

Exercise

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

- a. On January 5, the company purchases goods for € 400 plus VAT, with transport costs amounting to 15% of the purchase price, also subject to VAT. The settlement is by cash after 30 days;
- b. On February 10, the company sells goods for € 900 plus VAT. There are sales allowances for 10%. The settlement is by cash after 30 days;
- c. On March 15, at the maturity of a promissory note receivable of € 1,500, a 2-month extension for payment is granted through the total renewal of the note, with the payment of the related interest in advance. The interest is set at a rate of 18%, and the settlement is by the bank;
- d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

- e. Depreciation expense of equipment: book value of € 4,800; useful life of 8 years;
- f. On June 1, a building is rented out to third parties for 12 months, with a total rent of € 9,600. The rent is paid at the end of the rental period;
- g. Interest income: €450;
- h. A loan of €15,000 is taken out, with interest at 15% paid in advance on September 1.