the rule → Asset increase debit and decrease credit → so cash at bank being an asset account you will add the debit amounts and subtract the credit amounts)

(Textbook reference pp74-75)

(R ↑ Cr)

Discount Received (R)

Date	Particulars	Debit	Credit	Balance
May 24	Orisi & co		50	50

SUVA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WEEK 4 (MONDAY 26TH JULY TO FRIDAY 30TH JULY)

STRAND 3	FINANCIAL ACCOUNTING AND THE ACCOUNTING PROCESS-1
SUBSTRAND	LEDGER ACCOUNTS AND TRIAL BALANCE
ACHIEVEMENT INDICATORS	Prepare general ledger accounts from transactions

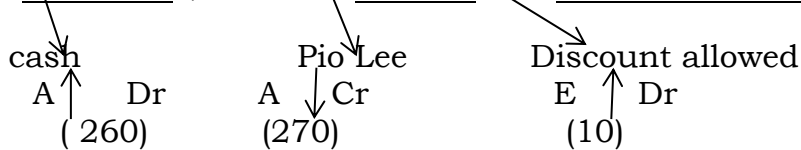
Notes:

We will now prepare ledger accounts directly from the transactions.

Steps. 1. Identify the accounts affected, whether it is increasing or decreasing and using ledger rules identify the debit and the credit accounts.

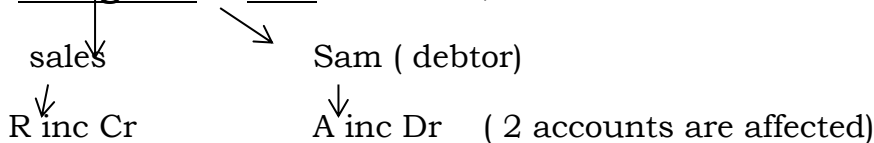
Example :

1. **Received** \$260 from **Poi Lee** and **discount allowed** \$10.



{ three accounts are affected)

2. **Sold goods** to Sam on credit \$490



ACTIVITY

- Tanu's Enterprise paid wages to its staffs \$380. The entries in the books of Tanu's Enterprise would be:
 A. Debit: Wages Credit: Accounts Payable B. Debit: Bank Credit: Wages
 C. Debit: Wages Credit: Cash D. Debit: Wages Credit: Staff Creditors
- Rehana Sports World sold a motor vehicle on credit to George for \$10000.

Which of the following entries will be made in the books of Rehana Sports World?

- A. Debit: George Credit: Motor Vehicle B. Debit: George Credit: Sales
 C. Debit: Motor Vehicles Credit: George D. Debit: Sales Credit: George

- State why 3 column ledger accounts are preferred over T form accounts.
- The effect of this transaction. **Write off debtors account \$100** on the Accounting Equation is an increase in
 A. revenue, decrease in asset. B. asset, decrease in revenue.
 C. expenses and a decrease in asset D. asset and a decrease in expenses
- Which of the following rules is applied when preparing the Analysis Chart?
 A. Debit Entry B. Credit Entry C. Single Entry D. Double Entry

6. Use the examples on page 7 analyse the transactions below and prepare the required ledger accounts. KK runs a bakery store.

His opening balance for the month of April was: cash at bank \$5500, Delivery van \$22000, Debtors: Mereoni \$200 Creditors: Brown Ltd \$ 550, Capital \$27150

KK Bakery's transactions for the month were:

- April 5 Bought new delivery van for \$8 000 from Friendly Zoom Ltd.
- 8 Cash sales \$1 000.
- 9 Bought flour from White Ltd on account \$800.
- 11 Sold goods on credit to Simon's Retailers \$120.
- 14 Mereoni's Store cleared their account. \$200
- 15 Paid the remaining balance to Brown Ltd less discount received \$50.
- 18 Purchased furniture worth \$8 000 on cash.
- 20 Interest on loan accrued at a rate of 10% p.a.
- 22 Sold old delivery van on account to Wong at \$2 020 (cost price \$2 100).

Select the relevant transactions and prepare the following ledger accounts:

- (a) Brown Ltd Account (1½ marks) (3 column form)
- (b) Delivery Van Account (2½ marks) (T form)
- (c) Cash at Bank Account (3 marks) (3 column form)
- (d) Sales (1 mark) (T form)
- (e) Mereoni Account (1 mark) (3 column form)
- (f) Wong Account (1 mark) (T form)

SUVA SANGAM COLLEGE
YEAR 11 ACCOUNTING
WEEK 5 (MONDAY 2ND AUGUST TO FRIDAY 6TH AUGUST))

STRAND 3	FINANCIAL ACCOUNTING AND THE ACCOUNTING PROCESS-1
SUBSTRAND	LEDGER ACCOUNTS AND TRIAL BALANCE
ACHIEVEMENT INDICATORS	Prepare general ledger accounts from transactions

ACTIVITIES

- State why 3 column ledger accounts are preferred over T form accounts.
- The effect of this transaction **Write off debtors account \$100** on the Accounting Equation is an increase in
 - revenue, decrease in asset.
 - asset, decrease in revenue.
 - expenses and a decrease in asset
 - asset and a decrease in expenses
- Which of the following rules is applied when preparing the Analysis Chart?
 - Debit Entry
 - Credit Entry
 - Single Entry
 - Double Entry
- On 1st October 2020, Amaya's book showed the following assets and liabilities:

Particulars	\$
Cash at Bank	17 000
Inventory	3 500
Debtors: J. Shia	350
F. Chung	500
Fixed Asset	13 000
Liabilities: XY Ltd	2 000
Ako Traders	3 500

(Opening balances)

Her transactions for the month were:

- Oct. 2 Sold goods for cash \$2 000.
- Oct. 8 Sold goods to J. Shia \$150.
- Oct. 14 Paid telephone bill \$125.
- Oct. 15 Bought goods from XY Ltd \$300.
- Oct. 21 J. Shia returned damaged goods \$20.
- Oct. 22 Bought goods from Ako Traders \$150.

Oct. 28 Paid Ako Traders \$2 500 and received 10% discount

Oct. 30 Received \$500 from F. Chung and allowed a 5% discount.

Required:

Select the relevant transactions and prepare the following ledger accounts:

- (a) Cash Account (3 marks) (3 column form)
(b) J. Shia's Account (2 marks) (T form)
(c) Ako Trader's Account (2 marks) (3 column form)
(d) Sales Account (1½ marks) (T form)
(e) F. Chung (1 ½ mark) (3 column form)
(f) Discount received (1/2 mark) (T form)

(Please refer to your textbook as well for examples and notes)

Feel free to contact us for any questions that you may have.

Year	Teachers Name	Mobile number/viber	Facebook Page
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11D	Mrs.R.Singh	8706177	Ravnita Kumar

THE END