



Department of Accounting

ACC1100 - Assignment # 385 Semester 1 2018

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Proprietor: Ms. Ferntrees Gally

Name: Muscle Up

Description: Gymnasium and Health Club

The business has the following opening balances:

Stationery Supplies	\$423
Gym Equipment	\$22,458
Bank Loan (due 2022)	\$21,750
Account Payable	\$9,805
Motor Vehicle	\$34,693
Account Receivable	\$16,651
Cash At Bank	\$10,905

Additional Information:

Closing stock of stationery supplies on 30/6 (\$)	535
Gym equipment scrap value (\$)	4,719
Gym equipment useful life (years)	4
Rent paid for (months)	5
Insurance paid for (months)	4
Motor vehicle scrap value (\$)	2,693
Motor vehicle useful life (years)	3
Bank loan interest rates (% per year)	11

Transactions:

Date	Description	Amount	Date	Description	Amount
1-Jun	Motor Vehicle Expenses	\$291	1-Jun	Payment to Account Payable	\$556
1-Jun	Paid General Insurance	\$2,581	2-Jun	Sundry Expenses	\$113
3-Jun	Motor Vehicle Expenses	\$179	3-Jun	Rent of Business Premises	\$3,139
3-Jun	Membership fees - Cash	\$2,960	6-Jun	Advertising Expense - Cash	\$494
6-Jun	Squash fees - Cash	\$1,911	6-Jun	Advertising Expense - Account	\$666
7-Jun	Membership fees - Cash	\$2,372	8-Jun	Gym fees - Cash	\$1,370
8-Jun	Staff Wages	\$1,252	11-Jun	Receive Payment from Account Customers	\$1,331
11-Jun	Equipment hiring expense - Cash	\$302	12-Jun	Cash Withdrawals by Owner	\$472
12-Jun	Cash Withdrawals by Owner	\$482	12-Jun	Squash fees - Account	\$1,327
15-Jun	Staff Wages	\$1,252	15-Jun	Purchase stationery Supplies	\$411
16-Jun	Receive Payment from Account Customers	\$1,118	17-Jun	Purchase stationery Supplies	\$448
18-Jun	Sundry Expenses	\$144	19-Jun	Squash fees - Account	\$1,149
20-Jun	Gym fees - Account	\$897	22-Jun	Advertising Expense - Cash	\$425
22-Jun	Staff Wages	\$1,252	23-Jun	Payment to Account Payable	\$1,412
25-Jun	Gym fees - Cash	\$1,677	25-Jun	Additional cash contributed by owner	\$2,878
28-Jun	Advertising Expense - Account	\$528	28-Jun	Gym fees - Account	\$893
29-Jun	Squash fees - Cash	\$2,274	29-Jun	Equipment hiring expense - Account	\$497
29-Jun	Staff Wages	\$1,252			

Comments:

This business was purchased on 1 June.

You are required to prepare a general journal entry to incorporate the opening balances into the current period, including the balancing capital figure.

You will need to refer to the Additional Information section for your adjusting entries.

The rent and insurance period start on 1 June.

Show three types of revenue, namely gym fees, squash fees and membership fees. All revenues received were for the month of June.

Unless otherwise indicated, all transactions are on a cash basis. Use one general Account Receivable for all debtors and one general Account Payable for all creditors.

Your Balance Sheet should show assets and liabilities divided into current and non-current.

Staff work a 7-day week and are paid on the 8th day.

Assume all prepayments are initially recognised as an asset.