

Expense Account

2010		2010	
Jan 1	Balance B/D (Prepaid B/D) - last year exp in advance ①	Jan 1	Balance B/D (Accrued B/D) - last year owing ③
Dec 31	Bank/cash (total amount paid during the year)	Dec 31	Income Statement (current year expense transferred to Income Statement)
"	Balance c/d (Accrued c/d) - current year end owing ②	"	Balance c/d (Prepaid c/d) - current year paid in advance ④
	<u>xxx</u>		<u>xxx</u>
2011		2011	
Jan 1	Balance B/D (Prepaid B/D)	Jan 1	Balance B/D (Accrued B/D)

At the end of the year -

Expenses → Accrued Expense - Current liability  
                   Prepaid Expense - Current Asset

Income → Accrued Income - Current Asset  
                   Prepaid Income - Current liability

# Income Account

2010	\$	2010	\$
Jan 1	xxx	Jan 1	xxx
Balance B/D (Accrued B/D)		Balance B/D (Prepaid B/D)	
③ - Last year owing		① - Last year received in advance	
Dec 31	xxx	Dec 31	xxx
Income Statement (Current year income transferred to Income Statement)		Bank/cash (Total amount received during the year)	
"	xxx	"	xxx
Balance c/d ④ (Prepaid c/d) - Current year received in advance		② (Accrued c/d) - Current year owing (not received)	
<u>xxxx</u>		<u>xxx</u>	
2011		2011	
Jan 1	xxx	Jan 1	xxx
Balance B/D (Accrued B/D)		Balance B/D (Prepaid B/D)	

## Calculation of Current year Expense/Income

Total amount paid/received during the year - xxx

Add

① Last year prepaid	-	xx	
② Current year owing	-	xx	
		xxx	xxx

Less

③ Last year owing	-	xx	
④ Current year prepaid	-	xx	
		(xxx)	xxx

Current year expense/income transferred to Income Statement xxxx

(1)

1. The financial year ends on 31 December 2006. Show the ledger accounts for the following items including the balance transferred to the necessary part of the financial statements, also the balance carried down to 2007.

a) Motor Expenses: paid in 2006 \$1,638,  
owing at 31 December 2006 \$188.

Motor Expenses Account

\$

\$

b) Insurance: paid in 2006 \$840; prepaid  
at 31 December 2006 \$68.

Insurance Account

\$

\$

(2)

c) Stationery: paid during 2006 \$370;  
owing as at 31 Dec. 2005 \$110;  
owing as at 31 Dec. 2006 \$245

Stationery Account

\$

\$

d) General Expenses: Paid for the year to 30 June  
2008 \$470; owing at 30 Jun  
2007 \$32; owing at 30 June 2006  
\$60.

General Expenses Account

\$

\$

(3)

e) Rent Received Account: Received \$1,400 during the year ended 31 Dec. 2006. Tenant owed \$175 on 31 Dec. 2005. and \$185 on 31 Dec. 2006.

Rent Received Account

\$

\$

f) Commission Received Account: Received for the year to 30 June 2008 \$1,100; owing at 30 June 2007 \$50. Owing at 30 June 2008 \$82.

Commission Received Account

\$

\$

(4)

g) A sole trader's financial year ends on 31 March.

On 1 April 2012, balances in the ledgers included the following

	D <sub>£</sub>	C <sub>£</sub>
Electricity		400

During the year ended 31 March 2013, he made the following payments for electricity by cheque.

	£
15 April 2012	400
10 July 2012	310
18 Oct 2012	650
9 Jan 2013	540

At 31 March 2013, the amount owing for electricity was \$590. Prepare the Electricity Account for the year ended 31 March 2013 and bring down the balance on 1 April 2013.

Electricity Account

£

£

# Accrual Accounting Work Sheet

Grade-10

1. Amer's financial year ends on 30 April. He sublets part of his premises to Anwar. Amer provided the following information:

2006		£
May 1	Anwar owed 1 month's rent	120
July 1	Anwar paid rent for 15 months to 30 June 2007 by cheque	1800

Prepare the Rent Received account as it would appear in Amer's ledger for the year ended 30 April 2007. Show clearly the amount transferred to the Profit and Loss Account and the balance brought down on 1 May 2007.

Rent Received Account

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2. Ali Ahmed is a trader whose financial year ends on 31 March. He provides the following information.

2007

April 1 Insurance prepaid for 3 months \$  
to 30 June 2008 amounted to 120

July 1 Paid Insurance premium for  
12 months to 30 June 2008 by  
cheque 528

Prepare the Insurance account as it would appear in Ali Ahmed's Ledger for the year ended 31 March 2008. Show clearly the amount transferred to the Profit and Loss Account.

Insurance Account

3. David is a trader. His financial year ends on 31 July. He provides the following information.

Salaries outstanding at 1 August 2007	\$ 400
Total salaries paid during the year ended 31 July 2008	122600
Salaries outstanding at 31 July 2008	360

Prepare the Salaries Account as it would appear in David's ledger for the year ended 31 July 2008.

### Salaries Account

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4. Mark John is a trader. His Insurance account for the year ended 31 March 2007 showed the following.

1 April 2006 - Balance brought down (cr) 6000

April 2006 - March 2007 - Bank - payment made during the year 36000

On 31 March 2007 \$ 8000 was owing by the trader for Insurance.

Calculate the amount charged for Insurance in the trader's Profit and Loss Account for the year ended 31 March 2007 by preparing an Insurance Account.

Insurance Account

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5. Jim pays Rent on his business premises. The amount payable is \$1800 quarterly in advance. He made payments by Cheque as follows in the year ended 31 March 2008.

2007	\$
2 May	1800
2 July	1400
31 July	400
30 September	1800
2008	
5 January	1800
30 March	1600

Prepare a Rent Account for the year ended 31 March 2008 and show the amount transferred to the Profit and Loss Account for the year.

Rent Account

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