

Assignment 1

A trader received his bank statement for the monthly of May which showed a balance standing to his credit of 15,000 Baht. His cash book, however, showed a credit balance of 40,000 Baht, and upon checking he identified the following differences:

- a) several cheques drawn and sent to his creditors had not yet been presented : 100,000 Baht
- b) deposits recorded in the cash book totaling 35,000 Baht had not yet been credited by the bank
- c) a transfer of 30,000 Baht from his savings account to this current account had not been recorded by the bank
- d) the bank statement showed that interest and commission amounting to 4,000 Baht had been charged
- e) two direct credits had been recorded by the bank: 15,000 Baht in respect of interest on investments, and 9,000 Baht from a customer in settlement of the previous month's debt

Prepare a statement in account form of the adjustments which are necessary in the cash book, and also a statement reconciling the balance as shown on the bank statement with that of the corrected cash book.

Assignment 2

Match the following vocabularies with their correct meanings.

_____ 1. Bank Reconciliation Statement	_____ 6. Deposit in Transit
_____ 2. Petty Cash	_____ 7. Check (Cheque)
_____ 3. Outstanding Check	_____ 8. Bank Statement
_____ 4. Bank Overdrafts	_____ 9. Petty cash payment slip (Petty Cash Voucher)
_____ 5. Cash	_____ 10. Bank Service Charge

Their correct meanings

- A. a coins; paper money; certain undeposited negotiable instruments such as checks, bank drafts, and money orders; amounts in checking and saving accounts; and demand certificates of deposit.
- B. a written order on a bank to pay a specific sum of money to the party designed as the payee by the party issuing the document.
- C. a statement issued (usually monthly) by a bank describing the activities in a depositor's checking account during the period.
- D. assessed by the bank on the depositor to cover the cost of handling the checking account, such as bank clearing charges.
- E. a statement the company prepares to explain the difference between the cash balance shown on the bank statement and the cash balance on the company's books.
- F. a day's cash receipts recorded in the depositor's books in one period but recorded as a deposit by the bank in the succeeding period.
- G. checks issued by a depositor that have not yet been paid by the bank upon which they are drawn.
- H. small amounts of cash available for immediate payment of items such as taxi fares, stamps, and other small items.
- I. a document or form that shows the amount of and reason for a petty cash disbursement.
- J. a short-term loans that banks are willing to make to their customers, allowing them to overdraw their accounts by prior arrangement or there may be occasions when the total of the credit entries in the bank column of the firm's cash book will exceed the total of the debit entries.

Assignment 3

Match the following vocabularies with their correct meanings.

_____ 1. Direct write-off method	_____ 6. Percentage-of-receivables method
_____ 2. Allowance for doubtful accounts	_____ 7. Cash Discount
_____ 3. Net Sales	_____ 8. Aging schedule
_____ 4. Bad Debts Recovered	_____ 9. Net realizable value
_____ 5. Trade Discount	_____ 10. Factoring

Their correct meanings

- A. a contra-asset account to the accounts receivable account; it reduces accounts receivable to their net realizable value.
- B. the amount expected to be collected from accounts receivable.
- C. classifies accounts receivable according to their age and uses a different uncollectibility percentage rate for each age category.
- D. estimates doubtful accounts by determining the desired size of the allowance for doubtful accounts.
- E. directly charges the identified uncollectible accounts receivable to an expense account. No adjusting entry is made to record estimated bad debts.
- F. a deduction from the gross invoice price that can be taken only if the invoice is paid within a specified period of time.
- G. a percentage deduction from the specified list price or catalog price of merchandise.
- H. gross sales revenues that are deducted by sales discounts and sales returns and allowances.
- I. debts originally classed as bad debt and write off to the profit and loss account but subsequently recovered either in part or in full.
- J. the buying of the trade debts of a manufacturer, assuming the task of debt collection and accepting the credit risk, thus providing the manufacturer with working capital.

Assignment 4

Cloze test: Fill in the blanks by using supply words given below.

