

Lesson 5 – Source Documents
Model Answers to Practice Questions

Question 5.1

Which **one** of the following is an example of a cash sale?

	✓
The customer has been given 30 days in which to pay for the goods they have purchased	
The customer has purchased goods and has paid immediately by debit card	✓

Question 5.2

Using appropriate words from the following list complete the gaps in **each** of the sentences below.

- credit note
- remittance advice
- invoice
- statement of account
- purchase order

1. When goods are supplied on credit an **invoice** _____ is sent by the supplier to the customer following each delivery of goods.
2. If goods originally sold on credit to a trade customer are returned the supplier will issue the customer with a **credit note** _____ .
3. At the end of each month it is customary for suppliers to issue a **statement of account** to each customer, showing the closing balance on the customer account in the books of the supplier and summarising the transactions which have taken place between the two parties in the month.
4. When a customer makes payment to a supplier by cheque or BACS it is customary for the customer to provide the supplier with details of the payment they have made by sending the supplier a **remittance advice**.

Question 5.3

Which **one** of the following is a retailer is most likely to use as the source document from which cash sales are recorded in the business’s ledger?

	✓
Summary till report	✓
Remittance advice	
Cheque counterfoil	

Question 5.4

On Friday 15 June 201X the proprietor of Chopstix completed the paying-in slip below when paying cash over the counter of the bank into the business bank current account.

Paying-in slip:

Date: <u>15 June 201X</u> Credit: <u>46569788</u>		bank giro credit Date: <u>15/6/201X</u>																																																																	
£50 notes £20 notes £10 notes £5 notes £2/£1 50p 20p 10p, 5p Bronze Total Cash Total cheques etc £	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 100px;"></td><td style="width: 50px; text-align: center;">840</td><td style="width: 50px; text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">350</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">185</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">40</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">10</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">1,440</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">1,440</td><td style="text-align: center;">00</td></tr> </table>		840	00		350	00		185	00		40	00		10	00		5	00		5	00		5	00		1,440	00		1,440	00	Cashier's stamp and initials <div style="border: 1px solid black; padding: 5px; text-align: center; margin: 10px auto; width: 80%;"> Code No 40-50-10 Bank: Eastern Bank Plc Branch: Hull </div> Credit: Chopstix Account No: 46569788 Number of Cheques	£50 notes £20 notes £10 notes £5 notes £2/£1 50p 20p 10p, 5p Bronze Total Cash Total cheques etc £	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 100px;"></td><td style="width: 50px;"></td><td style="width: 50px;"></td></tr> <tr><td></td><td style="text-align: center;">840</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">350</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">185</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">40</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">10</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">5</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">1,440</td><td style="text-align: center;">00</td></tr> <tr><td></td><td style="text-align: center;">1,440</td><td style="text-align: center;">00</td></tr> </table>					840	00		350	00		185	00		40	00		10	00		5	00		5	00		5	00		1,440	00		1,440	00
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Level 1 Award in Bookkeeping (RQF) – Study Text Book Model Answers

Provided below is an extract from the ledger of Chopstix. Record the transfer of the cash from the cash account to the bank account in the ledger accounts provided.

Chopstix – Ledger (extract)

DR			CR		
			Bank		
201X	Details	£	201X	Details	£
15 June	Cash	1,440			

DR			CR		
			Cash		
201X	Details	£	201X	Details	£
			15 June	Bank	1,440

Question 5.5

You are a self-employed bookkeeper and provide bookkeeping services to a number of small businesses.

You visit the premises of one of your clients, Green Tech, on Monday of each week and write up the books for the previous week. Charlie, the owner of Green Tech normally leaves all documents from which transactions are to be processed in a folder marked for your attention.

On your visit to the premises of Green Tech on Monday 24 July 201X you find the following note in the folder.

Friday 21 July 201X

Capital introduced

Please note as I need to buy some new equipment for use in the business I have had to introduce a further £10,000 into the business as additional capital.

I have today instructed the bank to transfer £10,000 from my private bank account into the business bank account.

Charlie

Provided below is an extract from the ledger of Green Tech. Record the additional capital introduced by Charlie in the ledger accounts provided. Use the date on Charlie’s note as the transaction date.

Green Tech – Ledger (extract)

DR			CR		
Bank			Capital		
201X	Details	£	201X	Details	£
21 July	Capital	10,000			

DR			CR		
Capital			Bank		
201X	Details	£	201X	Details	£
			21 July	Bank	10,000

Question 5.6

The following are quoted as the terms of trade on an invoice received today by Carpet Cuts from a supplier:

Terms of Trade:

Trade discount 20%

Carriage: carriage paid

Settlement Terms: Net 30 days

You work in the accounts department of Carpet Cuts. If you were asked by the accounts supervisor to check that the terms of trade quoted on the invoice were correct, which **one** of the following courses of action should you take to verify the terms of trade:

	✓
Look at an old invoice received from the same supplier	
Telephone the supplier and ask them to verify that the terms they have quoted in their invoice are correct	
Check information on file in the supplier files kept by Carpet Cuts	✓

Question 5.7

Which one of the following is an employee’s ‘take home pay’?

	✓
Their overtime pay	
Their gross pay	
Their net pay	✓

Question 5.8

The following is a cheque counterfoil completed by Anna Lenska the proprietor of Art World, when she made a payment for wages to her assistant Eva Jiricna on 31 March 201X.

Date: 31 March 201X

Payee: Eva Jiricna (net pay week ending
31 March 201X)

Amount: **£310.00**

109110

Provided below is an extract from the ledger of Art World. Record the wages paid by Anna to Eva in the ledger accounts provided.

Green Tech – Ledger (extract)

DR		Wages		CR	
201X	Details	£	201X	Details	£
31 March	Bank	310			

DR			Bank		CR	
201X	Details	£	201X	Details	£	
			31 March	Wages	310	

Question 5.9

Your brother Tony is the owner of a shop trading in the name of Juicy Fruits. You keep the books for his business.

When writing up his books on Saturday 30 April 201X you find the following note amongst the documents you are to process.

Friday 29 April 201X

Cash drawings

Please note I have taken £500 in cash from the till to pay to the travel agent as a deposit on the family holiday to Florida.

Tony

Provided below is an extract from the ledger of Juicy Fruits. Record the drawings taken by Tony in the ledger accounts provided. Use the date on Tony’s note as the transaction date.

Juicy Fruits – Ledger (extract)

DR			Drawings		CR	
201X	Details	£	201X	Details	£	
29 April	Cash	500				

DR			Cash		CR	
201X	Details	£	201X	Details	£	
			29 April	Drawings	500	