

**QUESTION 2 (24 marks) (29 minutes)**

Toto Electrical is a service business. The business is not registered for VAT. Toto Electrical uses the perpetual inventory system. The following transactions were entered into by Toto Electrical during September 2015.

**September**

- 4 Electrical repair service rendered on credit to L Logo – R1 200
- 10 Advertising fee paid by cheque no 009 – R350
- 15 Electrical tools and equipment bought from Top Electrical for cash – R8 500
- 20 A cheque received from L Logo – R700
- 22 Electrical repair service rendered for cash – R4 050
- 23 The owner took electric wires from the inventory of the business for own use – R450
- 28 Bought electric wires on credit from Wires Inc – R3 000
- 30 Wages paid cash – R5 000

**REQUIRED.**

For each of the transactions listed above, indicate the effect of the transaction on the accounting equation. Use a "+" sign to indicate an increase and a "-" sign to indicate a decrease in the elements of the accounting equation. Also indicate the General Ledger Accounts affected.

Where applicable assume that the bank balance is positive.

**Example: Owner deposited R25 000 into the business**

Date	Assets =	Equity +	Liabilities	General Ledger Accounts	
				Dr	Cr
Example	+ 25 000	+ 25 000	0	Bank	Capital

[TURN OVER]

