



# MYOB PROJECT

ACCT103 Accounting and Taxation: An Introduction

Semester Two, 2018

Department of Accounting & Information Systems (ACIS)

Student Workbook

Name: \_\_\_\_\_

This was developed as part of the project, '[Using complex case studies to teach law and accounting](#)', co-funded by Ako Aotearoa'.

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# The Assignment – MYOB Project

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## Overview

In this assignment, you are to create a business profile and record day to day transactions including GST and payroll transactions by using MYOB Essentials. This project also involves the preparation of common financial reports and a GST return.

Based on the information you have processed and the financial reports you have prepared by using MYOB, you will also be required to write a management report to evaluate the performance of the business.

## Parameters

This is an **individual** assignment. Always use your own legal name, student ID and uclive email account when required.

**Weighting:** 17% of the course (using MYOB Essentials: 9.6%; The Statement of Cashflows: 2.4% Management Report: 5%)

**Due date:** 10:00 am, Monday 10 September 2018

**Submission:** You are required to submit the electronic files only.

## Required:

1. You are required to generate and submit the following documents by using MYOB Essentials:

- 1) A Quote generated for a customer on request;
- 2) General ledger details for a particular bank account;
- 3) Journals – a list of all journal entries created on a specific date;
- 4) GST Return for a specific period;
- 5) A statement of profit and loss for a specific period; and
- 6) A balance sheet.

(8 marks each, 48 marks in total)

2. You are required to assemble a Statement of Cash Flows based on the information you have processed by using MYOB Essentials. However, this Statement of Cash Flows needs to be prepared by yourself without using the accounting software.

(12 marks)

3. You are required to write up a management report to evaluate the financial performance and financial position for the business.

(25 marks)

**TOTAL: 85 MARKS**

## Further information

### Background – your business

It is assumed that you own and run your sole trader business, selling one type of specialised home theatre system (Winterthur Ultra02) and also provide installation and repair services. Your business is based in Christchurch. You have no employees. Your business is registered for GST on the accrual (invoice) basis and prepares GST every month. You have some regular suppliers and customers. The financial year of your business runs from 1 April to 31 March.

Since you have learnt accounting as a part of your university degree, you have decided to use a cloud-based accounting software package to account for your own business. Your task is to set up your business profile, record and process daily transactions of your business using MYOB Essentials. It is hoped that at the end of each month, you will be able to evaluate the operation of your business by examining the financial statements prepared from accounting software package.

### MYOB Essentials

MYOB Essentials is easy online accounting software that has everything needed to take care of a small business. It is a fast and easy way to manage cash flow and IRD compliance requirements. It includes time saving features to help take care of the day-to-day bookkeeping and financial reporting.

More details about MYOB Essentials can be found at: <https://www.myob.com/nz/accounting-software/essentials>.

### Assignment tasks

You will complete this assignment by following the step-by-step instructions documented in this workbook.

First, you will need to sign up to a student trial account with MYOB Essentials. **You must use your student uclive email account to create and access this trial.** Since MYOB Essentials is a cloud-based software package you can work on this assignment anytime and anywhere where internet is available. MYOB Essentials can be accessed via a range of devices, but it is **NOT** recommended that you use your mobile phone for completing this assignment.

It is recommended that you use ‘**Chrome**’ as your browser. To download **Chrome**, go to: <https://www.google.com/chrome/>.

Second, you will input and process the required information specified in your workbook. **This assignment is completed entirely by your self-instructed learning.** Note that this assignment is an individual assignment. Although you are encouraged to work on this assignment with your fellow classmates as a part of your self-directed and collective learning, you must complete this assignment with your own efforts. **The ACIS Department policies about the conduct of student assessments apply.**

Detailed guidance on what and how to submit is provided in the Section 12 of this workbook.

## Technical assistance

There will be six (6) optional drop-in sessions facilitated by academic staff members of the course. Details of these drop-in sessions are as follows:

<i>Session</i>	<i>Date</i>	<i>Time</i>	<i>Computer lab</i>
(1)	Tuesday 14 August	15:00-16:00	Jack Erskine 001
(2)	Wednesday 15 August	16:00-17:00	Jack Erskine 248
(3)	Tuesday 21 August	15:00-16:00	Jack Erskine 001
(4)	Wednesday 22 August	16:00-17:00	Jack Erskine 248
(5)	Tuesday 4 September	15:00-16:00	Jack Erskine 001
(6)	Wednesday 5 September	16:00-17:00	Jack Erskine 248

These sessions are optional. You may want to use these sessions to ask particular questions or you can make use of these time slots to complete some tasks of this assignment. You are recommended to bring your own device to these sessions. There will be a certain number of computers available in the lab as well.

There will be **no** dedicated lecturing time and tutorials on the specific tasks of this assignment during the semester.

## Certification

In addition to your marks achieved from successful completion of the assignment, you will receive a certificate of proficiency jointly issued by MYOB and the college of business and law of University of Canterbury.

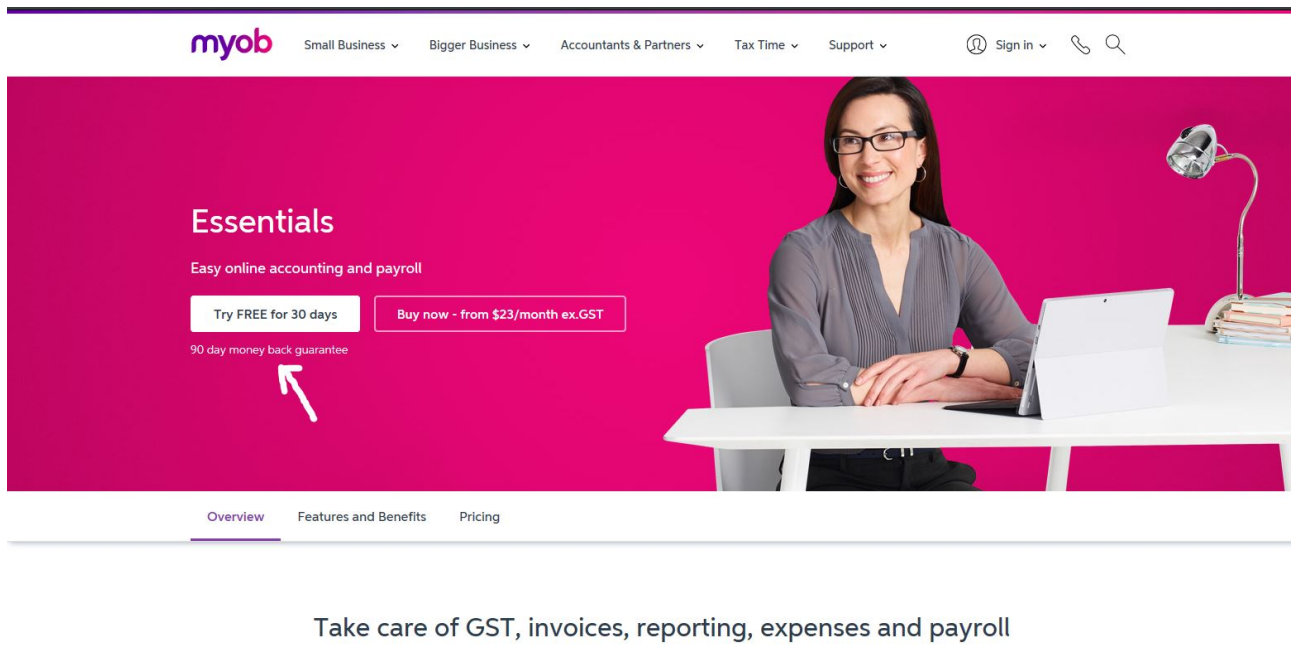
**All the best for your MYOB Project!**

## Section 1: Creating a business profile

It is assumed that you own and run a sole-trader's business in Christchurch. You are to use MYOB Essentials to create your business profile.

### Step 1: Create your account

Go to [www.myob.co.nz/essentials](http://www.myob.co.nz/essentials) and select 'Try FREE for 30 days' to get access to your free trial.



myob Small Business ▾ Bigger Business ▾ Accountants & Partners ▾ Tax Time ▾ Support ▾ Sign in ▾ 🔍

## Essentials

Easy online accounting and payroll

Try FREE for 30 days Buy now - from \$23/month ex.GST

90 day money back guarantee

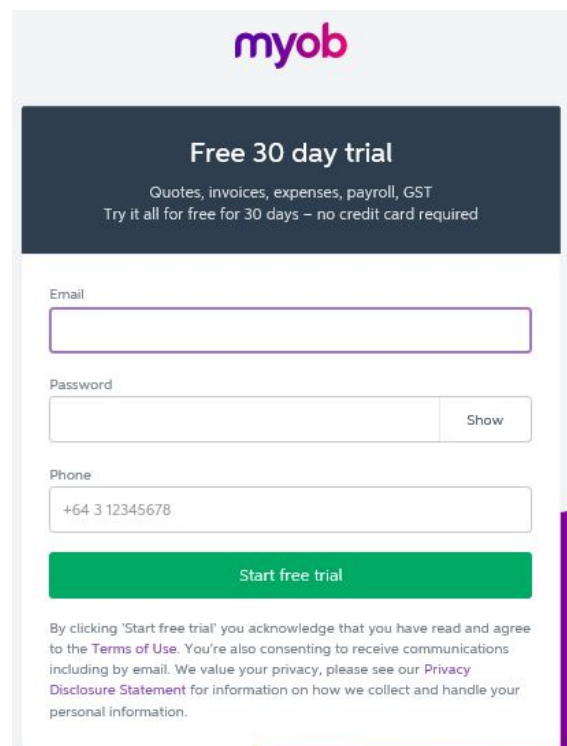
Overview Features and Benefits Pricing

Take care of GST, invoices, reporting, expenses and payroll

You must use your allocated uclive.ac.nz email to create your MYOB log in account (you need to create your own password). Then you will be guided to the webpage which allows you to access your own account for 60 days.

MYOB Essentials is a cloud-based system. You can logout and login to continue working on the project at any time.

Make sure you allow screen pop-ups.



myob

### Free 30 day trial

Quotes, invoices, expenses, payroll, GST  
Try it all for free for 30 days - no credit card required

Email

Password  
 Show

Phone  
+64 3 12345678

Start free trial

By clicking 'Start free trial' you acknowledge that you have read and agree to the Terms of Use. You're also consenting to receive communications including by email. We value your privacy, please see our Privacy Disclosure Statement for information on how we collect and handle your personal information.

## Step 2: Update your personal information

Enter your personal contact information by following the instructions. Remember you are the owner of the business.

The screenshot shows the MYOB dashboard. At the top, there is a navigation bar with the MYOB logo and various menu items: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, and a dropdown for 'Julia's Home Theatre Ser...'. A notification banner at the top states: 'Your free trial period ends in 30 days, on 16 Aug 2018. [Subscribe now.](#)'

Below the banner, a section titled 'Your profile is 0% complete' features a progress bar and a list of tasks to complete:

- Update your personal information
- Update your business information
- Update GST settings
- Enter opening balances for all your accounts
- Update your invoice and quote settings

Below this, there are three main financial summary cards:

- Money in:** Invoices (\$0, 0 invoices), Invoices overdue (\$0, 0 invoices overdue).
- Money out:** Expenses (\$0, Owing to suppliers), PAYE & KiwiSaver (\$0, PAYE & KiwiSaver owing).
- Banking:** Bank accounts (\$0, In the bank), Credit cards (\$0, In credit cards), Transactions (0, Unallocated transactions).

A green button labeled 'Set up bank Feeds' is located in the top right of the banking section.

### Important:

Invite Julia Wu, the course coordinator of ACCT103 as an 'advisor'. Julia's email address is: [julia.wu@canterbury.ac.nz](mailto:julia.wu@canterbury.ac.nz). This is to notify Julia that you have registered the project and she will assist you extending your trial account to 60 days.

The screenshot shows the MYOB dashboard with the 'Advisors' page selected. The navigation bar is the same as in the previous screenshot. The 'Dashboard' menu item is circled in blue. The main content area shows the 'Advisors' page with the following text:

Home [Advisors](#)

### Advisors

Invite your accountant or bookkeeper to work with you. After accepting their invitation, your advisor will get full access to your MYOB Essentials business, including viewing information, entering data and making changes. [Learn more](#)

On the right side, there is a sidebar menu with the following items:

- Settings (highlighted in yellow)
- Advisors (highlighted in yellow)
- Business details
- Users
- Logo
- GST settings
- Invoice and quote settings

Below the sidebar menu, there is a 'Your Subscription' section with 'Subscription details' and 'Accounts' (Accounts list, General journals). A green button labeled 'Advisor' is visible on the right side of the 'Accounts' section.

When you have finished, return to the 'dashboard' – top left of the screen, next to the MYOB logo.

## Step 3 Create a business profile

Open the page to update your business information.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Your free trial period ends in 29 days, on 16 Aug 2018. [Subscribe now.](#)

Your profile is 20% complete

- Update your business information
- Update GST settings
- Enter opening balances for all your accounts
- Update your invoice and quote settings

Get the most out of MYOB Essentials by completing your profile, you still need to...

Money in Money out Banking Set up bank feeds

### Important:

Create the business profile by using **your own name** (preferably your Surname) and the following information. *For instance*, if your name is Jeff Noddy, your business will be named ‘*Noddy’s Home Theatre Services*’. You can exercise your judgement to use your first name, surname or your full name to avoid duplication of business names in the class. See other details below.

<b>Business name</b>	<b><i>Noddy’s Home Theatre Services</i></b> <b>(Remember to create your own business name)</b>
<b>Phone number</b>	(03) 955 5555
<b>Business type</b>	I sell products & Services
<b>GST number</b>	088-777-999
<b>Address</b>	105 Surround Street, Central City, Christchurch 8000
<b>Financial Year</b>	April
<b>Opening balance</b>	01/04/2018

When you have finished, click ‘save’ and return to the ‘**Dashboard**’ – top left of the screen, next to the MYOB logo.

## Step 4 Update GST setting

Open the page to update GST information.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Your free trial period ends in 29 days, on 16 Aug 2018. [Subscribe now.](#)

Your profile is 40% complete

- Update GST settings
- Enter opening balances for all your accounts
- Update your invoice and quote settings

Get the most out of MYOB Essentials by completing your profile, you still need to...



## Check point!

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre

Home GST settings

### GST settings

View tax types

Are you registered for GST?

