



DAR ES SALAAM SCHOOL OF JOURNALISM

- ❖ MODULE NAME: BASICS OF FINANCE AND PROCUREMENT
- ❖ MODULE CODE: 06103
- ❖ DEPARTMENT : FINANCE
- ❖ MODULE LEVEL: ORDINARY DIPLOMA IN JOURNALISM
- ❖ MODULE SEMESTER: THIRD SEMESTER
- ❖ TUTOR'S NAME: RAJABU SAID MRISHO



OUR MOTTOR: MEDIA FOR DEMOCRACY



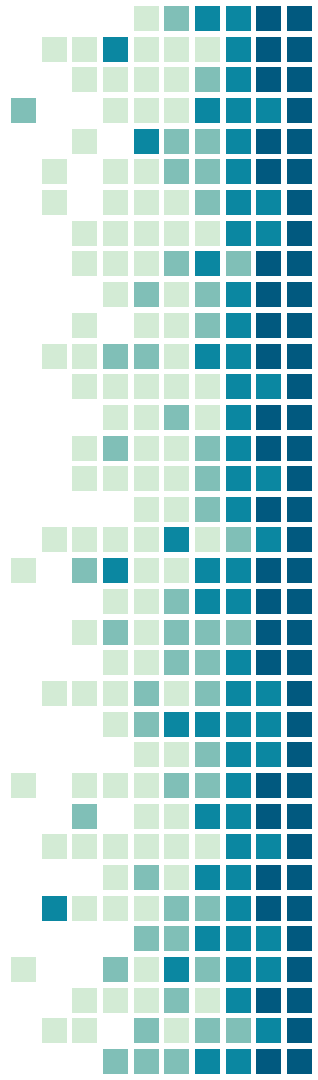
TOPIC THREE TRIAL BALANCE

A trial balance is a list of ledger balances at particular date.

A trial balance is a schedule or list of debit and credit balances extracted from a various accounts in the ledger including cash and bank balances from cash book. Since every transaction has dual effect i.e. every debit has a corresponding credit and vice versa, therefore the total of the debit balances should be equal to total credit balances.

OBJECTIVES OF PREPARING TRIAL BALANCE

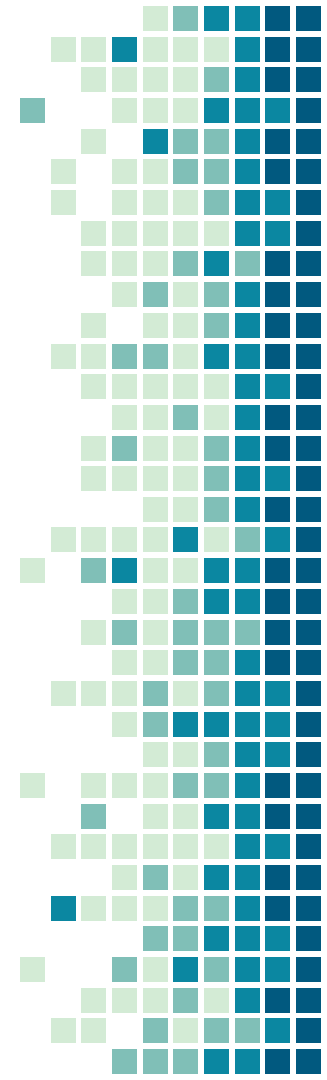
- I. It is a check on the accuracy of posting. If trial balance agrees it proves that;
 - a) The book are arithmetically accurate, and
 - b) Both the aspects of the transaction have been recorded in the books of original entry as well as in the ledger.
- II. It brings together the balances of all accounts at one place and this facilitates the preparation of final accounts and balance sheet.



Example 1

- A. Mzuri Mimi started a business with TZS. 20,000,000 in cash.
- B. Bought furniture for TZS. 2,800,000 cash.
- C. Bought goods for resale TZS. 2,000,000 by cash.
- D. Cash sales TZS. 1,500,000
- E. Paid rent TZS. 200,000 by cash.
- F. Bought good for resale by cash TZS. 3,000,000.
- G. Cash sales TZS. 4,000,000.

