 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY**

**NOTES AND ACTIVITIES**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **SUBJECT** | ACCOUNTING | | **GRADE** | | 10 | **DATE** |  | | | |
| **TOPIC** | FINANCIAL ACCOUNTING OF A SOLE TRADER- FINAL ACCOUNTS AND YEAR ADJUSTMENTS | | | | | | **Term** | 2 | **Week** | 7 |
| **TIME ALLOCATION** | | 1 Week | | |  |  | | --- | --- | | **TIPS TO KEEP HEALTHY** | | |  |  | | 1. | **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%. | |  |  | | 2. | **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people. | |  |  | | 3. | **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use. | |  |  | | 4. | **WEAR A MASK AND TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. | |  |  | | 5. | **STAY AT HOME.** | | | | | | | |
| **INSTRUCTIONS** | See requirements per activity | | |
| **RESOURCES** | **USE YOUR TEXTBOOK(S) & PREVIOUS ACTIVITIES** | | | | | | | | | |

**ACTIVITY 1- ANSWER BOOK**

**1. General Journal of Sophie Traders for February 2020 GJ**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **J/V** | **Date** | **Details**  **Adjustment Journal Entries** |  | **Debits** | **Credits** |
| 1 | 28 | Accrued income √ |  | 15 000√ |  |
|  |  | Commission income √ |  |  | 15 000√ |
|  |  | Commission income for February 2020 not yet accounted for |  |  |  |
|  |  |  |  |  |  |
| 2 | 28 | Rent income √ |  | 2000√ |  |
|  |  | Income received in advance/Deferred income√ |  |  | 2000√ |
|  |  | Rent for March and April 2020 received in advance |  |  |  |
|  |  |  |  |  |  |

**General ledger of Sophie Traders**

**2. Balance Sheet Accounts Section**

**Accrued Income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Commission income√ | GJ | 15000√ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |

**Income received in advance/Deferred income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | 2020  Feb | 28 | Rent income√ | GJ | 2000√ |
|  |  |  |  |  |  |  |  |  |  |  |

**Nominal Accounts Section**

**Commission Income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Profit &loss account √ | GJ | 145000√ |  | 2020  Feb | 28 | Total | b/f | 130 000 |
|  |  |  |  |  |  |  |  | Accrued income√ | GJ | 15 000√ |
|  |  |  |  | **145000**√ |  |  |  |  |  | **145 000**√ |

**Rent income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Income received in advance√ | GJ | 2000√ |  | 2020  Feb | 28 | Total | b/f | 14 000 |
|  |  | Profit and loss account√ | GJ | 12000√ |  |  |  |  |  |  |
|  |  |  |  | **14000**√ |  |  |  |  |  | **14 000**√ |

**3. ACCOUNTING EQUATION**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Account debit** | **Account credit** | **Assets** | **Owner’s Equity** | **Liabilities** |
| 1. | Accrued income√ | Commission income√ | +15000√ | +15000√ | 0 |
| 2. | Rent income√ | Income received in advance√ | 0 | -2000√ | +2000√ |
|  |  |  |  |  |  |

**ACTIVITY 2- ANSWER BOOK**

**1. General Journal of Katlin Traders for February 2020 GJ**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **J/V** | **Date** | **Details**  **Adjustment Journal Entries** |  | **Debits** | **Credits** |
| 1 | 28 | Accrued income √ |  | 2000√ |  |
|  |  | Fee income √ |  |  | 2000√ |
|  |  | Fee income for February 2020 not yet accounted for |  |  |  |
|  |  |  |  |  |  |
| 2. | 28 | Rent income √ |  | 5600 √ |  |
|  |  | Income received in advance√ |  |  | 5600 √ |
|  |  | Rent for March 2020 received in advance |  |  |  |
|  |  |  |  |  |  |

**General ledger of Katlin Traders**

**2. Balance Sheet Accounts Section**

**Accrued Income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Fee income√ | GJ | 2000√ |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |

