

Year 11 Unit 2 ATAR Accounting and Finance

Holiday Homework

Student Name _____

Please complete the following question below and submit on the first day back of school.

Note to students: Completing holiday homework is important with this topic as it assists with consistency in term 3 if you wish to continue to develop what you have learned at the end of term 2 then it is vital that you complete this task. - Have a wonderful holiday

Safiya enterprise have provided you with the following trial balance and have asked you to assist with the inclusion of balance day adjustments into their accounting systems

**Safiya
Trial Balance
As at 30 June 2017**

Ledger Account Title	Debit	Credit
Accounts Payable		4600
Bank loan due sep 2017		5200
Capital		16600
Cash at bank	13400	
Drawings	3500	
Fees		53900
GST payable		3800
Office equipment	21000	
Prepaid Insurance	3600	
Prepaid rent	9000	
Stationery Supplies	8100	
Telephone	1500	
Wages	24000	
Total	84100	84100

Additional Information

- Stationery Supplies unconsumed on the 30th of June 2016 amounted to \$1400
- The 12 month insurance policy was taken out on the 31st October 2016.
- The business paid rent for the next 6 months in advance on the 31st March 2017.

Required

1. Calculate the amount of insurance, stationery, rent on the 30 June 2017
2. Prepare the general ledgers to show balance day adjustments
3. Calculate profit or loss for the year ending 30 June 2017 in the profit and loss ledger
4. Prepare the balance sheet extract to show the current assets & current liabilities sections in the balance sheet as at 30 June 2017
5. Complete the short answer questions in the writing space provided

Calculations /workings

General Ledger

Prepaid insurance

Date	Details	Amt	Date	Details	Amt

Insurance

Date	Details	Amt	Date	Details	Amt

Prepaid Rent

Date	Details	Amt	Date	Details	Amt

Rent

Date	Details	Amt	Date	Details	Amt

Stationery Supplies

Date	Details	Amt	Date	Details	Amt

Stationery expenses

Date	Details	Amt	Date	Details	Amt

Profit and loss

Date	Details	Amt	Date	Details	Amt

Safiya Balance sheet (extract) 30 June 2017

Current assets
Current liabilities

Short Answer Questions

- a) Explain the need for the inclusion of balance day adjustments in the accounting records of a business

- b) Explain the purpose and nature of the following balance day adjustments
- a. Prepaid expenses
 - b. Stock of supplies

- c) Explain the impact on the financial statements of the business if the above adjustments were not made
