

CHAPTER 11**Modifying Accounting Systems****SECTION 11.1 REVIEW QUESTIONS** (page 479)

1. *In a growing business, the customers' and creditors' accounts increase the most in number.*
2. *The other accounts increase in the size of their balances.*
3. *In a typical office, an accounting clerk looks after the accounts receivable accounts.*
4. *The customers' accounts are considered to be a ledger when they are separate from the main ledger because, by definition, a group of accounts is considered to be a ledger.*
5. *The formal name of the customers' ledger is the Accounts Receivable ledger.*
6. *The formal name of the ordinary creditors' ledger is the Accounts Payable ledger.*
7. *Creditors' accounts usually have a credit balance.*
8. *The formal name of the main ledger is the general ledger.*
9. *All types of accounts are found in the main ledger except for individual customers' or creditors' accounts.*
10. *The two accounts in the main ledger that replace the accounts of customers and trade creditors are the Accounts Receivable control account and the Accounts Payable control account.*
11. *The ledger balancing process in the three-ledger system is as follows. Step 1: Make sure that the subsidiary ledger and the control accounts are posted to the same date. Step 2: Total all of the account balances in the subsidiary ledger. Step 3: Match the total against the balance of the control accounts in the general ledger.*
12. *A subsidiary ledger contains the individual accounts that make up the total of a control account in the general ledger.*
13. *The Accounts Receivable ledger is balanced if the total of all its accounts is equal to the amount for the general ledger Accounts Receivable control account.*
14. *The two source documents that affect accounts receivable are sales invoices and cash receipts daily summaries.*
15. *The clerks who look after the different ledgers learn about the transactions from source documents.*
16. *The accounts receivable clerk debits a customer's account for each sales invoice and credits a customer's account for each item on the cash receipts daily summary.*
17. *The general ledger clerk makes a complete, balanced accounting entry for every source document.*
18. *The accounts receivable ledger is updated daily because it is important to know a customer's up-to-date balance.*

SECTION 11.1 REVIEW QUESTIONS (continued)

19. *A subsidiary ledger will not balance with its control account if they have not been posted up to the same point in time because they contain different transactions and amounts. They must have the same entries in order to balance.*
20. *If a subsidiary ledger does not balance with its control account, the clerk must continue to check for errors until the ledger and its control account have the same entries and are in balance.*
21. *To take off a subsidiary ledger trial balance, add all the account balances in the subsidiary ledger then check to see that the total balances with the control account.*
22. *The system of subsidiary ledgers and control accounts contains a control aspect because two people are working independently on the separate parts and their work must agree.*
23. *The two source documents that affect accounts payable are purchase invoices and cheque copies.*
24. *If a business is large enough to use a subsidiary ledger system, it will likely use accounting software as well.*

SECTION 11.1 EXERCISES (page 480)**Exercise I, p. 480**

Subsidiary Ledger Features and Requirements		Manual System	Computerized System
A.	Customers and vendors are removed from the general ledger.	✓	✓
B.	Copies of source documents are sent to the general ledger clerk.	✓	✓
C.	Control accounts are required.	✓	✓
D.	Totals in the subsidiary ledgers must be balanced with general ledger accounts at the end of each month.	✓	✗
E.	Two source documents affect Accounts Receivable.	✓	✓
F.	Produces a report that also indicates the age of invoices.	✗	✓
G.	The general ledger clerk and subsidiary ledger clerks work with copies of the same source document.	✓	✗
H.	Produces reports showing customer and vendor balances.	✓	✓
I.	A journal entry by a subsidiary ledger clerk automatically updates accounts in the general ledger.	✗	✓
J.	Totals in the subsidiary ledgers always balance with the general ledger control accounts.	✗	✓

SECTION 11.1 EXERCISES (continued)

Exercise 2, p. 480

A. *The total value of the accounts receivable accounts is \$6170.*

B. *The total value of the accounts payable accounts is \$2650.*

C.

PROCTOR'S PET STORE

GENERAL LEDGER TRIAL BALANCE

JUNE 30, 20-

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>	1	1	5	0	-					
<i>Accounts Receivable</i>	6	1	7	0	-					
<i>Supplies</i>	1	5	5	0	-					
<i>Equipment</i>	15	0	3	7	-					
<i>Accounts Payable</i>						2	6	5	0	-
<i>Tracy Proctor, Capital</i>						18	1	2	2	-
<i>Tracy Proctor, Drawings</i>	11	0	0	0	-					
<i>Revenue</i>						29	4	3	5	-
<i>Miscellaneous Expense</i>		3	1	6	-					
<i>Rent Expense</i>	12	0	0	0	-					
<i>Telephone Expense</i>		5	0	9	-					
<i>Utilities Expense</i>	2	4	7	5	-					
	50	2	0	7	-	50	2	0	7	-

D.

PROCTOR'S PET STORE

ACCOUNTS RECEIVABLE LISTING

JUNE 30, 20-

<i>J. Britt</i>	9	2	0	-
<i>W. Liu</i>	2	9	0	0
<i>C. Powell</i>	1	5	0	0
<i>P. Shewchuk</i>	3	5	0	-
<i>D. Zecca</i>	5	0	0	-
	6	1	7	0
<i>Accounts Receivable Control Account</i>	6	1	7	0

SECTION 11.1 EXERCISES (continued)**Exercise 2, p. 480** (continued)

E.

PROCTOR'S PET STORE

ACCOUNTS PAYABLE LISTING

JUNE 30, 20–

<i>Arnwell Animal Hospital</i>	1	5	0	0	–
<i>Cleaner's Supply House</i>		9	0	0	–
<i>Wendall's Store</i>		2	5	0	–
	2	6	5	0	–
<i>Accounts Payable Control Account</i>	2	6	5	0	–

Exercise 3, p. 481

- A. *The balance in the Accounts Receivable control account should be \$8372.50.*
-
- B. *The balance in the Accounts Payable control account should be \$5040.95.*
-
- C. *A likely reason for the credit balances in the list of customer's accounts is that those customers received a refund for returned merchandise.*
-
- D. *The most likely reason for the debit balance in the list of suppliers' accounts is that the business received a credit note for returned merchandise.*
-
- E. *The figure for accounts receivable on the balance sheet should be \$9578.90, which is the total of all the debit balances.*
-
- F. *If an account receivable has an exceptional balance (credit), it is true that, in theory, it is a liability. The same is true when an account payable has a debit balance. It is technically an asset. But these states are temporary. Exceptional balances soon revert to their normal balances when routine business transactions occur. Transferring accounts with exceptional balances to their opposite subsidiary ledger would waste time, money, and effort. Moreover, a second transfer will be needed when the account balances return to their normal states.*
-
- G. *If the transfers were made, the balance in the Accounts Receivable control account would be \$9578.90 and the balance in the Accounts Payable control account would be \$6247.35.*
-

SECTION 11.1 EXERCISES (continued)**Exercise 4, p. 481**

A., B.

ACCOUNTS RECEIVABLE LEDGER**ACCOUNT Adams Bros., 12 Mountain Avenue**

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Invoice No. 480			6	7	20				Dr		6	7	20
	30	Invoice No. 507			9	4	20				Dr		1	6	40
<i>Jul.</i>	<i>2</i>	<i>Invoice No. 516</i>			<i>5</i>	<i>9</i>	<i>24</i>				<i>Dr</i>		<i>2</i>	<i>2</i>	<i>64</i>
	<i>4</i>	<i>Cash Receipt No. 480</i>							<i>6</i>	<i>7</i>	<i>20</i>	<i>Dr</i>	<i>1</i>	<i>5</i>	<i>44</i>
	<i>6</i>	<i>Invoice No. 524</i>			<i>1</i>	<i>6</i>	<i>07</i>				<i>Dr</i>	<i>3</i>	<i>2</i>	<i>0</i>	<i>51</i>

ACCOUNT Cozo & Son, 620 Main Street

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Invoice No. 512			7	5	65				Dr		7	5	65
<i>Jul.</i>	<i>3</i>	<i>Invoice No. 518</i>			<i>7</i>	<i>5</i>	<i>85</i>				<i>Dr</i>	<i>1</i>	<i>5</i>	<i>1</i>	<i>50</i>
	<i>6</i>	<i>Cash Receipt No. 512</i>							<i>7</i>	<i>5</i>	<i>65</i>	<i>Dr</i>	<i>7</i>	<i>5</i>	<i>85</i>

ACCOUNT A. G. Farmer, 120A Blackwell Court

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Invoice No. 514			3	1	5	62			Dr		3	1	5	62
<i>Jul.</i>	<i>2</i>	<i>Cash Receipt No. 514</i>							<i>3</i>	<i>1</i>	<i>5</i>	<i>62</i>	<i>-</i>			<i>0</i>
	<i>4</i>	<i>Invoice No. 519</i>			<i>2</i>	<i>1</i>	<i>7</i>	<i>90</i>			<i>Dr</i>	<i>2</i>	<i>1</i>	<i>7</i>	<i>90</i>	

ACCOUNT S. P. Handy Ltd., 75 Porter Road

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Invoice No. 484			2	1	6	25			Dr		2	1	6	25
	30	Invoice No. 511			2	0	0	22			Dr		4	1	6	47
<i>Jul.</i>	<i>2</i>	<i>Cash Receipt No. 484</i>							<i>2</i>	<i>1</i>	<i>6</i>	<i>25</i>	<i>Dr</i>	<i>2</i>	<i>0</i>	<i>22</i>
	<i>5</i>	<i>Invoice No. 522</i>			<i>1</i>	<i>0</i>	<i>4</i>	<i>16</i>			<i>Dr</i>	<i>3</i>	<i>0</i>	<i>4</i>	<i>38</i>	

SECTION 11.1 EXERCISES (continued)**Exercise 4, p. 481** (continued)

A., B. (continued)

ACCOUNTS RECEIVABLE LEDGER**ACCOUNT R. Mortimer, 60 Hawley Crescent**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Invoice No. 470		5	1	6	25					Dr		5	1	6	25	
	30	Invoice No. 496		6	2	1	90					Dr		1	1	3	8	15
	30	Invoice No. 505		6	0	8	36					Dr		1	7	4	6	51
<i>Jul.</i>	<i>4</i>	<i>CR Nos. 470 & 496</i>						<i>1</i>	<i>1</i>	<i>3</i>	<i>8</i>	<i>15</i>	<i>Dr</i>		<i>6</i>	<i>0</i>	<i>8</i>	<i>36</i>
	<i>5</i>	<i>Invoice No. 523</i>			<i>5</i>	<i>6</i>	<i>-</i>					<i>Dr</i>		<i>6</i>	<i>6</i>	<i>4</i>	<i>36</i>	

ACCOUNT Renforth Sales, 192 Dale Place

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Invoice No. 510			1	3	7	62				Dr			1	3	7	62
<i>Jul.</i>	<i>2</i>	<i>Invoice No. 517</i>			<i>1</i>	<i>4</i>	<i>5</i>	<i>50</i>				<i>Dr</i>		<i>2</i>	<i>8</i>	<i>3</i>	<i>12</i>	
	<i>5</i>	<i>Cash Receipt No. 510</i>							<i>1</i>	<i>3</i>	<i>7</i>	<i>62</i>	<i>Dr</i>		<i>1</i>	<i>4</i>	<i>5</i>	<i>50</i>

ACCOUNT Vista Limited, 2001 Central Ave.

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Invoice No. 515			5	0	-					Dr			5	0	-
<i>Jul.</i>	<i>5</i>	<i>Invoice No. 521</i>			<i>9</i>	<i>4</i>	<i>95</i>					<i>Dr</i>		<i>1</i>	<i>4</i>	<i>4</i>	<i>95</i>
	<i>6</i>	<i>Cash Receipt No. 515</i>							<i>5</i>	<i>0</i>	<i>-</i>	<i>Dr</i>		<i>9</i>	<i>4</i>	<i>95</i>	

ACCOUNT The Williams Company, 417 Lake Street

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Jul.	4	Invoice No. 520			1	5	0	-				Dr			1	5	0	-
	6	Invoice No. 521				7	5	-				Dr			2	2	5	-

SECTION 11.1 EXERCISES (continued)**Exercise 5, p. 483** (continued)

A., B. (continued)

ACCOUNT Henderson Associates, Box 65, Welland

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Sép.	30	Purchase Invoice No. 16421						5	0	7	–	Cr		5	0	7	–	
	30	Purchase Invoice No. 16907						6	1	5	–	Cr	1	1	2	2	–	
<i>Oct.</i>	<i>1</i>	<i>Cheque Copy No. 65721</i>		5	0	7	–					<i>Cr</i>		6	1	5	–	
	<i>6</i>	<i>Purchase Invoice No. 17436</i>						1	7	4	6	21	<i>Cr</i>	2	3	6	1	21
	<i>7</i>	<i>Purchase Invoice No. 17807</i>							6	5	25	<i>Cr</i>	2	4	2	6	46	
	<i>7</i>	<i>Cheque Copy No. 65744</i>		6	1	5	–					<i>Cr</i>	1	8	1	1	46	

ACCOUNT Kohler, R. M., 141 Nixon Avenue, Bathurst

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Sép.	30	Purchase Invoice No. 615							1	0	4	70	Cr		1	0	4	70
<i>Oct.</i>	<i>5</i>	<i>Purchase Invoice No. 719</i>							1	7	4	90	<i>Cr</i>		2	7	9	60
	<i>7</i>	<i>Purchase Invoice No. 792</i>							1	0	7	64	<i>Cr</i>		3	8	7	24

