

Central Saint Michael's Sixth Form

A UNIVERSITY-STYLE SIXTH FORM

AS ACCOUNTS

SUMMER ASSESSMENT

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AS ACCOUNTS SUMMER WORK

Complete all the questions below and submit them to Harwinder Jagpal on your first Accounts lesson in September.

Q1) Research the definitions of assets and liabilities from the viewpoint of a business. Then classify the following items in terms of Assets and Liabilities.

- a) Motor Vehicles
- b) Premises
- c) Customer that owes money to a business (trade receivable)
- d) Inventory (stock)
- e) Bank Overdraft
- f) Loan from Daniel Turner
- g) Money owing for purchase of inventory on credit (trade payable)

Q2) Which of the following are wrongly classified. Put a tick next to it.

Assets	✓	Liabilities	✓
Loan to Mark Goldbridge		Delivery Van	
Mortgage on Building		Bank overdraft	
Warehouse premises		Electricity paid in advance	
Inventory		Equipment	
Cash in till		Business rates not yet paid	

Q3) The 'accounting equation' is a fundamental principle of accounting and the double entry book-keeping system. The equation is **Assets – Liabilities = Capital**. Arrange the following information in terms of the accounting equation and show that $\text{Assets} - \text{Liabilities} = \text{Capital}$

	£
Capital	20700
Money owing	3600
Inventory	5700
Cash at Bank	1600
Vehicle	8300
Equipment	7900
Money owed	800

Q4) Roberto de Bossa is setting up a new business. Before starting trading, he buys a van for £13000, a market stall for £1050, a computer for £450 and an inventory (stock) of goods for £8000. He did not pay in full for the inventory and still owes £3000 to suppliers. He took a loan out from A. Ferguson for £10000. After these transactions have taken place he has £1400 cash in hand and £4700 in the bank. Calculate the amount of his capital.

Q5) Accounting is often described as a language for businesses. Research the following accounting terms and provide a definition for each. Please ensure that definition is in your own words and not copied from the internet.

Term	Definition
Accruals	
Assets	
Capital	
Cash book	
Carriage Inwards	
Carriage Outwards	
Current assets	
Drawings	
Depreciation	
Expenses	
Non-current Assets	
Journal	
Liabilities	
Nominal (Main/General) Ledger	
Petty Cash	
Prepayments	
Trade Payables	
Trade Receivables	