**APPLICATION EXERCISE 4 – SUGGESTED SOLUTION**

**General Ledger**

**Cash at Bank**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 01/02 | Balance | 11 920 | 08/02 | Advertising / GST Clearing | 825 |
| 02/02 | Accounts Receivable | 5 500 | 14/02 | Equipment / GST Clearing | 13 310 |
| 13/02 | Cash Sales / GST Clearing | 1 650 | 19/02 | Drawings | 2 500 |
| 16/02 | Accounts Receivable | 8 624 | 21/02 | GST Clearing | 916 |
| 24/02 | Cash Sales / GST Clearing | 2 475 | 27/02 | Accounts Payable | 4 840 |
|  |  |  | 28/02 | Balance | 7 778 |
|  |  | 30 169 |  |  | 30 169 |
| 01/03 | Balance | 7 778 |  |  |  |

**Accounts Receivable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 01/02 | Balance | 14 300 | 02/02 | Bank | 5 500 |
| 11/02 | Credit Sales / GST Clearing | 9 900 | 14/02 | Sales Returns / GST Clearing | 1 100 |
|  |  |  | 16/02 | Bank / Discount Expense | 8 800 |
|  |  |  | 28/02 | Balance | 8 800 |
|  |  | 24 200 |  |  | 24 200 |
| 01/03 | Balance | 8 800 |  |  |  |

**Inventory**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 01/02 | Balance | 22 150 | 11/02 | Cost of Sales | 3 600 |
| 05/02 | Accounts Payable | 3 000 | 13/02 | Cost of Sales | 450 |
| 14/02 | Cost of Sales | 400 | 15/02 | Accounts Payable | 600 |
|  |  |  | 24/02 | Cost of Sales | 1 500 |
|  |  |  | 28/02 | Balance | 19 400 |
|  |  | 25 550 |  |  | 25 550 |
| 01/03 | Balance | 19 400 |  |  |  |

**Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 01/02 | Balance | 8 640 | 28/02 | Balance | 20 740 |
| 14/02 | Bank | 12 100 |  |  |  |
|  |  | 20 740 |  |  | 20 740 |
| 01/03 | Balance | 20 740 |  |  |  |

**Accounts Payable**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 15/02 | Inventory / GST Clearing | 660 | 01/02 | Balance | 9 940 |
| 27/02 | Bank | 4 840 | 05/02 | Inventory / GST Clearing | 3 300 |
| 28/02 | Balance | 7 740 |  |  |  |
|  |  | 13 240 |  |  | 13 240 |
|  |  |  | 01/03 | Balance | 7 740 |

**GST Clearing**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 05/02 | Accounts Payable | 300 | 01/02 | Balance | 916 |
| 08/02 | Bank | 75 | 11/02 | Accounts Receivable | 900 |
| 13/02 | Accounts Receivable | 100 | 13/02 | Bank | 150 |
| 14/02 | Bank | 1 210 | 15/02 | Accounts Payable | 60 |
| 21/02 | Bank | 916 | 24/02 | Bank | 225 |
|  |  |  | 28/02 | Balance | 350 |
|  |  | 2 601 |  |  | 2 601 |
| 01/03 | Balance | 350 |  |  |  |

**Capital**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
|  |  |  | 01/02 | Balance | 46 154 |

**Drawings**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 19/02 | Bank | 2 500 |  |  |  |

**Cash Sales**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
|  |  |  | 13/02 | Bank | 1 500 |
|  |  |  | 24/02 | Bank | 2 250 |
|  |  |  |  |  | 3 750 |

**Credit Sales**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
|  |  |  | 11/02 | Accounts Receivable | 9 000 |

**Sales Returns**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 14/02 | Accounts Receivable | 1 000 |  |  |  |

**Cost of Sales**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 11/02 | Inventory | 3 600 | 14/02 | Inventory | 400 |
| 13/02 | Inventory | 450 |  |  |  |
| 24/02 | Inventory | 1 500 |  |  |  |
|  |  | 5 150 |  |  |  |

**Advertising**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 08/02 | Bank | 750 |  |  |  |

**Discount Expense**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Cross-reference** | **Amount** | **Date** | **Cross-reference** | **Amount** |
| 16/02 | Accounts Receivable | 176 |  |  |  |

**Gus’ Gates**

**Trial Balance**

**as at 28 February 2019**

|  |  |  |
| --- | --- | --- |
| **Account** | **Debit** | **Credit** |
| Accounts Payable |  | 7 740 |
| Accounts Receivable | 8 800 |  |
| Advertising | 750 |  |
| Capital |  | 46 154 |
| Cash at Bank | 7 778 |  |
| Cash Sales |  | 3 750 |
| Cost of Sales | 5 150 |  |
| Credit Sales |  | 9 000 |
| Discount Expense | 176 |  |
| Drawings | 2 500 |  |
| Equipment | 20 740 |  |
| GST Clearing | 350 |  |
| Inventory | 19 400 |  |
| Sales Returns | 1 000 |  |
| **Totals** | **66 644** | **66 644** |