COMPUTERISED BOOKKEEPING

Total Photo

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Total Photo
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York
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Scenario

You work as the bookkeeper for Total Photo, a local photographer, whose main business involves wedding photography and child portraits. The business is registered for VAT, with the number GB726482109, and uses standard accounting for VAT. The financial year start date is 1st June 2015.

The bookkeeping was originally performed by the owner, James Smith, using manual ledgers. However he now does not have time and you have been bought in to take over, and to enter the information into a computerised system.

For purposes of this exercise, the VAT rate is 20%.

Instructions

You are required to complete the tasks as listed below:

Task	Activity	Marks
1	Enter the opening balances	11
2	Reverse the opening accrual and prepayment	4
3	Amend the nominal ledger	5
4	Add new customer and supplier details	9
5	Post customer invoices and credit notes to the sales ledger	11
6	Post supplier invoices and credit notes to the purchase ledger	13
7	Enter the supplier cheques and record the customer receipts	9
8	Post the petty cash transactions	12
9	Post sundry payments	3
10	Prepare the VAT return	3
11	Reconcile the bank	6
12	Post the wages journal	7
13	Post adjustments to the accounts and produce month-end reports	7

Options:
  a)   Have a go at the 13 tasks, then watch the video answer on the course and give yourself a mark OR
  b)   Watch the video, then have a go at the task yourself.

Task 1   Enter the opening balances

Required:

1. Enter the opening balances as shown below; you may need to set up or amend some nominal accounts depending on your accounting software:

	Dr	Cr
Plant and Machinery	40,000.00	
Plant and Machinery depreciation		10,000.00
Office equipment	10,000.00	
Office equipment depreciation		2,000.00
Motor Vehicle	45,000.00	
Motor Vehicle depreciation		15,000.00
Prepayments	100.00	
Bank account	3,490.00	
Hire purchase		30,000.00
Capital Account		38,090.00
Accruals		3,500.00

2. Provide an opening trial balance as at June 2015.

Task 2   Reverse the opening accrual and prepayment

The opening balances above contain an accrual for last year's accountancy fees of £3,000 and an accrual for electricity of £500 for the last quarter to 31 May 15.

There is also a prepayment that was for road tax for the car for the next 6 months.

Required:

1. Post journals to reverse these, using the appropriate expense accounts, as at 1st June.

2. Provide a report to show details of your journals.

Task 3 – Amend the nominal ledger

Required:

1. Set up the following nominal accounts to customise the system for Total Photo:

Nominal Name	Nominal Type
Wedding Shoot	Sales
Portrait Shoot	Sales
Film Purchased	Purchases
Flash bulbs purchased	Purchases
Camera repairs	Overheads

2. Provide a report listing the nominal ledger accounts and their location within the chart of accounts

Task 4 — Add new customer and supplier details

Required:

1. Enter the following customers into your accounts package:

Customer	Account Reference	Address
Mr and Mrs P Jones	JON01	23 Wide Drive York North Yorkshire YY23 5TG
Mr and Mrs T Griffiths	GRIO1	Manor Farm Selby North Yorkshire YR45 90P
Mr F Sing	SINO1	56 Kings Avenue Carnaby Bridlington East Yorkshire EY39 ORT
Mrs J Fraser	FRA01	22 Richmond Park Easingwold North Yorkshire NR51 5WS
Mr and Mrs P Vincent	VIN01	34 Ormonde Drive Hull Humberside HU61 5GH

2. Provide a report showing the above customer information.

3. Enter the following suppliers into your account package:

Suppliers	Account	Address
York Office Supplies	YOS01	56 Yorkgate York North Yorkshire YT9 8JK
Pro Cameras Ltd	PRCO1	34 Queen Street Highbury London LN12 10DB
Smiths Lenses	SMI01	12 Lead Lane Hunmanby Scarborough North Yorkshire Y011 3TL
Direct Film	DIRO1	21 Hospital Road Dewsbury Leeds West Yorkshire WY9 8HN