**Income received in advance/Deferred income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | 2020  Feb | 28 | Rent√ | GJ | 5 600√ |
|  |  |  |  |  |  |  |  |  |  |  |

**Nominal Accounts Section**

**Fee Income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Profit &loss account √ | GJ | 30 000√ |  | 2020  Feb | 28 | Total | b/f | 28 000 |
|  |  |  |  |  |  |  |  | Accrued income √ | GJ | 2 000 √ |
|  |  |  |  | **30 000** √ |  |  |  |  |  | **30 000**√ |

**Rent income**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Income received in advance√ | GJ | 5 600 √ |  | 2020  Feb | 28 | Total | b/f | 72 800 |
|  |  | Profit &loss account√ | GJ | 67200√ |  |  |  |  |  |  |
|  |  |  |  | **72800**√ |  |  |  |  |  | **72800**√ |

**3. ACCOUNTING EQUATION**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Account debit** | **Account credit** | **Assets** | **Owner’s Equity** | **Liabilities** |
| 1. | Accrued income√ | Fee income√ | +2000√ | +20√00 |  |
| 2. | Income received in advance√ | Rent income√ |  | -5600√ | +5600√ |
|  |  |  |  |  |  |

**ACTIVITY 3- ANSWER BOOK**

**1. General Journal of Bisto Traders for February 2020 GJ**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **J/V** | **Date** | **Details**  **Adjustment Journal Entries** |  | **Debits** | **Credits** |
| 1 | 28 | Water and electricity√ |  | 900√ |  |
|  |  | Accrued expenses/Expenses payable√ |  |  | 900√ |
|  |  | Water and electricity account for February 2020 not yet accounted for |  |  |  |
|  |  |  |  |  |  |
| 2 | 28 | Prepaid expense√ |  | 500√ |  |
|  |  | Advertising√ |  |  | 500√ |
|  |  | Advertising account paid for next financial period |  |  |  |
|  |  |  |  |  |  |
| 3 | 28 | Prepaid expense√ |  | 2275√ |  |
|  |  | Rates and municipal services√ |  |  | 2275√ |
|  |  | Rates and municipal services paid for the next financial period |  |  |  |
|  |  |  |  |  |  |
| 4 | 28 | Rent expense√ |  | 3700√ |  |
|  |  | Accrued expense/Expenses payable√ |  |  | 3700√ |
|  |  | Rent for February 2020 not yet accounted for |  |  |  |

**General ledger of BistoTraders**

**2. Balance Sheet Accounts Section**

**Accrued Expense/Expenses payable**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | 2020  Feb | 28 | Water and electricity√ | GJ | 900√ |
|  |  |  |  |  |  |  |  | Rent expense√ | GJ | 3700√ |
|  |  |  |  |  |  |  |  |  |  |  |

**Prepaid Expenses**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Advertising√ | GJ | 500√ |  |  |  |  |  |  |
|  |  | Rates and municipal services√ | GJ | 2275√ |  |  |  |  |  |  |

**Nominal Accounts Section**

**Water and Electricity**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | b/f | 8850 |  | 2020  Feb | 28 | Profit and loss account√ | GJ | 9750√ |
|  |  | Accrued expense√ | GJ | 900√ |  |  |  |  |  |  |
|  |  |  |  | **9750**√ |  |  |  |  |  | **9750**√ |

**Rates and Municipal Services**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | b/f | 10000 |  | 2020  Feb | 28 | Prepaid expense√ | GJ | 2275√ |
|  |  |  |  |  |  |  |  | Profit and loss account√ |  | 7725√ |
|  |  |  |  | **10000**√ |  |  |  |  |  | **10000**√ |

**Rent Expense**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | b/f | 40 700 |  | 2020  Feb | 28 | Profit and loss account√ | GJ | 43 300√ |
|  |  | Accrued expense√ | GJ | 3700√ |  |  |  |  |  |  |
|  |  |  |  | **44 400**√ |  |  |  |  |  | **44 400**√ |