ACCOUNT North Shore Packaging, 1500 Middle Road, Leduc

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Sép.	30	Purchase Invoice No. 901								7	4	87	Cr			7	4	87
<i>Oct.</i>	<i>1</i>	<i>Purchase Invoice No. 1046</i>								5	7	25	<i>Cr</i>		1	3	2	12
	<i>5</i>	<i>Cheque Copy No. 65734</i>		7	4	87						<i>Cr</i>			5	7	25	

ACCOUNT Orenson & Company, 560 The Eastway, Dauphin

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Sép.	30	Purchase Invoice No. 1604						1	0	4	6	26	Cr	1	0	4	6	26
	30	Purchase Invoice No. 1909							5	1	6	15	Cr	1	5	6	2	41
<i>Oct.</i>	<i>2</i>	<i>Purchase Invoice No. 1856</i>							2	1	6	–	<i>Cr</i>	1	7	7	8	41
	<i>2</i>	<i>Cheque Copy No. 65723</i>		5	0	0	–					<i>Cr</i>	1	2	7	8	41	
	<i>7</i>	<i>Cheque Copy No. 65745</i>		5	4	6	26					<i>Cr</i>		7	3	2	15	

SECTION 11.1 EXERCISES (continued)**Exercise 5, p. 483** (continued)

A., B. (continued)

ACCOUNT Riggs, J. B., 75 Baxter Road, Enfield

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Sep.	30	Purchase Invoice No. 74621						5	0	2	–	Cr		5	0	2	–
<i>Oct.</i>	<i>5</i>	<i>Purchase Invoice No. 74998</i>						<i>4</i>	<i>7</i>	<i>2</i>	<i>47</i>	<i>Cr</i>		<i>9</i>	<i>7</i>	<i>4</i>	<i>47</i>

ACCOUNT Smithers, P. R., 106 Farr Street, Woodstock

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Sep.	30	Purchase Invoice No. 74							5	7	05	Cr			5	7	05
<i>Oct.</i>	<i>1</i>	<i>Purchase Invoice No. 104</i>						<i>1</i>	<i>5</i>	<i>1</i>	<i>89</i>	<i>Cr</i>		<i>2</i>	<i>0</i>	<i>8</i>	<i>94</i>
	<i>7</i>	<i>Cheque Copy No. 65747</i>			5	7	05					<i>Cr</i>		<i>1</i>	<i>5</i>	<i>1</i>	<i>89</i>

ACCOUNT Union Advertising, 7900 Primeau Avenue, Markham

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Sep.	30	Purchase Invoice No. 16352						4	3	6	21	Cr		4	3	6	21	
	30	Purchase Invoice No. 17201						7	0	2	16	Cr		1	1	3	8	37
	30	Purchase Invoice No. 17306						5	1	8	90	Cr		1	6	5	7	27
<i>Oct.</i>	<i>1</i>	<i>Cheque Copy No. 65720</i>		8	0	0	–					<i>Cr</i>		<i>8</i>	<i>5</i>	<i>7</i>	<i>27</i>	
	<i>2</i>	<i>Purchase Invoice No. 18002</i>						<i>5</i>	<i>0</i>	<i>5</i>	<i>–</i>	<i>Cr</i>		<i>1</i>	<i>3</i>	<i>6</i>	<i>2</i>	<i>27</i>
	<i>5</i>	<i>Cheque Copy No. 65735</i>		3	3	8	37					<i>Cr</i>		<i>1</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>90</i>

ACCOUNT Wrouse & Reid, 14 Kay Street, Sackfield, NB E4L 2C9

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Oct.	2	Purchase Invoice No. 597G						3	1	6	29	Cr		3	1	6	29
	7	Purchase Invoice No. 602B						3	9	2	61	Cr		7	0	8	90
	7	Cheque Copy No. 65746		3	1	6	29					Cr		3	9	2	61

SECTION 11.1 EXERCISES (continued)**Exercise 5, p. 484** (continued)

C.

MAGNETIC CONTROLS COMPANY
ACCOUNTS PAYABLE TRIAL BALANCE
OCTOBER 7, 20-

<i>Daiton Enterprises</i>		3	7	5	62
<i>Gordon & Associates</i>		3	1	5	20
<i>Henderson Associates</i>	1	8	1	1	46
<i>Kohler, R.M.</i>		3	8	7	24
<i>North Shore Packaging</i>			5	7	25
<i>Orenson & Company</i>		7	3	2	15
<i>Riggs, J.B.</i>		9	7	4	47
<i>Smithers, P.R.</i>		1	5	1	89
<i>Union Advertising</i>	1	0	2	3	90
<i>Wrouse & Reid</i>		3	9	2	61
		6	2	2	1 79
<i>Accounts Payable Control Account</i>		6	2	2	1 79

Exercise 6, p. 484

A.

BLUE BELL COMPANY
ACCOUNTS RECEIVABLE TRIAL BALANCE
-AT BEGINNING-

<i>Crozier</i>		2	0	0	-
<i>Elyk</i>		1	5	0	-
<i>Isola</i>		5	0	0	-
<i>Lim</i>		3	0	0	-
<i>Perrier</i>		3	0	0	-
<i>Tams</i>		2	5	0	-
		1	7	0	0 -
<i>Accounts Receivable Control Account</i>		1	7	0	0 -

SECTION 11.1 EXERCISES (continued)

Exercise 6, p. 484 (continued)

A. (continued)

BLUE BELL COMPANY

ACCOUNTS PAYABLE TRIAL BALANCE

-AT BEGINNING-

<i>Ace Co.</i>		2	2	5	-
<i>Delta Supplies</i>		1	5	0	-
<i>Galaxy Co.</i>			7	5	-
<i>Metro Hardware</i>		3	0	0	-
<i>Pace Equipment</i>		3	0	0	-
<i>Sun Inc.</i>		4	0	0	-
		1	4	5	0
<i>Accounts Payable Control Account</i>		1	4	5	0

B. to D.

ACCOUNTS RECEIVABLE LEDGER

Lim

300	
-----	--

Crozier

200	
<u>220</u>	
420	

Elyk

<u>150</u>	150
	0

Isola

<u>500</u>	300
200	

Perrier

300	300
<u>175</u>	
175	

Tams

250	
<u>40</u>	
290	

ACCOUNTS PAYABLE LEDGER

Ace Co.

225	225
	<u>150</u>
	150

Delta Supplies

	150
--	-----

Galaxy Co.

	75
--	----

Metro Hardware

	300
	<u>350</u>
	650

Sun Inc.

400	400
	<u>130</u>
	130

Pace Equipment

300	300
	<u>0</u>
	0

SECTION 11.1 EXERCISES (continued)

Exercise 6, p. 484 (continued)

B. to D. (continued)

GENERAL LEDGER

Bank	
500	<i>400</i>
<i>150</i>	<i>225</i>
<i>300</i>	<i>300</i>
<i>300</i>	<i>320</i>
<i>175</i>	
<u><i>180</i></u>	

Accounts Receivable	
1 700	<i>150</i>
<i>220</i>	<i>300</i>
<i>175</i>	<i>300</i>
<i>40</i>	
<u><i>1 385</i></u>	

Supplies	
70	
<i>130</i>	
<u><i>200</i></u>	

Equipment	
4 000	

Automobiles	
10 000	

Bank Loan	
	1 000

Accounts Payable	
<i>400</i>	1 450
<i>225</i>	<i>150</i>
<i>300</i>	<i>130</i>
	<u><i>350</i></u>
	<i>1 155</i>

C. Chen, Capital	
	14 500

C. Chen, Drawings	
200	
<u><i>320</i></u>	
<i>520</i>	

Revenue	
	12 400
	<i>220</i>
	<i>175</i>
	<i>40</i>
	<i>175</i>
	<u><i>13 010</i></u>

Advertising Expense	
500	
<i>150</i>	
<u><i>650</i></u>	

General Expense	
130	

Utilities Expense	
1 500	
<i>350</i>	
<u><i>1 850</i></u>	

Rent Expense	
1 800	

Wages Expense	
9 000	

SECTION 11.1 EXERCISES (continued)**Exercise 6, p. 484** (continued)

D. (continued)

GENERAL JOURNAL				PAGE							
DATE	PARTICULARS	P.R.	DEBIT				CREDIT				
1	<i>A/R—Crozier</i>	✓	2	2	0	-					
	<i>Revenue</i>	✓					2	2	0	-	
2	<i>Advertising Expense</i>	✓	1	5	0	-					
	<i>A/P—Ace Co.</i>	✓					1	5	0	-	
3	<i>Bank</i>	✓	1	5	0	-					
	<i>A/R—Elyk</i>	✓					1	5	0	-	
4	<i>A/R—Perrier</i>	✓	1	7	5	-					
	<i>Revenue</i>	✓					1	7	5	-	
5	<i>Supplies</i>	✓	1	3	0	-					
	<i>A/P—Sun Inc.</i>	✓					1	3	0	-	
6	<i>Bank</i>	✓	3	0	0	-					
	<i>A/R—Isola</i>	✓					3	0	0	-	
7	<i>A/R—Tams</i>	✓	4	0	-						
	<i>Revenue</i>	✓					4	0	-		
8	<i>A/P—Sun Inc.</i>	✓	4	0	0	-					
	<i>Bank</i>	✓					4	0	0	-	
9	<i>Utilities Expense</i>	✓	3	5	0	-					
	<i>A/P—Metro Hardware</i>	✓					3	5	0	-	
10	<i>Bank</i>	✓	3	0	0	-					
	<i>A/R—Perrier</i>	✓					3	0	0	-	

SECTION 11.1 EXERCISES (continued)

Exercise 6, p. 484 (continued)

D. (continued)

GENERAL JOURNAL

PAGE

DATE	PARTICULARS	P.R.	DEBIT				CREDIT			
11	A/P—Ace Co.	✓	2	2	5	-				
	Bank	✓					2	2	5	-
12	A/P—Pace Equipment	✓	3	0	0	-				
	Bank	✓					3	0	0	-
13	Bank	✓	1	7	5	-				
	Revenue	✓					1	7	5	-
14	C. Chen, Drawings	✓	3	2	0	-				
	Bank	✓					3	2	0	-

E.

BLUE BELL COMPANY
ACCOUNTS RECEIVABLE TRIAL BALANCE
-AT END-

<i>Crozier</i>		4	2	0	-
<i>Isola</i>		2	0	0	-
<i>Lim</i>		3	0	0	-
<i>Perrier</i>		1	7	5	-
<i>Tams</i>		2	9	0	-
		1	3	8	5
<i>Accounts Receivable Control Account</i>		1	3	8	5

SECTION 11.1 EXERCISES (continued)

Exercise 6, p. 484 (continued)

E. (continued)

BLUE BELL COMPANY

ACCOUNTS PAYABLE TRIAL BALANCE

-AT END-

<i>Ace Co.</i>		1	5	0	-
<i>Delta Supplies</i>		1	5	0	-
<i>Galaxy Co.</i>			7	5	-
<i>Metro Hardware</i>		6	5	0	-
<i>Sun Inc.</i>		1	3	0	-
		1	1	5	5
		1	1	5	5
<i>Accounts Payable Control Account</i>		1	1	5	5

BLUE BELL COMPANY

GENERAL LEDGER TRIAL BALANCE

-AT END-

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>		1	8	0	-					
<i>Accounts Receivable</i>	1	3	8	5	-					
<i>Supplies</i>		2	0	0	-					
<i>Equipment</i>		4	0	0	0					
<i>Automobiles</i>		10	0	0	0					
<i>Bank Loan</i>						1	0	0	0	-
<i>Accounts Payable</i>						1	1	5	5	-
<i>C. Chen, Capital</i>						14	5	5	0	-
<i>C. Chen, Drawings</i>		5	2	0	-					
<i>Revenue</i>						13	0	1	0	-
<i>Advertising Expense</i>		6	5	0	-					
<i>General Expense</i>		1	3	0	-					
<i>Rent Expense</i>		1	8	0	0					
<i>Utilities Expense</i>		1	8	5	0					
<i>Wages Expense</i>		9	0	0	0					
		29	7	1	5	29	7	1	5	-

Name _____

Date _____

SECTION 11.2 BOMBAY TRADING COMPANY (page 487)

Bombay Trading Company Synoptic Journal

	DATE	PARTICULARS	Ref. No.	Bank				Accounts Receivable					
				Dr		Cr		Dr		Cr			
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													
31													
32													
33													
34													
35													
36													

Name _____

Date _____

SECTION 11.2 BOMBAY TRADING COMPANY (continued)

Month of _____

PAGE _____

Accounts Payable				Sales Cr	Purchases Dr	HST		Other Accounts					
Dr		Cr				Recov. Dr	Payable Cr	Account	P.R.	Dr	Cr		
													1
													2
													3
													4
													5
													6
													7
													8
													9
													10
													11
													12
													13
													14
													15
													16
													17
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													26
													27
													28
													29
													30
													31
													32
													33
													34
													35
													36

SECTION 11.2 REVIEW QUESTIONS (page 499)

1. *The primary difficulty associated with the two-column general journal is the amount of time it takes to post data to the ledger.*
2. *A multi-columnar journal is a wide journal with a number of columns used to accumulate accounting entries.*
3. *The synoptic journal saves time when entries are posted because you only need to post the totals from most columns, not the individual amounts.*
4. *Spreadsheet models are well suited for synoptic journal applications because they are made up of columns and rows. Their shortcoming is that the values can be easily changed, something that auditors do not like.*
5. *Accountants give dedicated columns in the synoptic journal to accounts that have many entries each month.*
6. *I would add another column for the Wages Expense account to the synoptic journal because there are frequent transactions for this account.*
7. *The significance of the bracketed numbers at the bottom of the special columns is to ensure that the amounts have been posted to those account numbers, similar to a two-column journal.*
8. *There are no bracketed numbers at the bottom of the columns in the Other Accounts section because the account numbers are written in the P.R. column.*
9. *To balance the synoptic journal, add up the totals of the columns with debit balances and the totals of the columns with credit balances. If the two totals agree then the journal is balanced.*
10. *To forward the synoptic journal, transfer the totals at the end of one page to the first line of the next page.*
11. *To record a debit entry in a credit column, circle the amount. When the columns are being totalled, the circled item must be subtracted.*
12. *Some accounting entries require more than one line in the synoptic journal because they affect more than one account to be written in the Other Accounts section.*
13. *The major shortcoming of the synoptic journal is that only one person can work on it at a time.*
14. *Under the five-journal system, similar transactions are recorded in separate journals: the cash receipts journal, the cash payments journal, the sales journal, the purchases journal, and the general journal.*
15. *The main advantage of the five-journal system is that more than one person can be involved in the journalizing process. This means that a large volume of transactions can be handled more efficiently.*
16. *The cash receipts journal records transactions that cause an increase in the bank balance, mainly cash sales. The cash payments journal records transactions that cause a decrease in the bank balance, mainly cash payments. The sales journal records sales on account. The purchases journal records purchases on account.*

SECTION 11.2 REVIEW QUESTIONS (continued)

17. The two most common transactions that are entered in a cash receipts journal are cash sales and cash payments received from accounts receivable customers.
18. Every accounting entry in the cash payments journal involves the bank account.
19. The general journal is used for non-routine items, like adjusting and closing entries.