Yes

No

Accounting basis ⓘ

Cash

Accruals

Reporting frequency

One month

Two months

Six months

Accounts for GST adjustment

Output Tax Adjustments: 2-2800 GST output tax adjustment(GST Return - Sales and Income - Box 9)

Input Tax Adjustments: 2-2400 GST input tax adjustment (GST Return - Purchases and Expenses - Box 13)

Save

When you have finished, click 'save'. The MYOB will confirm that the GST information you have just entered are saved. Then go back to the 'Dashboard'. You have now completed setting up the business profile. We can ignore the function of setting the opening balance and invoice and quote setting.

## What if I made a mistake?

You can always edit business information and GST settings.

If you need to do so, click on the business account (top right of the screen – showing the name of your business) to open up the list. Click on the link to the area that you wish to make changes.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser...

Home Business details

### Business details

Business name: Julia's Home Theatre Services

Trading name:

IRD/GST number: 088-777-999

Street address  Postal address is different

Address: 105 Surround Street  
Central City

City/Town: Christchurch

Settings

- Advisors
- Business details
- Users
- Logo
- GST settings
- Invoice and quote settings
- Payroll settings
- Import/export data
- Manage bank feeds

Your Subscription

- Subscription details

Accounts

- Accounts list
- General journals

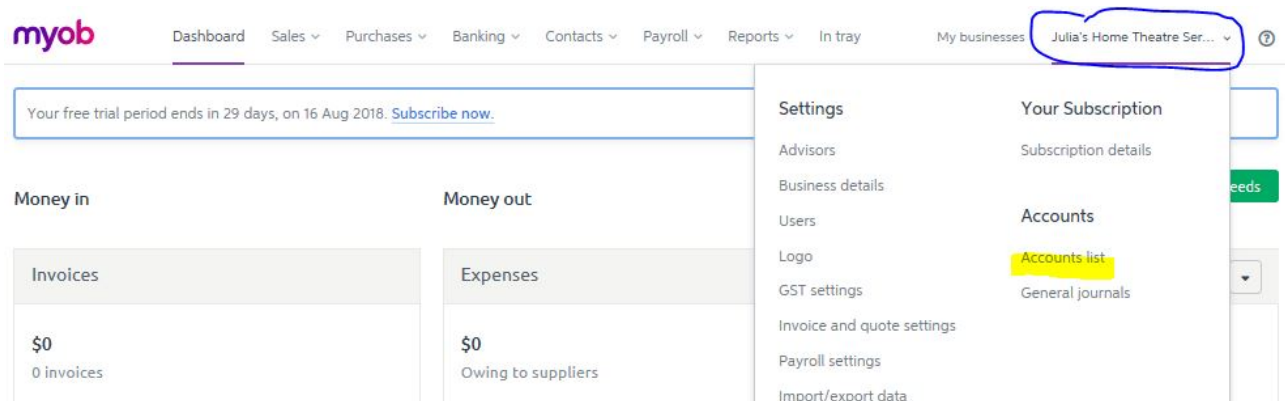
Serial No: 6402 6512 6014 Logout

## Section 2: Chart of Accounts and Opening Balances

MYOB Essentials have set up a standardised chart of accounts for the convenience of users. In this section, you will learn how to view and edit the chart of accounts and enter the opening balance for your business.

### Step 1: View the chart of accounts

You can always view and edit the chart of accounts for your business. Click on the business account (top right of the screen – showing the name of your business) to open up the drop-down list. Click on the link ‘Account list’ to open up the chart of accounts.



The screenshot shows the MYOB Essentials dashboard. At the top right, the business name 'Julia's Home Theatre Ser...' is circled in blue. A dropdown menu is open, showing various settings and subscription options. The 'Accounts' section is highlighted, and 'Accounts list' is selected and highlighted in yellow. The dashboard also shows 'Money in' (Invoices: \$0) and 'Money out' (Expenses: \$0) sections.

Now, take a quick look at this default chart of accounts. Pay attention to the Account numbers, Account names and Account types. Although it is not regulated by any black letter accounting standard, a chart of accounts is usually set up by following the convention: Assets start with ‘1’; liability accounts start with ‘2’ and so on. Since your business is registered for GST. The function of recording the input and output GST has been built in MYOB Essentials. Now have a quick look at ‘Tax rate’ column. ‘S15’ stands for the standard GST rate 15%. Some accounts are not subject to GST, therefore as an ‘E’ code or ‘NTR’ code.

Accounts list Edit accounts Import Add accounts

Account number	Account name	Account type	Tax rate	Current balance
4-2800	Service & repair income	Income	S15	...
<b>Other Income</b>				
8-1000	Discount received	Other Income	S15	...
8-1200	Interest income	Other Income	E	...
8-1400	Other income	Other Income	S15	...
<b>Cost of Sales</b>				
5-2000	Freight	Cost of Sales	S15	...

## Step 2: Customise the chart of accounts

Use the highlighted functions, as indicated below, to customise the chart of accounts by editing, adding and deleting certain accounts.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Home Accounts list [Got any thoughts about the new header feature on the Accounts list? Let us know](#)

Accounts list Edit accounts Import Add new

Search  Accounts  Show Inactive Accounts

Account	Type	Tax	Current Balance (\$)
<b>Income</b>			<b>0.00</b>
<input type="checkbox"/> 4-1200 Fee income	Income	S15	0.00
<input type="checkbox"/> 4-1600 Licensing income	Income	S15	0.00
<input type="checkbox"/> 4-2400 Sales 1	Income	S15	0.00
<input type="checkbox"/> 4-2600 Sales 2	Income	S15	0.00
<input type="checkbox"/> 4-2800 Service & repair income	Income	S15	0.00
<b>Other Income</b>			<b>0.00</b>
<input type="checkbox"/> 8-1000 Discount received	Other Income	S15	0.00

### 1) Delete the following accounts

Account number	Account name
4-1200	Fee Income
4-1600	Licensing Income
4-2400	Sales 1
4-2600	Sales 2
5-2800	Purchases 1
5-3000	Purchases 2
5-3400	Raw Material
1-2400	Plant & equipment
2-1200	Master Card
2-1400	Visa

### 2) Modify (editing) the following existing accounts

Number	Old account name	New account name
1-1000	<del>Cheque account</del>	<b>FirstBank Cheque Account</b>
1-1400	<del>Savings account</del>	<b>FirstBank Savings Account</b>
2-4000	<del>Bank loan</del>	<b>FirstBank Business Loan</b>
2-1000	<del>AMEX</del>	<b>FirstBank Visa Credit Card</b>

Account Name	Old number	New number
Motor Vehicle	1-2000	1-1900
Office equipment & computers	1-2200	1-1700

### 3) Create the following new accounts (add accounts)

Number	Name	Type / Income	Tax rate
4-1000	Sales – Home Theatre Systems	Income	S15
4-2000	Sales – Installation	Income	S15
5-1000	Purchases	Cost of Sales	S15
6-2600	Store Supplies	Expense	S15
1-7000	Inventory – Home Theatre Systems	Current Assets	S15
1-1810	Acc. Depr – Furniture & Fittings	Fixed Assets	E
1-1910	Acc. Depr – Motor Vehicle	Fixed Assets	E

When you finish adding accounts, do not forget to save!

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Home Accounts list Got any thoughts about the new header feature on the Accounts list? Let us know

Accounts list Edit accounts Import Add new

Account	Header	Number	Name	Type	Parent	Tax Rate	Opening Balance
		4-1000	Sales - Home Theatre Systems	Income	Income	S15	
		4-2000	Sales - Installation	Income	Income	S15	
		5-1000	Purchases	Cost of Sales	Cost of Sales	S15	
		6-2600	Store Supplies	Expense	Expense	S15	
		1-7000	Inventory - Home Theatre Systems	Current Assets	Current Assets	S15	
		1-1810	Acc. Depr - Furniture & Fittings	Fixed Assets	Fixed Assets	S15	
		1-1910	Acc. Depr - Motor Vehicle	Fixed Assets	Fixed Assets	S15	

Cancel Save

### Step 3: Enter the opening balances for your business

Once you have completed Step 2, you are ready to enter the opening balance for your business as at 1 April 2018. Make sure you only do this, after you have completed Step 2 Customise the chart of accounts.

Repeat Step 1 View the chart of accounts. Use the 'Edit Accounts' function to enter the opening balances according to the trial balance provided on the next page.

Before you start, double check if your date of the opening balances is set as 01/04/2018.

Enter the following opening balances:

Account name	Debit (\$)	Credit (\$)
<u>Assets</u>		
FirstBank Cheque Account	15,000	
FirstBank Savings Account	7,500	
Accounts receivable	2,400	
Inventory - Home Theatre Systems	27,000	
Motor Vehicle	15,000	
Acc. Depr - Motor Vehicle	(3,000)*	
Furniture & fittings	22,500	
Acc. Depr - Furniture & fittings	(9,000)*	
<u>Liabilities</u>		
Accounts payable		23,700
GST collected		2,250
GST paid		(750)*
FirstBank Business Loan		15,000
<u>Equity</u>		
Owner Contribution		22,500
Retained earnings		14,700
<b>Total</b>	<b>77,400</b>	<b>77,400</b>

\* Note: enter these amounts as negative. See the example on the next page.

## Edit accounts

Opening Balances 01/04/2018

Cancel

Save

Account number	Account name	Type	Tax rate	Opening balance	Current balance	Active
<b>Fixed Assets</b>						
1-1700	Office equipment & computer:	Fixed Assets	S15			<input checked="" type="checkbox"/>
1-1800	Furniture & fittings	Fixed Assets	S15	22500		<input checked="" type="checkbox"/>
1-1810	Acc. Depr - Furniture & Fitting:	Fixed Assets	S15	-9000		<input checked="" type="checkbox"/>
1-1900	Motor vehicles	Fixed Assets	S15	15000		<input checked="" type="checkbox"/>
1-1910	Acc. Depr - Motor Vehicle	Fixed Assets	S15	-3000		<input checked="" type="checkbox"/>

Leave the other accounts empty. When you finish, do not forget to save.

## Check point!

MYOB Essentials enable users to produce financial statements at any time. Once you have completed Section 2 and **saved** all the changes you have made, it is time to make sure that everything has been recorded appropriately so far. There are many ways of checking your work. One of the quickest way is to produce a balance sheet as at 01/04/2018.

Click on the 'Reports' function to open the drop-down list. Select "Balance Sheet".

The screenshot shows the MYOB dashboard. The 'Reports' menu is open, and 'Balance Sheet' is highlighted. The dashboard also shows a 'Bank accounts' section with a balance of \$22,500. The 'Money in' and 'Money out' sections show \$0.

You may also notice that the Dashboard shows that you have \$22,500 available in the bank. This is the total amount of the FirstBank Cheque Account and FirstBank Savings Account.

Open up the Balance Sheet reporting page and set the balance date as 01/04/2018.

The screenshot shows the MYOB Balance Sheet reporting page. The 'As at' date is set to 01/04/2018. The 'Level of detail' is set to 'All levels'. The 'Export' button is visible.

You may want to view it in the webpage or export the balance sheet into an Excel or PDF file. The following example is the balance sheet exported into an Excel spreadsheet:

<b>Balance Sheet</b>		
<b>Julia's Home Theatre Services</b>		
Accrual mode		
01 Apr 2018		
Generated 21 Jul 2018		
		<b>Total</b>
<b>Asset</b>		
<b>Banking</b>		
1-1000	FirstBank Cheque account	15,000.00
1-1400	FirstBank Savings account	7,500.00
<b>Total Banking</b>		<b>22,500.00</b>
<b>Current Assets</b>		
1-1600	Accounts receivable	2,400.00
1-7000	Inventory - Home Theatre Systems	27,000.00
<b>Total Current Assets</b>		<b>29,400.00</b>
<b>Fixed Asset</b>		
1-1800	Furniture & fittings	22,500.00
1-1810	Acc. Depr - Furniture & Fittings	-9,000.00
1-1900	Motor vehicles	15,000.00
1-1910	Acc. Depr - Motor Vehicle	-3,000.00
<b>Total Fixed Assets</b>		<b>25,500.00</b>
<b>Total Asset</b>		<b>77,400.00</b>
<b>Liability</b>		
<b>Current Liabilities</b>		
2-1600	Accounts payable	23,700.00
2-2000	GST collected	2,250.00
2-2200	GST paid	-750.00
<b>Total Curre</b>		<b>25,200.00</b>
<b>Long Term Liabilities</b>		
2-4000	FirstBank Business Loan	15,000.00
<b>Total Long Term Liabilities</b>		<b>15,000.00</b>
<b>Total Liabili</b>		<b>40,200.00</b>
<b>Net Assets</b>		<b>37,200.00</b>
<b>Equity</b>		
<b>Retained Earnings</b>		
3-1600	Retained earnings	14,700.00
<b>Total Retained Earnings</b>		<b>14,700.00</b>
3-1000	Owner contribution	22,500.00
<b>Total Equity</b>		<b>37,200.00</b>

### What if I made a mistake?

If you have completed Section 1 and Section 2 according to the instructions, your balance sheet should be well balanced and show all the information. If a wrong amount is entered for any of opening balance, an account '3-9999 Historical balancing' in the equity section will be report an amount to signal this mistake and force balance the financial statement.

You can always repeat Step 3 to correct the mistaken amount(s).

<b>Equity</b>		
3-1000	Owner contribution	15,000.00
3-1600	Retained earnings	9,000.00
3-9999	Historical balancing	800.00
<b>Total Equity</b>		<b>24,800.00</b>

## Section 3: Regular contacts

Like the frequent contacts in your mobile phone, regular customers and suppliers can be saved in MYOB Essentials for the convenience of frequent use.

From the Dashboard of MYOB Essentials, you can access the 'Contacts' function to enter and save regular customers and suppliers.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home T

Home Contacts New contact

Contact

Business  Individual

Business name  This field is required.

IRD/GST No

Website

Contact is

Active

Primary contact

First name

Notes

Create your customer and supplier contacts using the basic information in the next page. After entering the details of a contact, click 'save and add another' and then add the next contact.

When you finish, do not forget to save.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser...

Home Contacts New contact

Contact

Business  Individual

Business name  This field is required.

