

1. The following balances were extracted from the books of Ahmed on 1 May 2018.
- Mehmood \$2 400 Cr.    Wages \$1 400 Dr.

The following transactions took place in May 2018.

- May 5 Paid wages in cash \$360.
- May 8 Bought goods on credit from Mehmood, \$640, less 20% trade discount.
- May 19 Sold an equipment at book value, \$1 600, on credit to Syed.
- May 23 Returned goods, list price \$160, purchased on 8 May.
- May 26 Paid Mehmood his outstanding balance on 1 May by cheque.

**REQUIRED**

(a) Complete the following table. The first item has been completed as an example.

Date	Source Document	Book of prime Entry	Account debited (\$)	Account credited (\$)
May 5	Payroll	Cash book	Wages \$360	Cash \$360
May 8				
May 19				
May 23				
May 26				

[16]

(b) Prepare the account of Mehmood for the month of May 2018. Balance the account and bring down the balance on 1 June 2018.

Mehmood account


[Total 22] (6)

2. Shaikh is a trader who buys and sells goods for cash and on credit and maintains a full set of books of accounts. Following are his transactions for the month of August 2017.

- Aug. 1 Balances brought forward: Bank \$ 9 800.
- 2 Bought goods \$ 2 500 on credit from Asad.
- 3 Bought motor vehicles \$ 2 400 on credit from Mustafa.
- 7 Sold goods \$ 7 000 on credit to Lyba.
- 9 Returned goods \$400 to Asad.
- 11 Lyba returned goods \$ 300.
- 17 Sold goods \$ 4 500 on credit to Shakir.
- 20 Bought goods \$3 000 on credit from Eraj.
- 22 Cheque received from Lyba \$ 4 000.
- 23 Bought goods \$ 1 500 by cheque.
- 25 Received \$2 000 by cheque from Shakir.
- 26 Returned goods \$200 by Shakir.
- 28 Sold an old equipment to Hasan \$250 on credit.
- 30 Sold goods \$ 3 400 by cheque to Hina.
- 31 Paid rent by cheque \$ 1 200.

**REQUIRED:**

(a) Record the above transactions into appropriate journal.

[16]

**Purchases Journal**

Date	Name of supplier	\$
2017		
Aug.		

**Returns outwards journal**

Date	Name of supplier	\$
2017		
Aug.		

**Sales journal**

Date	Name of customer	\$
2017		
Aug.		

**Returns inwards journal**

Date	Name of customer	\$
2017		
Aug.		

### General Journal

Date	Details	Debit	Credit
2017		\$	\$
Aug.			

### Cash Book (Bank columns)

Date	Details	\$	Date	Details	\$
2017			2017		
Aug.			Aug.		

**(b)** Balance the above cash book at 31 August 2017 and bring down the balance on 1 September 2017.

3. The following balances were extracted from the books of Wasefa on 31 March 2018.

	\$		\$
Cash at bank	980	Revenue	18 000
Discount allowed	1 800	Carriage outwards	1 500
Discount received	400	Inventory	4 000
Returns inwards	700	Purchases	12 000
Returns outwards	600	Fixtures and fittings	5 020
Rent receivable	2 600	Capital	?
Carriage inwards	1 000		

**REQUIRED**

(a) Prepare the trial balance showing Wasefa's capital at 31 March 2018.

**Trial Balance at 31 March 2018**

	Debit \$	Credit \$
Cash at bank		
Discount allowed		
Discount received		
Returns inwards		
Returns outwards		
Carriage inwards		
Carriage outwards		
Inventory		
Purchases		
Fixtures and fittings		
Rent receivable		
Revenue		
Capital		

On 30 April 2018 Wasefa received the following bank statement:

Date	Details	Debit	Credit	Balance
2018		\$	\$	\$
April 1	Balance			980 Cr
5	Interest received		400	1 380 Cr
13	Abrar Ltd.	900		480 Cr
20	Saqlain Co.	350		130 Cr
20	Cash sales banked		1 280	1 410 Cr
25	Rent received		500	1 910 Cr
25	Orient Ltd. – DD	300		1 610 Cr
27	Cash withdrawal	180		1 430 Cr
29	Dividend		30	1 460 Cr

Wasefa compared the bank statement with her cash book.

**REQUIRED**

- (b) Bring the cash book (bank columns) of Wasefa up to date. Balance the cash book and bring down the balance on 1 May 2018.

Cash Book (Bank Columns)

Date	Details	\$	Date	Details	\$
2018			2018		
April 1	Balance b/d	980	April 11	Abrar Ltd.	900
5	Interest received	400	14	Syeda & Co.	650
18	Sales	1 280	17	Saqlain Co.	350
30	Sales	1 020	27	Drawings	180
			28	Adam	750

(c) Prepare the bank reconciliation statement at 30 April 2018.

Bank Reconciliation Statement at 30 April 2018

	\$
Balance as per cash book .....	.....
Plus	
.....	.....
.....	.....
Less	
.....	.....
.....	.....
Balance as per bank statement.....	.....

[5]

Wasefa is considering the purchase of a new computerised book-keeping system for her business.

(d) State **three** benefits that Wasefa will gain from using Information and Communications Technology (ICT) in book-keeping.

1. ....
2. ....
3. ....

[3]

[Total: 25]

4. Mohsin is a sole-trader. On 1 November 2017 he had cash balance of \$ 425 and bank balance of \$ 5 940. Transactions took place during the month ended 30 November 2017. Complete the following table. The first item has been completed as an example.

2017		Account debited	Account credited
Nov. 2	Purchased equipment and paid by cheque.	<i>Equipment</i>	<i>Bank</i>
4.	Cash deposited into bank.		
6.	Paid rent in cash.		
10.	Withdrew cash from bank for business use.		
13.	Paid Haseeb, a creditor by cash.		
16.	Cash sales deposited into bank the same day.		
19.	Cash purchases.		
25.	Repaid part of bank loan by cash.		
29.	Bought stationery from Farhat on credit.		

[Total: 16]



5. The following balances were extracted from the books of Zehra on 31 December 2017.

	\$
Drawings	40 000
Capital	160 000
Land and buildings (cost)	260 000
Fixtures and fittings (cost)	33 000
Computer equipment (cost)	72 000
Bank loan (repayable 30 April 2022)	200 000
Bank	34 360 Dr
Trade receivables	90 000
Trade payables	75 300
Provision for doubtful debts	2 800
Revenue	725 500
Purchases	344 800
Returns inwards	14 400
Inventory at 1 January 2017	35 940
Carriage inwards	2 000
Returns outwards	17 600
Repairs and maintenance	8 600
Insurance	11 800
Carriage outwards	3 000
Rent received	8 800
Heat and lighting	34 700
Wages and salaries	139 000
Distribution expenses	62 000
Sundry expenses	18 400
Commission received	14 000

**Additional information at 31 December 2017**

1. Inventory was valued at \$31 200.
2. Trade receivables, \$6 000, were considered irrecoverable. A provision for doubtful debts of 5% is to be maintained.