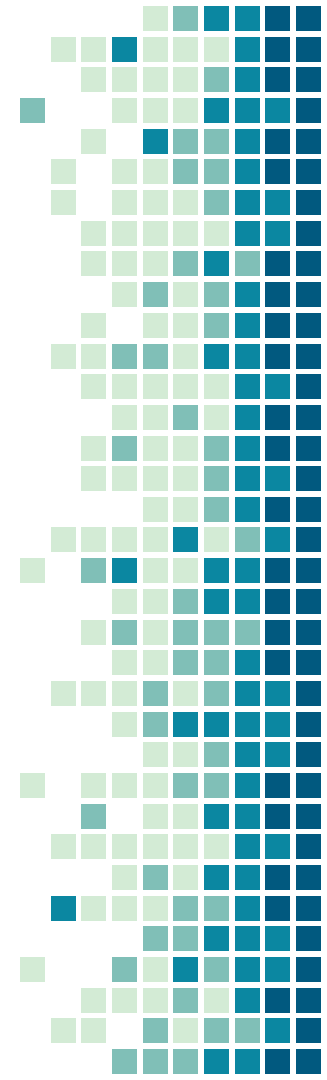
Required: Open Cash book, necessary ledger accounts and extract a trial balance



SOLUTION.

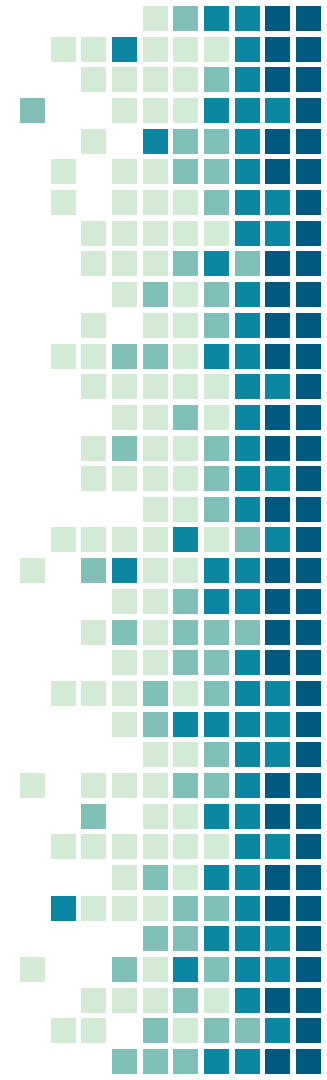
MZURI MIMI

DR.	CASH BOOK		CR.
(A) Capital	20,000,000	(B) Furniture	2,800,000
(D) Sales	1,500,000	(C) Purchase	2,000,000
(G) Sales	4,000,000	(E) Rent	200,000
		(F) Purchase	3,000,000
		Balance c/d	<u>17,500,000</u>
	<u>25,500,000</u>		<u>25,500,000</u>
Balance b/d	17,500,000		

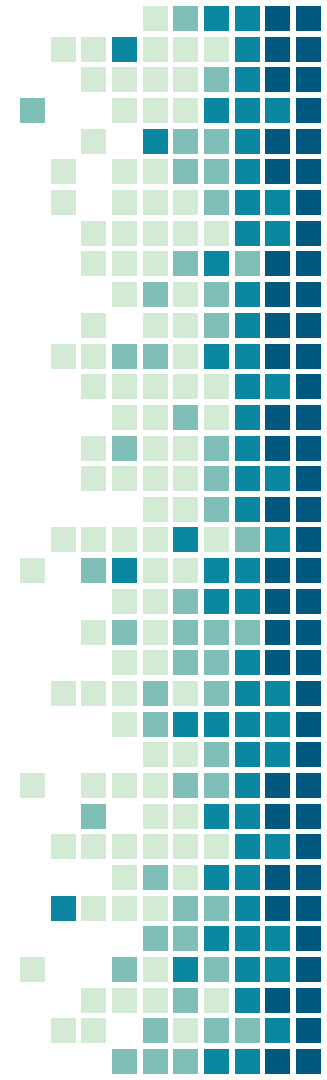


Ledger accounts are as follow;

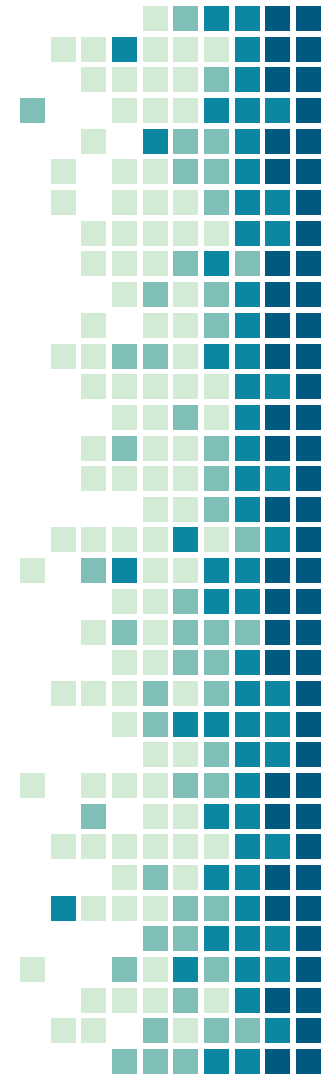
DR.	CAPITAL ACCOUNT		CR.
Balance c/d	20,000,000	(A) Cash	20,000,000
	<hr/>		<hr/>
	20,000,000		20,000,000
		Balance b/d	<hr/>
			20,000,000



