

*Chapter 12: Special Journal Entries*  
**Chapter Review Solutions**

2. (a)

General Journal of Sancho			GJ1	
01/07	Bank		1,000	
	Tools		3,000	
	Motor vehicle		20,000	
	Accounts Receivable Control - P Plum		1,500	
	Bank Loan			10,000
	Capital			15,500
	<b>Assets &amp; liability on business commencement</b>			

**General Ledger of Sancho**

(b) Bank				100			
Date	Details	Folio	Amount	Date	Details	Folio	Amount
01/07	Capital		1,000				
Accounts Receivable Control				110			
01/07	Capital		1,500				
Tools				166			
01/07	Capital		3,000				
Motor Vehicle				170			
01/07	Capital		20,000				
Bank Loan				220			
Date	Details	Folio	Amount	Date	Details	Folio	Amount
				01/07	Capital		10,000

<b>Capital</b>						<b>300</b>
				01/07	Assets & Liability	15,500

<b>Accounts Receivable Subsidiary Ledger of Sancho</b>				<b>Peter Plum</b>		<b>110.01</b>
Date	Details	Folio	Debit	Credit	Balance	
01/7	Capital		1,500		1,500 DR	

4.

<b>General Journal of G. Sweet</b>			<b>GJ1</b>
08/06	Drawings GST Paid Inventory <i>Owner took inventory for own use</i>	330	30 300
30/06	Drawings Bank <i>Owner withdrew cash</i>	800	800

6.

<b>General Journal of Syd Simpkin's Store</b>				
<b>Date</b>	<b>Particulars</b>	<b>Folio</b>	<b>Debit</b>	<b>Credit</b>
Nov 01	Cash at Bank		20,000	
	Accounts Receivable Control		5,000	
	Motor Vehicles		10,000	
	Office Furniture		1,000	
	Office Equipment		2,000	
	Inventory		1,400	
	Accounts Payable Control			1,200
	Loan from Bank			2,000
	Capital			36,200
	<b><i>Assets and liabilities contributed by owner at commencement of business</i></b>			
02	Office Equipment		6,000	
	GST Paid		600	
	Accounts Payable – Arrow			6,600
	<b><i>Purchase of computer Inv 92</i></b>			
04	Bank		33	
	Accounts Receivable – Jones			33
	<b><i>Amount received on account</i></b>			
	Bad Debts		270	
	GST Collected		27	
	Accounts Receivable Control -Jones			297
	<b><i>Jones declared bankrupt. Remaining amount written off as bad debt</i></b>			
09	Drawings		209	
	Inventory			190
	GST Paid			19
	<b><i>Goods taken for personal use</i></b>			
16	Office Furniture		400	
	Capital			400
	<b><i>The owner gave the business furniture</i></b>			
19	Accounts Receivable Control - Bloggs		120	
	Interest Income			120
	<b><i>Bloggs charged interest for outstanding account</i></b>			

## 8. General Journal of Blue Chameleon

Date	Particulars	Folio	Debit	Credit
May 01	Cash at Bank	100	20,000	
	Inventory	120	4,000	
	Office Furniture	170	6,000	
	Capital	300		30,000
	<b>Owner's contribution on commencement of business.</b>			
03	Inventory	120	2,800	
	GST Paid	125	280	
	Accounts Payable – J Scott	210		3,080
	<b>Goods purchased on credit</b>			
05	Motor Vehicle	170	9,000	
	GST Paid	125	900	
	Accounts Payable – Master Motors	210		9,900
	<b>Purchase of motor vehicle on credit</b>			
10	Motor Vehicle	170	8,000	
	Accounts Receivable	110	12,000	
	Inventory	120	13,000	
	Goodwill	178	2,000	
	Loan	270		5,000
	Vendor – Gawn Fishin	215		30,000
	<b>Purchase of business from Gawn Fishin</b>			
	Vendor – Gawn Fishin	215	30,000	
	Bank	100		30,000
	<b>Paid Gawn Fishin</b>			
12	Accounts Payable – J Scott	210	880	
	Bank	100		880
	<b>Payment of account</b>			
13	Accounts Receivable – W Wander	110	990	
	Sales	400		900
	GST Collected	230		90
	<b>Credit sale</b>			
	COGS	550	460	
	Inventory	120		460
16	Bank	100	3,190	
	Sales	400		2,900
	GST Collected	230		290
	<b>Cash sales</b>			
	COGS	550	1,600	
	Inventory	120		1,600
22	Salaries	700	1,040	
	Bank	100		1,040
	<b>Salaries paid</b>			
23	Office Furniture	174	500	
	GST Paid	125	50	
	Bank	100		550
	<b>Office Furniture bought from Steptoe</b>			
26	Drawings	310	770	
	Inventory	120		700
	GST Paid	125		70
	<b>Goods taken by owner</b>			
28	Bad Debts	820	900	
	GST Collected	230	90	
	Accounts Receivable Control - Wander	110		990
	<b>Debt written off</b>			

## 10. Correcting journal entries

(a)

Particulars	Debit	Credit
Electricity	180	
GST Paid	18	
Cash at Bank		196
<b><i>Correction of error</i></b>		

(b)

Motor Vehicles	30,000	
Purchases/Inventory		30,000
<b><i>Vehicle for the business incorrectly posted to Purchases</i></b>		

(c)

Discount Received	20	
GST Paid	2	
Accounts Payable Control - S. O. Mean		22
<b><i>Discount taken now disallowed</i></b>		

(d)

Cash at Bank	400	
Interest Expense		200
Interest Income		200
<b><i>Interest income recorded as interest expense</i></b>		

(e)

Cash at Bank	22	
Advertising		20
GST Paid		2
<b><i>Correction of error - incorrect amount charged</i></b>		

(f)

Accounts Payable Control – C Quick	990	
Cash at Bank		990
<b><i>Correction - amount paid recorded incorrectly</i></b>		

(g)

Telephone Expense	400	
Internet Charges		400
<b><i>Correction – incorrect posting</i></b>		

(h)

Cash at Bank	2,200	
Accounts Payable Control - King Carlos		2,200
<b><i>Correction – payment recorded twice</i></b>		

(i)

Discount Received	2,000	
Rent Received		2,000
<b><i>Correction – posted to wrong account</i></b>		

(j)

Accounts Receivable Control - J. Case	1,760	
Accounts Receivable Control - J. Cash		1,760
<b><i>Correction – sales charged to incorrect debtor</i></b>		

12.

<b>General Journal of Annie Gables</b>		<b>Acc No.</b>	<b>Debit</b>	<b>Credit</b>
09/04	Bank	100	50,000	
	Capital	300		50,000
<i>Contribution of cash by owner at commencement</i>				
10/4	Drafting Equipment	166	11,500	
	Computers	174	10,000	
	Accounts Receivable	110	8,300	
	Accounts Payable	210		6,100
	Loan	270		5,500
	Vendor – Doug’s Drafting.	210		18,200
<i>Purchase of Bumble Bee Deliveries</i>				
10/4	Vendor – Doug’s Drafting.	210	18,200	
	Bank	100		18,200
<i>Payment of purchase consideration</i>				