IRD/GST No

Website

Contact is

Active



## Customers

Field	Details
Contact type	Business
Business Name	Echo Home Appliances
Contact is	Customer
First Name	Gillian
Last Name	Deans

Field	Details
Contact type	Business
Business Name	Duncan Home Store
Contact is	Customer
First Name	Joe
Last Name	Duncan

Field	Details
Contact type	Business
Business Name	Ocean Music Studios
Contact is	Customer
First Name	Michaela
Last Name	Phillips

## Suppliers

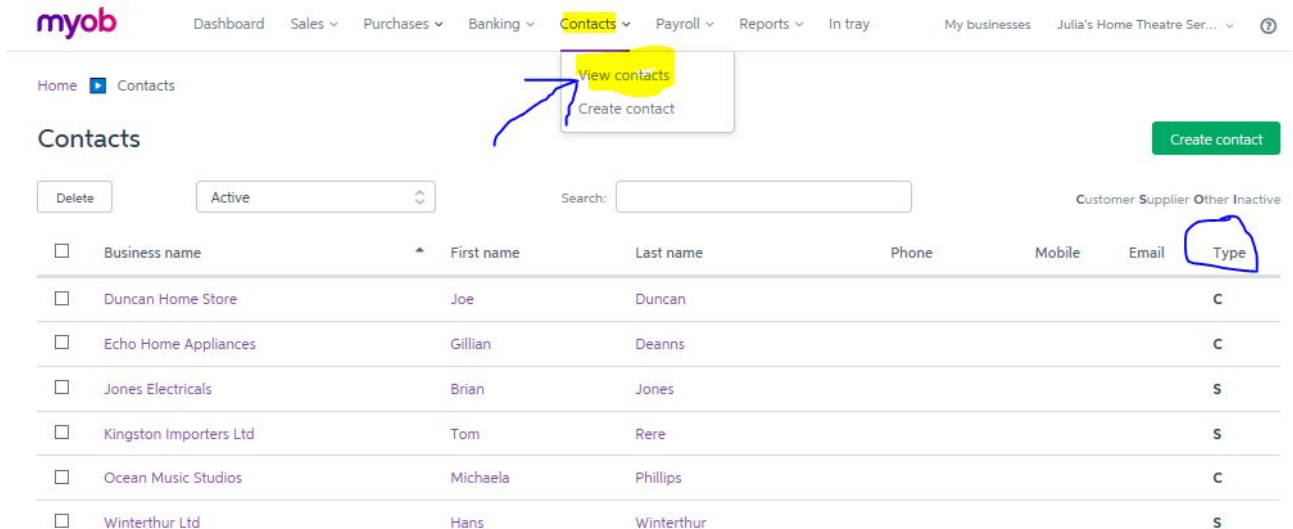
Field	Details
Contact type	Business
Business Name	Kingston Importers Ltd
Contact is	Supplier
First Name	Tom
Last Name	Rere

Field	Details
Contact type	Business
Business Name	Winterthur Ltd
Contact is	Supplier
First Name	Hans
Last Name	Winterthur

Field	Details
Contact type	Business
Business Name	Jones Electricals
Contact is	Supplier
First Name	Brian
Last Name	Jones

## Check Point!

Use the 'View contacts' function to double check all the details. Pay attention to the type of the contacts.



myob Dashboard Sales Purchases Banking **Contacts** Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Home Contacts

View contacts  
Create contact

Create contact

Contacts

Delete Active Search: Customer Supplier **Other** Inactive

<input type="checkbox"/>	Business name	First name	Last name	Phone	Mobile	Email	Type
<input type="checkbox"/>	Duncan Home Store	Joe	Duncan				C
<input type="checkbox"/>	Echo Home Appliances	Gillian	Deanns				C
<input type="checkbox"/>	Jones Electricals	Brian	Jones				S
<input type="checkbox"/>	Kingston Importers Ltd	Tom	Rere				S
<input type="checkbox"/>	Ocean Music Studios	Michaela	Phillips				C
<input type="checkbox"/>	Winterthur Ltd	Hans	Winterthur				S

## What if I made a mistake?

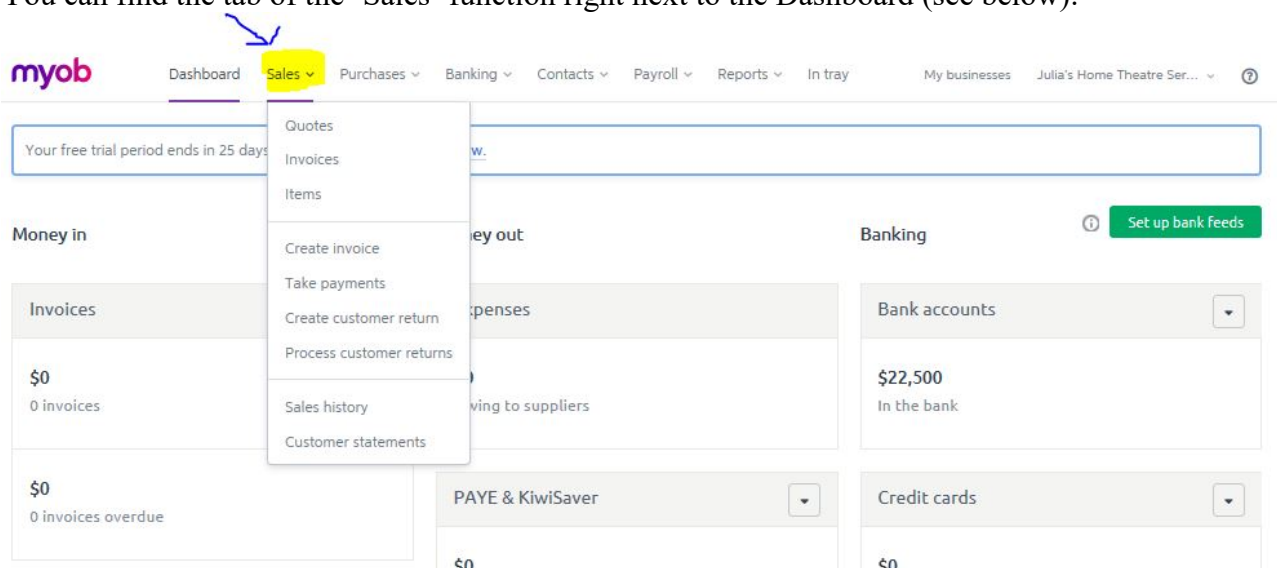
You can edit any Contact by clicking on the business name.

## Section 4: Recording Sales

Using an accounting software package to record transactions and events is different from manual bookkeeping we learned in class. Transactions are usually recorded by entering the information on source documents, for example invoices, receipts or timesheets. Journal entries are then created in the system automatically in the background by linking the input data to the ledger accounts.

Your knowledge of bookkeeping and accounting practice will enable you to set up the system appropriately and enhance the accuracy and speed of recording. In this section, you will explore the sales function of MYOB by processing a number of sales transactions.

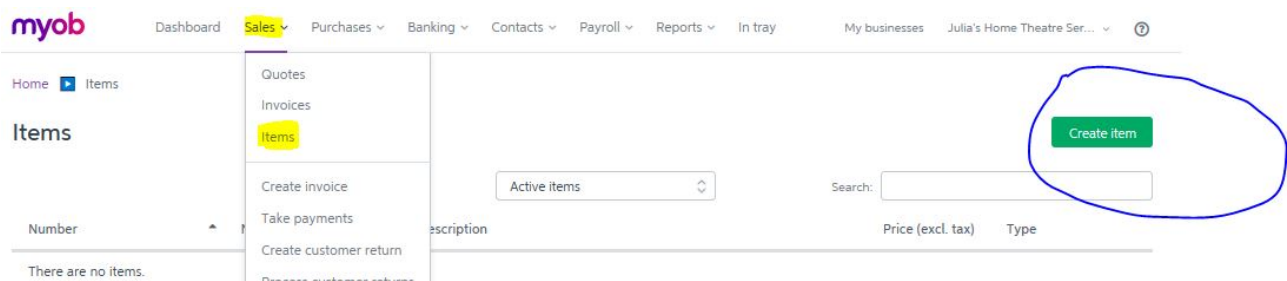
You can find the tab of the 'Sales' function right next to the Dashboard (see below):



### Step 1: Set up items for sale

Your business buys and sells professional kitchen equipment and provides related installation and maintenance services. The first step is to set up the inventory and service items for sale.

Click on 'Sales' to open up the drop-down list. Select 'Items' and then 'Create Item'



Use the information on the next page to set up three (3) items. When you finish, do not forget to save. Items for sale can always be added, updated and held as 'inactive' to suit your business operation.

## 1) Inventory – Home Theatre Systems.

Item number	HTS001
Item name	Home Theatre System
Description	Winterthur Ultra02
Selling price	\$14,250 (GST exclusive)
Allocated to:	4-1000 Sales – Home Theatre Systems
Tax type	Standard 15% GST
Unit of measure	Qty (This is a stock item)
Unit description	Set
Buying Price	\$9,000 (GST exclusive)
Allocated to	1-7000 Inventory – Home Theatre Systems
Tax type	Standard 15% GST

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Home Items New item

### Item

Item number: HTS001

Item name: Home Theatre Systems

Description: Winterthur Ultra02

If this field is left blank, the item name will be used as the description for invoices and bills.

#### Selling details

Sell price: 14250.00 excluding tax

Allocated to: Sales - Home Theatre Systems

Tax type: Standard 15% GST

Unit of measure: Qty This is a stock item


Unit description: Set

#### Buying details

Buy price: 9000.00 excluding tax

Allocated to: Inventory - Home Theatre Systems

Tax type: Standard 15% GST


Save
Save & add another
Cancel

### Important:

**This is the only inventory item you purchase and sell.** You can only purchase this item from Winterthur Ltd for \$9,000 per set. At the beginning of the period. You have three (3) set of equipment for sale. See opening balance of inventory in Section 2.

Use the information on the next page to set up other items for sale.

## 2) Installation Services

Item number	INS001
Item name	Installation
Description	Standard installation including programming, electrical services and testing.
Selling price	\$678.26 (GST exclusive)
Allocated to:	4-2000 Sales - Installation
Tax type	Standard 15% GST
Unit of measure	Hr (This is a service item)
Unit description	Standard \$780 installation

Leave the buying details blank for this item.

## 3) Maintenance and repairs

Item number	MR001
Item name	Maintenance and Repair
Description	Scheduled maintenance and on-call repairs
Selling price	0.00 (GST exclusive)
Allocated to:	4-2800 Service and repair income
Tax type	Standard 15% GST
Unit of measure	Hr (This is a service item)
Unit description	Pay by invoice

There is no standard rate for this item. Leave the buying details blank for this item.

## Check Point!

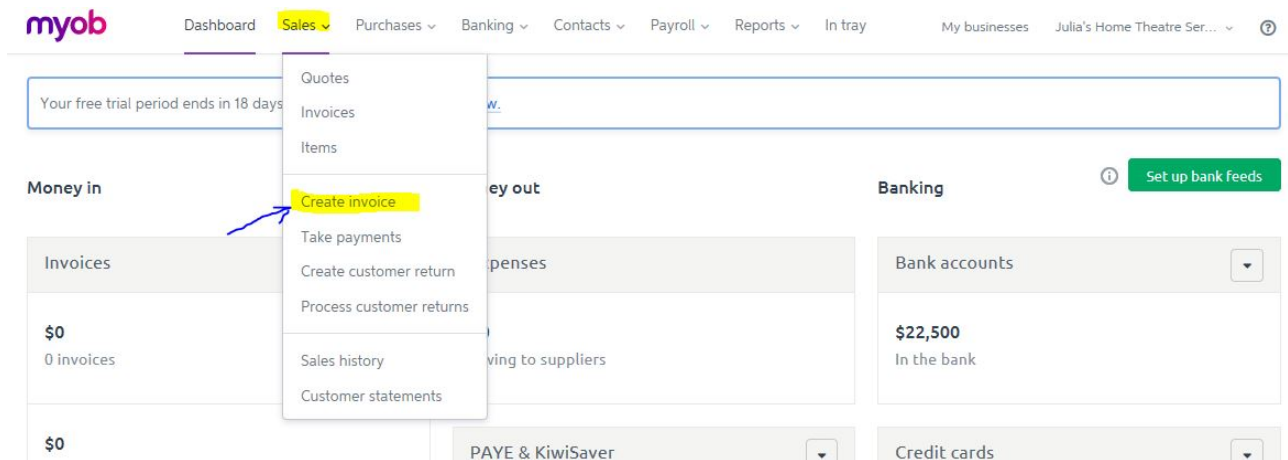
Use the sales function, select 'items' to view all the items you have entered. You can always edit these items by clicking on the item number or item name.

The screenshot shows the MYOB software interface. At the top, there is a navigation bar with 'Sales' highlighted and circled in blue. A blue arrow points from the word 'items' written in blue to the 'Sales' menu. Below the navigation bar, the 'Items' page is displayed. It features a 'Create item' button, a search bar, and a table of items. The table has columns for Number, Name, Description, Price (excl. tax), and Type.

Number	Name	Description	Price (excl. tax)	Type
HTS001	Home Theatre Systems	Winterthur Ultra02	14,250.00	Stock
INS001	Installations	Standard installations including programming, electrical services and testing	678.26	Service
MR001	Maintenance and Repairs	Scheduled Maintenance and on-call repairs	0.00	Service

## Step 2: Enter historical sales

Your business has an opening balance of accounts receivable in the amount of \$2,400 (see Section 2). Enter the following historical invoices by using the 'Create invoice' function.



Historical invoices:

Customer	Invoice #	Invoice Date	Item	Unit	Balance (GST inclusive)
Echo Home Appliances	INV0001	15/03/2018	INS001	1 Hr	\$780 (invoice total)
Duncan Home Store	INV0002	26/03/2018	RM001	1 Hr	\$390 (enter this amount)
Ocean Music Studios	INV0003	28/03/2018	RM001	1 Hr	\$1,230 (enter this amount)
<b>Total accounts receivable balance as at 31/03/2018</b>					<b>\$2,400</b>

**Important:** It is assumed that you have standard term of trade: all invoices are **due 20 days from the end of the month**. See below – the example of INV0001. Click 'Save' when you finish.