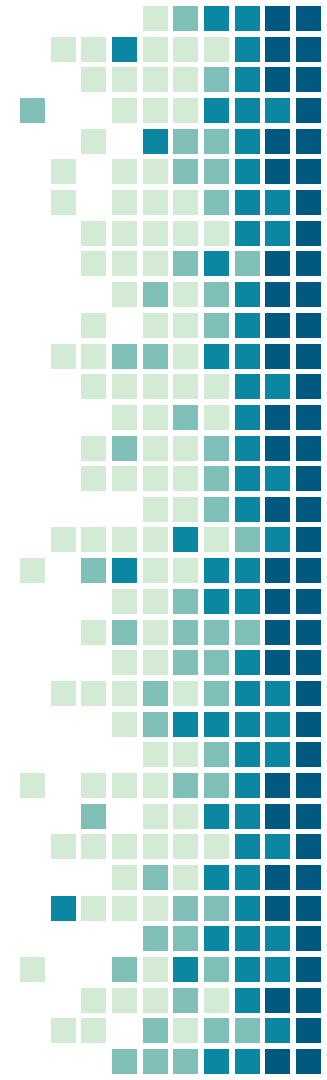
DR.	FURNITURE ACCOUNT		CR.
(B) Cash	2,800,000	Balance c/d	2,800,000
	2,800,000		2,800,000
Balance b/d	2,800,000		



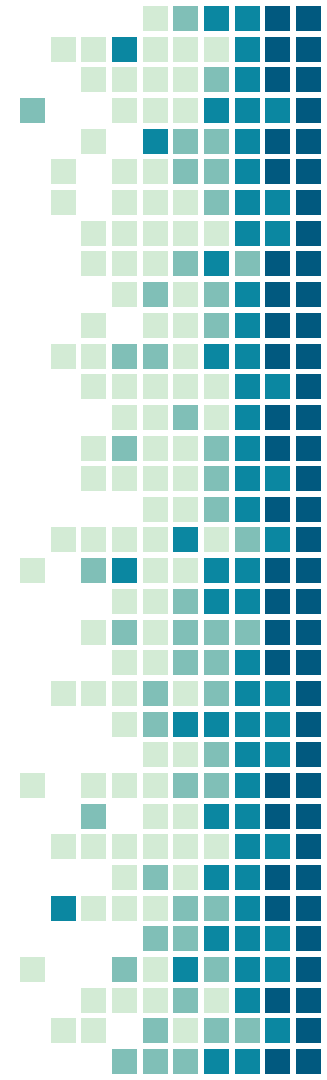
DR.	PURCHASES ACCOUNT		CR.
(C) Cash	2,000,000	Balance c/d	5,000,000
(F) Cash	3,000,000		
	5,000,000		5,000,000
Balance b/d	5,000,000		



DR.	SALES ACCOUNT		CR.
Balance c/d	5,500,000	(D) Cash	1,500,000
		(G) Cash	4,000,000
	5,500,000		5,500,000
		Balance b/d	5,500,000



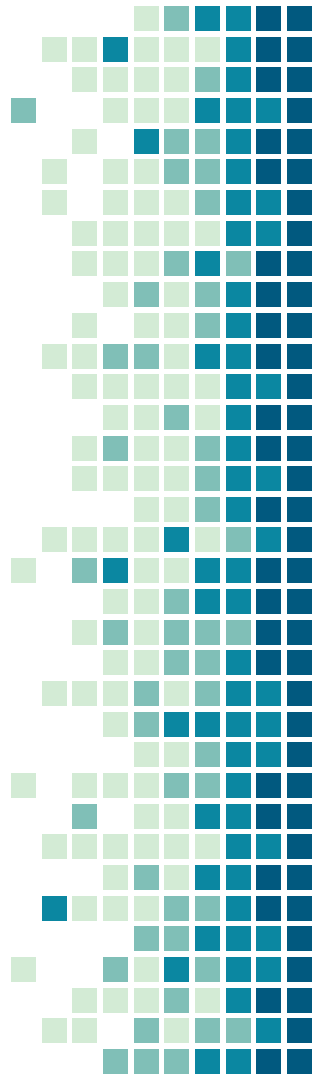
DR.	RENT ACCOUNT		CR.
(E) Cash	200,000	Balance c/d	200,000
	<hr/>		<hr/>
	200,000		200,000
Balance b/d	200,000		



TRIAL BALANCE AS AT 31st DECEMBER 20XX

S/N	DETAILS	DEBIT	CREDIT
1	Cash	17,500,000	
2	Capital		20,000,000
3	Furniture	2,800,000	
4	Purchases	5,000,000	
5	Sales		5,500,000
6	Rent	200,000	
	TOTAL	25,500,000	25,500,000

Therefore, Debit balances are equal to the Credit balances.