SECTION 11.2 EXERCISES (page 499)**Exercise 1, p. 499**

Indicate whether each of the following statements is true or false by entering a T or an F in the space provided. Explain the reason for each F response in the space provided.

- | | |
|--|----------|
| A. A non-routine transaction is one that is out of the ordinary. | <u>T</u> |
| B. The synoptic journal is ideally suited to a large company. | <u>F</u> |
| C. A synoptic journal is a multi-columnar journal. | <u>T</u> |
| D. In the synoptic journal, there would be a special column for HST Payable because it is a frequently occurring item. | <u>T</u> |
| E. The headings in a synoptic journal are always the same as those shown in the textbook. | <u>F</u> |
| F. The main advantage of the synoptic journal is time saved in journalizing transactions. | <u>F</u> |
| G. An advantage of the synoptic journal is that it is not necessary to balance the accounting entry for every transaction. | <u>F</u> |
| H. It is customary to forward the totals from one page of the synoptic journal to the next. | <u>T</u> |
| I. The total of the Other Accounts debit section is posted as a debit to the general ledger. | <u>F</u> |
| J. A debit amount can be entered in a credit column if it is circled. | <u>T</u> |
| K. Every entry in the synoptic journal takes only one line. | <u>F</u> |

Explanations for F Responses

B. A larger company would use accounting software to record transactions.

E. The headings in the synoptic journal can be adjusted to suit the business.

F. The main advantage of the synoptic journal is time saved in posting.

G. The journal entry for every transaction must balance or the entry cannot be correct.

I. The totals of the Other Accounts section are not posted. It is the individual items recorded in these two columns that are posted.

K. It may not be possible to record some compound entries on one line of the synoptic journal.

SECTION 11.2 EXERCISES (continued)**Exercise 2, p. 500**

A., B.

Donway Distributing Synoptic Journal

DATE		PARTICULARS	Ref. No.	Bank		Accounts Receivable	
				Dr	Cr	Dr	Cr
1	²⁰⁻ Aug.	2 D. Macdonald	702		856 -		
2		3 N. Rae	210			184 -	
3		3 Viceroy Homes		150 -			150 -
4		5 T. Vint	703		490 -		
5		5 M. Franci	91	85 -			
6		8 Cash	704		320 -		
7		8 Atlas Stores	211			502 -	
8		9 Diamond Wholesalers					
9		10 Continental Railway					
10		11 J. Vincent	92	150 -			
11		12 Vance Brothers	705		300 -		
12		12 T. Vint	706		490 -		
13		15 Century News	707		42 -		
14		15 A. Orlando	708		300 -		
15		18 A. Anderson	93	55 -			
16		19 Merry Manufacturing	709		500 -		
17		19 T. Vint	710		490 -		
18		19 J. Regnault		200 -			200 -
19		22 Trade Group	711		356 75		
20							
21		22 T. Schmidt	212			170 -	
22		23 Deluxe Oil Company					
23							
24		24 General Bank			42 -		
25		25 A. Orlando	712		500 -		
26		26 K. Beka	94	110 -			
27		26 T. Vint	713		290 -		
28		29 Federated Supply					
29		30 Public Utilities Commission	714		146 -		
30		31 Brian Patel	213			190 -	
31		31 J. Klassen		400 -			400 -
32				1150 -	5122 75	1046 -	750 -
33							
34							

SECTION 11.2 EXERCISES (continued)

Exercise 2, p. 500 (continued)

A., B. (continued)

Month of: August, 20-

PAGE: 19

Accounts Payable		Sales	Purchases	Other Accounts				
Dr	Cr	Cr	Dr	Account	P.R.	Dr	Cr	
				<i>Building Maintenance</i>		8 5 6 -		1
		1 8 4 -						2
								3
				<i>Wages Expense</i>		4 9 0 -		4
		8 5 -						5
				<i>Miscellaneous Expense</i>		3 2 0 -		6
		5 0 2 -						7
	9 2 5 -		9 2 5 -					8
	3 1 5 -			<i>Freight-in</i>		3 1 5 -		9
		1 5 0 -						10
3 0 0 -								11
				<i>Wages Expense</i>		4 9 0 -		12
				<i>Advertising Expense</i>		4 2 -		13
				<i>A. Orlando, Drawings</i>		3 0 0 -		14
		5 5 -						15
5 0 0 -								16
				<i>Wages Expense</i>		4 9 0 -		17
								18
				} <i>Mortgage Payable</i>		2 8 5 20		19
					} <i>Interest and Bank Charges</i>		7 1 55	
		1 7 0 -						
	2 4 0 -			} <i>Car Expense</i>		1 8 0 -		22
					} <i>A. Orlando, Drawings</i>		6 0 -	
				<i>Interest and Bank Charges</i>			4 2 -	
				<i>A. Orlando, Drawings</i>		5 0 0 -		25
		1 1 0 -						26
				<i>Wages Expense</i>		2 9 0 -		27
	1 2 4 0 -		1 2 4 0 -					28
				<i>Utilities Expense</i>		1 4 6 -		29
		1 9 0 -						30
								31
8 0 0 -	2 7 2 0 -	1 4 4 6 -	2 1 6 5 -			4 8 7 7 75		32
								33
								34

SECTION 11.2 EXERCISES (continued)

Exercise 2, p. 500 (continued)

B. (continued)

Debits: $1150.00 + 1046.00 + 800.00 + 2165.00 + 4877.75 = 10\ 038.75$

Credits: $5122.75 + 750.00 + 2720.00 + 1446.00 = 10\ 038.75$

C.

SYNOPTIC JOURNAL POSTING SUMMARY

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>	1	1	5	0	–	5	1	2	2	75
<i>Accounts Receivable</i>	1	0	4	6	–		7	5	0	–
<i>Accounts Payable</i>		8	0	0	–	2	7	2	0	–
<i>Sales</i>						1	4	4	6	–
<i>Purchases</i>	2	1	6	5	–					
<i>Mortgage Payable</i>		2	8	5	20					
<i>A. Orlando, Drawings</i>		8	6	0	–					
<i>Advertising Expense</i>			4	2	–					
<i>Building Maintenance</i>		8	5	6	–					
<i>Car Expense</i>		1	8	0	–					
<i>Freight-in</i>		3	1	5	–					
<i>Interest and Bank Charges</i>		1	1	3	55					
<i>Miscellaneous Expense</i>		3	2	0	–					
<i>Utilities Expense</i>		1	4	6	–					
<i>Wages Expense</i>	1	7	6	0	–					
	10	0	3	8	75	10	0	3	8	75

SECTION 11.2 EXERCISES (continued)

Exercise 5, p. 503 (continued)

A., C. (continued)

Month of: July, 20-

PAGE: 73

Sales	Purchases	HST		Other Accounts			
		Recoverable	Payable	Account	P.R.	Dr	Cr
Cr	Dr	Dr	Cr				
2 1 6 -			2 8 08				1
1 9 0 -			2 4 70				2
	1 2 6 4 25	1 6 4 35					3
1 0 2 -			1 3 26				4
							5
3 5 0 -			4 5 50				6
				Wages Expense	530	6 7 5 -	7
4 4 0 -			5 7 20				8
	2 3 1 6 25	3 0 1 11					9
							10
							11
				F. Dunn, Drawings	302	8 0 0 -	12
2 6 0 -			3 3 80				13
5 9 0 -			7 6 70				14
4 0 -			5 20				15
	3 7 5 -	4 8 75					16
				Wages Expense	530	6 0 0 -	17
							18
1 8 5 -			2 4 05				19
3 2 1 -			4 1 73				20
		6 1 75		Delivery Expense	505	4 7 5 -	21
							22
9 7 5 -			1 2 6 75				23
							24
		4 8 77		Freight-in	510	3 7 5 15	25
1 2 4 0 -			1 6 1 20				26
		3 3 8 -		Rent Expense	525	2 6 0 0 -	27
6 8 9 -			8 9 57				28
3 1 1 -			4 0 43				29
				Wages Expense	530	5 7 5 -	30
		7 4 89		General Expense	515	5 7 6 10	31
		1 9 37		General Expense	515	1 4 9 00	32
							33
							34
				F. Dunn, Drawings	302	8 0 0 -	35
5 9 0 9 -	3 9 5 5 50	1 0 5 6 99	7 6 8 17			7 6 2 5 25	36
(4 0 1)	(5 2 0)	(2 0 7)	(2 0 5)				37

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

B.

ACCOUNTS RECEIVABLE LEDGER**ACCOUNT R. Lai**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded No. 1407										Dr	2	0	7	2	15
<i>Jul.</i>	<i>2</i>	<i>No. 1475</i>		<i>2</i>	<i>1</i>	<i>4</i>	<i>70</i>					<i>Dr</i>	<i>2</i>	<i>2</i>	<i>8</i>	<i>6</i>	<i>85</i>
	<i>3</i>							<i>2</i>	<i>0</i>	<i>7</i>	<i>2</i>	<i>15</i>	<i>Dr</i>	<i>2</i>	<i>1</i>	<i>4</i>	<i>70</i>
	<i>23</i>	<i>No. 1478</i>		<i>3</i>	<i>5</i>	<i>1</i>	<i>43</i>					<i>Dr</i>	<i>5</i>	<i>6</i>	<i>6</i>	<i>13</i>	
	<i>24</i>							<i>2</i>	<i>1</i>	<i>4</i>	<i>70</i>	<i>Dr</i>	<i>3</i>	<i>5</i>	<i>1</i>	<i>43</i>	

ACCOUNT G. Langford

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded No. 1431										Dr		3	1	6	20
<i>Jul.</i>	<i>9</i>	<i>No. 1478</i>		<i>6</i>	<i>6</i>	<i>6</i>	<i>70</i>					<i>Dr</i>	<i>9</i>	<i>8</i>	<i>2</i>	<i>90</i>	
	<i>16</i>							<i>3</i>	<i>1</i>	<i>6</i>	<i>20</i>	<i>Dr</i>	<i>6</i>	<i>6</i>	<i>6</i>	<i>70</i>	

ACCOUNT R. Potts

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded No. 1426										Dr	2	9	7	6	90
<i>Jul.</i>	<i>14</i>	<i>No. 1477</i>		<i>3</i>	<i>6</i>	<i>2</i>	<i>73</i>					<i>Dr</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>9</i>	<i>63</i>

ACCOUNTS PAYABLE LEDGER**ACCOUNT City Hardware Supply**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Forwarded No. 1742										Cr	2	7	4	2	10	
<i>Jul.</i>	<i>2</i>	<i>No. 1802</i>						<i>1</i>	<i>4</i>	<i>2</i>	<i>8</i>	<i>60</i>	<i>Cr</i>	<i>4</i>	<i>1</i>	<i>7</i>	<i>0</i>	<i>70</i>
	<i>7</i>	<i>No. 1834</i>						<i>2</i>	<i>6</i>	<i>1</i>	<i>7</i>	<i>36</i>	<i>Cr</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>8</i>	<i>06</i>
	<i>7</i>			<i>2</i>	<i>7</i>	<i>4</i>	<i>2</i>	<i>10</i>					<i>Cr</i>	<i>4</i>	<i>0</i>	<i>4</i>	<i>5</i>	<i>96</i>
	<i>26</i>			<i>1</i>	<i>4</i>	<i>2</i>	<i>8</i>	<i>60</i>					<i>Cr</i>	<i>2</i>	<i>6</i>	<i>1</i>	<i>7</i>	<i>36</i>

SECTION 11.2 EXERCISES (continued)

Exercise 5, p. 503 (continued)

B. (continued)

ACCOUNT Clix Auto

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE												
<i>20-</i> <i>Jul.</i>	<i>14</i>	<i>No. 1244</i>													<i>Cr</i>		<i>5</i>	<i>3</i>	<i>6</i>	<i>75</i>				<i>5</i>	<i>3</i>	<i>6</i>	<i>75</i>

ACCOUNT Joe Jay Transport

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE												
<i>20-</i> <i>Jul.</i>	<i>17</i>	<i>No. 344</i>													<i>Cr</i>		<i>4</i>	<i>2</i>	<i>3</i>	<i>92</i>				<i>4</i>	<i>2</i>	<i>3</i>	<i>92</i>

ACCOUNT Special Steel Products

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE															
<i>20-</i> <i>Jun.</i>	<i>30</i>	<i>Forwarded No. 147</i>													<i>Cr</i>		<i>3</i>	<i>5</i>	<i>2</i>	<i>3</i>	<i>25</i>									
<i>Jul.</i>	<i>7</i>			<i>5</i>	<i>0</i>	<i>0</i>	<i>-</i>								<i>Cr</i>		<i>3</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>25</i>									
	<i>12</i>	<i>No. 192</i>											<i>4</i>	<i>2</i>	<i>3</i>	<i>75</i>	<i>Cr</i>		<i>3</i>	<i>4</i>	<i>4</i>	<i>7</i>	<i>-</i>							
	<i>13</i>			<i>3</i>	<i>0</i>	<i>2</i>	<i>3</i>	<i>25</i>							<i>Cr</i>		<i>4</i>	<i>2</i>	<i>3</i>	<i>75</i>										

D.

