BLOG WORK SHEET FOR CLASS 11-T SEPTEMBER-2019

ACCOUNTING 7707

Q#1. M Wallace hires a car from H. Ford at a quarterly rental of $ 300. During 10-1 Wallace made the following payments to Ford.

January 1 $ 300 (Cheque)

April 8 $ 300 (Cheque)

July 5 $ 100 (Cheque)

July 9 $ 200 (Cash)

October 29 $ 250 (Cheque)

You are to prepare the Car Hire account in the books of Wallace, showing clearly the transfer to the Income statement on 31 December 19-1

Q#2a. Differentiate between Capital and Revenue expenditure

Q#2b. Allocate the following between capital and revenue expenditure, giving reasons

1. Purchase of new vehicle
2. Fuel of vehicles
3. New tyres for vehicles
4. Vehicle insurance
5. Radio equipment fitted to vehicle.
6. A new cash register
7. The electricity bill
8. Fire insurance premium on the premises
9. A new show case for the shop
10. New light fittings
11. Repairs to the shop blind