Invoice

Customer: Echo Home Appliances

Invoice number: INV0001

Purchase order:

Date of issue: 15/03/2018

Due date: 20/04/2018

Amounts are: GST Inclusive

Item	Description	Allocate to	Units	Unit price	Tax type	Amount	
INS001	Standard installations including programming, electrical services and testing	Sales - Installa	Hrs	1	779.999	\$15	780.00
Subtotal						\$780.00	
GST						\$101.74	
<b>Total</b>						<b>\$780.00</b>	
Amount paid						\$0.00	
<b>Amount due</b>						<b>\$780.00</b>	

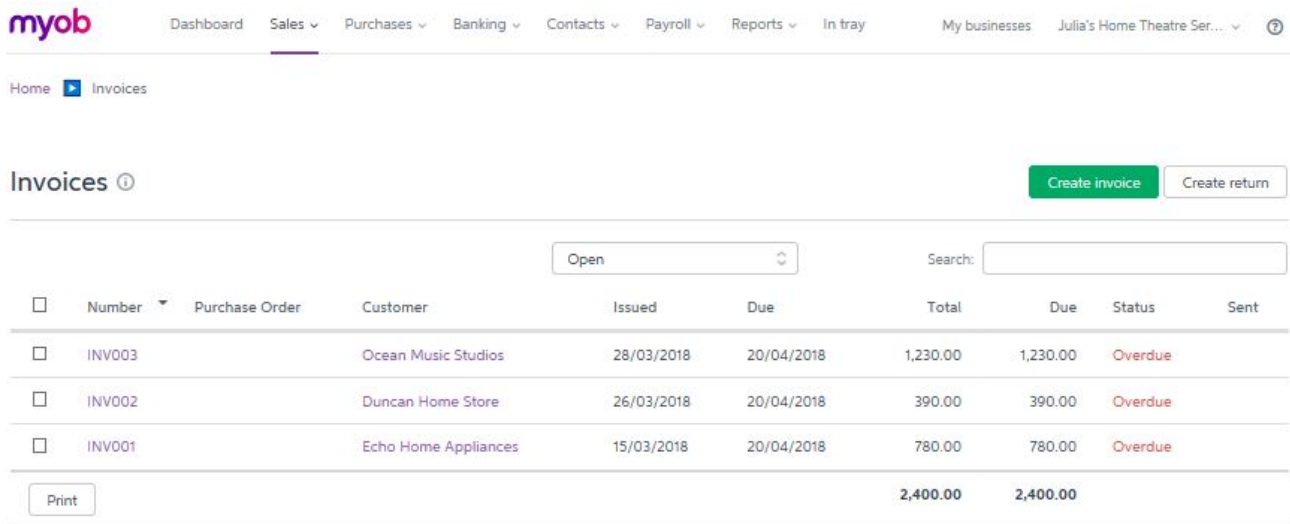
Notes to customer:  Remember this?

Buttons: Enter payment, Delete, Email, Print, Cancel, Save

As a user you can always view your invoices, print them out or email an invoice to the customer.

## Check Point!

After you have entered and saved the three historical invoices, your system shows:



The screenshot shows the myob Invoices page. At the top, there are navigation tabs: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, and In tray. Below these, there are links for My businesses and a specific business name: Julia's Home Theatre Ser... A search bar and a dropdown menu set to 'Open' are also visible. The main content is a table of invoices with columns: Number, Purchase Order, Customer, Issued, Due, Total, Due, Status, and Sent. Three invoices are listed, all with a status of 'Overdue'. A 'Print' button is at the bottom left, and a 'Create invoice' button is at the top right.

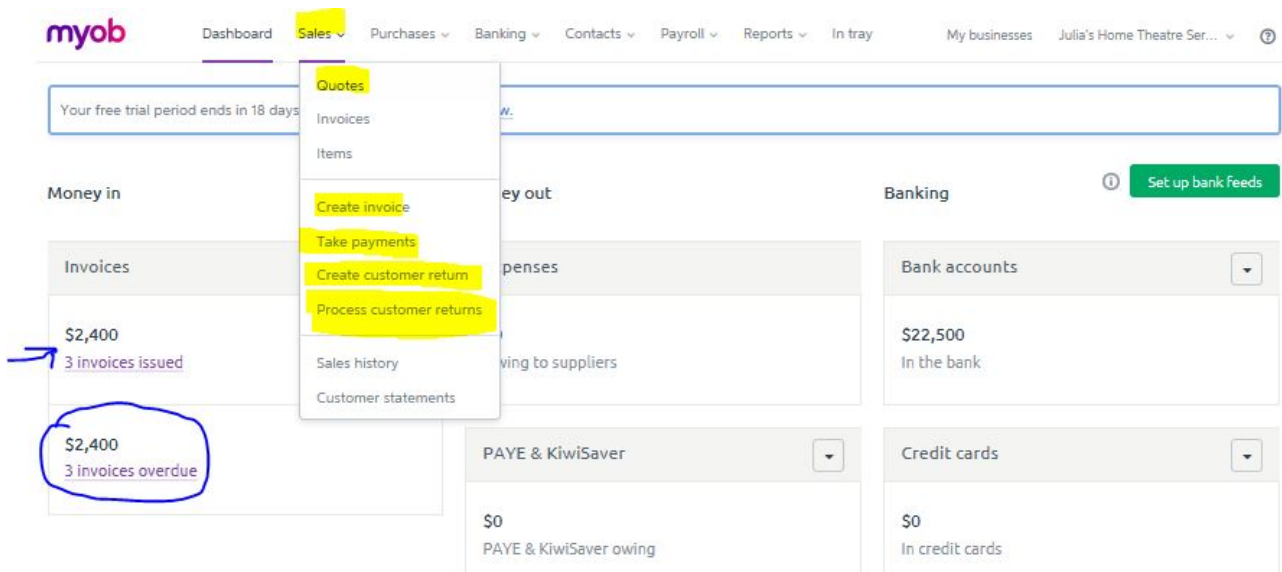
Number	Purchase Order	Customer	Issued	Due	Total	Due	Status	Sent
INV003		Ocean Music Studios	28/03/2018	20/04/2018	1,230.00	1,230.00	Overdue	
INV002		Duncan Home Store	26/03/2018	20/04/2018	390.00	390.00	Overdue	
INV001		Echo Home Appliances	15/03/2018	20/04/2018	780.00	780.00	Overdue	
					2,400.00	2,400.00		

## What if I made a mistake?

You can edit and/or delete an invoice by clicking on the invoice number.

## Step 3: Record sales transactions

You are now ready to process the following transactions which took place in April 2018. In addition to creating invoices, you will explore other sales functions of taking payments, creating and processing customer returns.



The screenshot shows the myob Dashboard. The 'Sales' menu is open, showing options: Quotes, Invoices, Items, Create invoice, Take payments, Create customer return, Process customer returns, Sales history, and Customer statements. The dashboard summary shows 'Money in' with 'Invoices' for \$2,400 (3 invoices issued) and 'Overdue' for \$2,400 (3 invoices overdue). The 'Money out' section shows 'PAYE & KiwiSaver' for \$0. The 'Banking' section shows 'Bank accounts' for \$22,500 in the bank and 'Credit cards' for \$0 in credit cards. A blue arrow points to the '3 invoices issued' text, and a blue circle highlights the '3 invoices overdue' text.

You may also have noticed that the Dashboard of your business now shows that you have three overdue invoices. Record the following sales related transactions in April 2018:

## Sales related transactions in April 2018

Date	Transaction	Your task
03 Apr 2018	Delivered a new set of Winterthur Ultra02 Home Theatre System to <u>Duncan Home Store</u> . Installation has <b>not</b> been scheduled.	Create a new invoice INV0004 for the amount of \$16,387.50 (GST inclusive).
10 Apr 2018	Delivered <b>and</b> installed (standard installation) a new set of Winterthur Ultra02 Home Theatre System to <u>Castle Show Homes</u> . This new customer has not been entered into the system. This is a business owned and operated by Thomas Castle.	Create a new invoice INV0005 for the amount of \$17,167.50 (GST inclusive). Add the new customer.
11 Apr 2018	Received a cheque (No.208478) of \$900 from <u>Ocean Music Studio</u> . The cheque was accompanied by a note saying 'Partial Payment INV0003'. You banked the cheque into your business cheque account.	<b>Take a payment</b> of \$900 from <u>Ocean Music Studio</u> . Bank it into "1-1000 FirstBank Cheque Account". Apply the amount \$900 to INV0003. Take note as a partial payment. Use the Cheque number as the reference number.
15 Apr 2018	Installed the home theatre system delivered to <u>Duncan Home Store</u> on 3 April.	Create a new invoice INV0006 for the standard installation carried out: \$780 (GST inclusive).
20 Apr 2018	Received and banked a cheque from <u>Castle Show Homes</u> (No.336203) in the amount of \$17,167.50.	Take a payment of \$17,167.50 from <u>Castle Show Homes</u> . Bank it into "1-1000 FirstBank Cheque Account". Apply the full amount to INV0005. Use the Cheque number as the reference number.
20 Apr 2018	Rang <u>Ocean Music Studio</u> to follow up the partially paid INV0003. It was agreed that Ocean Music Studio was overcharged for \$330 of the on call repair services.	<b>Create a customer return</b> for <u>Ocean Music Studio</u> No. CN0001. GST inclusive amount: \$330. Process the customer return against INV0003.

### Example 1: taking payment on 11 April 2018

The screenshot shows the myob software interface. At the top, there are navigation tabs: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, and Julia's Home Thea. The main content area is titled 'Edit payment'. On the left, there are fields for 'From:' (Ocean Music Studio), 'Into account:' (1-1000 FirstBank Cheque Account), and 'Notes:' (Partial Payment INV0003). On the right, there are fields for 'Date:' (11/04/2018), 'Reference number:' (208478), and 'Total amount received:' (900.00). A dropdown menu is open over the 'From:' field, showing options: Quotes, Invoices, Items, Create invoice, Take payments (highlighted), Create customer return, and Process customer returns. Below this, there are links for 'Sales history' and 'Customer statements'. At the bottom, there is a table with columns: Invoice number, Date issued, Discount given, Amount due, and Payment amount. The row for invoice INV0003 shows a date issued of 28/03/2018, a date of 20/04/2018, a discount given of 0, an amount due of \$1,230.00, and a payment amount of \$900.00, which is circled in blue.

Invoice number	Date issued	Discount given	Amount due	Payment amount
INV003	28/03/2018	0	\$1,230.00	\$900.00

## Example 2: Create customer return on 20 April 2018

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's B

Home Invoices Create customer return

Create customer return

Return from: Ocean Music Studios

- Quotes
- Invoices
- Items
- Create invoice
- Take payments
- Create customer return
- Process customer returns
- Sales history
- Customer statements

Return number: CN0000001

Date of issue: 20/04/2018

Amounts are: GST inclusive

Item	Description	Allocate to	Qty	Unit price	GST type	Total
MR001	Scheduled Maintenance and on-	Service & repair inc...	1	\$330.00	15% GST	\$330.00

Subtotal: \$330.00  
 GST: \$43.04  
 Total: \$330.00

Amount paid: \$0.00  
 Amount due: \$330.00

Notes (visible to customer):  
 INV003 - Rang on 20 April 2018 re partial payment. Credit note agreed.

Process return | Email to customer | Print | Save & add | **Save** | Cancel

## Example 2 continued: process return by applying the return (credit note) to an invoice.

Apply to an invoice

For: Ocean Music Studios

Date: 29/07/2018

Reference number: CR000001

Notes: Credit From CN0000001

Total credit to apply: 330

Invoice number	Date issued	Date due	Total amount	Amount due	Payment amount
INV003	28/03/2018	20/04/2018	\$1,230.00	\$330.00	\$330.00

**Save** | Cancel



## Check Point!

After processing all these transactions. Return to the Dashboard and you will see the updated information about bank balance and outstanding invoices.

The screenshot shows the myob Dashboard with the following sections:

- Money in:** Invoices: \$18,338 (4 invoices issued), \$18,338 (4 invoices overdue).
- Money out:** Expenses: \$0 (Owing to suppliers), PAYE & KiwiSaver: \$0.
- Banking:** Bank accounts: \$40,568 (In the bank), Credit cards: \$0.

Navigation menu: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, Julia's Home Theatre Ser...

Notification: Your free trial period ends in 18 days, on 16 Aug 2018. [Subscribe now.](#)

Buttons: [Set up bank feeds](#)

The four (4) issued and overdue invoices are (click on 'Sales' and then 'Invoices' to view):

Invoices ⓘ [Create invoice](#) [Create return](#)

Open  Search:

<input type="checkbox"/>	Number	Purchase Order	Customer	Issued	Due	Total	Due	Status	Sent
<input type="checkbox"/>	INV006		Duncan Home Store	15/04/2018	20/05/2018	780.00	780.00	Overdue	
<input type="checkbox"/>	INV004		Duncan Home Store	03/04/2018	20/05/2018	16,387.50	16,387.50	Overdue	
<input type="checkbox"/>	INV002		Duncan Home Store	26/03/2018	20/04/2018	390.00	390.00	Overdue	
<input type="checkbox"/>	INV001		Echo Home Appliances	15/03/2018	20/04/2018	780.00	780.00	Overdue	
						<b>18,337.50</b>	<b>18,337.50</b>		

[Print](#)

View the sales history for all customers and all dates:

The screenshot shows the myob Sales history page with the following details:

- Navigation: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, Julia's Home Theatre Ser...
- Home Sales history
- Dropdown menu: Quotes, Invoices, Items, Create invoice, Take payments, Create customer return, Process customer returns, **Sales history**, Customer statements.
- Date range: All dates
- Search:

Reference	Customer	Date	Type	Sale	Payment	Status
INV001	Echo H	15/03/2018	Invoice	780.00		Overdue
INV002	Duncan	26/03/2018	Invoice	390.00		Overdue
INV003	Ocean	28/03/2018	Invoice	1,230.00		Paid
INV004	Duncan Home Store	03/04/2018	Invoice	16,387.50		Overdue
INV005	Castle Show Home	10/04/2018	Invoice	17,167.50		Paid
208478	Ocean Music Studios	11/04/2018	Receipt		900.00	Paid
INV006	Duncan Home Store	15/04/2018	Invoice	780.00		Overdue
336203	Castle Show Home	20/04/2018	Receipt		17,167.50	Paid
CN00000001	Ocean Music Studios	20/04/2018	Return	-330.00		Paid
CR000001	Ocean Music Studios	29/07/2018	Credit		-330.00	Paid
				<b>36,405.00</b>	<b>17,737.50</b>	

## Step 4: Create a quote

There is an exciting new opportunity for your business! Thomas Castle from Castle Show Homes rang you on 25 April 2018. Thomas's business is expanding. He has been planning to fit out six new luxurious homes. As a result, he requested you to prepare a quote for six (6) sets of Winterthur Ultra02 home theatre systems, six (6) standard installations. Each of the home theatre systems will require two (2) scheduled maintenance services. Eventually these show homes will be auctioned as an entirety. You have agreed to offer the scheduled maintenances at a price of \$250 each.