GENERAL LEDGER

ACCOUNT Bank

No. 101

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE															
<i>20-</i> <i>Jun.</i>	<i>30</i>	<i>Forwarded</i>													<i>Dr</i>		<i>12</i>	<i>4</i>	<i>0</i>	<i>0</i>	<i>-</i>									
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>7</i>	<i>6</i>	<i>8</i>	<i>4</i>	<i>66</i>							<i>Dr</i>		<i>20</i>	<i>0</i>	<i>8</i>	<i>4</i>	<i>66</i>									
	<i>31</i>		<i>J73</i>									<i>14</i>	<i>9</i>	<i>0</i>	<i>1</i>	<i>31</i>	<i>Dr</i>		<i>5</i>	<i>1</i>	<i>8</i>	<i>3</i>	<i>35</i>							

ACCOUNT Accounts Receivable

No. 105

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE															
<i>20-</i> <i>Jun.</i>	<i>30</i>	<i>Forwarded</i>													<i>Dr</i>		<i>5</i>	<i>3</i>	<i>6</i>	<i>5</i>	<i>25</i>									
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>1</i>	<i>5</i>	<i>9</i>	<i>5</i>	<i>56</i>							<i>Dr</i>		<i>6</i>	<i>9</i>	<i>6</i>	<i>0</i>	<i>81</i>									
	<i>31</i>		<i>J73</i>									<i>2</i>	<i>6</i>	<i>0</i>	<i>3</i>	<i>05</i>	<i>Dr</i>		<i>4</i>	<i>3</i>	<i>4</i>	<i>7</i>	<i>76</i>							

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

D. (continued)

ACCOUNT Merchandise Inventory**No. 110**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Dr	46	0	9	0	20

ACCOUNT Supplies**No. 115**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Dr	1	3	9	5	-

ACCOUNT Store Equipment**No. 120**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Dr	40	9	0	6	-

ACCOUNT Accumulated Depreciation—Store Equipment**No. 121**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Cr	14	7	2	6	-

ACCOUNT Delivery Equipment**No. 130**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Dr	39	5	0	0	-

ACCOUNT Accumulated Depreciation—Delivery Equipment**No. 131**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	30	Forwarded										Cr	20	1	4	5	-

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

D. (continued)

ACCOUNT **Accounts Payable****No. 201**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
20- Jun.	30	Forwarded												Cr	6	2	6	5	35
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>7</i>	<i>6</i>	<i>9</i>	<i>3</i>	<i>95</i>						<i>Cr</i>	<i>1</i>	<i>4</i>	<i>2</i>	<i>8</i>	<i>60</i>
	<i>31</i>		<i>J73</i>						<i>5</i>	<i>4</i>	<i>3</i>	<i>0</i>	<i>38</i>	<i>Cr</i>	<i>4</i>	<i>0</i>	<i>0</i>	<i>1</i>	<i>78</i>

ACCOUNT **HST Payable****No. 205**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
20- Jun.	30	Forwarded												Cr	1	2	4	0	25
<i>Jul.</i>	<i>31</i>		<i>J73</i>						<i>7</i>	<i>6</i>	<i>8</i>	<i>17</i>	<i>Cr</i>	<i>2</i>	<i>0</i>	<i>0</i>	<i>8</i>	<i>42</i>	

ACCOUNT **HST Recoverable****No. 207**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
20- Jun.	30	Forwarded												Dr		5	0	0	75
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>1</i>	<i>0</i>	<i>5</i>	<i>6</i>	<i>99</i>						<i>Dr</i>	<i>1</i>	<i>5</i>	<i>5</i>	<i>7</i>	<i>74</i>

ACCOUNT **Loan Payable—Federal Finance****No. 210**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
20- Jun.	30	Forwarded												Cr	8	5	0	0	85

ACCOUNT **F. Dunn, Capital****No. 301**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
20- Jun.	30	Forwarded												Cr	87	4	5	2	58

SECTION 11.2 EXERCISES (continued)

Exercise 5, p. 503 (continued)

D. (continued)

ACCOUNT F. Dunn, Drawings

No. 302

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded										Dr	6	0	0	0	-
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>8</i>	<i>0</i>	<i>0</i>	<i>-</i>					<i>Dr</i>	<i>6</i>	<i>8</i>	<i>0</i>	<i>0</i>	<i>-</i>
	<i>31</i>		<i>J73</i>	<i>8</i>	<i>0</i>	<i>0</i>	<i>-</i>					<i>Dr</i>	<i>7</i>	<i>6</i>	<i>0</i>	<i>0</i>	<i>-</i>

ACCOUNT Sales

No. 401

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Jun.	30	Forwarded										Cr	53	7	1	4	50	
<i>Jul.</i>	<i>31</i>		<i>J73</i>					<i>5</i>	<i>9</i>	<i>0</i>	<i>9</i>	<i>-</i>	<i>Cr</i>	<i>59</i>	<i>6</i>	<i>2</i>	<i>3</i>	<i>50</i>

ACCOUNT Delivery Expense

No. 505

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded										Dr	5	2	5	8	-
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>4</i>	<i>7</i>	<i>5</i>	<i>-</i>					<i>Dr</i>	<i>5</i>	<i>7</i>	<i>3</i>	<i>3</i>	<i>-</i>

ACCOUNT Freight-in

No. 510

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded										Dr		9	5	6	23
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>3</i>	<i>7</i>	<i>5</i>	<i>15</i>					<i>Dr</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>1</i>	<i>38</i>

ACCOUNT General Expense

No. 515

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded										Dr	2	9	5	3	10
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>5</i>	<i>7</i>	<i>6</i>	<i>10</i>					<i>Dr</i>	<i>3</i>	<i>5</i>	<i>2</i>	<i>9</i>	<i>20</i>
	<i>31</i>		<i>J73</i>	<i>1</i>	<i>4</i>	<i>9</i>	<i>-</i>					<i>Dr</i>	<i>3</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>20</i>

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

D. (continued)

ACCOUNT Purchases**No. 520**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded												Dr	14	1	2	0	-
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>3</i>	<i>9</i>	<i>5</i>	<i>5</i>	<i>50</i>						<i>Dr</i>	<i>18</i>	<i>0</i>	<i>7</i>	<i>5</i>	<i>50</i>

ACCOUNT Rent Expense**No. 525**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded												Dr	2	4	0	0	-
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>2</i>	<i>6</i>	<i>0</i>	<i>0</i>	<i>-</i>						<i>Dr</i>	<i>5</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>

ACCOUNT Wages Expense**No. 530**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
²⁰⁻ Jun.	30	Forwarded												Dr	14	2	5	0	-
<i>Jul.</i>	<i>31</i>		<i>J73</i>	<i>6</i>	<i>7</i>	<i>5</i>	<i>-</i>						<i>Dr</i>	<i>14</i>	<i>9</i>	<i>2</i>	<i>5</i>	<i>-</i>	
	<i>31</i>		<i>J73</i>	<i>6</i>	<i>0</i>	<i>0</i>	<i>-</i>						<i>Dr</i>	<i>15</i>	<i>5</i>	<i>2</i>	<i>5</i>	<i>-</i>	
	<i>31</i>		<i>J73</i>	<i>5</i>	<i>7</i>	<i>5</i>	<i>-</i>						<i>Dr</i>	<i>16</i>	<i>1</i>	<i>0</i>	<i>0</i>	<i>-</i>	

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

E.

*CREST HARDWARE**GENERAL LEDGER TRIAL BALANCE**JULY 31, 20-*

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>	5	1	8	3	35					
<i>Accounts Receivable</i>	4	3	5	7	76					
<i>Merchandise Inventory</i>	46	0	9	0	20					
<i>Supplies</i>	1	3	9	5	-					
<i>Store Equipment</i>	40	9	0	6	-					
<i>Accumulated Depreciation—Store Equipment</i>						14	7	2	6	-
<i>Delivery Equipment</i>	39	5	0	0	-					
<i>Accumulated Depreciation—Delivery Equipment</i>						20	1	4	5	-
<i>Accounts Payable</i>						4	0	0	1	78
<i>HST Payable</i>						2	0	0	8	42
<i>HST Recoverable</i>	1	5	5	7	74					
<i>Loan Payable—Federal Finance</i>						8	5	5	0	85
<i>F. Dunn, Capital</i>						87	4	5	2	58
<i>F. Dunn, Drawings</i>	7	6	0	0	-					
<i>Sales</i>						59	6	2	3	50
<i>Delivery Expense</i>	5	7	3	3	-					
<i>Freight-In</i>	1	3	3	1	38					
<i>General Expense</i>	3	6	7	8	20					
<i>Purchases</i>	18	0	7	5	50					
<i>Rent Expense</i>	5	0	0	0	-					
<i>Wages Expense</i>	16	1	0	0	-					
	<u>196</u>	<u>5</u>	<u>0</u>	<u>8</u>	<u>13</u>	<u>196</u>	<u>5</u>	<u>0</u>	<u>8</u>	<u>13</u>

SECTION 11.2 EXERCISES (continued)**Exercise 5, p. 503** (continued)

F.

CREST HARDWARE
ACCOUNTS RECEIVABLE TRIAL BALANCE
JULY 31, 20-

<i>R. Lai</i>		3	5	1	43	
<i>G. Langford</i>		6	6	6	70	
<i>R. Potts</i>		3	3	3	9	63
		4	3	5	7	76
<i>Accounts Receivable Control Account</i>		4	3	5	7	76

CREST HARDWARE
ACCOUNTS PAYABLE TRIAL BALANCE
JULY 31, 20-

<i>City Hardware Supply</i>		2	6	1	7	36
<i>Clix Auto.</i>		5	3	6	75	
<i>Joe Jay Transport</i>		4	2	3	92	
<i>Special Steel Products</i>		4	2	3	75	
		4	0	0	1	78
<i>Accounts Payable Control Account</i>		4	0	0	1	78

SECTION 11.3 REVIEW QUESTIONS (page 508)

1. *Under the first system Mr. Reichert used, the Bank account took the longest to post.*

2. *The advantages of the system that replaced Mr. Reichert's two-column general journal system are that most entries can be written rapidly on one line, bookkeeping duties are divided evenly between the partners, and posting can be done quickly.*

3.
 - A. *Water Works and the Electric Company would be listed in the Utilities account.*

 - B. *All the properties except Water Works and the Electric Company would be included in Land and Railroads. There are two different names for these accounts to make it clear the number of land or railroad properties a player owns.*

 - C. *The purpose of the Loan Shark Payable is to loan money to a bankrupt team so they can keep playing to the end of the game time limit.*

 - D. *Mr. Reichert chooses to put Government Grants in the Equity section because it increases the owner's equity. This account could also go the Revenue section, since revenues also increase equity.*

 - E. *Some examples of Monopoly transactions that would affect the Revenue accounts are as follows. Receiving a rent payment for Boardwalk would affect Rent Revenue. Trading Baltic Ave. for Boardwalk would affect Gain on Trade. Receiving \$200 for bank error in your favour would affect Special Revenue. Receiving a payment for Short Line Railroad would affect Travel Revenue. Receiving a payment for Water Works would affect Utilities Revenue.*

SECTION 11.3 EXERCISES (page 509)
Exercise I, p. 509

A. to D.
Cash Receipts Journal PAGE: 1

DATE	EXPLANATION	Bank		Rent Revenue		Government Grant		Special Revenue		Other Accounts			
		Dr	Cr	Cr	Cr	Cr	Cr	Account	PR.	Dr	Cr		
1 ⁹⁰ May 1	Opening	1 500	—									7 50	—
2 11 02	Investment											3 010	—
3 11 10	Passed Co	2 00	—			2 00	—					3 050	—
4 11 15	Boardwalk	5 0	—	5 0	—								
5 11 16	Short Line Railroad	2 5	—										
6 11 34	Inheritance	1 00	—					1 00	—				2 5
7 11 37	Electric Company	2 8	—										
8 11 45	Mortgaged Electric Company	7 5	—									4 020	—
9 11 46	Beauty Contest	1 0	—					1 0	—				7 5
10 11 48	Park Place	7 0	—	7 0	—								
11 11 50	Boardwalk	2 00	—	2 00	—								
12 11 52	Sold houses (Boardwalk/Park Place)	2 00	—										4 00
13 11 54	Baltic Ave.	4	—	4	—								
14 11 56	Traded Boardwalk for Pacific and Cash	9 00	—									1 550/1 550	—
15		3 362	—	3 24	—							4 050	—
16		(10 10)	—	(40 10)	—								—
17						3 100	—						—
18													
19													
20													
21													
22													
23													
24													
25													
26													
27													
28													
29													
30													

SECTION 11.3 EXERCISES (continued)

Exercise 1, p. 509 (continued)

B., C. Cash Proof

Bank Debits (cash receipts journal)	3 362-
Less: Bank Credits (cash payments journal)	2 010-
Cash per Journals	1 352-
Less: Cash Count	1 252-
Cash Short or Over	(100-)

D.

