**THE LEDGER**

***1.***

|  |  |  |
| --- | --- | --- |
| Account | Debit | Credit |
| Purchases  Capital  Sales  Debtors  Creditors  Motor Vehicle  Stock  Cash at Bank | 130,000  45 ,000  120,000  50,000  10,000  355,000 | 150,000  165,000  40,000  355,00 |

***2.*** i) Creditors ledger-to find the total purchase made on credit

ii) Private ledgers-to ascertain the movement of capital in the business/keep confidential

accounts

iii) Normal ledger-to record the total expenses or income incurred r received in business

***3.*** Nyatike Traders

Trial Balance

As at 31st Jan/2010

Dr Cr

Capital 319,000

Drawings 16,000

Creditors 20,000

Discount allowed 5,000

Buildings 250,000

Return Outwards 6,000

Purchases 74,000 0000

345,000 345,000

***4.***

|  |  |  |
| --- | --- | --- |
| Kebirigo Traders  Trial Balance Balance  As at 31st Dec. 2009 | | |
|  | DR | CR |
| Buildings  Debtors  Capital  Sales  Purchases  Stock  Creditors  General expenses  Bank overdraft | 100,000  54,000    48,000  25,400    31,800 | 136,000  85,000    35,700    2,500 |
|  | 259,200 | 259,200 |

***5.***

|  |  |  |
| --- | --- | --- |
| Fixed Assets  Purchases  Sales  Debtors  Stock  Creditors  capital | 250000  80000  22000  60000  412000 | 120000  45000  247000  412000 |

6. - Errors of original entry

- Errors of total commission

- Errors of complete reversal of entries

- Compensating errors

7..

|  |  |  |
| --- | --- | --- |
|  | Account | Subsidiary ledger |
| a) | Return inwards | General Ledger |
| b) | Discounts received | General Ledger |
| c) | Drawings | Nominal Ledger |
| d) | Juma a supplier | Purchases Ledger |
| e) | Ombichi a distributor | Sales Ledger |
| f) | Bank | Cash book |

***8.*** Capital account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | L.F | Amount | Date | Details | LF | Amount |
|  |  |  |  | 1.6.2009 | cash | CB | 100000 |

Cash account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | L.F | Amount | Date | Details | LF | Amount |
| 1.6.2009 | Capital | GL | 100000 | 3.6.2009 | Furniture | GL | 30000 |
| 2.6.2009 | A Co-operative loan | GL | 20000 |  |  |  |  |

Co-operative loan account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | L.F | Amount | Date | Details | LF | Amount |
|  |  |  |  | 2.6.2009 | cash | CB | 20000 |

Furniture account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | LF | Amount | Date | Details | LF | Amount |
| 3.6.2009 | Bank | CF | 40000 |  |  |  |  |
| 3.6.2009 | Cash | CB | 30000 |  |  |  |  |

Bank account

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Details | LF | Amount | Date | Details | LF | Amount |
|  |  |  |  | 3.6.2009 | Furniture | GL | 40000 |
|  |  |  |  |  |  |  |  |

***9. Post the transaction into the relevant ledge account***

***Dr***. Capital a/c Cr

|  |  |
| --- | --- |
| w | 1.6.2008 cash 120,000  13.6.2008 furniture 15,000 |

Dr. CASH A/C Cr

|  |  |
| --- | --- |
| 1.6.2008 capital 120,000  28.6.2008 loan 40,000 | 4..6.2008 bank 66000 |

Dr. BANK A/C Cr

|  |  |
| --- | --- |
| 4.6.2008 cash 66,000 | A |

Dr. FURNITURE A/C Cr

|  |  |
| --- | --- |
| 13.6.2008 capital 15000 | A |

Dr. LOAN Cr

|  |  |
| --- | --- |
| A | 28.6.2008 cash 40,000 |

**THE LEDGER**

1. Dr. Cash A/c Cr Dr. Capital A/c Cr.

Jan. Capital 100,000 Jan. Purchases 20,000 Jan. Cash 100,000

March Bank 60,000

June Drawings 10,000

Dr. Purchases Cr.

Jan. cash 20,000

May Creditor 70,000

Dr. Sales Cr. Dr. Debtors Cr.

