

**3A Accounting
Practice Test Answer Key:
Cash Control and Banking Applications**

1. Credit Cards and Debit Cards

Date	Particulars	P.R.	Debit	Credit
Jan. 19	Cash		34.50	
	Sale			30.00
	PST Payable			2.40
	GST Payable			2.10
Jan. 24	Cash		43.24	
	VISA Discount Expense		2.76	
	Sale			40.00
	PST Payable			3.20
	GST Payable			2.80
Jan. 27	Cash		57.30	
	Debit Expense		0.20	
	Sale			50.00
	PST Payable			4.00
	GST Payable			3.50

A. Lightstone, February 2004

2. Cash Short and Over

Date	Particulars	P.R.	Debit	Credit
March 7, 2001	Cash		375.00	
	Sales			375.00
March 7, 2001	Cash Short		2.50	
	Cash			2.50
	<i>To record cash short on day's receipts.</i>			
	<i>Or you could do one compound entry:</i>			
March 7, 2001	Cash		372.50	
	Cash Short		2.50	
	Sales			375.00

3. i) Record the general journal entry, on February 7th, required to establish a petty cash fund of \$75.00

ii) Given the data outlined above, record the general journal entry, on February 22nd, required to replenish the petty cash fund back up to \$75.00. Note: Ignore PST.

Date	Account Title	Post Ref.	Debit	Credit
Feb. 7, 2004	Petty Cash		75.00	
	Cash			75.00
Feb. 22, 2004	Postage Expense		10.00	
	Miscellaneous Expense		11.00	
	Office Supplies Expense		4.60	
	Donations Expense		10.00	
	Drawings		15.00	
	GST Recoverable		2.49	
	Cash			53.09

4. Bank Reconciliation Statement

Acme Inc.		
Bank Reconciliation Statement		
For the Month Ended March 31, 2001		
Royal Bank, bank statement balance, March 31		\$ 1,200.00
Add: Deposit in Transit , March 30		350.00
		1,550.00
Deduct: Outstanding Cheques:		
No. 314	\$ 100.00	
No. 320	45.00	
No. 321	80.00	225.00
Reconciled Bank Statement Balance		\$ 1,325.00
Acme Inc., cash account balance, March 31		\$ 1,387.00
Add: Bank Credit Memo for interest earned	\$ 24.00	
Correction for Trans. Error	9.00	33.00
		1,420.00
Deduct:		
Bank Service Charges		95.00
Reconciled Cash Account Balance		\$ 1,325.00

General Journal

Cash	33.00	
Interest earned		24.00
Supplies		9.00
Bank Service Charges	95.00	
Cash		95.00

5. Cash Flow Statement

Varone Recording Studio		
Statement of Cash Flows		
For the Month Ended March 31, 2001		
Cash Inflows		
Cash Sales	\$1,250.00	
Bond Interest	100.00	
Sale of Amplifier	600.00	
Total Sources of Cash		1,950.00
Cash Outflows		
Rental of Effects Unit	\$ 575.00	
Blank CDs (Recording Supplies)	600.00	
Telephone Bill	190.00	
Total Uses of Cash		1,365.00
Net Increase in Cash		585.00
Cash balance as of February 28, 2001		4,500.00
Cash balance as of March 31, 2001		<u>\$5,085.00</u>