ASSETS

ACCOUNT Bank

No. 1010

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE					
<i>May</i> ²⁰⁻	<i>1</i>	<i>Cash receipts</i>	<i>CR1</i>	<i>3</i>	<i>3</i>	<i>6</i>	<i>2</i>	<i>-</i>							<i>Dr</i>	<i>3</i>	<i>3</i>	<i>6</i>	<i>2</i>	<i>-</i>
	<i>1</i>	<i>Cash payments</i>	<i>CP1</i>						<i>2</i>	<i>0</i>	<i>1</i>	<i>0</i>	<i>-</i>	<i>Dr</i>	<i>1</i>	<i>3</i>	<i>5</i>	<i>2</i>	<i>-</i>	
	<i>1</i>	<i>Cash shortage</i>	<i>CP1</i>						<i>1</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>Dr</i>	<i>1</i>	<i>2</i>	<i>5</i>	<i>2</i>	<i>-</i>		

ACCOUNT Land

No. 1510

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
<i>May</i> ²⁰⁻	<i>1</i>		<i>CP1</i>	<i>8</i>	<i>7</i>	<i>0</i>	<i>-</i>							<i>Dr</i>	<i>8</i>	<i>7</i>	<i>0</i>	<i>-</i>	
	<i>1</i>		<i>CR1</i>	<i>3</i>	<i>0</i>	<i>0</i>	<i>-</i>							<i>Dr</i>	<i>1</i>	<i>1</i>	<i>7</i>	<i>0</i>	<i>-</i>
	<i>1</i>		<i>CR1</i>					<i>4</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>Dr</i>	<i>7</i>	<i>7</i>	<i>0</i>	<i>-</i>			

ACCOUNT Houses

No. 1 550

DATE		PARTICULARS	P.R.	DEBIT					CREDIT					Dr/Cr	BALANCE				
<i>May</i> ²⁰⁻	<i>1</i>		<i>CP1</i>	<i>4</i>	<i>0</i>	<i>0</i>	<i>-</i>							<i>Dr</i>	<i>4</i>	<i>0</i>	<i>0</i>	<i>-</i>	
	<i>1</i>		<i>CR1</i>					<i>4</i>	<i>0</i>	<i>0</i>	<i>-</i>	<i>-</i>		<i>-</i>	<i>0</i>	<i>-</i>			

SECTION 11.3 EXERCISES (continued)**Exercise I, p. 509** (continued)

D. (continued)

ACCOUNT Railroads**No. 1650**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ May 1		CP1	2 0 0 -		Dr	2 0 0 -
1		CP1		2 0 0 -	-	- 0 -

ACCOUNT Utilities**No. 1700**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ May 1		CP1	1 5 0 -		Dr	1 5 0 -

LIABILITIES**ACCOUNT Mortgage Payable****No. 2550**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ May 1		CR1		7 5 -	Cr	7 5 -
1		CP1	7 5 -		-	- 0 -

PARTNERS' EQUITY**ACCOUNT N. Wang, Capital****No. 3010**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ May 1	Opening investment	CR1		7 5 0 -	Cr	7 5 0 -

ACCOUNT L. Rivera, Capital**No. 3050**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ May 1	Opening investment	CR1		7 5 0 -	Cr	7 5 0 -

SECTION 11.3 EXERCISES (continued)**Exercise I, p. 509** (continued)

D. (continued)

ACCOUNT Government Grant**No. 3100**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		2 0 0 -	<i>Cr</i>	2 0 0 -

REVENUE**ACCOUNT Rent Revenue****No. 4010**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		3 2 4 -	<i>Cr</i>	3 2 4 -

ACCOUNT Gain on Trade**No. 4050**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		8 0 0 -	<i>Cr</i>	8 0 0 -

ACCOUNT Special Revenue**No. 4010**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		1 1 0 -	<i>Cr</i>	1 1 0 -

ACCOUNT Travel Revenue**No. 4150**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		2 5 -	<i>Cr</i>	2 5 -

ACCOUNT Utilities Revenue**No. 4020**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>		2 8 -	<i>Cr</i>	2 8 -

SECTION 11.3 EXERCISES (continued)**Exercise I, p. 509** (continued)

D. (continued)

EXPENSES**ACCOUNT Cash Short and Over****No. 5010**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	1 0 0 -		<i>Dr</i>	1 0 0 -

ACCOUNT Income Tax Expense**No. 5050**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	1 7 0 -		<i>Dr</i>	1 7 0 -

ACCOUNT Jail Expense**No. 5100**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	5 0 -		<i>Dr</i>	5 0 -

ACCOUNT Loss on Sale**No. 5160**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CR1</i>	2 0 0 -		<i>Dr</i>	2 0 0 -

ACCOUNT Loss on Trade**No. 5170**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	1 4 0 -		<i>Dr</i>	1 4 0 -

ACCOUNT Mortgage Interest**No. 5250**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	8 -		<i>Dr</i>	8 -

SECTION 11.3 EXERCISES (continued)**Exercise I, p. 509** (continued)

D. (continued)

ACCOUNT Rent Expense**No. 5300**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	4 0 -		<i>Dr</i>	4 0 -

ACCOUNT Special Assessments**No. 5350**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	5 0 -		<i>Dr</i>	5 0 -

ACCOUNT Travel Expense**No. 5400**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>CP1</i>	2 5 -		<i>Dr</i>	2 5 -

ACCOUNT Utilities Expense**No. 5450**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
<i>May</i> ²⁰⁻ 1		<i>J1</i>	3 2 -		<i>Dr</i>	3 2 -

SECTION 11.3 EXERCISES (continued)

Exercise I, p. 509 (continued)

D. (continued)

NICOLE AND LOU

TRIAL BALANCE

MAY 1, 20-

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>	1	2	5	2	-					
<i>Land</i>		7	7	0	-					
<i>Utilities</i>		1	5	0	-					
<i>N. Wang, Capital</i>						7	5	0	-	
<i>L. Rivera, Capital</i>						7	5	0	-	
<i>Government Grant</i>						2	0	0	-	
<i>Rent Revenue</i>						3	2	4	-	
<i>Gain on Trade</i>						8	0	0	-	
<i>Special Revenue</i>						1	1	0	-	
<i>Travel Revenue</i>							2	5	-	
<i>Utilities Revenue</i>							2	8	-	
<i>Cash Short and Over</i>		1	0	0	-					
<i>Income Tax Expense</i>		1	7	0	-					
<i>Jail Expense</i>			5	0	-					
<i>Loss on Sale</i>		2	0	0	-					
<i>Loss on Trade</i>		1	4	0	-					
<i>Mortgage Interest</i>				8	-					
<i>Rent Expense</i>			4	0	-					
<i>Special Assessments</i>			5	0	-					
<i>Travel Expense</i>			2	5	-					
<i>Utilities Expense</i>			3	2	-					
	2	9	8	7	-	2	9	8	7	-

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (page 511)

With Strings Attached All Journal Entries 31/07/2013 to 31/08/2013

					Account Number	Account Description	Debits	Credits
01-08-2013	J1	jl	Borrowed additional funds		1010	Bank	10 000.00	—
					2010	Bank Loan	—	10 000.00
01-08-2013	J2	jl	Petty Cash fund created		1020	Petty Cash	50.00	—
					1010	Bank	—	50.00
01-08-2013	J3	102	LaForge Properties Ltd.		2300	HST Recoverable	520.00	—
					5040	Rent Expense	4 000.00	—
					1010	Bank	—	4 520.00
03-08-2013	J4	674	Hudson Music Equipment		1200	Supplies	72.00	—
					2300	HST Recoverable	9.36	—
					2050	Accounts Payable	—	81.36
05-08-2013	J5	153	Molly Bartok		1050	Accounts Receivable	4 746.00	—
					2200	HST Payable	—	546.00
					4020	Package Customer Fees	—	4 200.00
06-08-2013	J6	154	Blake Hill		1010	Bank	500.00	—
					1050	Accounts Receivable	5 376.00	—
					2200	HST Payable	—	676.00
					4020	Package Customer Fees	—	5 200.00
08-08-2013	J7	103	Alexander Barristers and Solicitors		2300	HST Recoverable	71.50	—
					5090	Legal Expense	550.00	—
					1010	Bank	—	621.50
08-08-2013	J8	078	Simon McPhee		1010	Bank	700.00	—
					1050	Accounts Receivable	—	700.00

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (continued)

With Strings Attached All Journal Entries 31/07/2013 to 31/08/2013

					Account Number	Account Description	Debits	Credits
10-08-2013	J9	104	Dave's Digital Music Emporium	2050	Accounts Payable	346.00	-	
				1010	Bank	-	346.00	
13-08-2013	J10	105	Luigi's Plumbing	2300	HST Recoverable	14.30	-	
				5085	Repairs and Maintenance Expense	110.00	-	
				1010	Bank	-	124.30	
15-08-2013	J11	Cash	CS051, Hourly Rate Customers	1010	Bank	525.45	-	
				2200	HST Payable	-	60.45	
				4010	Hourly Customer Fees	-	465.00	
15-08-2013	J12	jl	Wages to employees	5070	Wages Expense	2 990.00	-	
				1010	Bank	-	2 990.00	
16-08-2013	J13	155	The Reasonable Men	1050	Accounts Receivable	3 842.00	-	
				2200	HST Payable	-	442.00	
				4020	Package Customer Fees	-	3 400.00	
17-08-2013	J14	156	Jan Singh	1010	Bank	1 000.00	-	
				1050	Accounts Receivable	6 006.00	-	
				2200	HST Payable	-	806.00	
				4020	Package Customer Fees	-	6 200.00	
17-08-2013	J15	90320	Mobile City	2300	HST Recoverable	23.22	-	
				5050	Telephone Expense	178.63	-	
				2050	Accounts Payable	-	201.85	
17-08-2013	J16	109	Jessica Lucas	3050	J. Lucas, Drawings	4 000.00	-	
				1010	Bank	-	4 000.00	

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (continued)*With Strings Attached All Journal Entries 31/07/2013 to 31/08/2013*

				<i>Account Number</i>	<i>Account Description</i>	<i>Debits</i>	<i>Credits</i>
31-08-2013	J24	111	Jessica Lucas	3050	J. Lucas, Drawings	4 000.00	-
				1010	Bank	-	4 000.00
31-08-2013	J25	112	Cash	2300	HST Recoverable	1.99	-
				5030	Miscellaneous Expense	15.30	-
				1010	Bank	-	17.29
31-08-2013	J26	113	Me, The Bookkeeper	5110	Bookkeeping Expense	400.00	-
				1010	Bank	-	400.00
31-08-2013	J27	114	Mobile City	2050	Accounts Payable	201.85	-
				1010	Bank	-	201.85
31-08-2013	J28	846419	Electric Circus	2300	HST Recoverable	63.20	-
				5060	Utilities Expense	486.13	-
				2050	Accounts Payable	-	549.33
31-08-2013	J29	jl	Wages to employees	5070	Wages Expense	2 990.00	-
				1010	Bank	-	2 990.00
29-08-2013	J30	158	Simon McPhee	1050	Accounts Receivable	700.00	-
				1010	Bank	-	700.00
29-08-2013	J31	jl	Bank Charges	5020	Bank Charges	8.08	-
				1010	Bank	-	8.08
29-08-2013	J32	jl	Interest Expense	5100	Loan Interest Expense	243.76	-
				1010	Bank	-	243.76
						<u>63 438.03</u>	<u>63 438.03</u>

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (continued)

<i>WITH STRINGS ATTACHED</i>		
<i>TRIAL BALANCE</i>		
<i>AUGUST 31, 2013</i>		
<i>ACCOUNT DESCRIPTION</i>	<i>DEBITS</i>	<i>CREDITS</i>
<i>Bank</i>	<i>10 065.56</i>	
<i>Petty Cash</i>	<i>50.00</i>	
<i>Accounts Receivable</i>	<i>23 269.00</i>	
<i>Supplies</i>	<i>917.62</i>	
<i>Equipment</i>	<i>59 132.34</i>	
<i>Furniture</i>	<i>2 311.97</i>	
<i>Bank Loan</i>		<i>50 000.00</i>
<i>Accounts Payable</i>		<i>2 391.23</i>
<i>HST Payable</i>		<i>4 836.45</i>
<i>HST Recoverable</i>	<i>1 298.45</i>	
<i>J. Lucas, Capital</i>		<i>18 000.00</i>
<i>J. Lucas, Drawings</i>	<i>34 021.45</i>	
<i>Hourly Customer Fees</i>		<i>13 570.74</i>
<i>Package Customer Fees</i>		<i>163 059.30</i>
<i>Advertising Expense</i>	<i>8 490.00</i>	
<i>Bank Charges</i>	<i>411.19</i>	
<i>Miscellaneous Expense</i>	<i>513.06</i>	
<i>Rent Expense</i>	<i>47 000.00</i>	
<i>Telephone Expense</i>	<i>1 953.08</i>	
<i>Utilities Expense</i>	<i>2 600.70</i>	
<i>Wages Expense</i>	<i>49 870.00</i>	
<i>Renovations Expense</i>	<i>2 400.00</i>	
<i>Repairs and Maintenance Expense</i>	<i>110.00</i>	
<i>Legal Expense</i>	<i>1 021.37</i>	
<i>Loan Interest Expense</i>	<i>3 807.98</i>	
<i>Bookkeeping Expense</i>	<i>2 600.00</i>	
<i>Cash Short and Over</i>	<i>13.95</i>	
	<u><i>251 857.72</i></u>	<u><i>251 857.72</i></u>

