



PRINCIPLES OF ACCOUNTS

CHAPTER 11: TRIAL BALANCE

Name: _____

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Class: Sec 3 _____

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:

			S\$
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 different specifications	150
	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 Paid Chan Brothers cheque S\$1,000, and receive discount of S\$50	2,200

Ledger:

Dr	Capital Account	Cr



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Dr Cash at Bank Cr

Dr Cash in hand Cr

Dr Chan Brothers Cr

Dr O Kay Cr



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Dr Sales Account Cr

Dr Purchases Account Cr

Dr Sales Returns Account Cr

Dr Purchases Returns Account Cr

Dr Wages Account Cr



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Dr Discount Received Account Cr

Dr Drawings Account Cr

Dr Furniture Account Cr

Mr. Johnson
Trial Balance as at 30 April 2002

Debit
S\$

Credit
S\$