

Recording Business Transactions

Assessment 2 (Weighting 60%) **1000 words** Submission deadline: 30th January 2023

Learning outcomes assessed:

- LO1. Knowledge and understanding of double entry bookkeeping
- LO2. Knowledge and understanding of books of prime entry
- LO3. Knowledge and understanding of the accounting equation and financial statements
- LO4. Demonstrate ability to record and summarise accounting information
- LO5. Demonstrate ability to maintain accurate books of accounts for a business
- LO6. Demonstrate ability to make business decisions using financial information

Part A.

Errol Anderson is going to set up a business repairing and servicing cars. However, he's uncertain whether to choose a sole trader business or a partnership, also, he does not know about the steps for starting a business. He wants you to consult him on the following matters.

- Explain the advantages and disadvantages of each type in detail and
15 Marks
 - Provide 5 steps for starting a new business.
15 Marks
- (Total 30 marks)**

Part B.

1. Kavan is a trader dealing in electronic goods who commenced his business in 2018. For the following transactions that took place in the month of March 2021, pass journal entries.
 - 01/03 - Purchased goods from Y and Co. on credit £60,000
 - 02/03 - Sold goods to D and Co. on credit £30,000
 - 03/03 - Paid Y and Co. through a bank in full settlement £58,000
 - 04/03 - D and Co. accepted a bill drawn by Kavan £30,000
 - 05/03 - Sold goods to L on credit £20,000
 - 06/03 - Sold goods to M on credit £40,000
 - 07/03 - Received a cheque from M in full settlement and deposited the same to the bank £39,000
 - 08/03 - Goods returned to Y and Co. £2,000
 - 09/03 - L became insolvent and only 90p per pound is received by cash in the final settlement
 - 10/03 - Goods returned by M £1,000

(30 marks)

Required:

You are required to show the Journal entries (*only*) (with narrative) necessary to record the following items which occur in March 2021.

2. The following are the balances on the accounts of ABC on 31 August 2021:

	£
Sales	41,700
Purchases	34,680
Receivables.	6,790
Payables	5,650
General expenses.	12,760
Loan	10,000
Plant and Machinery at cost	5,000
Motor Van at cost	6,000
Drawings.	2,000
Rent and rates	6,700
Insurance	4,000
Bank overdraft	580
Capital	20,000

Required:

- a) Prepare ABC's trial balance as of 31 August 2021. (20 marks)
- b) Explain the benefits and limitations of the trial balance in a business Organisation. (20 marks)

For guidance on online submission of assignments, including how to submit and how to access online feedback, please refer to the UWL Blackboard student-help pages at: uwل.ac.uk/blackboardhelp

Marking grid:

	100-80%	79-70%	69-60%	59-50%	49-40%	39-30%	29-0%
	The work produced is exceptional in most/all aspects, substantially exceeding expectations for this level.	The work produced is of excellent quality, exceeding expectations for this level in many aspects.	The work produced meets all of the intended learning outcomes and exceeds the threshold expectations for this level in several of them	The work produced meets all of the intended learning outcomes and exceeds the threshold expectations for this level in some of them.	The work produced meets all of the intended learning outcomes at, but rarely exceeding the threshold expectations for this level.	The work produced fails to meet all the intended learning outcomes and is marginally inadequate for this level. a	The work produced fails to meet all of the intended learning outcomes and is inadequate for this level.
Knowledge and Understanding	<p>Exceptional breadth and depth for work at this level;</p> <p>□ Explores and evaluates information/ideas from a wide range of sources (may include primary sources);</p> <p>□ Excellent understanding of concepts/theories (some of them abstract) and/or current practice, and several of their applications and implications.</p>	<p>Accurate and coherent in breadth, with depth in many areas;</p> <p>□ Explores and deploys information from a wide range of mostly secondary sources.</p> <p>□ Thorough understanding of concepts and theories (some of them abstract) and/or current practice, and some of their implications and applications.</p>	<p>Accurate in breadth, with depth in several areas;</p> <p>Locates and organises a wide range of information/evidence;</p> <p>Clear understanding of concepts and theories (some of them abstract) and/or practice and some of their implications and applications.</p>	<p>Accurate, with depth in some aspects;</p> <p>Locates and organises a satisfactory range of information/evidence, some of it beyond the given/familiar;</p> <p>Satisfactory understanding of the relevant concepts, theories and/or practice;</p> <p>Shows some ability to deal with unfamiliar and abstract ideas.</p>	<p>Largely accurate across most areas, with limited depth;</p> <p>Locates and organises an acceptable range of information/evidence mostly from given/familiar secondary sources;</p> <p>Adequate understanding of the main concepts, theories and/or practice;</p> <p>Engagement with abstract/unfamiliar ideas or implications and applications is slight.</p>	<p>Inaccuracies/omissions in some areas, depth limited;</p> <p>Range of information limited to the familiar/given with some errors in organisation;</p> <p>Occasional errors in understanding of main concepts, theories and/or practice;</p> <p>Struggles to engage with unfamiliar/abstract ideas and complexities.</p>	<p>Substantial inaccuracies/omissions/irrelevancies;</p> <p>Range of information inadequate and disorganised ;</p> <p>Substantial errors in understanding of concepts, theories and/or practice, or none;</p> <p>Fails to engage with/address unfamiliar/abstract ideas and complexities.</p>
Cognitive Skills	<p>Selects and applies appropriate methods to address/solve complex and often unfamiliar and unpredictable problems.</p> <p>□ Exceptional judgement in selection, analysis and evaluation of information and application of learning to different contexts.</p> <p>□ Excellent investigative skills generate well-founded and evidenced conclusions/practical solutions.</p>	<p>Applies appropriate methods to address/solve complex issues/problems, some unfamiliar/unpredictable.</p> <p>□ Exercise's judgement in selection, analysis and evaluation of information and application of learning to a different context.</p> <p>□ Thorough investigation generates well-founded conclusions/practical solutions.</p>	<p>Uses appropriate given methods to address complex issues/problems, some unfamiliar/unpredictable.</p> <p>Exercise's judgement in selection and analysis of information, with some evaluation, and application of learning in a different context.</p> <p>Investigation generates well-founded conclusions/practical solutions.</p>	<p>Uses given methods to analyse issues/problems, some unfamiliar/unpredictable and complex.</p> <p>Satisfactory selection and analysis of information, with little evaluation.</p> <p>Applies some aspect of learning in a different context;</p>	<p>Analysis using given methods is adequate.</p> <p>Limited ability to apply learning to complex, unfamiliar or unpredictable contexts/issues.</p> <p>tendency to description and reliance on familiar/given material or approaches.</p>	<p>Superficial analysis.</p> <p>Some failure to apply learning to complex, unfamiliar or unpredictable issues/context.</p> <p>Overly descriptive and reliant on familiar/given material or approaches.</p>	<p>Analysis absent or with significant errors/omissions</p> <p>Fails to apply learning.</p> <p>Descriptive and heavily reliant on very restricted range of given/familiar material and approaches, poorly understood.</p>
Practical and Professional	Competence in all the required specialised	Competence in all the required specialised	Competently uses all the required	Competently uses all of the required	Use of all the required specialised	Use of some of the required specialised	Inadequate use many/all of the