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (continued)

<i>WITH STRINGS ATTACHED</i>	
<i>INCOME STATEMENT</i>	
<i>SEPTEMBER 1, 2012 TO AUGUST 31, 2013</i>	
<i>REVENUE</i>	
<i>Hourly Customer Fees</i>	<i>13 570.74</i>
<i>Package Customer Fees</i>	<i>163 059.30</i>
<i>Total Revenue</i>	<i><u>176 630.04</u></i>
<i>EXPENSES</i>	
<i>Advertising Expense</i>	<i>8 490.00</i>
<i>Bank Charges</i>	<i>411.19</i>
<i>Miscellaneous Expense</i>	<i>513.06</i>
<i>Rent Expense</i>	<i>47 000.00</i>
<i>Telephone Expense</i>	<i>1 953.08</i>
<i>Utilities Expense</i>	<i>2 600.70</i>
<i>Wages Expense</i>	<i>49 870.00</i>
<i>Renovations Expense</i>	<i>2 400.00</i>
<i>Repairs and Maintenance Expense</i>	<i>110.00</i>
<i>Legal Expense</i>	<i>1 021.37</i>
<i>Loan Interest Expense</i>	<i>3 807.98</i>
<i>Bookkeeping Expense</i>	<i>2 600.00</i>
<i>Cash Short and Over</i>	<i>13.95</i>
<i>Total Expenses</i>	<i><u>120 791.33</u></i>
<i>NET INCOME</i>	<i><u><u>55 838.71</u></u></i>

SECTION 11.4 WITH STRINGS ATTACHED EXERCISE (continued)

<i>WITH STRINGS ATTACHED</i>	
<i>BALANCE SHEET</i>	
<i>AUGUST 31, 2013</i>	
<i>ASSETS</i>	
<i>Current Assets</i>	
<i>Bank</i>	<i>10 065.56</i>
<i>Petty Cash</i>	<i>50.00</i>
<i>Accounts Receivable</i>	<i>23 269.00</i>
<i>Supplies</i>	<i>917.62</i>
<i>Total Current Assets</i>	<u><i>34 302.18</i></u>
 <i>Long-Term Assets</i>	
<i>Equipment</i>	<i>59 132.34</i>
<i>Furniture</i>	<i>2 311.97</i>
<i>Total Long-Term Assets</i>	<u><i>61 444.31</i></u>
 <i>TOTAL ASSETS</i>	 <u><u><i>95 746.49</i></u></u>
 <i>LIABILITIES</i>	
<i>Current Liabilities</i>	
<i>Bank Loan</i>	<i>50 000.00</i>
<i>Accounts Payable</i>	<i>2 391.23</i>
<i>HST Payable</i>	<i>4 836.45</i>
<i>HST Recoverable</i>	<u><i>(1 298.45)</i></u>
<i>HST Owed</i>	<i>3 538.00</i>
<i>Total Current Liabilities</i>	<u><i>55 929.23</i></u>
 <i>EQUITY</i>	
<i>J. Lucas, Capital</i>	<i>18 000.00</i>
<i>J. Lucas, Drawings</i>	<i>(34 021.45)</i>
<i>Current Earnings</i>	<i>55 838.71</i>
<i>Total Equity</i>	<u><i>39 817.26</i></u>
 <i>LIABILITIES AND EQUITY</i>	 <u><u><i>95 746.49</i></u></u>

CHAPTER 11 REVIEW EXERCISES

Using Your Knowledge

Exercise 1, p. 527

A.

	Changes to control account figure	Changes to subsidiary ledger figure
1.	0	-60
2.	0	+300
3.	+500	0
4.	+1 600	0
5.	0	+550
6.	+750	+750
7.	0	+280
Total Net Corrections	<u>+2 850</u>	<u>+1 820</u>

B.

<i>Subsidiary ledger before corrections</i>	\$32 456
<i>Net corrections to ledger</i>	1 820
<i>Corrected ledger figure</i>	<u>\$34 276</u>
<i>Less: Net corrections to control figure</i>	2 850
<i>Control figure before corrections</i>	<u>\$31 426</u>

Exercise 2, p. 527

Source Document	In the Subsidiary Ledger						In the General Ledger										
	Which subsidiary ledger is affected?		Will the account be increased (I) or decreased (D)?		Will the account be debited or credited?		The accounting entry will be										
	A/R	A/P	I	D	Dr	Cr	Bank		Accounts Receivable		Accounts Payable		Asset or Expense		Revenue		
purchase invoice		✓	✓			✓						✓	✓				
cash receipt on account	✓			✓		✓	✓			✓							
sales invoice	✓		✓		✓				✓								✓
cheque copy on account		✓		✓	✓			✓				✓					

CHAPTER 11 REVIEW EXERCISES (continued)**Comprehensive Exercises****Exercise 3, p. 528**

A., F.

GENERAL LEDGER**ACCOUNT Bank****No.101**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	1	7	4	8	20
Apr.	1		J76					1	1	3	0	Dr		6	1	8	-
	5		J76	1	0	0	0					Dr	1	6	1	8	-
	9		J76					7	4	0		Dr		8	7	8	-
	15		J77					8	5	32		Dr		7	9	2	68
	15		J77	1	9	2	0					Dr	2	7	1	2	68
	24		J77					1	7	5	9	Dr		9	5	3	18
	30		J77					4	0	1	70	Dr		5	5	1	48

ACCOUNT Accounts Receivable**No.105**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	7	2	2	0	-
Apr.	3		J76		9	0	4					Dr	8	1	2	4	-
	5		J76					1	0	0	0	Dr	7	1	2	4	-
	12		J76	1	6	9	5					Dr	8	8	1	9	-
	15		J77					1	9	2	0	Dr	6	8	9	9	-
	19		J77		4	4	0	70				Dr	7	3	3	9	70

ACCOUNT Supplies**No.110**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	2	7	5	0	-
Apr.	22		J77	2	1	0						Dr	2	9	6	0	-

CHAPTER II REVIEW EXERCISES (continued)

Exercise 3, p. 528 (continued)

A., F. (continued)

ACCOUNT Office Equipment No. 115

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	20	8	0	0	-

ACCOUNT Accumulated Depreciation—Office Equipment No. 116

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Cr	2	4	0	0	-

ACCOUNT Automobile No. 120

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	29	5	0	0	-

ACCOUNT Accumulated Depreciation—Automobile No. 121

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Cr	4	8	0	0	-

ACCOUNT Accounts Payable No. 205

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
Mar. ²⁰⁻	31	Forwarded										Cr	6	2	6	4	70	
Apr.	8		J76					3	3	3	35	Cr	6	5	9	8	05	
	9		J76	7	4	0	-					Cr	5	8	5	8	05	
	22		J77					2	3	7	30	Cr	6	0	9	5	35	
	24		J77	1	7	5	9	50					Cr	4	3	3	5	85

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

A., F. (continued)

ACCOUNT HST Payable**No. 206**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE			
Mar. ²⁰⁻	31	Forwarded										Cr	2	3	2	70
Apr.	3		J76					1	0	4	-	Cr	3	3	6	70
	12		J76					1	9	5	-	Cr	5	3	1	70
	19		J77						5	0	70	Cr	5	8	2	40

ACCOUNT HST Recoverable**No. 207**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE			
Mar. ²⁰⁻	31	Forwarded										Dr	1	4	9	70
Apr.	1		J76	1	3	0	-					Dr	2	7	9	70
	8		J76		3	8	35					Dr	3	1	8	05
	15		J77			9	82					Dr	3	2	7	87
	22		J77		2	7	30					Dr	3	5	5	17
	30		J77		1	1	70					Dr	3	6	6	87

ACCOUNT R. Bragg, Capital**No. 301**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Cr	47	3	7	4	15

ACCOUNT R. Bragg, Drawings**No. 302**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr	12	0	0	0	-

CHAPTER II REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

A., F. (continued)

ACCOUNT Fees Income**No. 401**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Mar. 31	Forwarded				Cr	31 6 5 0 -
<i>Apr.</i> 3		<i>J76</i>		8 0 0 -	<i>Cr</i>	<i>32 4 5 0 -</i>
12		<i>J76</i>		1 5 0 0 -	<i>Cr</i>	<i>33 9 5 0 -</i>
19		<i>J77</i>		3 9 0 -	<i>Cr</i>	<i>34 3 4 0 -</i>

ACCOUNT Car Expense**No. 505**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Mar. 31	Forwarded				Dr	3 2 9 5 60
<i>Apr.</i> 8		<i>J76</i>	2 9 5 -		<i>Dr</i>	<i>3 5 9 0 60</i>

ACCOUNT Miscellaneous Expense**No. 515**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Mar. 31	Forwarded				Dr	3 7 5 40

ACCOUNT Rent Expense**No. 520**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Mar. 31	Forwarded				Dr	3 0 0 0 -
<i>Apr.</i> 1		<i>J76</i>	1 0 0 0 -		<i>Dr</i>	<i>4 0 0 0 -</i>

ACCOUNT Telephone Expense**No. 525**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Mar. 31	Forwarded				Dr	5 1 6 15
<i>Apr.</i> 15		<i>J77</i>	7 5 50		<i>Dr</i>	<i>5 9 1 15</i>

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

A., F. (continued)

ACCOUNT Utilities Expense**No. 510**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded										Dr		9	5	0	20
Apr.	30		J77	9	0	-						Dr	1	0	4	0	20

ACCOUNT Wages Expense**No. 530**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
Mar. ²⁰⁻	31	Forwarded										Dr		10	4	1	6	50
Apr.	30		J77	3	0	0	-					Dr	10	7	1	6	50	

B., D.

ACCOUNTS RECEIVABLE LEDGER**ACCOUNT Blue Cab Company, 16 Fox Street**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
Mar. ²⁰⁻	31	Forwarded No. 74										Dr		1	9	2	0	-
Apr.	3	Sales Invoice No. 78		9	0	4	-					Dr	2	8	2	4	-	
	15							1	9	2	0	-	Dr		9	0	4	-

ACCOUNT Champion Store, 175 Main Street

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
Mar. ²⁰⁻	31	Forwarded No. 75										Dr		7	5	0	-
Apr.	12	Sales Invoice No. 79		5	6	5	-					Dr	1	3	1	5	-

ACCOUNT Oasis Restaurant, 325 Second Street

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
Mar. ²⁰⁻	31	Forwarded No. 74										Dr		1	5	5	0	-
Apr.	5	Cash Receipt						1	0	0	0	-	Dr		5	5	0	-
	19	Sales Invoice No. 81		4	4	0	70					Dr		9	9	0	70	

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

B., D. (continued)

ACCOUNT Village Restaurant, 400 Main Street

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				Dr/Cr	BALANCE	
Mar. ²⁰⁻	31	Forwarded No. 77											Dr	3 0 0 0 -	
Apr.	12	<i>Sales Invoice No. 80</i>		1	1	3	0	-						Dr	4 1 3 0 -

C., D.

ACCOUNTS PAYABLE LEDGER**ACCOUNT M. Ball, Consultant, 430 Red Road, Bigtown**

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				Dr/Cr	BALANCE	
Mar. ²⁰⁻	31	Forwarded												Cr	1 5 1 5 -
Apr.	24	<i>Cheque Copy No. 108</i>		1	0	0	0	-						Cr	5 1 5 -

ACCOUNT R. & R. Supply, 151 King Street

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				Dr/Cr	BALANCE	
Mar. ²⁰⁻	31	Forwarded												Cr	2 7 4 0 -
Apr.	9	<i>Cheque Copy No. 106</i>		7	4	0	-						Cr	2 0 0 0 -	

ACCOUNT Stirling Company, 46 River Road

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				Dr/Cr	BALANCE	
Mar. ²⁰⁻	31	Forwarded												Cr	7 5 9 50
Apr.	22	<i>Purchase Invoice No. 512</i>							2	3	7	30		Cr	9 9 6 80
	24	<i>Cheque Copy No. 109</i>		7	5	9	50							Cr	2 3 7 30

ACCOUNT Tom's Garage, 705 Victoria Street

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				Dr/Cr	BALANCE	
Mar. ²⁰⁻	31	Forwarded												Cr	1 2 5 0 20
Apr.	8	<i>Purchase Invoice No. 701</i>							3	3	3	35		Cr	1 5 8 3 55

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)**E.****GENERAL JOURNAL**

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DATE		PARTICULARS	P.R.	DEBIT					CREDIT					
<i>20-</i> <i>Apr.</i>	1	<i>Rent Expense</i>	520	1	0	0	0	-						
		<i>HST Recoverable</i>	207		1	3	0	-						
		<i>Bank</i>	101						1	1	3	0	-	
		<i>Cheque Copy No. 105</i>												
	3	<i>A/R—Blue Cab Company</i>	105		9	0	4	-						
		<i>Fees Income</i>	401						8	0	0	-		
		<i>HST Payable</i>	206						1	0	4	-		
		<i>Invoice No. 78</i>												
	5	<i>Bank</i>	101	1	0	0	0	-						
		<i>A/R—Oasis Restaurant</i>	105						1	0	0	0	-	
		<i>On account</i>												
	8	<i>Car Expense</i>	505		2	9	5	-						
		<i>HST Recoverable</i>	207			3	8	35						
		<i>A/P—Tom's Garage</i>	205						3	3	3	35		
		<i>Gasoline and oil</i>												
	9	<i>A/P—R & R Supply</i>	205		7	4	0	-						
		<i>Bank</i>	101						7	4	0	-		
		<i>Cheque Copy No. 106</i>												
	12	<i>A/R—Champion Store</i>	105		5	6	5	-						
		<i>Fees Income</i>	401						5	0	0	-		
		<i>HST Payable</i>	206							6	5	-		
		<i>Invoice No. 79</i>												
	12	<i>A/R—Village Restaurant</i>	105	1	1	3	0	-						
		<i>Fees Income</i>	401						1	0	0	0	-	
		<i>HST Payable</i>	206						1	3	0	-		
		<i>Invoice No. 80</i>												