QUESTION

Record the following transactions in the books of Mchalo Traders (LTD), balance off all accounts, and then extract a trial balance as at 31 March 2021.

March 1. Started in business with cash Tshs. 8,500

March 3. Bought goods on credit from Machinga shop Tshs. 420

March 5. Paid rent by cash Tshs. 210

March 8. Sold goods on credit to Christina Tshs. 192

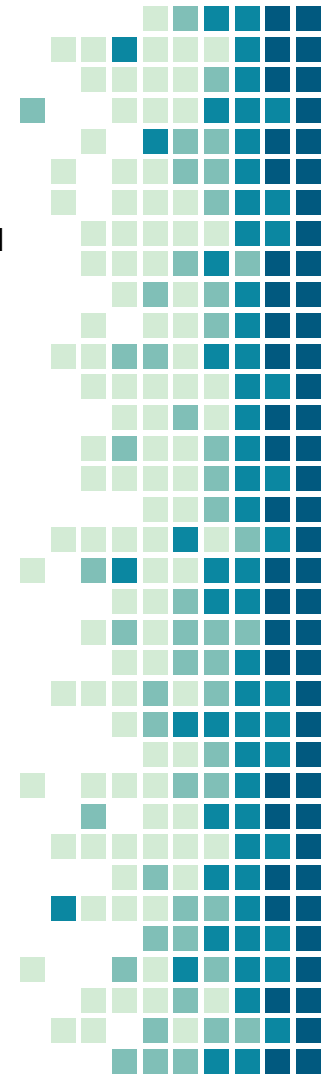
March 11. Bought a van Tshs. 25 paid by cash

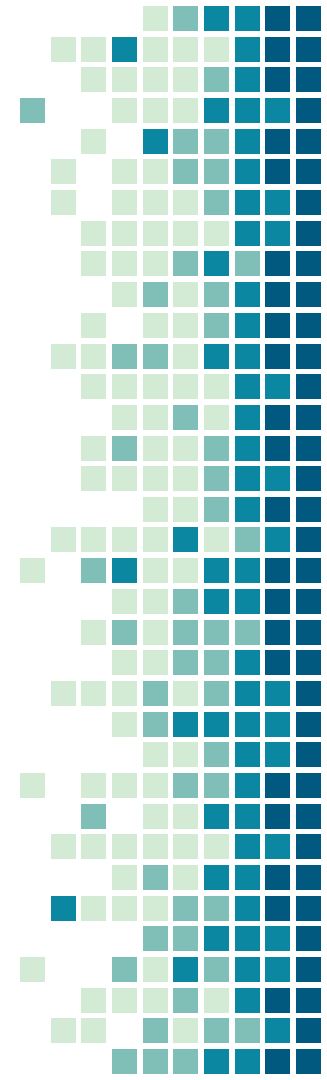
March 15. Cash sales Tshs. 81

March 19. Goods returned by us to Machinga shop Tshs. 54

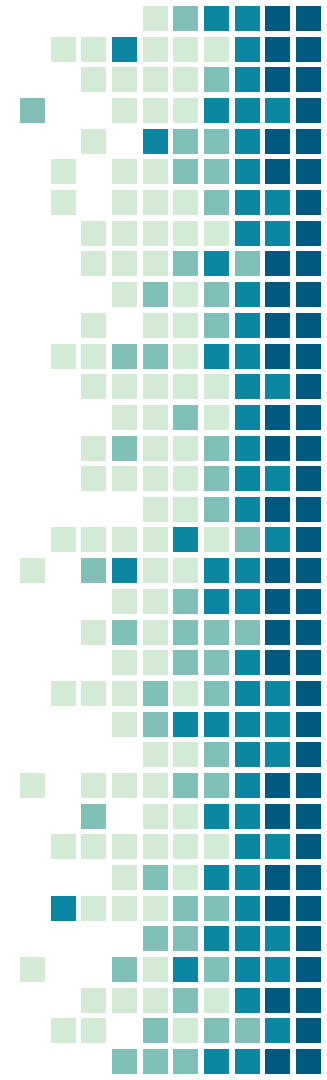
March 25. Christina returns goods to us Tshs. 22

March 28. Cash purchases Tshs. 470





Any Question?



Full name: RAJABU SAID MRISHO

Department: FINANCE

Email Address: rajabusmrisho@gmail.com

Phone number: 0753 033 355



CONTACT TUTOR IN CHARGE