This offer (quote) will be valid for a year (365 days) from the date of issue.

Now use the "Create quote" function to generate a quote (QUO0001) for Castle Show Homes as a basis for further negotiation. Make sure you **save** it when you finish.

The screenshot shows the myob software interface. The 'Sales' menu is highlighted in yellow. The 'Quotes' section is active, and the 'Create quote' button is highlighted with a green box and a blue arrow. The table below shows a total of 0.00.

Number	Customer	Issued	Expiry	Total	Status	Sent
There are no quotes.				0.00		

### Check point – How much have you quoted for the delivery and services requested?

The screenshot shows the myob software interface. The 'Sales' menu is highlighted in yellow. The 'Quotes' section is active, and the 'Create quote' button is highlighted with a green box. The table below shows a quote for 'Castle Show Homes' with a total of 106,004.99.

Number	Customer	Issued	Expiry	Total	Status	Sent
1	Castle Show Homes	25/04/2018	25/04/2019	106,004.99	Open	
				106,004.99		

It doesn't matter if you are out by a few cents due to the rounding policy.

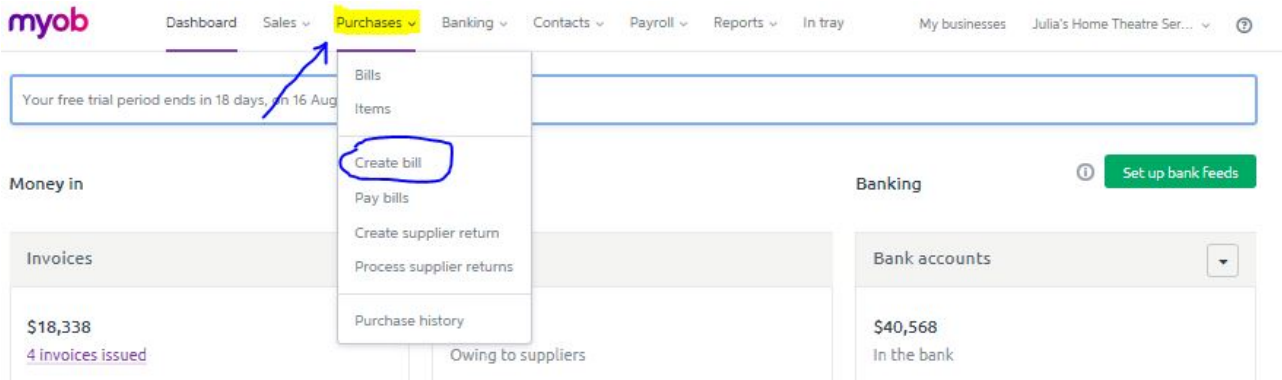
You can always open up the quote to edit or update the information.

### Assessment!

**Save** a copy of this quote (PDF format) in a folder. You will be required to submit this quote as a part of the assessment when the assignment is due. Remember you can always access this Quote.

## Section 5: Recording purchases

In this section, you will explore the purchases function of MYOB by processing a number of purchases transactions. You can find the tab of 'Purchases' function right next to the Sales (see below):



### Step 1: Enter historical purchases

Your business has an opening balance of accounts receivable in the amount of \$23,700 (see Section 2, opening balances). Enter the following historical invoices by using the 'Create bill' function.

Supplier	Invoice Number	Date of issue	Due Date	Item	Unit	Balance (GST inclusive)
Kingston Importers Ltd	1237	13/03/2018	14/04/2018	(blank)	1Qty	\$3,000 (invoice total) Allocate to '5-1000 Purchases'. Description: Supplies
Winterthur Ltd	000258	19/03/2018	20/04/2018	HTS001	2Qty	\$20,700 (Invoice total) Use the saved item
<b>Total accounts payable balance as at 31/03/2018</b>						<b>\$23,700</b>

### Check point!

Bill No.	Invoice No.	Supplier	Issued	Due	Total	Due	Status
EX000000000002	000258	Winterthur Ltd	19/03/2018	20/04/2018	20,700.00	20,700.00	Overdue
EX000000000001	1237	Kingston Importers Ltd	13/03/2018	14/04/2018	3,000.00	3,000.00	Overdue
<b>23,700.00</b>						<b>23,700.00</b>	

## Step 2: Record purchases transactions

You are now ready to process the following transactions which took place in April 2018. In addition to creating bills, you will explore other purchases related functions.

The screenshot shows the myob software interface. At the top, there is a navigation bar with 'Purchases' highlighted. A dropdown menu is open under 'Purchases', listing options: Bills, Items, Create bill, Pay bills, Create supplier return, Process supplier returns, and Purchase history. The 'Create bill' and 'Process supplier returns' options are highlighted in yellow. Below the navigation bar, there are sections for 'Money in' (Invoices: \$18,338, 4 invoices issued), 'Banking' (Bank accounts: \$40,568, In the bank), and a 'Set up bank feeds' button.

### Purchases related transactions in April 2018

Date	Transaction	Your task
02 Apr 2018	Charged \$1,350 <b>plus GST</b> for supplies from <u>Jones Electricals</u> . Supplier's invoice number #00129. Due 1 May 2018.	Create a new bill. Allocate the amount to 5-1000 Purchases. General tools and electrical supplies. No 'item' specified.
06 Apr 2018	Charged \$3,450 <b>including GST</b> for labour from <u>M Tunncliffe &amp; Sons</u> . Invoice Number 0978. Due: 20 May 2018.	<b>Create a new account</b> 5-3000 Labour (Cost of Sales, Standard 15% GST, See section 2, step 2, page 11) <b>Create a new bill for a new supplier</b> (Contact: Maurice Tunncliffe).
10 Apr 2018	Received telephone bill from Vodacom (No. 159840006598) for \$360 <b>including GST</b> . Due 20 May 2018	<b>Create a bill</b> . Add the supplier and allocate the amount to 6-5800 Telephone expense.
13 Apr 2018	Sent a cheque of \$3,000 to <u>Kingston Importers Ltd</u> . Cheque Number: 100151	Pay a bill ( <b>Pay bills</b> ) – allocate the amount to the current outstanding bill. Payment is made from 1-1000 FirstBank Cheque Account. Use cheque number as the reference.
21 Apr 2018	Sent a cheque of \$20,700 to <u>Winterthur Ltd</u> . Cheque Number: 100152	Pay a bill – allocate the amount to the current outstanding bill. Payment is made from 1-1000 FirstBank Cheque Account.
25 Apr 2018	Received goods and invoice from <u>Kingston Importers Ltd</u> for \$2,325.00 <b>plus GST</b> for purchase of Supplies. Invoice Number 1695. Due: 25 May 2018.	Create a new bill. Allocate the amount to 5-1000 Purchases. The goods are spare parts and electrical supplies.
26 Apr 2018	Returned \$450 <b>plus GST</b> spare parts with incorrect specification to <u>Kingston Importers Ltd</u> . The returned goods will be credited against Invoice1695.	<b>Create and process the return</b> to supplier. Allocate the amount to 5-1000 Purchases. Process the return by applying the full amount to a bill – Invoice No.1695. Be careful about the date, which should be 26/04/2018.
30 Apr 2018	Sent a cheque of \$1,552.50 to <u>Jones Electricals</u> . Cheque Number: 100153	Pay bills – allocate the amount to the current outstanding bill. Payment is made from 1-1000 FirstBank Cheque Account. Use cheque number as the reference.

## Check Point!

After processing all these transactions, the total amount owing to the suppliers include the following:

### Bills

Bill No.	Invoice No.	Supplier	Issued	Due	Total	Due	Status
EX00000000006	1695	Kingston Importers Ltd	25/04/2018	25/05/2018	2,673.75	2,156.25	Overdue
EX00000000005	1598...6598	Vodacom	10/04/2018	20/05/2018	360.00	360.00	Overdue
EX00000000004	0978	M Tunnicliffe & Sons	06/04/2018	20/05/2018	3,450.00	3,450.00	Overdue
					<b>6,483.75</b>	<b>5,966.25</b>	

View the purchases history for all customers and all dates:

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser...

Home Purchase history

Purchase history

All suppliers

Range: All dates

Reference	Supplier	Date	Type	Bill	Payment	Status
EX00000000001	Kingston Importers Ltd	03/03/2018	Bill	3,000.00		Paid
EX00000000002	Winterthur Ltd	19/03/2018	Bill	20,700.00		Paid
EX00000000003	Jones Electricals	02/04/2018	Bill	1,552.50		Paid
EX00000000004	M Tunnicliffe & Sons	06/04/2018	Bill	3,450.00		Overdue
EX00000000005	Vodacom	10/04/2018	Bill	360.00		Overdue
100151	Kingston Importers Ltd	13/04/2018	Payment		3,000.00	Paid
100152	Winterthur Ltd	21/04/2018	Payment		20,700.00	Paid
EX00000000006	Kingston Importers Ltd	25/04/2018	Bill	2,673.75		Overdue
SN000000001	Kingston Importers Ltd	26/04/2018	Return	-517.50		Paid
SR0000001	Kingston Importers Ltd	26/04/2018	Debit		-517.50	Paid
100153	Jones Electricals	30/04/2018	Payment		1,552.50	Paid
				<b>31,218.75</b>	<b>24,735.00</b>	

## Recapitulation – where are the journal entries?

You may have realised that using an accounting software package to record transactions and events is indeed different from manual bookkeeping we learned in class. If the system has been set up appropriately and the transactions have been entered accurately, journal entries will have been created in the system automatically in the background.

Now you will examine the journal entries of all sales and purchases you have entered in Section 4 and Section 5 by using the Report function of MYOB Essentials.

Return to the Dashboard, click on the 'Reports' Tab. Open up the drop-down list and select 'All reports'.

Choose to view 'Journals' – This displays a list of all your transactions as journal entries.

The screenshot shows the myob website's 'Reports' section. The navigation bar includes 'Dashboard', 'Sales', 'Purchases', 'Banking', 'Contacts', 'Payroll', 'Reports', 'In tray', 'My businesses', and 'Julia's Home Theatre Ser...'. The 'Reports' dropdown menu is open, listing 'All reports', 'Budgets', 'Profit & Loss', and 'Balance Sheet'. Below this, a table lists various report types: 'Budget management', 'Balance sheet', 'Trial balance', 'Profit & loss', 'GST detailed report', 'GST report', 'GST & provisional tax filing', 'Journals', 'Accounts', 'Contacts', and 'General ledger details'. The 'Journals' row is highlighted in yellow, and a blue arrow points to it from the left. Another blue arrow points to the 'Reports' dropdown menu.

Set the dates of the report as **02/04/2018** to 30/04/2018. **This is important** otherwise the system will also display the journal entries of setting the opening balance for 01/04/2018.

The screenshot shows the 'Journal report' page in myob. The page title is 'Journal report' and the subtitle is 'Displays a list of all your transactions as journal entries.' Below this, there are two date input fields: 'Transaction date from:' and 'To:'. The 'Transaction date from:' field contains '02/04/2018' and is circled in red. The 'To:' field contains '30/04/2018'. To the right of these fields is a green 'Generate report' button, which has a blue arrow pointing to it.

Then click 'Generate report'. The journal entries report will be opened in a new web page.

### Check Point!

See the journal entries next page. Do a quick double check, are your journal entries all correct? You can ignore a couple of cents difference due to rounding policy. But the dates, accounts, and transaction details should be all correct before you progress to Section 6.

**JOURNAL REPORT**

Date	Ref. No.	Account Number	Account Name	Debit	Credit
02/04/2018		EX0000000003 2-1600	Accounts payable		\$1,552.50
		EX0000000003 2-2000	GST paid	\$302.50	
		EX0000000003 5-1000	Purchases	\$1,350.00	
03/04/2018		INV004 4-1000	Sales - Home Theatre Systems		\$14,250.00
		INV004 2-2000	GST collected		\$2,137.50
		INV004 1-1600	Accounts receivable	\$16,387.50	
05/04/2018		EX0000000004 2-1600	Accounts payable		\$3,450.00
		EX0000000004 2-2000	GST paid	\$450.00	
		EX0000000004 5-2000	Labour	\$3,000.00	
10/04/2018		INV005 4-1000	Sales - Home Theatre Systems		\$14,250.00
		INV005 4-2000	Sales - Installation		\$578.26
		INV005 2-2000	GST collected		\$2,239.24
		INV005 1-1600	Accounts receivable	\$17,167.50	
10/04/2018		EX0000000005 2-1600	Accounts payable		\$360.00
		EX0000000005 2-2000	GST paid	\$45.96	
		EX0000000005 6-5800	Telephone	\$313.04	
11/04/2018		Parla Payment INV003 208478 1-1600	Accounts receivable		\$900.00
		208478 1-1000	FirstBank Cheque account	\$900.00	
13/04/2018		100151 1-1000	FirstBank Cheque account		\$3,000.00
		100151 2-1600	Accounts payable	\$3,000.00	
15/04/2018		INV006 4-2000	Sales - Installation		\$578.26
		INV006 2-2000	GST collected		\$101.74
		INV006 1-1600	Accounts receivable	\$780.00	
20/04/2018		335203 1-1600	Accounts receivable		\$17,167.50
		335203 1-1000	FirstBank Cheque account	\$17,167.50	
20/04/2018		INV003 - Rang on 20 April 2018 re partial payment. Credit note agreed. CN0000000001 1-1600	Accounts receivable		\$330.00
		CN0000000001 2-2000	GST collected	\$43.04	
		CN0000000001 4-2800	Service & repair income	\$286.96	
21/04/2018		100152 1-1000	FirstBank Cheque account		\$20,700.00
		100152 2-1600	Accounts payable	\$20,700.00	
25/04/2018		EX0000000006 2-1600	Accounts payable		\$2,573.75
		EX0000000006 2-2000	GST paid	\$348.75	
		EX0000000006 5-1000	Purchases	\$2,325.00	
26/04/2018		Incorrect specification INV0000000001 2-2000	GST paid		\$67.50

Date	Ref. No.	Account Number	Account Name	Debit	Credit
		GN0000000001 5-1000	Purchases		\$460.00
		GN0000000001 2-1600	Accounts payable	\$517.50	
26/04/2018		Debit From GN0000000001 SR00000001 2-1600	Accounts payable		\$517.50
		SR00000001 2-1600	Accounts payable	\$517.50	
30/04/2018		100153 1-1000	FirstBank Cheque account		\$1,552.50
		100153 2-1600	Accounts payable	\$1,552.50	
			<b>Grand Total:</b>	<b>\$87,056.25</b>	<b>\$87,056.25</b>

## Section 6: Banking

The Dashboard currently shows that you have \$15,315 in your bank accounts, consisting of \$7,815 in the cheque account and \$7,500 in the savings account.

