

WORKBOOK FOR ACCOUNTING AND BOOKKEEPING PRINCIPLES AND PRACTICE

Association of
Accounting Technicians
& David Willis

www.mhhe.com/au/bookkeeping

WORKBOOK FOR ACCOUNTING AND BOOKKEEPING PRINCIPLES AND PRACTICE

Association of
Accounting Technicians
& David Willis

常州大学图书馆
藏书章

The McGraw-Hill Companies

Sydney New York San Francisco Auckland
Bangkok Bogotá Caracas Hong Kong
Kuala Lumpur Lisbon London Madrid
Mexico City Milan New Delhi San Juan
Seoul Singapore Taipei Toronto



The McGraw-Hill Companies

Copyright © 2011 McGraw-Hill Australia Pty Limited
Additional owners of copyright are acknowledged in on-page credits.

Every effort has been made to trace and acknowledge copyrighted material. The authors and publishers tender their apologies should any infringement have occurred.

Reproduction and communication for educational purposes

The Australian *Copyright Act 1968* (the Act) allows a maximum of one chapter or 10% of the pages of this work, whichever is the greater, to be reproduced and/or communicated by any educational institution for its educational purposes provided that the institution (or the body that administers it) has sent a Statutory Educational notice to Copyright Agency Limited (CAL) and been granted a licence. For details of statutory educational and other copyright licences contact: Copyright Agency Limited, Level 15, 233 Castlereagh Street, Sydney NSW 2000. Telephone: (02) 9394 7600. Website: www.copyright.com.au

Reproduction and communication for other purposes

Apart from any fair dealing for the purposes of study, research, criticism or review, as permitted under the Act, no part of this publication may be reproduced, distributed or transmitted in any form or by any means, or stored in a database or retrieval system, without the written permission of McGraw-Hill Australia including, but not limited to, any network or other electronic storage.

Enquiries should be made to the publisher via www.mcgraw-hill.com.au or marked for the attention of the permissions editor at the address below.

National Library of Australia Cataloguing-in-Publication Data

Title: Workbook for accounting and bookkeeping principles and practice/Association of Accounting Technicians and David Willis.
ISBN: 9780070277694 (pbk.)
Subjects: Accounting—Problems, exercises, etc.
Bookkeeping—Problems, exercises, etc.
Other Authors/Contributors: Willis, David.
Association of Accounting Technicians.
Dewey Number: 657.2

Published in Australia by
McGraw-Hill Australia Pty Ltd
Level 2, 82 Waterloo Road, North Ryde NSW 2113
Acquisitions editor: Michael Buhagiar
Editorial coordinator: Fiona Howie
Art director: Astred Hicks
Cover and internals designer: Simon Rattray, Squirt Creative
Senior production editor: Yani Silvana
Copyeditor: Annie Kewe
Proofreader: Nadia Billings
Typeset in India in Electra LH 9/11pt by Laserwords Private Limited
Printed in China on 80gsm wood-free by China Translation & Printing Services Ltd

WORKBOOK FOR ACCOUNTING AND BOOKKEEPING PRINCIPLES AND PRACTICE



Preface

This workbook contains templates for answers to the exercises and multiple choice questions at the end of each chapter, and to the trial test papers in Chapters 7 and 16. The chapters of the workbook correspond to the chapters of the text. The answers are given in the final section of the workbook.

For a wealth of extra questions and exercises please refer to the Online Learning Centre at www.mhhe.com/au/bookkeeping.