4. Provide a report showing the above supplier information

Task 5 — Post customer invoices and credit notes to the sales ledger

Required:

1. Post the following invoices and credit notes to the sales ledger. Use the description as a basis for deciding which nominal account to use:

Customer	Description	Invoice Number	Invoice Date	Price (inc VAT)
Mr and Mrs T Griffiths	Deposit on wedding shoot	1001	01/06/15	480.00
Mr and Mrs P Jones	Family studio shoot	1002	05/06/15	600.00

Mr and Mrs T Griffiths	Second payment on wedding shoot	1003	14/06/15	480.00
Mr and Mrs P Jones	Extra copies from studio shoot	1004	20/06/15	120.00
Mrs J Fraser	Child portraits	1005	21/06/15	60.00
Mr and Mrs T Griffiths	Balance on wedding shoot	1006	22/06/15	240.00
Mr and Mrs P Vincent	Family studio shoot	1007	28/06/15	360.00
Mr F Sing	Deposit on wedding shoot	1008	28/06/15	300.00

2. Post the following credit notes to the sales ledger.

Customer	Description	Credit Note Number	Credit Date	Price (inc VAT)
Mr and Mrs P Jones	Credit for unused studio shoot photos	CR02	25/06/15	60.00
Mr and Mrs **T** Griffiths	Credit for wedding photos due to bad light	CR03	30/06/15	180.00
Mr and Mrs P Vincent	Credit for unused family studio shoot photos	CR04	30/06/15	40.00

3. Provide a report showing details of customer account activity.

4. Provide a report showing aged debtors information as at 30th June 2015.

Task 6 - Post supplier invoices and credit notes to the purchase ledger

Required:

1. Post the following invoices and credit notes to purchase ledger.

Use the description as a basis for deciding which nominal account to use.

Note that supplier Smiths Lenses is not VAT registered.

Supplier	Description	Invoice Number	Invoice Date	Amount
Direct Film	Film purchased	54444.	03/06/15	300.00
Pro Cameras	Repair camera	P898	06/06/15	240.00
Smiths Lenses	Cyber lens repair	45/1	15/06/15	50.00
York Office Supplies	Office supplies	TP001	15/06/15	12.00
Direct Film	Black and white film	54454	10/06/15	24.00
Pro Cameras	New flash bulbs	P901	12/06/15	48.00
Smiths Lenses	One shot flash bulb	45/7	20/06/15	30.00
York Office Supplies	Office stationery	TP002	20/06/15	24.00
Smiths Lenses	Scratched lens repair	45/9	25/06/15	51.06

2. Post the following credit notes to the purchase ledger.

Supplier	Description	Credit Note Number	Credit Date	Amount (Gross)
Smiths Lenses	Overcharge on **lens repair**	46/1	30/06/15	10.20
Direct Film	Film returned	C45554	20/06/15	60.00
York Office Supplies	Return of faulty **office supplies**	TP003	28/06/15	12.00
Pro Cameras	Credit for camera repair error	C903	29/06/15	6.00

3. Provide a report showing details of supplier account activity. Print out a detailed supplier activity report

4. Provide a report showing aged creditors information as at 30th June 2015.

Task 7 - Enter the supplier cheques and record the customer receipts

Required:

1. Post the following cheques to the purchase ledger

Supplier	Cheque Number	Date Paid	Invoice Number Paid	Total Amount Paid
Direct film Ltd	100201	21/06/15	54444 54454	324.00
Pro Cameras Ltd	100202	29/06/15	P898 P901	288.00
Smiths Lenses	100203	29/06/15	45/1	50.00
York Office Supplies	100204	30/06/15	TP001 TP002	36.00
Smiths Lenses	100205	30/06/15	45/7 45/9	70.00

2. Provide a report showing the details of the above supplier payments.

3. Post the following the following receipts from customers to the sales ledger:

Customer	Paying-in Slip	Date Paid	Invoice Number Paid	Total Amount
Mr and Mrs T Griffiths	000201	20/06/15	1001 1003	960.00
Mr and Mrs P Jones	000202	25/06/15	1002	600.00
Mr and Mrs T Griffiths	000203	30/06/15	1006	60.00
Mr and Mrs P Vincent	000203	30/06/15	1007	320.00

