

TASK 5.17

Revision of Adjustments & Accounting Equation covered in Grade 10

5.17.1

No.	Description	GAAP concept applicable	Account debited		Account credited		Amount
			Name of account	Section in ledger	Name of account	Section in ledger	
1.	Correction of error	Business entity rule	Drawings	Balance Sheet	Sundry expenses	Nominal	R3 000
2.	Omission	Matching	Bank	Balance Sheet	Fee income	Nominal	2 000
3.	Expenses payable (accrued)	Matching	Legal fees	Nominal	Expenses payable / Accrued expenses	Balance Sheet	50 000
4.	Expenses prepaid	Matching	Expenses prepaid	Balance Sheet	Municipal rates	Nominal	1 300
5.	Income receivable (accrued)	Matching	Income receivable / Accrued income	Balance Sheet	Rent income	Nominal	6 000
6.	Deferred income (received in advance)	Matching	Fee income	Nominal	Deferred income / Income received in advance	Balance Sheet	800
7.	Consumable stores on hand	Matching	Consumable stores on hand	Balance Sheet	Packing material	Nominal	1 500
8.	Trading stock deficit	Matching & Prudence	Trading stock deficit	Nominal	Trading stock	Balance Sheet	7 000
9.	Depreciation	Matching & Prudence	Depreciation	Nominal	Accumulated depreciation on equipment	Balance Sheet	2 200

5.17.2

No.	ASSETS =	OWNERS' EQUITY +	LIABILITIES
1.	0	±R3 000	0
2.	+R2 000	+R2 000	0
3.	0	-R50 000	+R50 000
4.	+R1 300	+R1 300	0
5.	+R6 000	+R6 000	0
6.	0	-R800	+R800
7.	+R1 500	+R1 500	0
8.	-R7 000	-R7 000	0
9.	-R2 200	-R2 200	0

TASK 5.18

Tata Traders: Revision of Adjustments & Accounting Equation covered in Grade 10

5.18.1 GENERAL JOURNAL OF TATA TRADERS – FEBRUARY 20.9

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No	D	Details	Fol	Debit	Credit	Debtors control		Creditors control	
						Debit	Credit	Debit	Credit
1	28	Drawings: Akona Trading stock		33 000					
		Stock taken by partner for personal use			33 000				
2		Advertising Printing & stationery		12 000	12 000				
		Correction of error							
3		Income receivable / accrued Commission income		3 000	3 000				
		Commission owed to the business							
4		Printing & stationery Expenses payable / accrued		1 400	1 400				
		Amount not yet paid							
5		Expenses prepaid Repairs		9 000	9 000				
		Amount paid to PE Handyman in advance							
6		Rent income Deferred income / received in advance		7 000	7 000				
		Rent received in advance for March 20.9							
7		Consumable stores on hand Cleaning materials		5 500	5 500				
		Materials on hand at year-end							
8		Trading stock deficit ^[1] Trading stock		6 000	6 000				
		Shortage identified at year end							
9		Depreciation ^[2] Accumulated depreciation on vehicles		66 000	66 000				
		Depreciation at 20% p.a. on diminishing balance method							

^[1] 740 000 – 33 000 – 701 000

^[2] [450 000 – 120 000 = 330 000 x 20%

5.18.2 TATA TRADERS

POST-ADJUSTMENT TRIAL BALANCE ON 28 FEBRUARY 20.9 (Incomplete)

Balance Sheet accounts section	Fol	Debit	Credit
Drawings: Akona (100 000 + 33 000)		133 000	
Vehicles		450 000	
Accumulated depreciation on vehicles (120 000 + 66 000)			186 000
Trading stock (740 000 – 33 000 – 6 000)		701 000	
Income receivable / accrued		3 000	
Expenses payable / accrued			1 400
Expenses prepaid		9 000	
Deferred income / received in advance			7 000
Consumable stores on hand		5 500	
Nominal accounts section			
Advertising (43 000 + 12 000)		55 000	
Cleaning materials (36 000 – 5 500)		30 500	
Commission income (50 000 + 3 000)			53 000
Printing & stationery (76 000 – 12 000 + 1 400)		65 400	
Rent income (91 000 – 7 000)			84 000
Repairs (54 000 – 9 000)		45 000	
Trading stock deficit		6 000	
Depreciation		66 000	

5.18.3

No.	ASSETS =	OWNERS' EQUITY +	LIABILITIES
1.	-R33 000	-R33 000	0
2.	0	±R12 000	0
3.	+R3 000	+R3 000	0
4.	0	-R1 400	+R1 400
5.	+R9 000	+R9 000	0
6.	0	-R7 000	+R7 000
7.	+R5 500	+R5 500	0
8.	-R6 000	-R6 000	0
9.	-R66 000	-R66 000	0