Alan Goh Jiang Wee



PRINCIPLES OF ACCOUNTS CHAPTER 11: TRIAL BALANCE

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What is a Trial Balance?

A Trial Balance is actually a list of debit & credit balances extracted from the accounts in the ledger. It is not an account & does not form part of the double entry system. It may be prepared at anytime to check the equality of the debits & the credits.

Example:

Mr. Johnson commenced business as a sole-trader in computer equipments & accessories. The following transactions took place during the month of April 2002:

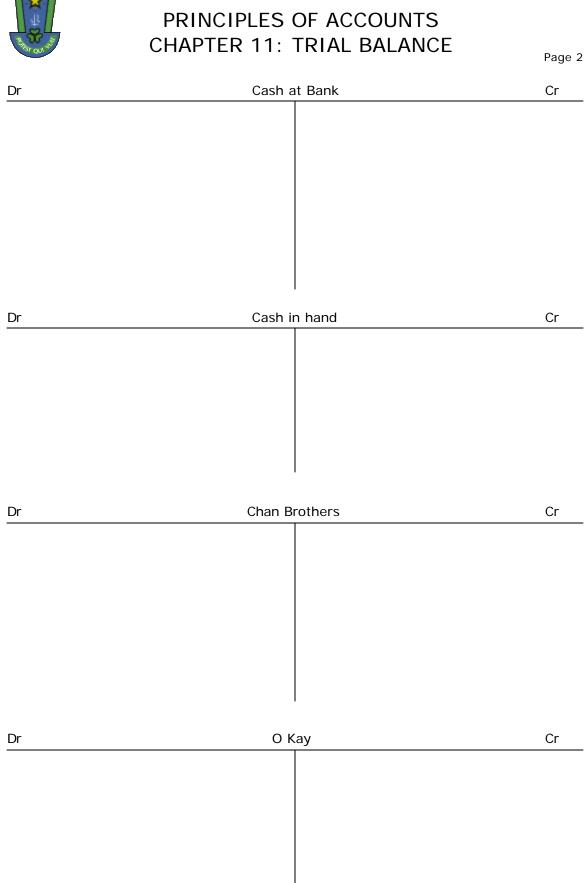
		٦	S\$
A	01	Commenced burging on the cost in bound Ctt 000 and costs at	24
Apr	01	Commenced business with cash in hand S\$1,000, and cash at	
		bank S\$15,000	
	03	Purchased goods by cheque	5,000
	05	Cash Sales	1,500
	07	Purchased goods on credit from Chan Brothers	3.500
	10	Sold goods on credit to O Kay	1,450
	12	Returned goods on Chan Brothers as goods supplied are of	150
		different specifications	
	13	O Kay returned damaged goods	100
	15	Paid wages in cash	750
	16	Paid Chan Brothers by cheque	1,000
	17	Received cheque from O Kay	800
	18	Cash Sales	2,000
	20	Withdrew cash from bank for personal use	1,200
	24	Bought furniture by cheque	1,350
	26	Withdrew goods for personal use	50
	27	Paid wages in cash	750
	28	Transferred cash into bank account	2,200
		Paid Chan Brothers cheque S\$1,000, and receive discount of	
		S\$50	

Ledger:

Dr

Capital Account

Cr



- ** -		Alan Goh Jiang Wee		
And as as	PRINCIPLES OF ACCOUNTS CHAPTER 11: TRIAL BALANCE	Page 3		
		Tage 5		
Dr	Sales Account	Cr		
Dr	Purchases Account	Cr		
Dr	Sales Returns Account	Cr		
Dr	Purchases Returns Account	Cr		
Dr	ا Wages Account	Cr		
	Ι			

3 Thr an	PRINCIPLES OF ACCOUNTS CHAPTER 11: TRIAL BALANCE	F	age
Dr	Discount Received Account	(Cr
Dr	Drawings Account	(Cr
Dr	Furniture Account	(Cr
	Mr. Johnson Trial Balance as at 30 April 2002		
	De	ebit Crec \$\$	

1.24