

Trial Balance

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Trial Balance

The list of account balances in a double entry bookkeeping system. If the records have been correctly maintained, the sum of the debit balances will equal the sum of the credit balances. The trial balance is thus a list of the brought forward balances obtained by balancing off the ledger accounts.

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Example 01

Balances	01/01/2010	31/12/2010	Cash Account	
Debtors	500	600	BBF	1,000 Creditors 800
Creditors	300	350	Debtors	1,200 Insurance 160
Insurance payables	10	30	Rent income	560
Prepaid insurance	40	60		BCD 1,800
Rent receivables	120	140		2,760 2,760
Rent received in advance	100	150	BBF	1,800
Motor vehicles	1500	1450		

Prepare the ledger accounts

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2020 January AAT I Question 02

Praveen started a solo proprietorship, **Praveen traders** on 01st April 2018 by opening a bank account investing Rs.2,500,000/-.

1) Cash transactions made during the year ended 31st March 2019 were as follows:

Cash Receipts	Rs.	Cash Payments	Rs.
Capital introduced by Praveen	2,500,000	Motor Lorry (Acquired on 1 st October 2018)	1,500,000
Cash sales	1,300,000	Payments to Trade Creditors	1,150,000
Receipts from Trade Debtors	831,000	Electricity	72,000
	4,631,000	Salaries & Wages	290,000
		Drawings	175,000
		Cash Purchases	788,000
			3,975,000

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- 2) The policy of the business is to provide depreciation on motor lorry at the rate of 25% per annum on the straight line basis at cost.
- 3) Receivables and payable balances as at 31st March 2019 were as follows:

	Rs.
Trade Debtors	145,000
Trade Creditors	110,000
Accrued Salaries	38,000

- 4) There were no stocks as at 31st March 2019.

You are required to:

Prepare the Balance of **Praveen Traders** as at 31st March 2019.

(10 marks)

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2019 July AAT I Question 02

Wijaya started a sole proprietorship, **Wijaya Hardware** on 1st April 2018 to sell hardware items by investing Rs.1,400,000/-.

1) The details of his initial investment made on 1st April 2018 are as follows:

	Rs.
Motor lorry	750,000
Cash	650,000
Total	1,400,000

2) Cash transactions made during the year ended 31st March 2019 were as follows:

Cash Receipts	Rs.	Cash Payments	Rs.
Cash introduction	650,000	Salaries and wages	600,000
Cash Sales	2,500,000	Electricity	68,000
Receipts from Trade Debtors	1,300,000	Payments to Trade Creditors	3,280,000
Bank Loan	500,000	Drawings	210,000
	4,950,000		4,158,000

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3) There were no stocks as at 31st March 2019.

4) A bank loan of Rs. 500,000/- was obtained on 1st March 2019 at the interest rate of 18% per annum and capital re-payments are to be paid from 1st April 2019.

5) The following receivable and payable balances were appeared in the books of accounts of the business as at 31st March 2019.

	Rs.
Accrued Electricity	18,000
Trade Debtors	275,000
Trade Creditors	225,000

6) Motor lorry is depreciated at the rate of 25% per annum at cost on the straight-line basic.

Your are required to:
Prepare the Trial Balance of Wijaya Hardware as at 31st March 2019. (10 marks)

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2019 January AAT I Question 02

Ranasinghe started a sole proprietorship, **Ranasinghe Traders** on April 2017 by investing Rs.750,000/- in cash. Summary of cash receipts journal and cash payments journal for the year ended 31st March 2018 was as follows:

Cash Receipts Journal (Receipts)	Rs.
Capital introduced by Ranasinghe	750,000
Receipts from trade debtors	1,200,000
Cash sales	625,000
	2,575,000

Cash Payments Journal (Receipts)	Rs.
Payment to trade creditors	1,575,000
Salaries and wages	225,000
Electricity bills	89,000
Purchase of furniture	75,000
Water bill	23,000
Petty cash imprest	25,000
Drawings	100,000
	2,112,000

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The followings additional information is also provided:

1) Receivables and payables balances as at 31st March 2018 were as follows:

	Rs.
Trade debtors	78,000
Trade creditors	125,000
Accrued electricity	12,500

2) Petty cash transactions were as follows:

Petty Cash Control Account			
	Rs.		
Cash control account	25,000	Casual wages	5,800
		Travelling expenses	3,500
		Balance C/F	15,700
	25,000		25,000

3) All purchases are made on credit basic and there were no stocks as at 31st March 2018.

4) Furniture were acquired on 1st October 2017 for Rs.75,000/- and those are depreciated at the rate of 20% per annum at cost on the straight-line basics.

Your are required to:
Prepare the Trial Balance of Ranasinghe Traders as at 31st March 2018.

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