

BANK307

Assignment 3

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1. Ignoring the rates of taxation, assume that the bank managers estimates that the tax payment for the ensuing year to be \$3,600. What would be the monthly adjusting entry to cover the tax payment at the end of the year?
 2. At the end of the year, bank manager's estimations properly matched with the government's tax computations and the tax payment amounted to \$3,600. If that is the exact amount of the tax to be paid, what would be the adjusting entry to cover the payment for the tax?
 3. At the end of the year, bank manager's estimations have not matched with the government's tax computations and the tax payment amounted to \$4,200. If that is not the exact amount of the tax to be paid, what would be the adjusting entry to reflect the correct balances of the accounts?
 4. On April 30th, ABC Bank bought \$12,000 worth of office equipment from Supplier Z. ABC Bank, issued a post dated cheque to pay this supplier. Date on the cheque was June 10th. Journalise the transaction for the purchase of the equipment
 5. On May 10th, Supplier Z arrives at bank to cash the cheque and get the corresponding amount a month before the clearing date. Bank charged 2% commission for cashing the cheque before the maturity date.
 6. At the end of March, Bank accountant made records of the staff salaries. Amount of monthly salary is \$30,000. Newton bank generally pays its staff salaries within the five working days of the following month. (5th April) So, what would be the adjusting entry for the salary payment on 31st March?
 7. What would be the adjusting entry for the salary payment on 5th April?
 8. On 1st January 2013, Welsh Bank borrowed loan of \$2,000,000 from Worthy Bank. Monthly interest rate of the loan is 7%. Welsh bank pays interest to the lender at the end of every quarter. (3 months). What would be the adjusting entry for interest payments for the following three months?
 9. What would be the adjusting entry for the interest payment on 31 March 2013?