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Thread: [accounting test, I need answers](#)

AnGrY Bo - July 13, 2017, 1:35 pm

Hello guys

I need help answer following questions:

EXERCISE 1

The Cash Management module in SAP at month end has failed to interface into the General Ledger module, resulting in an incorrect position of our assets and liabilities. With the information provided calculate the correct cash position for one of the bank accounts.

Bank Statement at 30th September 2016 Bank Account Credit Balance £100,000

BACS supplier payments to clear £10,000

Promised BACS customer payment 30/06/2016

(debited from Customer's bank account with copy of statement transaction) £10,000

Cheque issued to supplier to clear £10,000

The General Ledger balance for the bank account should be:

£100,000 – we should only reflect the true substantiated value in the bank statement

£90,000 – only the BACS supplier payments should be reflected (£100,000 - £10,000)

£90,000 – all transactions should be reflected (£100,000 - £10,000 + £10,000 - £10,000)

£80,000 – promised BACS customer payment is not part of the balance

EXERCISE 2

You are responsible for the monthly calculation of the bad debt provision for WWO for September 2016 month end. The standard payment terms to our customers are 30 days. Our company policy states the following guidelines for the calculation of the bad debt provision:

Debtors 0-30 days 30-60 days 60-90 days 90-120 days over 120 days

Provision 0% 10% 40% 75% 100%

At the point of Accounts Receivable subledger close the debtors report shows:

Customer 0-30 days 30-60 days 60-90 days 90-120 days Over 120 days

A £1,000,000 £400,000 £250,000 £10,000 -

B £500,000 £200,000 £60,000 - -

C £750,000 £350,000 £150,000 £100,000 £40,000

After closing the Accounts Receivable ledger but before closing the General Ledger for month end, our Order to Cash department has advised you that customer A paid £200,000 related to the oldest invoices.

Your total provision calculation is:

£401,500 – the last minute payment from customer A should not be taken into consideration

£318,000 – the last minute payment from customer A should be taken into consideration

£400,000 – the payment from customer A should not be taken to consideration and we round up/down the provision accordingly

£320,000 – the payment from customer A should be taken into consideration and we round up/down the provision accordingly

EXERCISE 3

Part of your management accounts responsibilities in WWO is to look after the accruals and prepayments for the Warwick site. For September 2016 month end you are looking at the rent and rates charges which are as follow:

Quarterly rent paid in arrears of £900,000 on March 31st, June 30th, September 30th, December 31st

Annual rates paid in advance of £600,000 on April 1st

The entries should be:

Rent accrual of £300,000 and rates prepayment of £300,000

Rent prepayment of £300,000 and rates accrual of £300,000

Rent accrual of £0 and rates prepayment of £300,000

Rent prepayment of £0 and rates accrual of £300,000