<u>Suva Sangam College</u> <u>Year 11</u> <u>Accounting</u> Worksheet 8

1. Under Perpetual system, the inventory is recorded under______ in the accounting equation table.

A. cash B. stock C. creditors D. proprietorship

2. Wrote off a debtors account as bad. The two accounts affected for this transaction are

A. Cash, Debtors	B. Bad Debts, Debtors
C. Cash, Bad Debts	D. Bad Debts, Bad Debts Recovered

3. The following transactions are of Fatima's Grocery Store for the month of March, 2021. The opening balances are shown on the equation as at 1st of march.

March 2 The owner invested \$40 000 into the business.

- 5 Received interest of \$480.
- 10 Fatima withdrew cash for her own use\$475
- 12 Bought a van worth \$12 000 and made a down payment of \$4500 to Axis Motors Ltd.
- 15 Sold goods to Raman valued at \$500
- 17 Electricity bill due \$190
- 18 Purchased furniture on credit from Atma \$900.
- 22 Received a cheque from Kripa \$500 and was allowed a discount of \$20

Required:

- 1. Calculate the opening capital as at March 1.
- 2. Show the effect of the above transactions on the accounting equation given below. The business follows a physical inventory. (8 marks)

Date	Cash at	stock	Accounts	Furniture	Motor	=	Accounts	Loan	Capital
	bank		Receivable		Vehicle		Payable		
March 1	\$20000	50000	3500	10000	25000	=	50000	25000	???