CONTENTS

Preface	iv
Templates for the answers to multiple choice questions and exercises	1
CHAPTER 1	Introduction 2
CHAPTER 2	Source documents and the goods and services tax (GST) 8
CHAPTER 3	Cash and Credit journals 13
CHAPTER 4	General journal entries 24
CHAPTER 5	Postings to ledger accounts and the Trial Balance 31
CHAPTER 6	Debtors, creditors and subsidiary ledgers 45
CHAPTER 7	Trial tests 1 and 2 55
CHAPTER 8	Prepare Business Activity Statements and Instalment Activity Statements 63
CHAPTER 9	Controls over cash and petty cash payments 67
CHAPTER 10	Bank reconciliations 76
CHAPTER 11	Manual payroll system 91
CHAPTER 12	Maintain inventory records 102
CHAPTER 13	Depreciation, disposal of assets and Asset Registers 115
CHAPTER 14	Accrual accounting and balance day adjustments 129
CHAPTER 15	Profit accounts, worksheets and Financial Statements 139
CHAPTER 16	Trial tests 3 to 9 168
Answers to multiple choice questions and exercises	189
CHAPTER 1	Introduction 190
CHAPTER 2	Source documents and the goods and services tax (GST) 196
CHAPTER 3	Cash and Credit journals 200
CHAPTER 4	General journal entries 213
CHAPTER 5	Postings to ledger accounts and the Trial Balance 221
CHAPTER 6	Debtors, creditors and subsidiary ledgers 235
CHAPTER 7	Trial tests 1 and 2 245
CHAPTER 8	Prepare Business Activity Statements and Instalment Activity Statements 253
CHAPTER 9	Controls over cash and petty cash payments 257
CHAPTER 10	Bank reconciliations 267
CHAPTER 11	Manual payroll system 280
CHAPTER 12	Maintain inventory records 290
CHAPTER 13	Depreciation, disposal of assets and Asset Registers 303
CHAPTER 14	Accrual accounting and balance day adjustments 317
CHAPTER 15	Profit accounts, worksheets and Financial Statements 327
CHAPTER 16	Trial tests 3 to 9 357



TEMPLATES

for the answers to
multiple choice
questions and
exercises

CHAPTER 1



Introduction

✓ Multiple choice questions

- | | | | | | | | |
|---|-------|---|-------|---|-------|----|-------|
| 1 | _____ | 4 | _____ | 7 | _____ | 10 | _____ |
| 2 | _____ | 5 | _____ | 8 | _____ | | |
| 3 | _____ | 6 | _____ | 9 | _____ | | |

E Exercise 1.1

Advantages

Disadvantages

E Exercise 1.2

Accounting entity and legal entity

E Exercise 1.3

Accrual concept of accounting

E Exercise 1.4

- | | | |
|-----|-------------|-------------------------------|
| (a) | Jan Smith | Assets – Liabilities = Equity |
| (b) | Peter Prune | Assets – Liabilities = Equity |
| (c) | Hattie Hen | Assets – Liabilities = Equity |

E Exercise 1.5

1. Vehicle registration fees	
2. Purchase office printer paper	
3. Drawings	
4. Postage	
5. Equipment for manufacturing	
6. Paid casual wages	
7. Insurance	
8. Cartage outwards (freight costs)	
9. Commission revenue	
10. Sales of trading stock	
11. Rent paid to the landlord	
12. Donations to charity	
13. Motor vehicle for deliveries	
14. Loans owed to the bank	
15. Bank overdraft	

E Exercise 1.6

Item	Amount (\$)	Asset or liability
Baking equipment	30 000	
L. Lamington—a customer who is sold goods on credit	4 600	
Cash in the bank account	600	
Mortgage over the property	31 000	
Cash in the change float	50	
P. Pastry—a supplier from whom goods are purchased on credit	1 300	
Property value	40 000	
Shop fittings	3 300	
Personal loan to the business	5 000	
Inventories for sale	1 000	

continued ►

◀ continued

Revenue	Equity	Expenses (contd)
401	501	307
402	502	308
403		309
404		310

E Exercise 1.8

Part A

Complete the following table:

Transaction	Effect on equation $A - L = EQ$	Cash balance (\$)
Owner introduced cash \$90 000 and inventories \$10 000 to start a business	$100\,000 - 0 = 100\,000$	90 000
Purchased plant for cash \$40 000	no change ($A+ = A-$)	50 000
Purchased motor vehicle on credit from Con Mann \$15 000		
Sold plant to J. Smith \$1000 payable in one month		
Owner drew out cash \$2000		
Paid 40% of amount owed to Con Mann		
Received from J. Smith part payment of \$500		
Furniture purchased		
1. for cash \$4000		
2. \$1000 from L. Robinson to be paid later		
Bank loan received for \$12 000		
Owner drew out inventories \$1000		

Part B

Prepare a Balance Sheet after the last transaction in Part A.