**Advertising**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | b/f | 4500 |  | 2020  Feb | 28 | Prepaid expense | GJ | 500√ |
|  |  |  |  |  |  |  |  | Profit and loss account√ | GJ | 4000 |
|  |  |  |  | **4500**√ |  |  |  |  |  | **4500**√ |

**3. ACCOUNTING EQUATION**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Account debit** | **Account credit** | **Assets** | **Owner’s Equity** | **Liabilities** |
| 1 | Water and electricity√ | Accrued expense√ | 0 | -900√ | +900√ |
|  |  |  |  |  |  |
| 2 | Prepaid expense√ | Advertising√ | +500√ | +500√ | 0 |
|  |  |  |  |  |  |
| 3 | Prepaid expense√ | Rates and municipal services√ | +2 275√ | +2 275√ | 0 |
|  |  |  |  |  |  |
| 4 | Rent expense√ | Accrued expense√ | 0 | -3700√ | +3700√ |

**ACTIVITY 4- ANSWER BOOK**

**1. General journal of Bhuwa Traders for February 2020 GJ**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **J/V** | **Date** | **Details**  **Adjustment Journal Entries** |  | **Debits** | **Credits** |
| 1 | 28 | Prepaid expense√ |  | 250√ |  |
|  |  | Stationery√ |  |  | 250√ |
|  |  | Stationery paid in advance |  |  |  |
|  |  |  |  |  |  |
| 2 | 28 | Prepaid expense√ |  | 750√ |  |
|  |  | Insurance√ |  |  | 750√ |
|  |  | Insurance paid in advance |  |  |  |
|  |  |  |  |  |  |
| 3 | 28 | Advertising√ |  | 360√ |  |
|  |  | Accrued expense√ |  |  | 360√ |
|  |  | Advertising for February 2020 not yet accounted for |  |  |  |
|  |  |  |  |  |  |

**General ledger of Bhuwa Traders**

**Balance Sheet Accounts Section**

**Prepaid Expenses**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Stationery√ | GJ | 250√ |  |  |  |  |  |  |
|  |  | Insurance√ | GJ | 750√ |  |  |  |  |  |  |

**Accrued Expenses/Expenses payable**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | 2020  Feb | 28 | Advertising√ | GJ | 360√ |
|  |  |  |  |  |  |  |  |  |  |  |

**Nominal Accounts Section**

**Stationery**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | B/F | 3250 |  | 2020  Feb | 28 | Prepaid expense√ | GJ | 250√ |
|  |  |  |  |  |  |  |  | Profit and loss account√ | GJ | 3000√ |
|  |  |  |  | **3250**√ |  |  |  |  |  | **3250**√ |

**Insurance**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | B/F | 8500 |  | 2020  Feb | 28 | Prepaid expense√ | GJ | 750√ |
|  |  |  |  |  |  |  |  | Profit and loss account√ | GJ | 7750√ |
|  |  |  |  | **8500**√ |  |  |  |  |  | **8500**√ |

**Advertising**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020  Feb | 28 | Total | B/F | 7000 |  | 2020  Feb | 28 | Profit and loss account√ | GJ | 7360√ |
|  |  | Accrued expense√ | G/J | 360√ |  |  |  |  |  |  |
|  |  |  |  | **7360**√ |  |  |  |  |  | **7360**√ |

**3. ACCOUNTING EQUATION**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Account debit** | **Account credit** | **Assets** | **Owner’s Equity** | **Liabilities** |
| 1. | Prepaid expense√ | Stationery√ | +250√ | +250√ | 0 |
|  |  |  |  |  |  |
| 2. | Prepaid expense√ | Insurance√ | +750√ | +750√ |  |
|  |  |  |  |  |  |
| 3. | Advertising√ | Accrued expense√ | 0 | -360√ | +360√ |