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

E. (continued)

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DATE		PARTICULARS	P.R.	DEBIT				CREDIT			
<i>20-</i> <i>Apr.</i>	15	<i>Telephone Expense</i>	<i>525</i>		<i>7</i>	<i>5</i>	<i>50</i>				
		<i>HST Recoverable</i>	<i>207</i>			<i>9</i>	<i>82</i>				
		<i>Bank</i>	<i>101</i>						<i>8</i>	<i>5</i>	<i>32</i>
		<i>Cheque Copy No. 107</i>									
	15	<i>Bank</i>	<i>101</i>	<i>1</i>	<i>9</i>	<i>2</i>	<i>0</i>	<i>-</i>			
		<i>A/R—Blue Cab Company</i>	<i>105</i>						<i>1</i>	<i>9</i>	<i>2</i>
		<i>On account</i>								<i>0</i>	<i>-</i>
	19	<i>A/R—Oasis Restaurant</i>	<i>105</i>		<i>4</i>	<i>4</i>	<i>0</i>	<i>70</i>			
		<i>Fees Income</i>	<i>401</i>						<i>3</i>	<i>9</i>	<i>0</i>
		<i>HST Payable</i>	<i>206</i>							<i>5</i>	<i>0</i>
		<i>Invoice No. 81</i>								<i>70</i>	
	22	<i>Supplies</i>	<i>110</i>		<i>2</i>	<i>1</i>	<i>0</i>	<i>-</i>			
		<i>HST Recoverable</i>	<i>207</i>			<i>2</i>	<i>7</i>	<i>30</i>			
		<i>A/P—Stirling Company</i>	<i>205</i>						<i>2</i>	<i>3</i>	<i>7</i>
		<i>Invoice No. 512</i>								<i>30</i>	
	24	<i>A/P—M. Ball</i>			<i>1</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>		
		<i>Bank</i>							<i>1</i>	<i>0</i>	<i>0</i>
		<i>Cheque Copy No. 108 on account</i>								<i>0</i>	<i>-</i>
	24	<i>A/P—Stirling Company</i>			<i>7</i>	<i>5</i>	<i>9</i>	<i>50</i>			
		<i>Bank</i>							<i>7</i>	<i>5</i>	<i>9</i>
		<i>Cheque Copy No. 109 on account</i>								<i>50</i>	
	30	<i>Utilities Expense</i>	<i>510</i>		<i>9</i>	<i>0</i>	<i>-</i>				
		<i>HST Recoverable</i>	<i>207</i>		<i>1</i>	<i>1</i>	<i>70</i>				
		<i>Bank</i>	<i>101</i>						<i>1</i>	<i>0</i>	<i>1</i>
		<i>Cheque Copy No. 110</i>								<i>70</i>	
	30	<i>Wages Expense</i>	<i>530</i>		<i>3</i>	<i>0</i>	<i>0</i>	<i>-</i>			
		<i>Bank</i>	<i>101</i>						<i>3</i>	<i>0</i>	<i>0</i>
		<i>Cheque Copy No. 111</i>								<i>-</i>	

CHAPTER 11 REVIEW EXERCISES (continued)

Exercise 3, p. 528 (continued)

F.

R. BRAGG

GENERAL LEDGER TRIAL BALANCE

APRIL 30, 20–

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>		5	5	1	48					
<i>Accounts Receivable</i>	7	3	3	9	70					
<i>Supplies</i>	2	9	6	0	–					
<i>Office Equipment</i>	20	8	0	0	–					
<i>Accumulated Depreciation—Office Equipment</i>						2	4	0	0	–
<i>Automobile</i>	29	5	0	0	–					
<i>Accumulated Depreciation—Automobile</i>						4	8	0	0	–
<i>Accounts Payable</i>						4	3	3	5	85
<i>HST Payable</i>						5	8	2	40	
<i>HST Recoverable</i>		3	6	6	87					
<i>R. Bragg, Capital</i>						47	3	7	4	15
<i>R. Bragg, Drawings</i>	12	0	0	0	–					
<i>Fees Income</i>						34	3	4	0	–
<i>Car Expense</i>	3	5	9	0	60					
<i>Utilities Expense</i>	1	0	4	0	20					
<i>Miscellaneous Expense</i>		3	7	5	40					
<i>Rent Expense</i>	4	0	0	0	–					
<i>Telephone Expense</i>		5	9	7	65					
<i>Wages Expense</i>	10	7	1	6	50					
	93	8	3	2	40	93	8	3	2	40

CHAPTER II REVIEW EXERCISES (continued)**Exercise 3, p. 528** (continued)

G.

*R. BRAGG**ACCOUNTS RECEIVABLE TRIAL BALANCE**APRIL 30, 20–*

<i>Blue Cab Company</i>		9	0	4	–
<i>Champion Store</i>		1	3	1	5
<i>Oasis Restaurant</i>		9	9	0	70
<i>Village Restaurant</i>		4	1	3	0
		7	3	3	9
					70
<i>Accounts Receivable Control Account</i>		7	3	3	9
					70

H.

*R. BRAGG**ACCOUNTS PAYABLE TRIAL BALANCE**APRIL 30, 20–*

<i>M. Ball</i>		5	1	5	–
<i>R & R Supply</i>		2	0	0	0
<i>Stirling Company</i>		2	3	7	30
<i>Tom's Garage</i>		1	5	8	3
		4	3	3	5
					65
<i>Accounts Payable Control Account</i>		4	3	3	5
					65

Exercise 4, p. 530

A. *As a result of the two offsetting errors, the Sales account and the Accounts Receivable account will be incorrect. The journal and ledger will balance. The net income would be overstated by \$2000. The total assets would be overstated by \$2000.*

B. *The errors will be detected because the subsidiary ledger would not balance with the control account.*

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 5, p. 530**

A.

ACCOUNTS RECEIVABLE LEDGER**ACCOUNT C. Bruk**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
20-	31	Forwarded No. 325										Dr		3	6	3	40	
20-	1	<i>Cash Receipts List</i>							3	6	3	40	-				0	
	22	<i>Sales Invoice No. 349</i>		1	2	2	0	40					Dr	1	2	2	0	40

ACCOUNT M. Howard

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
20-	31	Forwarded No. 296										Dr		3	5	5	9	25
20-	4	<i>Sales Invoice No. 347</i>		3	5	0	30					Dr	3	9	0	9	55	

ACCOUNT J. Joss

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
20-	31	Forwarded No. 306										Dr		1	0	4	8	80
20-	15	<i>Cash Receipts List</i>							1	0	4	8	80	-				0

ACCOUNT S. Persaud

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
20-	31	Forwarded No. 217										Dr		1	5	5	25
20-	15	<i>Cash Receipts List</i>							1	5	5	25	-				0

ACCOUNT D. Wilkins

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
20-	31	Forwarded No. 331										Dr		3	1	0	5	-
20-	15	<i>Cash Receipts List</i>							3	1	5	0	-	Cr		4	5	-
	22	<i>Sales Invoice No. 348</i>		3	3	9	-					Cr	2	9	4	-		

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 5, p. 530** (continued)

A. (continued)

ACCOUNTS PAYABLE LEDGER**ACCOUNT Smith's Service Station**

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE			
²⁰⁻ Jan.	3	<i>Purchase Invoice No. 1212</i>										Cr				
	18			3	6	1	52					-				0

ACCOUNT Stirling Company

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Dec.	31	Forwarded No. 245										Cr	4	8	1	5	-
²⁰⁻ Jan.	18			4	8	1	5	-					-				0

ACCOUNT Triangle Electric

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Dec.	31	Forwarded No. 4701										Cr	4	2	8	0	-
²⁰⁻ Jan.	18			4	2	8	0	-					-				0
	22	<i>Purchase Invoice No. 4912</i>										Cr	1	0	8	8	19

ACCOUNT Universal Vacuums

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE				
²⁰⁻ Dec.	31	Forwarded No. 6508										Cr	1	0	7	0	-
²⁰⁻ Jan.	31	<i>Purchase Invoice No. 6722</i>										Cr	2	5	8	1	38

ACCOUNT Western Electric

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE					
²⁰⁻ Dec.	31	Forwarded No. 246										Cr	2	1	9	3	50	
²⁰⁻ Jan.	10	<i>Purchase Invoice No. 306</i>										Cr	2	9	9	1	51	
	18			2	1	9	3	50					Cr	7	9	8	0	1

CHAPTER 11 REVIEW EXERCISES (continued)

Exercise 5, p. 530 (continued)

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Month of: January, 20--

B., C.
Cash Receipts Journal

DATE	PARTICULARS	Ref. No.	Bank		Accounts Receivable		Sales		HST Payable		Other Accounts		
			Dr	Cr	Cr	Cr	Cr	Cr	Account	PR.	Dr	Cr	
²⁰⁻ Jan. 1	T. Arthur		1 4125				125 -		1625				
1	C. Bruk		36340		36340								
9	H. McPhee		904 -				800 -		104 -				
15	J. Joss		104880		104880								
15	S. Persaud		15525		15525								
15	D. Wilkins		3150 -		3150 -								
			576270		471745		925 -		12025				
			(101)		(110)		(405)		(220)				

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Month of: January, 20--

Sales Journal

DATE	PARTICULARS	Ref. No.	Accounts Receivable		Sales		HST Payable		Sales Rtrr/Allow		Other Accounts		
			Dr	Cr	Cr	Cr	Dr	Dr	Account	PR.	Dr	Cr	
²⁰⁻ Jan. 4	M. Howard		35030		310 -		4030						
22	D. Wilkins		339 -		300 -		39 -						
22	C. Bruk		122040		1080 -		14040						
			190970		1690 -		21970						
			(110)		(405)		(220)						

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Month of: January, 20--

Purchases Journal

DATE	PARTICULARS	Ref. No.	Accounts Payable		Purchases		Supplies		HST Recoverable		Other Accounts		
			Cr	Dr	Dr	Dr	Dr	Dr	Account	PR.	Dr	Cr	
²⁰⁻ Jan. 3	Smith's Service Station		36152						4159				
10	Western Electric		79801		70620				9181				
22	Triangle Electric		108819		96300				12519				
31	Universal Vacuums		151138		133750				17388				
			375910		300670				43247				
			(205)		(505)				(225)				

CHAPTER 11 REVIEW EXERCISES (continued)

Exercise 5, p. 530 (continued)

C. (continued)

GENERAL JOURNAL

DATE		PARTICULARS	P.R.	DEBIT			CREDIT		
<i>Jan.</i> ²⁰⁻	8	<i>General Expense</i>	515		9	0	-		
		<i>Delivery Expense</i>	510						
		<i>Error correction</i>						9	0 -

GENERAL LEDGER

ACCOUNT Bank

No. 105

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE
<i>Dec.</i> ²⁰⁻	31	Forwarded								Dr	16 2 2 5 85
<i>Jan.</i> ²⁰⁻	31		CR61	5	7	6	2	70		Dr	21 9 8 8 55
	31		CP117						17	Dr	4 4 0 2 99

ACCOUNT Accounts Receivable

No. 110

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE
<i>Dec.</i> ²⁰⁻	30	Forwarded								Dr	8 2 3 1 70
<i>Jan.</i> ²⁰⁻	31		S82	1	9	0	9	70		Dr	10 1 4 1 40
	31		CR61						4	Dr	5 4 2 3 95

ACCOUNT Supplies

No. 115

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE
<i>Dec.</i> ²⁰⁻	31	Forwarded								Dr	3 1 2 50

ACCOUNT Merchandise Inventory

No. 120

DATE		PARTICULARS	P.R.	DEBIT			CREDIT			Dr/Cr	BALANCE
<i>Dec.</i> ²⁰⁻	31	Forwarded								Dr	37 4 1 6 40

CHAPTER II REVIEW EXERCISES (continued)

Exercise 5, p. 530 (continued)

C. (continued)

ACCOUNT Equipment No. 125

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	31	Forwarded										Dr	26 8 0 0 -

ACCOUNT Accumulated Depreciation—Equipment No. 126

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	31	Forwarded										Cr	12 4 0 0 -

ACCOUNT Truck No. 130

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	31	Forwarded										Dr	22 2 0 0 -

ACCOUNT Accumulated Depreciation—Truck No. 131

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	31	Forwarded										Cr	8 4 0 0 -

ACCOUNT Accounts Payable No. 205

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	30	Forwarded										Cr	12 3 5 8 50
²⁰⁻ Jan.	31		CP117	11 6 5 0 02								Cr	7 0 8 48
	31		P74					3 7 5 9 10				Cr	4 4 6 7 58

ACCOUNT Bank Loan No. 210

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				Dr/Cr	BALANCE
²⁰⁻ Dec.	31	Forwarded										Cr	18 0 0 0 -

CHAPTER 11 REVIEW EXERCISES (continued)**Exercise 5, p. 530** (continued)

C. (continued)

ACCOUNT HST Payable**No. 220**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Dec. 31	Forwarded				Cr	6 7 5 -
²⁰⁻ Jan. 31		CR61		1 2 0 25	Cr	7 9 5 25
31		S82		2 1 9 70	Cr	1 0 1 4 95
31		CP117	6 7 5 -		Cr	3 3 9 95