Feb. Debtors 30,000 Feb. Sales 30,000 April. R. Inwards (S.R) 50,000

Dr. Bank Cr. R. Inwards(S.R)

March cash 60,000 April Debtors 50,000

Creditors Drawings

May Purchases 70,000 June capital 10,000

***2.***

*Dr Capital Account Cr*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Date* | *Details* | *Amount* | *Date* | *Details* | *Amount* |
| *5/4/07* | *Bal c/d* | *80000* | *1/4/07*  *5/4/07* | *Cash*  *Bal b/d* | *80000* |

*Dr Cash Account Cr*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Date* | *Details* | *Amount* | *Date* | *Details* | *Amount* |
| *1/4/07*  *5/4/07* | *Capital*  *Bal b/d* | *80000*  *80000*  *25940* | *2/4/07*  *3/4/07*  *5/4/07*  *5/4/07* | *Stationery*  *Bank*  *Postage stamps*  *Bal c/d* | *4000*  *50000*  *60*  *25940*  *80000* |

Dr Stationery Account Cr

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Amount | Date | Details | Amount |
| 2/4/07  5/4/07 | Cash  Bal b/ | 4000  4000 | 5/4/07 | Bal c/d | 4000 |

Dr Bank Account Cr

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Amount | Date | Details | Amount |
| 3/4/07  5/4/07 | Cash  Bal b/d | 50000  50000 | 5/4/07 | Bal c/d | 50000 |

Dr Motor vehicle Account Cr

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Amount | Date | Details | Amount |
| 4/4/07  5/4/07 | Lucy motors  Bal b/d | 250000  250000 | 5/4/07 | Bal c/d | 250000 |

Dr Lucy Motors Account Cr

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Amount | Date | Details | Amount |
| 5/4/07 | Bal c/d | 250000 | 4/4/07  5/4/07 | Motor vehicle  Bal b/d | 250000  250000 |

Dr Postage Account / Exp accounts Cr

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Amount | Date | Details | Amount |
| 5/4/07  5/4/07 | Cash  Bal b/d | 60  60 | 5/4/07 | Bal c/d | 60 |

May

Trial balance As at 5/4/2007

|  |  |  |
| --- | --- | --- |
| Account | Dr (Shs.) | Cr (Shs.) |
| Capital  Cash  Stationery  Bank  Motor vehicle  Lucy motors  Postage | 25940  4000  50000  250000  60  330000 | 80000  250000  330000 |

***3.***

|  |  |
| --- | --- |
| Dr. CAPITAL A/C Cr. | |
| Dec. 31 Bal. b/d 160,000 | Dec. 1 A/C 160,000  Jan Bal b/d 160,000 |

|  |  |
| --- | --- |
| Dr. Cash A/C Cr. | |
| Dec. 1 Capital 160,000  3 sales 126,000  5 Rent 37,500  323,500  Jan 1 bal. b/d 196,500 | Dec. 2 Purchase 120,000  4 electricity 1,000  6 comm. 6,000  7 Bal c/d 196,500  323,500 |

|  |  |
| --- | --- |
| Dr. PURCHASE A/C Cr. | |
| Dec. 2 Cash 120,000  Jan. 1 Bal b/d 120,000 | Dec. 30 Bal b/d 120,000 |

|  |  |
| --- | --- |
| Dr. SALES A/C Cr. | |
| Dec. 30 Bal. b/d 126,000 | Nov. 3 Cash 126,000  Jan. 1Bal b/d 126,000 |

|  |  |
| --- | --- |
| Dr. ELECTRICITY A/C Cr. | |
| Dec. 4 Cash 1,000  Jan. 1 Bal b/d 1,000 | Dec. 30 Bal c/d 1,000 |

|  |  |
| --- | --- |
| Dr. RENT A/C Cr. | |
| Dec. 30 Bal. c/d 37,570 | Dec. 5 Cash 37,500  Jan. 1Bal b/d 37,500 |

|  |  |
| --- | --- |
| Dr. DISCOUNT A/C Cr. | |
| Dec. 6 Cash 6,000  Bal b/d 6,000 | Dec. 30 Bal c/d 6,000 |

|  |  |  |
| --- | --- | --- |
| NDHIWA TRADERS  Trial balance as at 31st Dec. 2008 | | |
| Title of Accounts  Capital  Cash  Purchases  Sales  Electricity  Rent  discount | Debit  196,500  120,000  1,000  6,000  323,500 | Credit  160,000  126,000  37,500  323,500 |

**25.**