

### Question 2 FA Manyame Business Ventures

FA Manyame has been meaning to start a business for some time, but never seems to have the energy to make any direct purchases or sales. He has some business premises but simply rents them out to a friend, Nyamenaye. Recently, he gathered the courage and the following information is available in respect of FA Manyame's sundry expenditure and income for the year ended 31 December 2004.

- (a) FA Manyame paid rent of GH¢1,500 during the year for the fifteen month period ending on 31 March 2005.
- (b) FA Manyame had paid for electricity up to date at 1 January 2004. During the year he paid GH¢420 to cover charges from 1 January 2004 to 31 July 2004. He received further bills but never got round to paying them. Assume that charges accrue evenly over the year.
- (c) In December 2004 FA Manyame had a rush of blood to the head and paid GH¢500 to the Gas Board. Gas consumed during 2004 amounted to only GH¢275.
- (d) Bank interest has been charged to the bank account as follows.

Up to 31 May 2004 (no overdraft)	GH¢Nil
1 June to 31 August 2004	GH¢14
1 September to 30 November 2004	GH¢35

The bank statements shows that GH¢51 was charged to the account on 28 February 2005 in respect of the three months ended on that date.

- (e) Business rates  
In December 2003 FA Manyame paid GH¢2,400 for the six months ended 31 March 2004. During June 2004 He paid GH¢2,800 to cover the six months ended 30 September 2004. In February 2005 he paid GH¢3,300 in respect of the six months ended 31 March 2005.
- (f) In March 2004 FA Manyame received GH¢2,500 from Nyamenaye for rent of the premises in respect of the six months ended 31 March 2004.  
As from 1 April 2004 FA Manyame increased the rent to GH¢6,000 per annum; during 2004 Nyamenaye paid the full amount for the year ended 31 March 2005.

#### Requirement

Write up the ledger accounts for each of the above items, showing all relevant balances and transactions.

## **Trial Balance**

Name \_\_\_\_\_

Date \_\_\_\_\_

### Difference

## Balance Sheet

### Assets

#### Current Assets

(example - Bank Acct, Cash, Debtors)

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Amount

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#### Total Current Assets

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#### Fixed Assets

(example - Furniture, Office Equipment, Vehicle)

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Amount

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#### Total Fixed Assets

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#### Inventory

(example - Stock)

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Amount

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#### Total Inventory

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#### Total Assets

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(Current Assets add Fixed Assets add Inventory)

### Liabilities

#### Current Liabilities

(example - Credit cards, Creditors.)

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Amount

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#### Total Current Liabilities

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#### Long Term Liabilities

(example - Loan)

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Amount

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#### Total Long Term Liabilities

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#### Total Liabilities

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(Current Liabilities add Long Term Liabilities)

#### Net Assets

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(Assets less Liabilities)

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### Equity

#### Description

(example - Funds Introduced, Drawings, Current Earnings)

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Amount

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#### Equity

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#### Total Equity

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(Net Assets should equal Total Equity)

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## Ledger

## BANK RECONCILIATION REPORT

Business Name:

Date of Bank Statement:

Bank Account:

## Reconciliation

### Closing Cash Book Balance

Add: Outstanding Withdrawals (Total A)

### Sub-total

Less: Outstanding Deposits (Total B)

### Expected Bank Statement Balance