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Money in Money out Banking Set up bank feeds

**Invoices**

\$18,338  
4 invoices issued

\$18,338  
4 invoices overdue

**Expenses**

\$5,966  
Owing to suppliers

PAYE & KiwiSaver

\$0  
PAYE & KiwiSaver owing

**Bank accounts**

\$15,315  
In the bank

\$7,815.00  
FirstBank Cheque account

\$0.00  
Petty cash

\$7,500.00  
FirstBank Savings account

These bank account balances are generated based on the information you have entered and processed in the system. Let's first have a look at what you have recorded in the two ledger accounts in the MYOB Essentials. You can always view the details of a ledger account from the Reports function. Once you have entered the transactions – the accounting software will generate journal entries and post entries into ledger accounts automatically. This is the same process as you have learned in Week 2. Click on the 'Reports' Tab from the Dashboard. Open up the drop-down list and select 'All reports'. Choose to view "General ledger details".

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser... ?

Home Reports

**Reports**

Business reports

Budget management Create and edit budgets.

Balance sheet Displays the balance of your MYOB Essentials asset, liability and equity accounts up to a certain date in a financial year.

Trial balance Displays the activity of each account in the form of debits and credits for a specified month of a financial year, and also for the period from the beginning of the financial year up to that month.

Profit & loss Displays a summary of your business performance as a report, bar chart and line graph. You can also compare the results to budgets and the previous year.

GST detailed report Displays a detailed report of your transactions organised by their tax codes. You can use this report to prepare your GST return.

GST report Generates GST summary reports and IRD return forms that you can use to prepare your GST return.

GST & provisional tax filing Prepare your GST and/or provisional tax return (including AIM) and file it online with Inland Revenue.

Journals Displays a list of all your transactions as journal entries.

Accounts Lists all or selected MYOB Essentials accounts, along with their balances as at a specific date.

Contacts Lists all or selected contacts, along with their phone and email details.

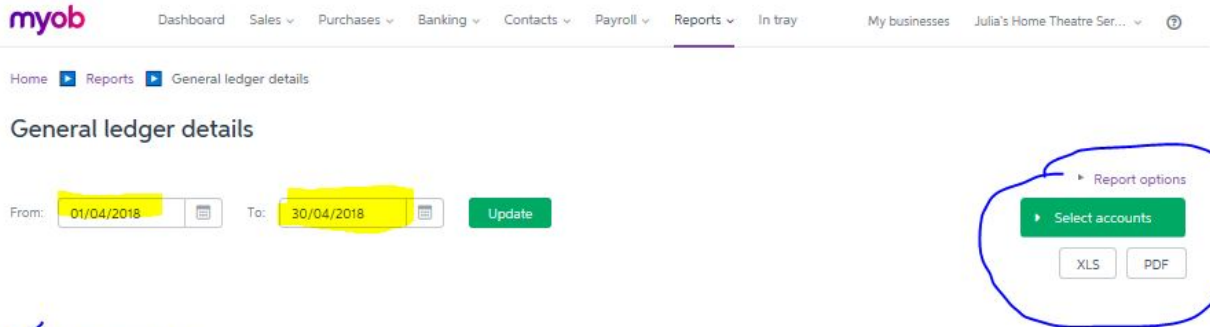
**General ledger details** Lists all the transactions that have been applied to an account for a specified period.



Set the date as 01/04/2018 – 30/04/2018 and select the following two ledger accounts:

- 1-1000 FirstBank Cheque Account; and
- 1-1400 First Bank Savings Account

Click 'Update'. Then screen will display all ledger account details.



**1-1000 FirstBank Cheque account**

Date	Ref No	Type	Description	Debit (\$)	Credit (\$)	Balance (\$)	GST Amt (\$)	Qty	Avg Net (\$)
01/04/2018	OPEN-1-1000	Op Bal		15,000.00		15,000.00			
11/04/2018	208478	Cust Pmt	Ocean Music Studios	900.00		15,900.00			
13/04/2018	100151	Supp Pmt	Kingston Importers Ltd		3,000.00	12,900.00			
20/04/2018	336203	Cust Pmt	Castle Show Homes	17,167.50		30,067.50			
21/04/2018	100152	Supp Pmt	Winterthur Ltd		20,700.00	9,367.50			
30/04/2018	100153	Supp Pmt	Jones Electricals		1,552.50	7,815.00			
<b>Totals</b>				<b>33,067.50</b>	<b>25,252.50</b>	<b>7,815.00</b>	<b>0.00</b>		

**1-1400 FirstBank Savings account**

Date	Ref No	Type	Description	Debit (\$)	Credit (\$)	Balance (\$)	GST Amt (\$)	Qty	Avg Net (\$)
01/04/2018	OPEN-1-1400	Op Bal		7,500.00		7,500.00			
<b>Totals</b>				<b>7,500.00</b>	<b>0.00</b>	<b>7,500.00</b>	<b>0.00</b>		

Remember these bank account balances are generated based on the information you have entered and processed in the system. At this moment it may not reflected your actual bank balances. Assuming that on 30 April 2018 you have downloaded your April 2018 statements from the FirstBank. These following statements are the records from the bank:

FIRSTBANK Cheque Account 0079073-00 (Business Cheque)							
From date 01/04/2018							
To date 30/04/2018							
Avail Bal: \$88.50 as of 30/04/2018							
Ledger Balance: \$88.50 as of 30/04/2018							
Date	Tran Type	Cheque #	Payee	Memo	Dr/Cheque	Cr/Deposit	Balance
1/04/2018	Opening Bal					\$15,000.00	\$15,000.00
5/04/2018	EFTPOS		EFTPOS Card Payment ****8992	EFTPOS Willis Street	\$5,250.00		\$9,750.00
8/04/2018	EFTPOS		The Warehouse Stationary	EFTPOS Card ****8992	\$898.50		\$8,851.50
11/04/2018	CHQ DEPOSIT	#208478	Ocean Music Studios	DEPOSIT - CITY BRANCH		\$900.00	\$9,751.50
12/04/2018	EFTPOS		LYNDY'S Restaurant	EFTPOS Card ****8992	\$562.50		\$9,189.00
13/04/2018	CHEQUE	100151	Kingston Importers Ltd	CHEQUE PAYMENT	\$3,000.00		\$6,189.00
15/04/2018	BILLPAY		INLAND REVNUUE DEPARTMENT	GST March 2018	\$1,500.00		\$4,689.00
20/04/2018	D/C RECEIPT		D/C from Echo Home Appliances	INV0001 INSTALLATION		\$780.00	\$5,469.00
20/04/2018	CHQ DEPOSIT	#336203	Castle Show Homes	DEPOSIT - CITY BRANCH		\$17,167.50	\$22,636.50
21/04/2018	CHEQUE	100152	Winterthur Ltd	CHEQUE PAYMENT	\$20,700.00		\$1,936.50
21/04/2018	TFR IN		SAVING	To cheque account		\$4,500.00	\$6,436.50
22/04/2018	AUTOPAY		BILLPAY Mercury	April Electricity	\$277.50		\$6,159.00
22/04/2018	BILLPAY		BILLPAY HireEquipment	Equipment Lease Apr- Sep 2018	\$4,500.00		\$1,659.00
30/04/2018	CHEQUE	100153	Jones Electricals	CHEQUE PAYMENT	\$1,552.50		\$106.50
30/04/2018	BANK FEE		FirstBank	Monthly bank fee	\$18.00		\$88.50

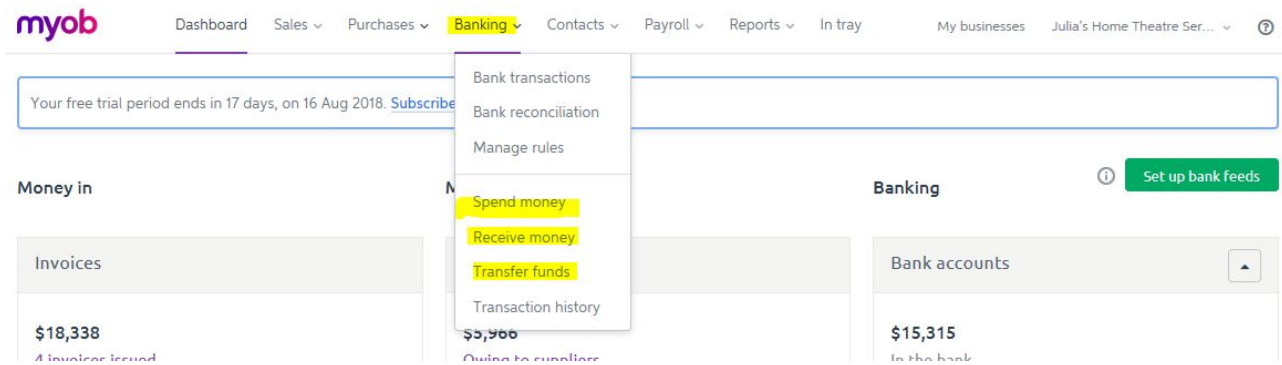
Date	Tran Type	Cheque #	Payee	Memo	Dr/Cheque	Cr/Deposit	Balance
1/04/2018	Opening Bal					\$7,500.00	\$7,500.00
21/04/2018	TFR OUT		To Business Cheque Accounting	To cheque account	\$4,500.00		\$3,000.00
26/04/2018	CHQ DEPOSIT	#581002	Personal Cheque	Owner's Contribution		\$15,000.00	\$18,000.00
30/04/2018	INTEREST		FirstBank	Monthly Interest (net of tax)		\$33.00	\$18,033.00

Can you notice the differences from the bank statements and the ledger details you have recorded?

Firstly, the bank statements show debit and credit balances in the opposite direction. This makes sense because the bank statements are records of the Bank - i.e. it is from the Bank's perspective. Your bank balances are your assets, but are the liabilities of the Bank.

Secondly, there are quite a few transactions which have not been recorded. Now highlight these transactions that you have not recorded in your bank statement.

In this section, you will explore the following basic 'Banking' functions of MYOB Essentials. Return to the Dashboard, locate the 'Banking' Tab.



## Step 1: Spend Money

You may have noticed that there are several payments made from your business cheque account which have not been recorded.

Use the 'Spend Money' function to record the following transactions.

- All of the transactions are paid from 1-1000 FirstBank Cheque Account.
- Use the system generated reference number – i.e. do not change the reference number.
- Add supplier when needed, including yourself, the business owner.
- Repeat the payee's name in the 'Note' box (important).
- Save and add new.
- All these transactions are shown in the bank statements.

Date	To	Allocate to	Descriptions	GST inclusive	GST Type
5/04/2018	Business owner - (your name)	3-1200 Owner's drawings	Drawings	\$5,250.00	Exempt
8/04/2018	The Warehouse Stationary	6-4000 Office supplies	Computer - business	\$898.50	15%
12/04/2018	LYNDY'S Restaurant	3-1200 Owner's drawings	Meal – private birthday party	\$562.50	Exempt
15/04/2018	Inland Revenue Department	2-2200 GST paid	GST March 2018	1,500	Exempt
22/04/2018	Mercury Energy	6-2200 Electricity & gas	April Electricity	\$277.50	S15%
22/04/2018	Hire Equipment	6-3600 Lease of equipment	Equipment lease Apr-Sep 2018	\$4,500	S15%
30/04/2018	FirstBank	6-1600 Bank charges	April 2018 Bank fee	\$18.00	Exempt

The first transaction on 5 April can be entered as follows:

**myob**    Dashboard    Sales    Purchases    Banking    Contacts    Payroll    Reports    In tray    My businesses    Ji

Home    Transaction history    Spend Money

### Spend Money

Pay from: 1-1000 FirstBank Cheque account    Date: 05/04/2018

To: Business Owner - Julia Wu    Reference number: SM000001

Notes: Julia Wu - Owner's Drawing    Amounts are: GST inclusive

Add lines

Allocate to	Description	Amount	GST Type	GST Amount
3-1200 Owner drawings	Owner drawing	\$5,250.00	Exempt	\$0.00

Net Amount: \$5,250.00

GST: \$0.00

Total Amount: \$5,250.00

Delete    Save    Save & Add    Cancel

## Step 2: Receive Money

Receiving a payment **other than** collecting a trade debt, should be recorded as 'Receive payment' from the 'Banking' function. Now open up the 'Banking' tab. Use 'Receive money' to record the \$15,000 you have deposited into the 1-4000 FirstBank Savings Account on 26 April 2018 as owner's contribution (see bank statement).

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Ju

Home Transaction history Receive Money

Receive Money

Deposit into: FirstBank Savings account

Notes: Owner's contribution chq581002

Date: 26/04/2018

Reference number: DP000001

Amounts are: GST inclusive

Bank transactions  
Bank reconciliation  
Manage rules  
Spend money  
**Receive money**  
Transfer funds  
Transaction history

Add lines Delete

Date	Cheque No.	Payer	Allocate to	Description	Amount	GST Type	GST Amount
26/04/2018	581002	Business Owner - Julia Wu	Owner contribution	Owner contribution	\$1,500.00	Exempt	\$0.00

Net Amount: \$1,500.00  
GST: \$0.00  
Total Amount: \$1,500.00

Save Save & Add Cancel

You can find this transaction in the Bank Statement.

Now add a new account 4-4000 Interest Income (Income, GST exempted) to record the \$33.00 of interest received in the Savings account on 30 April 2018.

If you cannot remember how to **add a new account**, review Section 2.