4. Provide a report showing the details of the above customer receipts.

Task 8 — Post Petty Cash Transactions

Required:

1. The following cheques were cashed and transferred to the petty cash account; enter these transactions into the ledgers:

Date	Cheque	Amount
01/06/15	100101	250.00
20/06/15	100102	100.00

2. Provide a report showing details of these transactions.

3. Post the following cash payments into the ledger:

Date	Description	Voucher Number	Amount	VAT Rate
02/06/15	Petrol	23	20.00	Standard
03/06/15	Stamps	24	4.42	Exempt
05/06/15	Cleaning	25	5.50	Standard
06/06/15	Envelopes	26	0.99	Standard
07/06/15	Milk for office	27	0.50	Zero
10/06/15	Parking permit	28	30.00	Zero
14/06/15	Postage	29	5.67	Exempt
19/06/15	Train fare	30	86.67	Zero
22/06/15	Petrol	31	30.00	Standard
25/06/15	Hotel for shoot	32	90.00	Standard

4. Provide a report showing details of these cash payments.

Task 9 — Post Sundry Payments

Required:

1. Post the following payments:

Date	Cheque Number	Description	Amount	VAT rate
03/06/15	100103	Rent	1,500.00	Exempt
05/06/15	100104	Water Rates	120.00	Zero
20/06/15	100105	Council Tax	90.00	Exempt

2. Provide a report showing details of these bank payments.

Task 10- Prepare a VAT return. Required:

1. Prepare a VAT return for the period 01/06/15 to 30/06/15.

2. Provide a report showing the VAT Return

3. Provide a report showing summary VAT information

4. Provide a report showing detailed VAT information.

Task 11 — Reconcile the bank

Required:

1. Reconcile the bank account as per the Bank Statement below:

The English Bank PLC
23 Whitehall
London
Account of TotalPhoto
Account No. 44555890
Sort Code 40-10-01   **Date 30/06/15**
Statement No 102

Date	Payment Type	Details	Paid Out	Paid In	Balance
01/06/15		Balance BFD			3490.00
02/06/15	Cheque	100101	250.00		3240.00
03/06/15	Cheque	100103	1500.00		1740.00
10/06/15	Cheque	100104	120.00		1620.00
21/06/15	Cheque	100102	100.00		1520.00
21/06/15	Sundry Credit	000201		960.00	2480.00
22/06/15	Cheque	100105	90.00		2390.00
25/06/15	Sundry Credit	000202		600.00	2990.00
29/06/15	Cheque	100203	50.00		2940.00
30/06/15	Sundry Credit	000203		380.00	3320.00
30/06/15		Balance CFD			3320.00

2. Provide a report showing any unreconciled transactions.

Task 12 — Post the wages journal

Mr Allen, the finance manager gives you the following journal to post for the monthly salaries for June. However you may need to set up a suitable nominal account for the student loan deduction.

Required:

1. Post the following journals on 30th June.

Nominal Account	Dr	Cr
Gross Wages	7,680.00	
PAYE deductions		1,545.00
National Insurance Deductions		1,455.00
Student Loan Deductions		15.00
Net Wages Payable		5,100.00
Employers NI	435.00	

2. Provide a report showing details of the above journals.

Task 13 —Post the adjustments to the accounts and produce the month- end reports

Mr Allen asks you to make the following changes to the September accounts:

The rent paid was for June, July. August, therefore he asks you to move £1,000 of the rent paid to prepayments.

Depreciation is to be charged for June in the following amounts:

Plant and Machinery: £250

Office Equipment: £200

Motor Vehicles   £150

Required:

1. Post journals as per Mr Allen's requested changes and provide a report showing the transactions.

2. Provide a Trading and Profit and Loss account for the month ended 30/06/15.

3. Provide a Balance Sheet as at 30/06/15.

4. Provide a Trial Balance as at 30/06/15.

The end