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.

LIVEWORKSHEETS

Trial Balance

Name ______________________________

Date ______________________________

Account	Debit	Credit

Difference

LIVEWORKSHEETS

Balance Sheet

Assets

Current Assets

(example - Bank Accnt, Cash, Debtors)	Amount
Total Current Assets	

Fixed Assets

(example - Furniture, Office Equipment, Vehicle)	Amount
Total Fixed Assets	

Inventory

(example - Stock)	Amount
Total Inventory	

Total Assets
(Current Assets add Fixed Assets add Inventory)

Liabilities

Current Liabilities

(example - Credit cards, Creditors,)	Amount
Total Current Liabilities	

Long Term Liabilities

(example - Loan)	Amount
Total Long Term Liabilities	

Total Liabilities
(Current Liabilities add Long Term Liabilities)

Net Assets
(Assets less Liabilities)

Equity

Description (example - Funds Introduced, Drawings, Current Earnings)	Amount
Equity	

Total Equity
(Net Assets should equal Total Equity)

LIVEWORKSHEETS

Ledger

Date	Description	Ref	Debit	Date	Description	Ref	Credit

LIVEWORKSHEETS

BANK RECONCILIATION REPORT

Business Name: _____

Date of Bank Statement: _____

Bank Account: _____

Outstanding Withdrawals		
Date	Detail	Amount
	Total A	

Outstanding Deposits		
Date	Detail	Amount
	Total B	

Reconciliation

Closing Cash Book Balance _____

Add: Outstanding Withdrawals (Total A) _____

Sub-total _____

Less: Outstanding Deposits (Total B) _____

Expected Bank Statement Balance _____

LIVEWORKSHEETS

LIVEWORKSHEETS