**Important:**

Receiving a payment from customers for the amount owing should be **always** recorded as 'Take Payment' from the 'Sales' function. Now return to the Dashboard, open up the 'Sales' tab. Use 'Take payment' to record the \$780 received on 20 April 2018 from Echo Home Appliances. The customer directly banked this amount into your FirstBank Cheque Account (see the bank statement). This is a review of what you have learnt in Section 3.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Hon

Home Sales history View payment

View payment

From: Echo Home Appliances  
Into account: 1-1000 FirstBank Cheque account  
Notes: INV001 Disputed

Date: 20/04/2018  
Reference number: CP000001  
Total amount received: \$780.00

Invoice number | Date issued | Discount given | Amount due | Payment amount

INV001	15/03/2018	\$0.00	\$0.00	\$780.00
--------	------------	--------	--------	----------

**Step 3: Transfer funds**

You can see from the bank statements that an amount of \$4,500 was transferred from the savings account to the business cheque account on 21 April 2018. Use the 'Transfer Fund' function under 'Banking' to record this transaction.

**Check Point!**

After processing all these Banking transactions, your Dashboard should show the updated bank balances that are exactly the same as your bank statement.

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Money in Money out Banking Set up bank feeds

Invoices

\$17,558  
3 invoices issued

\$17,558  
3 invoices overdue

Expenses

\$5,966  
Owing to suppliers

PAYE & KiwiSaver

\$0  
PAYE & KiwiSaver owing

Bank accounts

\$18,122  
In the bank

\$88.50  
FirstBank Cheque account

\$0.00  
Petty cash

\$18,033.00  
FirstBank Savings account

Then you also need to double check General Ledger Details of the two bank accounts in MYOB are well matched against your bank statements.

Go to Reports function, choose “all reports” and select ‘General Ledger Details’. Make sure you set the correct date. Select to view particular bank account(s) only rather than viewing the entire general ledger.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser...

Home Reports General ledger details

General ledger details

From: 01/04/2018 To: 30/04/2018 Update

Report options  
 Select accounts  
 XLS PDF

1-1000 FirstBank Cheque account

Date	Ref No	Type	Description	Debit (\$)	Credit (\$)	Balance (\$)	GST Amt (\$)	Qty	Avg Net (\$)
01/04/2018	OPEN-1-1000	Op Bal		15,000.00		15,000.00			
05/04/2018	SM000001	Spend Mny	Julia Wu - Owner's Drawing		5,250.00	9,750.00			
08/04/2018	SM000002	Spend Mny	The Warehouse Stationery		898.50	8,851.50			
11/04/2018	208478	Cust Pmt	Ocean Music Studios	900.00		9,751.50			
12/04/2018	SM000003	Spend Mny	LYNDY'S Restaurant		562.50	9,189.00			
13/04/2018	100151	Supp Pmt	Kingston Importers Ltd		3,000.00	6,189.00			
15/04/2018	SM000007	Spend Mny	Inland Business Development		1,500.00	4,689.00			

Make sure the dates, descriptions and other details are correct – i.e. bank transactions are exactly the same as the ones showing in the bank statement. This is very important.

### What if I made a mistake?

You can always edit these transactions by double-click on the particular transaction you want to edit. The transaction page will open up for you to update the information. Make sure you save your work.

### Assessment!

Once you have completed recording these transactions correctly:

Save a copy of the PDF file of Ledger Accounts of 1-1000 FirstBank Cheque Account and 1-4000 FirstBank Savings Account from **1 April 2018** to **30 April 2018** in a folder.

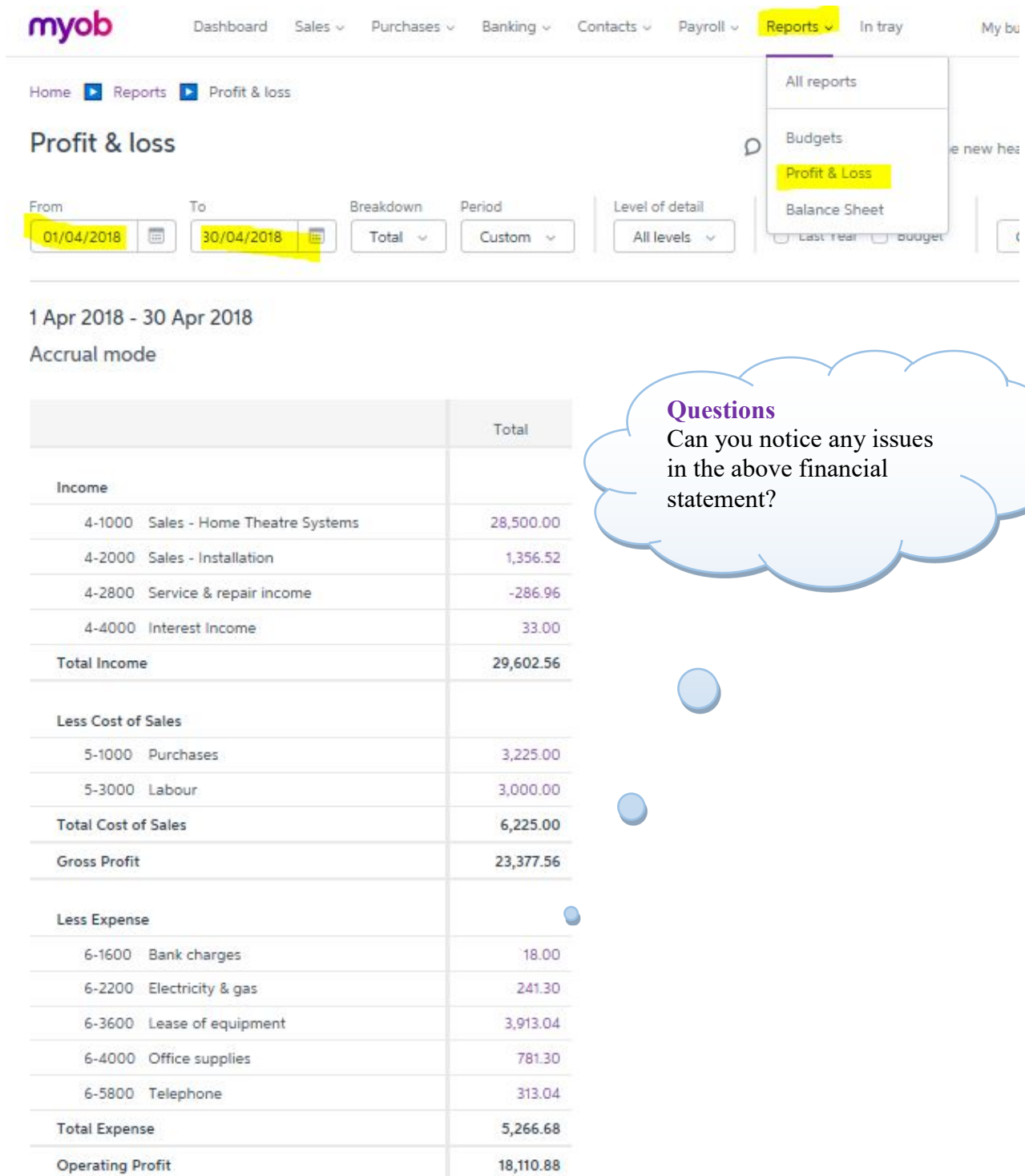
You will be required to submit this file as a part of the assessment when the assignment is due. **You will also use this file to prepare the Statement of Cash Flows specified in Section 10.** Remember you can always access this General Ledger report.

## Section 7: General journals

One of the fundamental skills of an accountant is that he/she is able to journalise transactions rather than merely input data based on source documents. In this section, you will make crucial adjustments to ensure the financial information faithfully represents your business operation.

### Step 1: Generate an income statement

Select 'Profit & Loss' from the 'Reports' function. Set the dates to be from 01/04/2018 to 30/04/2018. The system will automatically generate the income statement for the above period.



The screenshot shows the myob software interface. The 'Reports' menu is open, and 'Profit & Loss' is selected. The report parameters are set to 'From: 01/04/2018' and 'To: 30/04/2018'. The 'Breakdown' is set to 'Total' and the 'Period' is 'Custom'. The 'Level of detail' is 'All levels'. The report title is 'Profit & loss' and the period is '1 Apr 2018 - 30 Apr 2018'. The mode is 'Accrual mode'.

	Total
<b>Income</b>	
4-1000 Sales - Home Theatre Systems	28,500.00
4-2000 Sales - Installation	1,356.52
4-2800 Service & repair income	-286.96
4-4000 Interest Income	33.00
<b>Total Income</b>	<b>29,602.56</b>
<b>Less Cost of Sales</b>	
5-1000 Purchases	3,225.00
5-3000 Labour	3,000.00
<b>Total Cost of Sales</b>	<b>6,225.00</b>
<b>Gross Profit</b>	<b>23,377.56</b>
<b>Less Expense</b>	
6-1600 Bank charges	18.00
6-2200 Electricity & gas	241.30
6-3600 Lease of equipment	3,913.04
6-4000 Office supplies	781.30
6-5800 Telephone	313.04
<b>Total Expense</b>	<b>5,266.68</b>
<b>Operating Profit</b>	<b>18,110.88</b>

#### Questions

Can you notice any issues in the above financial statement?

## Step 2: identify the required adjustments

The income statement on the previous page revealed some concerns and you believe adjustments are required:

- (1) At the beginning of the month, you have three (3) sets of Winterthur Ultra02 home theatre systems in stock for sale – see opening balance section. During April, you have sold two (2) sets (see revenue: \$28,950 consisting of INV0004 and INV0005). But this income statement has not shown any costs of goods sold – i.e. two sets of Oven being sold.

**Adjustment required:** Transfer two items of inventory (\$9,000 each) into ‘Cost of Goods Sold’ (a new account)

- (2) The expenditure \$898.5, GST inclusive (SM000002, payment made to The Warehouse Stationary) was for an office computer rather than stationary. It is an item of fixed asset instead of an expense.

**Adjustment required:** Transfer the office supplies expense into fixed asset (office equipment and computers)

- (3) The lease of equipment is for six (6) months from April to September 2018 (SM000005, payment made to Hire Equipment). As at 30 April 2018, only one month of lease should be expensed, and the rest of the five months should be recorded as a prepayment – an asset.

**Adjustment required:** Transfer 5/6 of the total lease of equipment into ‘prepayment’ (a new account)

### Important:

Before you proceed with creating these adjustment entries. Go to the accounts list to add the two required new accounts (see Section 2)

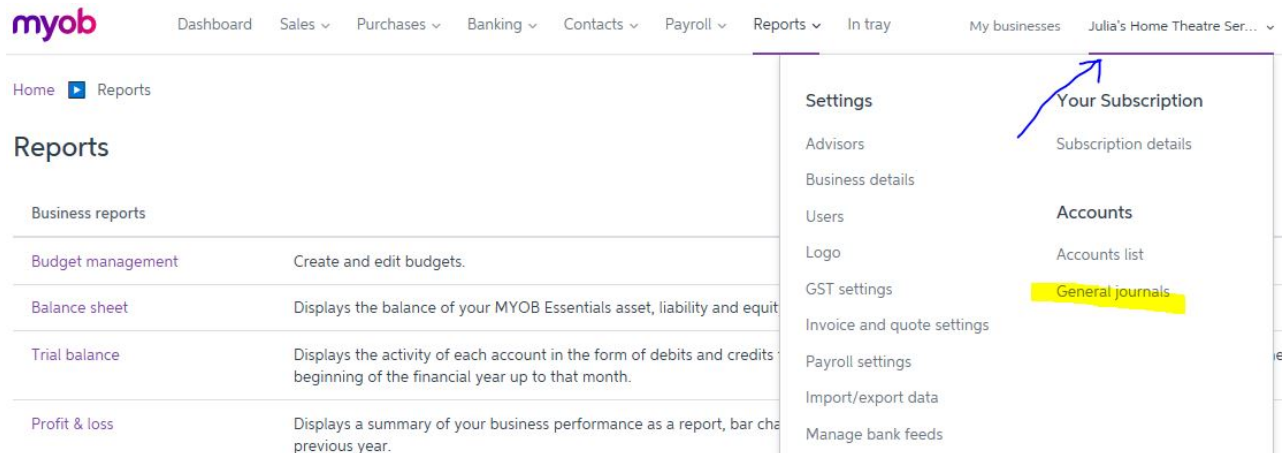
The screenshot shows the MYOB software interface. At the top, there is a navigation bar with various menu items like Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, and Julia's Home Theatre Ser... Below this, the 'Accounts list' section is active. It features a table with the following columns: Account Number, Name, Type, and Parent. The table contains one entry: 4-1000 Sales - Home Theatre Systems, Income, S15, 28,500.00. To the right of the table, a settings menu is open, listing various options such as Settings, Advisors, Business details, Users, Logo, GST settings, Invoice and quote settings, Payroll settings, Import/export data, and Manage bank feeds. The 'Accounts list' option is highlighted in yellow. At the bottom of the settings menu, there is a 'Logout' button and a serial number: 6402 6512 6014.



Number	Name	Type	Tax Rate
5-4000	Cost of Goods Sold – Home Theatre Systems	Cost of Sales	S15
1-3000	Prepayment	Current Assets	S15

### Step 3: Create ‘general journals’ for the required adjustments

Return to the Dashboard of MYOB Essentials. The ‘General journals’ functions can be accessed by clicking on your business name – top right of the screen.



Click on ‘Create Journal’ to enter the following adjustment journal entries:

Date	Reference	Adjustment Entry account name and number	GST Exclusive	
			Debit(\$)	Credit(\$)
30/04/2018	JE000001	5-4000 cost of goods sold – home theatre systems 1-7000 Inventory <i>Note: transferring inventory into COGS</i>	18,000	18,000
30/04/2018	JE000002	1-1700 Office equipment and computers 6-4000 Office supplies <i>Note: transferring the office supplies expenses into fixed asset.</i>	781.30	781.30

Note that all the adjustment entries do not affect GST, because the GST is calculated based on the actual transaction amount regardless what accounts you have allocate the expenditures. The actual GST collected or paid does not change if the transactions are reallocated into different accounts.

When you finish, save the entry.

The example of the first adjustment JE000001 is shown on the next page.

