Contents

BOOK ONE:	FINANCIAL TRANSACTIONS, SUBSIDIARY LEDGERS AND INTERIM REPORTS	
Chapter 1:	Accounting and Bookkeeping	5
•	1.1 Accounting and its Environment	6
	1.2 Users of Accounting Information	12
	1.3 Regulation	14
	1.4 Accounting Principles and Assumptions	16
	1.5 Business Classifications	18
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 2:	Fundamentals of Accounting and GST	25
	2.1 The Accounting Process	26
	2.2 Account Classifications	
	2.3 The Chart of Accounts	
	2.4 GST Principles	
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 3:	Cash Receipts	53
	3.1 Internal Controls over Cash Receipts	54
	3.2 Source Documents for Cash Receipts	55
	3.3 Cash Receipts for a Service Business	59
	3.4 Cash Receipts for a Retail Business	63
	3.5 Banking Receipts	65
	Solutions to Šelf-Testing Exercises	
	Review Questions	
Chapter 4:	Cash Payments	75
	4.1 Internal Controls over Cash Payments	76
	4.2 Source Documents for Cash Payments	76
	4.3 Recording Dates for Cash Transactions	80
	4.4 Cash Payments Book	81
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 5:	The Double Entry System	91
•	5.1 The Accounting Process	92
	5.2 The Accounting Equation	93
	5.3 Rules of Double Entry	
	5.4 Cash Receipts and the Double Entry System	100
	5.5 Cash Payments and the Double Entry System	105
	5.6 Account Formats	
	5.7 Posting to the General Ledger	
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 6:	Petty Cash	137
	6.1 The Need for a Petty Cash System	138
	6.2 Operation of the Imprest System of Petty Cash	139
	6.3 Accounting for Petty Cash Using the Imprest System	140
	6.4 Alternative Petty Cash Processes	148
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 7:	Credit Purchases and Credit Sales	
	7.1 Types of Accounting Systems	156
	7.2 Credit Policy	
	7.3 Source Documents	
	7.4 Perpetual Inventory System	160
	7.5 Accounting for Credit Purchases and Returns	
	7.6 Payables Subsidiary Ledger	164
	7.7 Accounting for Services Provided on Credit	
	7.8 Accounting for Credit Sales and Returns	171
	7.9 Receivables Subsidiary Ledger	
	7.10 Trial Balance	180
	7.11 Comprehensive Example	
	Solutions to Self-Testing Exercises	190 198

Chapter 8:	Managing Debtors and Creditors	223
	8.1 Debt Collection and Aged Reports	224
	8.2 Credit Policy	227
	8.3 Interest Charged to Customers	
	8.4 Interest Charged by Suppliers	232
	8.5 Discount Allowed	
	8.6 Discount Received	
	8.7 Bad Debts	
	8.8 Bad Debt Recovery	
	8.9 Doubtful Debts	
	8.10 Contra Entries	
	8.11 Dishonoured Cheques	
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 9:	Periodic Inventory Systems	255
	9.1 Features of the Periodic Inventory System	
	9.2 Gross Profit Calculation in the Periodic Inventory System	256
	9.3 Journal Entries for the Periodic Inventory System	261
	9.4 Perpetual and Periodic Inventory Systems Contrasted	266
	Solutions to Self-Testing Exercises	268
	Review Questions	
Chapten 10:	Specialised Journals	
Chapter 10:		
	10.1 The Use of Specialised Journals	
	10.2 Information Flow for Specialised Journals	2/2
	10.3 Credit Sales Journal	2/3
	10.4 Cash Receipts Journal	
	10.5 Credit Purchases Journal	
	10.6 Cash Payments Journal	280
	10.7 Posting Specialised Journals	285
	Solutions to Self-Testing Exercises	291
	Review Questions	
Chapter 11:	Bank Reconciliations	
Onapoci i i.	11.1 The Bank Ledger Account	
	11.2 Bank Statements	
	11.3 The Need for Bank Reconciliation	200
	11.4 The Bank Reconciliation Statement	
	11.5 The Bank Reconciliation Process	
	11.6 Discrepancies in Cash Records	
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 12:	Special Transactions	335
	12.1 Commencement of Business	336
	12.2 Purchase of an Existing Business	
	12.3 Introduction of Additional Capital	
	12.4 Drawings by the Owner	
	12.5 Purchase of Non-Current Assets	3/10
	12.6 Correction of Errors	
	Solutions to Self-Testing Exercises	
	Review Questions	
Chapter 13:	Interim Reports	363
	13.1 Basic Financial Reports	
	13.2 What is Profit?	
	13.3 Income Statement for a Service Business	
	13.4 Income Statement for a Retail Business	369
	13.5 Balance Sheet	371
	13.6 Worksheets	
	Solutions to Self-Testing Exercises	
	Review Questions	
	=========	