# Answer to Question 1

 DR CR

 a. Fixtures 2,222

 Hope & Co. 2,222

Bought fixture on credit from Hope and Co

 b. Drawings 390

 Purchases 390

Owners take goods costing £390 out of the business inventory without paying for them

 c. Computer 600

 H.Pete 600

Pete is unable to pay his debt. We agree to take some computer equipment from him

 d. Hope & Co. 35

 Fixtures 35

 e. Bad debt 324

 Brenda Lewis 324

A debt owing to us by Brenda Lewis of £324 is written off as a bad debt

 d. Office equipment 2,910

 HMP Furniture Ltd 2,910

Office equipment bought on credit from HMP office furniture Ltd

# Answer to Question 2

 **THE JOURNAL**

 **DR CR**

Van 6,321

 Price Auto Garages 6,321

being bought a new Van on Credit from Smiths auto Garages.

Bad debt 33

 A. Ford account 33

being bad debt written off.

Rake office supplies 777

 Office Supplies 777

 Being office furniture bought on credit returned to Rake office Supplies.

Bank 300

I.Hand 300

Being £300 received in full settlement of debt from I. Hand.

Bad debt 550

 I Hand 550

Being balance left on I Hand account written off as bad debt.

Drawings 60

 Purchases 60

Being goods taken out for private use

Drawings 82

 Insurance

Being private insurance not business insurance. 82

Machinery 2,000

 Aston Electronics 2,000

Being Machinery bought on credit from Aston Electronics