BALANCE SHEET AS AT

Accounts	\$	\$
Assets		
less Liabilities		
= Equity		

E Exercise 1.9

Item	Assets (\$)	Liabilities (\$)	Equity (\$)
At start	30 000 –	15 000 =	15 000
Bought a motor vehicle for \$10 000 cash	30 000 – Unchanged	15 000 =	15 000
Arranged a bank loan for \$8000	38 000 –	23 000 =	15 000
Owner contributed extra cash for the business of \$7000			
Paid a creditor's account of \$2000 by cheque			
Received from a debtor \$1000 cash			
Owner drew out of the business \$3000 cash			
Bought furniture for \$500 cash			
Bought an office computer for \$6000, payable in 30 days			

E Exercise 1.10

BALANCE SHEET AS AT

Accounts	\$	\$
Assets		
less Liabilities		
= Equity		

Final Accounting Equation _____

CHAPTER 2



Source documents and the goods and services tax (GST)

✓ Multiple choice questions

- | | | | |
|---------|---------|---------|----------|
| 1 _____ | 4 _____ | 7 _____ | 10 _____ |
| 2 _____ | 5 _____ | 8 _____ | |
| 3 _____ | 6 _____ | 9 _____ | |

E Exercise 2.1

gladeville garden centre		TAX INVOICE	
ABN: 144 445 665		Gardenville Victoria 3085 Telephone (03) 8877 8867	
SALES INVOICE: R4554		Date:	
Sold to:			
Order Number:			
Delivered:		Delivery docket:	
Quantity	Description of goods	Price (\$)	Amount (\$)
Net 30 days, or 5% discount if paid within seven days.			

E Exercise 2.2

Distinguish between:

(a) GST collected

(b) GST input

(c) GST clearing

E Exercise 2.3

Date: June 2015	Transaction	GST input (\$)	GST collected (\$)
1	Balance	458	2 388
1	Cash sales		
2	Purchase of inventories on credit		
12	Purchases returns		
14	Asset computer purchased on credit		
15	Sales on inventories on credit		
17	Paid insurance		
18	Rent received from tenant		
	Totals		

GST payable = _____

E Exercise 2.4

(a)

Item—actual amount of GST	GST account
Sales journal \$5500	
Purchases journal \$3750	
Sales from Cash receipts journal \$5100	
Purchases from Cash payments journal \$2030	
General journal—bad debt \$200	
General journal—drawings of inventories by the owner \$66	

(b) **GST PAYABLE AS AT 30 JUNE 2015**

GST collected +	GST collected -	GST input +	GST input -
Totals			

Calculation of GST payable

(c)

(d)

E Exercise 2.5(a) **AMOUNTS OF GST PAYABLE TO THE ATO**

Business	Calculation	GST amount payable (\$)
Solid Metal		
Kitchen Sinks		
Kompletely Kitchens		
Total GST payable		

(b)

E Exercise 2.6

(a)

(b)

GST	\$

(c)

E Exercise 2.7

Place a ✓ in the appropriate box:

Item	GST to be calculated	GST-free
Milk		
Flavoured milk		
Bank interest expense		
Drawings of inventories by the owner		
Cash purchases of inventories		
Council rates and taxes		
Amounts paid to creditors		
Sale of non-current assets		
Exports of inventories		
Imports of inventories from Japan		
Bad debts		
Sale of inventories interstate		

E Exercise 2.8

Insert 'GST input', 'GST collected' or 'GST clearing':

GST on:	Which account?	Debit or credit?
Sales returns	GST collected	Credit (included with sales)
Purchase of assets	GST input	Debit
Calculation of GST owing to the business by the ATO		
Bad debts		
Bad debts recovered		
Sales of inventories		
Sales of assets		
Purchases		
Purchases returns		
Drawings of inventories by the owner		