Notes Receivable and _____ may arise from the company's normal business transactions with customers or suppliers or from the need of the company to borrow for short-term business operations or long-term facilities such as plant assets. _____ are written promises to pay; they are assets to their holders and liabilities to their makers.

_____ may be discounted. Three parties are involved in the transaction: the party that wrote the note, the company that accepted it and sold it to the bank, and the bank that bought it. A company is contingently liable for paying a _____.

_____ is the fee charged for use of money through time. To the maker of the note, or _____, interest is an expense; to the payee of the note, or _____, interest is a revenue.

To computing interest, we multiply _____, the face value of the note, with rate and the amount of time the note is to run. The _____ is the date on which a note becomes due and payment must be made.

Supply words

- | | | |
|------------------|---------------------|-----------------------------------|
| A. interest | D. promissory notes | G. notes Receivable |
| B. notes payable | E. borrower | H. maturity date |
| C. lender | F. principal | I. discounted notes
receivable |

Assignment 5

(Source : Accounting Principles II, Chulalongkorn University)

Suan Dusit Company had the following transactions during the current year :

- Apr. 8 Received a 9,600 Baht, 75-day, 8% note from J. Dean in payment of account.
- May 24 Wrote off customer P. Gunn's account against the Allowance for Doubtful Account, 670 Baht.
- June 22 J. Dean paid note in full.
- Sept. 10 Gave a 6,400 Baht, 90-day, 9% note to M. Bolton in payment of account.
- Sept. 18 P. Gunn paid account written off on May 24.
- Dec. 4 Discounted its own 15,000 Baht, 90-day note at the bank at 8%.
- Dec. 9 Paid principal and interest due on note to M. Bolton.
- Dec. 21 Received a 10,000 Baht, 60-day, 9% note from C.Lester on account.
- Dec. 23 Gave an 18,000 Baht, 60-day, 7% note to L. Shaw in payment of account.

Required : Record the above transactions in general journal form.

Assignment 6

Match the following vocabularies with their correct meanings.

_____ 1. Bill of lading	_____ 6. Remittance advice
_____ 2. Voucher System	_____ 7. Purchase Order
_____ 3. Invoice	_____ 8. Sales Invoice
_____ 4. Purchase Requisition	_____ 9. Receiving Report
_____ 5. Purchase Invoice	_____ 10. Voucher Register

Their correct meanings

- A. A special form used within the company to let the purchasing department know what kinds of goods need to be purchased.
- B. A form used especially for ordering goods from suppliers.
- C. A special journal for recording all vouchers.
- D. A control system that requires a properly approved voucher for every cash disbursement.
- E. A bill that is received by a buyer from a supplier.
- F. A billing form that gives details about goods or services that have been sold, including the charges for them.
- G. A contract with the carrier of goods, which contains a description of the items being transported, the name of the shipper, and the name of the company expecting the delivery.
- H. A written explanation of what a check is for.
- I. A bill that is sent by a seller to a customer.
- J. A form for listing the quantity, description, and condition of goods received.

Assignment 7

Cloze test: Fill in the blanks by using supply words given below.

Corporations are independent legal entities created by states through the issuance of certificates of incorporation. Corporate ownership rights are represented by _____.

All business corporations issue _____, and some also issue _____, which provides special preferences to income and corporate assets. Common stockholders elect directors who are responsible for determining operating policies and employing officers to run the corporation.

A corporation may reacquire shares of its stock by buying them from _____. The reacquired share may be either canceled or held as _____, viewed as a contra equity account, for possible re-issuance.

Supply words

- | | |
|--------------------|--------------------|
| A. common stock | D. shares of stock |
| B. preferred stock | E. shareholders |
| C. treasury stock | |

Assignment 8

Cloze test: Fill in the blanks by using supply words given below.

Manufacturing concerns combine factors of production to create products that did not previously exist. Either a periodic or _____ system might be used for assigning product costs to _____ accounts. Manufacturing concerns normally have three inventory accounts : material, _____, and finished goods.

There are three elements of product costs : direct materials, _____, and manufacturing overhead. Manufacturing overhead consists of _____, indirect labor, and all other indirect manufacturing expenses.