ACCOUNT HST Recoverable**No. 225**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Dec. 31	Forwarded				Dr	2 1 0 -
²⁰⁻ Jan. 31		CP117	3 0 1 48		Dr	5 1 1 48
31		P74	4 3 2 47		Dr	9 4 3 95
31		CP117		2 1 0 -	Dr	7 3 3 95

ACCOUNT S. Scales, Capital**No. 305**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Dec. 31	Forwarded				Cr	59 5 6 2 95

ACCOUNT S. Scales, Drawings**No. 310**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Jan. 31		CP117	3 0 0 -		Dr	3 0 0 -

ACCOUNT Sales**No. 405**

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ Jan. 31		CR61		9 2 5 -	Cr	9 2 5 -
31		S82		1 6 9 0 -	Cr	2 6 1 5 -

CHAPTER II REVIEW EXERCISES (continued)

Exercise 5, p. 530 (continued)

C. (continued)

ACCOUNT Purchases No. 505

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>CP117</i>	1 3 1 6 10		<i>Dr</i>	1 3 1 6 10
31		<i>P74</i>	3 0 0 6 70		<i>Dr</i>	4 3 2 2 80

ACCOUNT Delivery Expense No. 510

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>P74</i>	3 1 9 93		<i>Dr</i>	3 1 9 93
31		<i>J29</i>		9 0 -	<i>Dr</i>	2 2 9 93

ACCOUNT General Expense No. 515

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>CP117</i>	3 7 4 50		<i>Dr</i>	3 7 4 50
31		<i>CP117</i>	1 0 4 16		<i>Dr</i>	4 7 8 66
31		<i>J29</i>	9 0 -		<i>Dr</i>	5 6 8 66

ACCOUNT Rent Expense No. 520

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>CP117</i>	4 8 1 50		<i>Dr</i>	4 8 1 50

ACCOUNT Telephone Expense No. 525

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>CP117</i>	4 2 80		<i>Dr</i>	4 2 80

ACCOUNT Wages Expense No. 530

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	Dr/Cr	BALANCE
²⁰⁻ <i>Jan.</i> 31		<i>CP117</i>	2 5 5 0 -		<i>Dr</i>	2 5 5 0 -

CHAPTER 11 REVIEW EXERCISES (continued)

Exercise 5, p. 530 (continued)

D.

BRISTOL APPLIANCE COMPANY

GENERAL LEDGER TRIAL BALANCE

JANUARY 31, 20-

ACCOUNTS	DEBIT					CREDIT				
<i>Bank</i>	4	4	0	2	99					
<i>Accounts Receivable</i>	5	4	2	3	95					
<i>Supplies</i>		3	1	2	50					
<i>Merchandise Inventory</i>	37	4	1	6	40					
<i>Equipment</i>	26	8	0	0	-					
<i>Accumulated Depreciation—Equipment</i>						12	4	0	0	-
<i>Truck</i>	22	2	0	0	-					
<i>Accumulated Depreciation—Truck</i>						8	4	0	0	-
<i>Accounts Payable</i>						4	4	6	7	58
<i>Bank Loan</i>						18	0	0	0	-
<i>HST Payable</i>							3	3	9	95
<i>HST Recoverable</i>		7	3	3	95					
<i>S. Scales, Capital</i>						59	5	6	2	95
<i>S. Scales, Drawings</i>		3	0	0	-					
<i>Sales</i>						2	6	1	5	-
<i>Purchases</i>	4	3	2	2	80					
<i>Delivery Expense</i>		2	2	9	93					
<i>General Expense</i>		5	6	8	66					
<i>Rent Expense</i>		4	8	1	50					
<i>Telephone Expense</i>			4	2	80					
<i>Wages Expense</i>	2	5	5	0	-					
	105	7	8	5	48	105	7	8	5	48

CHAPTER II REVIEW EXERCISES (continued)**Exercise 5, p. 530** (continued)

E.

*BRISTOL APPLIANCE COMPANY**ACCOUNTS RECEIVABLE TRIAL BALANCE**JANUARY 31, 20-*

<i>C. Bruk</i>	1	2	2	0	40
<i>M. Howard</i>	3	9	0	9	55
<i>D. Wilkins</i>		2	9	4	–
	5	4	2	3	95
<i>Accounts Receivable Control Account</i>	5	4	2	3	95

*BRISTOL APPLIANCE COMPANY**ACCOUNTS PAYABLE TRIAL BALANCE**JANUARY 31, 20-*

<i>Triangle Electric</i>	1	0	8	8	19
<i>Universal Vacuums</i>	2	5	8	1	38
<i>Western Electric</i>		7	9	8	01
	4	4	6	7	58
<i>Accounts Payable Control Account</i>	4	4	6	7	58

Questions for Further Thought, p. 533

- Division of labour refers to the ability to divide the work done on accounts receivable between the accounts receivable clerk and the general ledger clerk. Specialization refers to each clerk's ability to focus on the type of transactions that relate to their ledger.*
- Junior employees often work on the subsidiary ledgers because the job is suitable to their capabilities.*
- The subsidiary ledger accounts are usually arranged alphabetically so that it is easy to find an account without having to remember the account numbers.*
- Most creditors' accounts will go in the accounts payable ledger because of the large number of vendors that provide businesses with the supplies and equipment they need. Other liabilities exist that have nothing to do with trade accounts, such as a bank loan or a mortgage payable. These claims on assets will have their own accounts in the general ledger.*

CHAPTER 11 REVIEW EXERCISES (continued)**Questions for Further Thought, p. 533** (continued)

5. *Yes, there can be other control accounts besides accounts receivable and accounts payable. Some possible control accounts are Inventory, Automobiles, and Revenue.*

6. *Yes, it is enough to show just the total of accounts receivable on the balance sheet. The balance sheet is concerned with total assets not the values in the individual accounts receivable accounts.*

7. *Subsidiary ledger clerks do not make balanced accounting entries because they are only concerned about entries that affect their ledger accounts not each transaction as a whole.*

8. *The customer's account should be written off if she has died and the debt cannot be collected. This is the accounting entry to write off the client's account.*

	Dr	Cr
<i>Expense</i>	\$\$\$\$	
<i>Account Receivable — (Client name)</i>		\$\$\$\$

9. *The general ledger clerk receives a copy of every source document because he needs to make balance entries for every transaction using all the company's accounts. A subsidiary ledger clerk receives copies of only some source documents because she only needs evidence of transactions that relate to the subsidiary ledger she handled.*

10. *Pet World and Salon could use a synoptic journal with no accounts receivable columns because the company does not sell on account and deals only in cash.*

11. *The debit entry to Sales could be recorded in the Other Accounts section.*

12. *The journal could have cross-balanced if there was another error that cancelled out the one the accountant found.*

13. *A natural relationship exists between sales and cash receipts because when a sale is made on account, a cash receipt for the sale will follow once the account is paid off.*

14. *Another journal that would be a sensible addition to the five journal system is a payroll journal.*

15. *No, it is not a problem if the Bank account has a credit balance after the cash payments journal has been posted. Once the debit for the cash receipts journal is posted, the balance will go back to a normal debit position for the account.*

CHAPTER 11 REVIEW EXERCISES (continued)**Cases for Further Thought, p. 534**

1. *The public accountant is not expected to perform the clerical routines because this is very time consuming and would be very costly given the hourly rate public accountants charge. The clerical tasks that the owner and his wife would do themselves are the banking, preparing the cheques for payment, checking the purchases, and preparing the payroll.*
2. *This business has no independent subsidiary ledger clerks and does not make copies of the source documents for posting. It would be easiest to post the data from the synoptic journal pages directly into the appropriate subsidiary ledger. Items in the Accounts Receivable columns would be posted in the accounts receivable subsidiary ledger. Items in the Accounts Payable columns would be posted in the accounts payable ledger. Customer and vendor names need to be written in the Particulars column.*
3. *To select the column headings for the new synoptic journal, study the general journal for the past few months to find the accounts that receive the most entries. Then use these accounts as the column headings.*
4. *The advantage of this system is that no ledger needs to be maintained, which saves time. The disadvantages of this system are many. The ledger is made up of loose paper that can be easily lost, compromising the accounting records. The loose paper ledger is difficult to keep in alphabetical order. Invoices are hard to find if the ledger is not in order. A partial payment requires that notations be made on the invoice, meaning that every invoice must be examined to get a sense of outstanding payments. A customer's balance may include several invoices and can only be determined by locating and adding up the invoices.*
5. *Division of labour is not the only reason for using special journals. Special journals also save you a lot of time, both with journalizing and posting. When you journalize, you usually write the amounts in the designated columns without having to write every account title. When posting, you only need to post the totals for each dedicated column not every single debit and credit amount as Mr. Mugami is doing now.*

CASE STUDIES (page 535)**Case 1** Gaining Control over Accounts Receivable (p. 535)

1. *The main problem with this system of handling accounts receivable is that the invoice files are accessible to employees in other departments who do not keep duplicate copies of the invoices for themselves or who keep copies that do not have invoice-tracking numbers. This means the accounts receivable records are consistently unreliable. Specific occurrences that would create errors in the accounts receivable include missing invoices, duplicates of the same invoice appearing in the paid and unpaid files, misfiling paid invoices in the unpaid file or vice versa, and filing a revised invoice without removing the old one.*

CASE STUDIES (continued)**Case 1** *Gaining Control over Accounts Receivable* (p. 535) (continued)

- First, the company needs standard invoices with preprinted, consecutive numbers so invoices can be easily sorted and tracked. Second, Production needs to make three copies of each invoice: one for themselves, one for Accounting, one for Engineering, and the original for the client. That way every department has a full record of all the invoices. Third, no one except Accounting staff should have access to the accounting records. Fourth, there should only be a few people who can authorize changes to existing invoices and they must first get approval from Accounting, so that Accounting can keep their records up-to-date.*

Case 2 *Looking After Number One: Good or Bad?* (p. 536)

- The main problem with this system is that she is practicing good accounting with her accounts receivable and bad accounting with her accounts payable. Webster's policy is not reasonable. She has a responsibility to pay for the goods she ordered from her suppliers. She is losing money by not taking early payment discounts. By not paying her bills on time, she risks damaging her relationship with her suppliers and her credit rating.*
- Webster's accounts are not useful in providing information for management decisions. She does not log incoming purchase invoices so she cannot calculate the outstanding amounts. When she pays the purchase invoices, she treats them like cash purchases so there is no historical record of accounts payable balances either.*
- When preparing financial statements, the pile of unpaid bills should be counted and included in accounts payable or else the statements will be very inaccurate.*

Case 3 *A Personalized Synoptic Journal?* (p. 536)

- Jacques could add five new columns to his existing synoptic journal to meet the increased requirements of his business. Two new Purchases columns: Snack Bar Purchases (debit) and Gasoline Purchases (debit). Two new Sales columns: Snack Bar Sales (credit) and Gasoline Sales (credit). One new Equity column: Jacques Larose, Drawing (debit). Adding columns is especially easy to do when using a spreadsheet.*
- Jacques might be forced to replace the synoptic journal with a different system when the number of columns he needs for the synoptic journal make it impractical. Accounting software makes the most sense for his expanding business.*

CASE STUDIES (continued)**Case 4: Challenge** *No Journal!*, (p. 537)

1. *A system like this would be used because a sales representative convinced an office manager that it was a good system. The company selling the system also sells the forms needed to make the system work.*
2. *This system relies on many copies of business forms. They have to be filed, kept under control, and used often for reference purposes, bank reconciliations, and so on. This creates a situation where important accounting records can be easily misplaced or lost. Time is also wasted searching for source documents.*
3. *The cheque copies should be filed in a binder so they stay in order. Yes, there is a need for more than one file. If you had two files, one numeric and one alphabetic, locating individual cheque copies would be much easier.*
4. *Nothing needs to be done with the cheques that remain on hand at month end. At statement time, however, these cheques must be removed from Bank since they have not really been paid and represent money owed to suppliers. An adjusting entry that debits Bank and credits Accounts Payable will correct this error.*
5. *This system could be called journalless accounting.*
6. *The system is not convenient but it will work. I would not adopt it, however. Journalizing in an accounting software system offers a multitude of advantages.*

CAREER**Roberta Lei, LLB Legal Counsel/Australia and New Zealand Banking Group Limited (ANZ), Hong Kong** (page 539)**Discussion** (p. 540)

1. *Roberta always felt close to accounting because she uses it in her daily life when handling her expenses.*
2. *Roberta chose law over accounting because she is better with words than with numbers.*
3. *A company would want to avoid going to court to settle a dispute because it is expensive and generates bad publicity.*
4. *High school courses that could prepare you to fulfill job responsibilities similar to Roberta's could include accounting, law, marketing, business communications, or economics.*

CAREER

Roberta Lei, LLB Legal Counsel/Australia and New Zealand Banking Group Limited (ANZ), Hong Kong (continued)

Discussion (continued)

- 5. *Source Records: Chapters 3 and 6 (source documents), Chapter 9 (source documents for cash)*
Book of Prime Entry: Chapter 6 (the journal), Chapter 9 (accounting for cash), Chapter 11 (cash receipts and cash payments journals)
Books of Summary: Chapter 4 (the simple ledger), Chapter 5 (the expanded ledger), Chapter 7 (posting) Chapter 11 (other accounting systems)

- 6. *A trust trial balance, a bank reconciliation statement, and a trust account statement are accounting reports that maintain the accuracy of a trust accounting system.*

- 7. *Members of the finance department of ANZ are experts with their accounting systems and spreadsheets.*

- 8. *Roberta is comfortable answering questions from auditors because she understands the fundamentals of accounting.*

Research and Writing Questions (p. 540)

- 9. *Answers will vary. Students should provide a job description of a friend or family member and a list of job activities that relate to accounting.*