ional Skills	practical, technical, creative, scholarly or work-related skills exceeds expectations for this level.	practical, technical, creative, scholarly, or work-related skills, exceeds expectations for this level in some respects.	specialised practical, technical, creative, scholarly or work-related skills, with indications of more developed ability in some areas.	specialised practical, technical, creative, scholarly or work-related skills, with more developed capability in at least one area.	practical, technical, creative, scholarly or work-related skills is adequate.	practical, technical, creative, scholarly or work-related skills is marginally inadequate.	required specialised practical, technical, creative, scholarly or work-related skills.
Transferable and Key Skills	<p>Excellent presentation and organisation of work and lucid communication in all contexts.</p> <p>□ Exemplary referencing/citation.</p> <p>□ Work demonstrates independence and initiative beyond level expectations, setting objectives and taking responsibility for outcomes.</p> <p>□ Evidence developed team-working and indications of leadership ability.</p> <p>□ Critical reflection/self-evaluation exceptional for this level.</p>	<p>Excellent presentation and organisation of work and lucid communication in most contexts.</p> <p>□ Extensive, accurate referencing/citation.</p> <p>□ Work demonstrates independence and some initiative in setting objectives and taking responsibility for outcomes.</p> <p>□ Evidence developed team-working skills.</p> <p>□ Reflection and self-evaluation often critical and insightful.</p>	<p>Presentation and organisation of work appropriate to context and purpose, communication clear.</p> <p>Referencing consistent and accurate.</p> <p>Work demonstrates independence in setting some objectives beyond those given and taking responsibility for outcomes.</p> <p>Evidences a high level of team-working skills.</p> <p>Reflection generates a number of critical insights.</p>	<p>Satisfactory organisation and presentation of work, communication s mostly appropriate to the context/purpose.</p> <p>Referencing mostly consistent/accurate.</p> <p>Work demonstrates satisfactory independence in addressing objectives and taking responsibility for outcomes.</p> <p>Evidence satisfactory team-working skills.</p> <p>Satisfactory reflection with some insights.</p>	<p>Organisation and presentation of work and communications adequate in most contexts, with some mistakes/irrelevancies.</p> <p>Some errors in referencing.</p> <p>Work demonstrates adequate independence in addressing given objectives and taking some responsibility for outcomes.</p> <p>Tendency to rely on support/direction from others.</p> <p>Limited teamworking skills.</p> <p>Limited reflection with few insights.</p>	<p>Elements of disorganisation/ poor presentation/ poor or inappropriate communication or expression.</p> <p>Errors/omissions in referencing, or none.</p> <p>Work demonstrates insufficient independence in attempting to address given objectives and taking responsibility for outcomes.</p> <p>Relies on support/direction from others.</p> <p>Underdeveloped teamworking skills.</p> <p>Minimal reflection lacks insight.</p>	<p>Work is disorganised , poorly presented with poor/inappropriate communication and expression.</p> <p>Substantial errors in referencing, or none.</p> <p>Work fails to address objectives and take responsibility for outcomes.</p> <p>Fails to engage in/ shows deficiencies in team-working.</p> <p>Reflection inadequate/absent with no insight.</p>