

Name

Activity 24 (Transaction analysis)

Required

Analyse the following transactions under the headings provided. Under account debited and account credited, you must indicate which accounts in the General ledger are debited and credited. In the accounting equation, indicate an increase with a "+", a decrease with a "-." before the amounts and no change with a "o". Assume throughout that the bank has a credit balance.

Note: The business profit margin is 150% on cost price.

Transactions

- 1 Cash sales of merchandise. The cost price of the goods were R2 000.
- 2 Receive a cheque from S. Abrahams on payment of his account of R4 000 minus 5% discount.
- 3 Receive S. Abrahams' cheque back from the bank with the remark "R/D insufficient funds". (Look at nr. 2)
- 4 Pay Limpopo Traders in payment of the account of R8 500 minus 10% discount.
- 5 Buy goods per cheque from Roland Manufacturers for R12 300 minus 20% trade discount.
- 6 Pay SA Deliveries with a cheque for delivery of goods bought on credit, R840.
- 7 R. Rossouw (a debtor) is declared insolvent. Receive a first and final dividend of 30 cent in the Rand. R. Rossouw owes the business R500.
- 8 The owner increased his capital contribution by depositing R20 000 in the business bank account.
- 9 Receive the bank statement from Willow Bank, which reflects the following:
 - Bank charges, R610
 - Interest on bank overdraft, R180
- 10 Receive R5 000 rent from the tenant, M. Botha.

Answer sheet