Manufacturing statement usually shows the components of _____. When a _____ is used, the _____ may be updated by means of special manufacturing adjustments at the end of each period.

Supply words

A. inventory

D. work in process

G. ending

B. cost of goods
manufactured

E. H. periodic
inventory system

inventories

C. direct labor

F. indirect
materials

H. perpetual

Assignment 9

(Adapted from Accounting Principles II, Chulalongkorn University)

The trial balance of Suan Dusit Company at December 31, 2005 is given below.

Cash	34,000
Material Inventory (Jan. 1)	68,000
Work in process (Jan. 1)	50,000
Finished Goods Inv. (Jan. 1)	84,000
Factory Machinery	570,000
Materials Purchases	504,000
Direct Labor	476,000
Indirect Labor	180,000
Freight on raw materials purchased	2,000
Factory Utilities	26,000
Repair and maintenance - Factory	12,000
Factory Building Rent	30,000
Insurance - Factory	5,000
Depreciation - Machinery	22,400

Required : Prepare a manufacturing Statement for year ended December 31, 2005

Assignment 10

Match the following vocabularies with their correct meanings.

_____ 1. First-in, First-out	_____ 6. Consigned Goods
_____ 2. Inventories	_____ 7. Lower of cost or NRV
_____ 3. Last-in, First-out	_____ 8. Moving-average Method
_____ 4. Weighted-average Method	_____ 9. Specific Identification of Cost Method
_____ 5. Goods in Transit	

Their correct meanings

- A. A method for costing inventories which identifies for each item the actual price paid for it.
- B. A costing method based on the assumption that the latest costs incurred go into cost of goods sold and the earliest costs incurred go with inventories on hand.
- C. A costing Method based on the assumption that each unit available for sale bears an equal share of the total cost of goods available for sale.
- D. Merchandise items that have been entrusted by the owner to agent, who is to sell the goods for the owner.
- E. Goods that are in transit from suppliers to customers.
- F. Quantities of goods, work in process or materials on hand.
- G. An inventory costing method that determines a new average unit cost each time goods are purchased.
- H. A costing method based on the assumption that the earliest costs incurred go into cost of goods sold and the latest costs incurred go with inventories on hand.
- I. An approach for stating inventory items at replacement costs when these costs are less than the invoiced costs of the goods.

Assignment 11

Match the following vocabularies with their correct meanings.

_____ 1. Straight-line Method	_____ 6. Intangible Assets
_____ 2. Amortization	_____ 7. Depletion
_____ 3. Depreciation	_____ 8. Double-declining- balance Method
_____ 4. Sum-of-the-years-digits Method	_____ 9. Salvage Value
_____ 5. Tangible Assets	_____

Their correct meanings

- A. The allocation of the cost of an intangible asset to accounting periods.
- B. The allocation of natural resource cost to units that have been removed from land.
- C. The process of converting portions of the cost of long-term asset to expense as the asset is worn out in the process of generation revenues.
- D. Property rights that have value but no physical substance.
- E. The market value of a plant asset at the time it is sold or traded in on another asset.
- F. Properties that have physical substance.
- G. A decreasing-charge depreciation method that applies a decreasing fraction to the constant depreciable cost of an asset.
- H. A depreciation method that spreads the depreciable cost of an asset evenly over the asset's life.
- I. A depreciation method that uses a rate that is twice the straight-line rate.

Assignment 12

Match the following vocabularies with their correct meanings.

- _____ 1. Investments
- _____ 2. Marketable Securities
- _____ 3. Equity Securities
- _____ 4. Temporary investments
- _____ 5. Unrealized gain (loss)

Their correct meanings

- A. Investments in ownership shares of other corporations.
- B. A profit or loss that results from holding assets rather than using them.
- C. Assets not directly related to the principal activities of an entity, usually held for the purpose of earning a return on funds not needed immediately in the entity's operations.
- D. Investments in stocks, bonds, and similar securities that are readily salable and are viewed as a ready source of cash.
- E. Investment assets that managers intend to hold for only short periods of time.