# Journal entry

Date:

30/04/2018



Notes:

Transferring inventory into COGS

Reference:

JE000001

Amounts are

GST exclusive



Add lines

Delete lines

Account	Description	Debit	Credit	GST	GST Amount
Cost of Goods Sold -H...	Home Theatre Systems Sold	\$18,000.00		Exempt	\$0.00
Inventory - Home The...	Transfer: COGS		\$18,000.00	Exempt	\$0.00

Debits (inc. GST) 18,000.00

Credits (inc. GST) 18,000.00

Out of balance by: 0.00

Save

Cancel

## Check point!

View your journals:

myob

Dashboard

Sales

Purchases

Banking

Contacts

Payroll

Reports

In tray

My businesses

Julia's Home Theatre Ser...

Home

General journals

## General journals

Create Journal

From: 30/04/2018



To: 30/04/2018



Search:

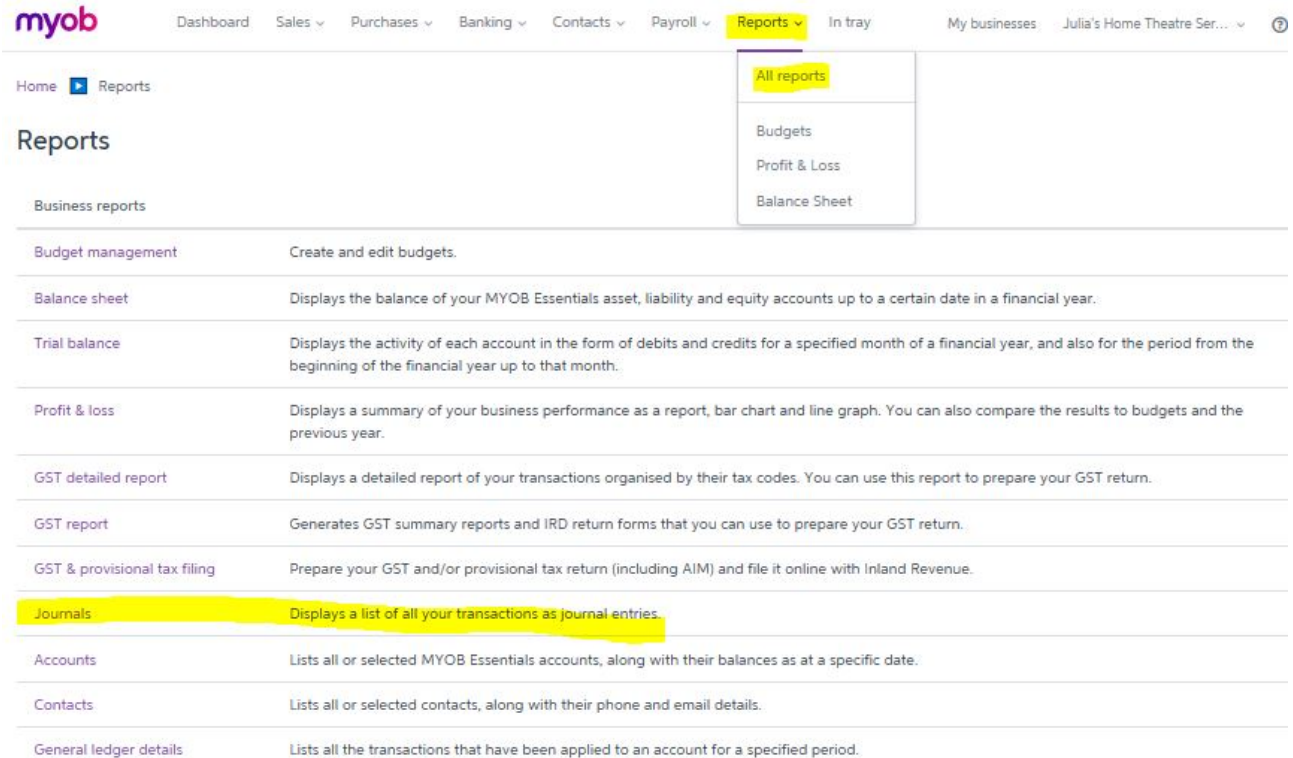
Date	References	Notes	Amount
30/04/2018	JE000001	Transferring inventory into COGS	\$18,000.00
30/04/2018	JE000002	Transferring the office supplies expenses into fixed assets	\$781.30

## Assessment!

Create JE00003 on 30/04/2018 to adjust the lease of equipment -i.e. transfer an appropriate amount of lease of equipment into prepayment. When you finish, save your journal. This journal is a part of your assessment.

Once you have created and saved journal JE00003, generate a general journal report for submission.

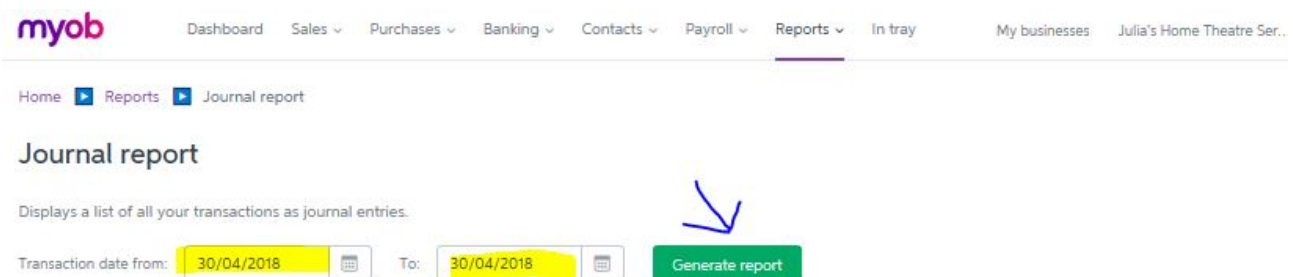
Go to the 'Reports' function, select 'all reports' and select 'journals'



The screenshot shows the MYOB Reports menu and a list of report types. The 'Reports' menu is open, showing options: All reports, Budgets, Profit & Loss, and Balance Sheet. Below the menu is a table of report types:

Business reports	
Budget management	Create and edit budgets.
Balance sheet	Displays the balance of your MYOB Essentials asset, liability and equity accounts up to a certain date in a financial year.
Trial balance	Displays the activity of each account in the form of debits and credits for a specified month of a financial year, and also for the period from the beginning of the financial year up to that month.
Profit & loss	Displays a summary of your business performance as a report, bar chart and line graph. You can also compare the results to budgets and the previous year.
GST detailed report	Displays a detailed report of your transactions organised by their tax codes. You can use this report to prepare your GST return.
GST report	Generates GST summary reports and IRD return forms that you can use to prepare your GST return.
GST & provisional tax filing	Prepare your GST and/or provisional tax return (including AIM) and file it online with Inland Revenue.
Journals	Displays a list of all your transactions as journal entries.
Accounts	Lists all or selected MYOB Essentials accounts, along with their balances as at a specific date.
Contacts	Lists all or selected contacts, along with their phone and email details.
General ledger details	Lists all the transactions that have been applied to an account for a specified period.

Set the reporting date to be from 30/04/2018 to 30/04/2018 to display all journals created on this particular date.



The screenshot shows the MYOB Journal report generation screen. The 'Transaction date from' and 'To' fields are both set to 30/04/2018. A blue arrow points to the 'Generate report' button.

The journal report will be displayed in a new page. There will be several journal entries displayed in this report. Most importantly, this report will show the three (3) adjusting entries you have completed in this section.

Save the PDF file of this journal report for submission.

## Section 8: GST Reporting

So far you have completed recording all the transactions and adjustments for April 2018. In this section, you will examine the important GST reporting function of MYOB essentials. If all the information matches among different GST reports, a user will be confident to proceed with filing GST returns with IRD and proceed with the related GST payment or GST refund.

### Report 1: View GST related ledger accounts

Select 'All reports' from the drop down-list of 'Reports' function. Select general ledger details.

myob Dashboard Sales Purchases Banking Contacts Payroll Reports In tray My businesses Julia's Home Theatre Ser...

Home Reports

### Reports

Business reports

Budget management	Create and edit budgets.
Balance sheet	Displays the balance of your MYOB Essentials asset, liability and equity accounts up to a certain date in a financial year.
Trial balance	Displays the activity of each account in the form of debits and credits for a specified month of a financial year, and also for the period from the beginning of the financial year up to that month.
Profit & loss	Displays a summary of your business performance as a report, bar chart and line graph. You can also compare the results to budgets and the previous year.
GST detailed report	Displays a detailed report of your transactions organised by their tax codes. You can use this report to prepare your GST return.
GST report	Generates GST summary reports and IRD return forms that you can use to prepare your GST return.
GST & provisional tax filing	Prepare your GST and/or provisional tax return (including AIM) and file it online with Inland Revenue.
Journals	Displays a list of all your transactions as journal entries.
Accounts	Lists all or selected MYOB Essentials accounts, along with their balances as at a specific date.
Contacts	Lists all or selected contacts, along with their phone and email details.
General ledger details	Lists all the transactions that have been applied to an account for a specified period.

When the general ledger details page is open, make sure to set the correct report period as from 01/04/2018 to 30/04/2018. Select (tick ✓) to view only GST related accounts, note that accounts with no transactions during this period will not be displayed.

#### General ledger details

From: 01/04/2018 To: 30/04/2018 Update

Report options  
Hide accounts

Select/Unselect all  
Reduce the report size by selecting only the accounts needed

- Income
- 4-1000 Sales - Home Theatre Systems
- 4-2000 Sales - Installation
- 4-2800 Service & repair income
- 4-4000 Interest Income
- Other Income
- 8-1000 Discount received
- 8-1200 Interest income
- 8-1400 Other income
- Cost of Sales

2-2000 GST collected

Date	Ref No	Type	Description	Debit (\$)	Credit (\$)
01/04/2018	OPEN-2-2000	Op Bal			2,250.00
11/04/2018	208478	Cust Pmt	Ocean Music Studios	117.39	

Select to view:

- 2-0000 GST collected
- 2-2000 GST paid
- 2-4000 GST input tax adjustment (no transaction recorded)
- 2-8000 GST output tax adjustment (no transaction recorded)

## Check point!

### General Ledger

#### Julia's Home Theatre Services

01/04/2018 - 30/04/2018

##### 2-2000 GST collected

Date	Ref No	Type	Description	Debit	Credit	Balance	GST
01/04/2018	OPEN-2-2000	Op Bal			2,250.00	2,250.00	
03/04/2018	INV004	Invoice	Duncan Home Store		2,137.50	4,387.50	
10/04/2018	INV005	Invoice	Castle Show Homes		2,239.24	6,626.74	
15/04/2018	INV006	Invoice	Duncan Home Store		101.74	6,728.48	
20/04/2018	CN00000001	Cust Rtrn	Ocean Music Studios	43.04		6,685.44	
Totals				43.04	6,728.48	6,685.44	

##### 2-2200 GST paid

Date	Ref No	Type	Description	Debit	Credit	Balance	GST
01/04/2018	OPEN-2-2200	Op Bal		750.00		-750.00	
02/04/2018	EX000000000003	Bill	Jones Electricals	202.50		-952.50	
06/04/2018	EX000000000004	Bill	M Tunnicliffe & Sons	450.00		-1,402.50	
08/04/2018	SM000002	Spend Mny	The Warehouse Stationery	117.20		-1,519.70	
10/04/2018	EX000000000005	Bill	Vodacom	46.96		-1,566.66	
15/04/2018	SM000007	Spend Mny	Inland Revenue Department	1,500.00		-3,066.66	
22/04/2018	SM000004	Spend Mny	Mercury Energy	36.20		-3,102.86	
22/04/2018	SM000005	Spend Mny	Hire Equipment	586.96		-3,689.82	
25/04/2018	EX000000000006	Bill	Kingston Importers Ltd	348.75		-4,038.57	
26/04/2018	SN00000001	Supp Rtrn	Kingston Importers Ltd		67.50	-3,971.07	
Totals				4,038.57	67.50	-3,971.07	

You have learnt how GST accounts work in class. MYOB Essentials shows a realistic example how GST ledgers are generated automatically in an accounting system.

Can you calculate the GST amount due for April 2018? Is it a GST payment or GST refund situation?

The answer is: GST payable in the amount of \$2,714.37 (the difference between GST collected and GST paid)

## Report 2: Generate GST return

MYOB Essentials has a built-in function to generate a ready-to-use GST return, which can be directly filed with IRD. Select 'All reports' from the drop down-list of 'Reports' function. Then select GST report.

The screenshot shows the MYOB software interface. At the top, there is a navigation bar with the MYOB logo and several menu items: Dashboard, Sales, Purchases, Banking, Contacts, Payroll, Reports, In tray, My businesses, and Julia's Home Theatre Ser... The 'Reports' menu is open, showing a dropdown list with 'All reports', 'Budgets', 'Profit & Loss', and 'Balance Sheet'. Below the navigation bar, the 'Reports' page is displayed. It has a breadcrumb trail: Home > Reports. The main heading is 'Reports'. Underneath, there is a section for 'Business reports' with a list of report types and their descriptions:

Report Type	Description
Budget management	Create and edit budgets.
Balance sheet	Displays the balance of your MYOB Essentials asset, liability and equity accounts up to a certain date in a financial year.
Trial balance	Displays the activity of each account in the form of debits and credits for a specified month of a financial year, and also for the period from beginning of the financial year up to that month.
Profit & loss	Displays a summary of your business performance as a report, bar chart and line graph. You can also compare the results to budgets and t previous year.
GST detailed report	Displays a detailed report of your transactions organised by their tax codes. You can use this report to prepare your GST return.
<b>GST report</b>	<b>Generates GST summary reports and IRD return forms that you can use to prepare your GST return.</b>

When the GST report page is open, make sure:

- 1) to select 'GST Return (IRD Form)'
- 2) **untick 'cash basis' – this is important**, because your business has elected to calculate GST on accrual basis (See GST Setting in Section 1)
- 3) to set the correct report period as '**One month**' from 01/04/2018 to 30/04/2018.

The screenshot shows the 'GST report' page in the MYOB software. The breadcrumb trail is: Home > Reports > GST report. The main heading is 'GST report'. Below the heading, there is a description: 'Generates GST summary reports and IRD return forms that you can use to prepare your GST return.' The 'Choose Report:' dropdown menu is set to 'GST Return (IRD Form)'. The 'Cash basis' checkbox is  and is circled in red with a red exclamation mark next to it. The 'Reporting Period:' dropdown menu is set to 'One month'. The 'GST Report for the Month Ending:' dropdown menu is set to '30 April'. The 'Year:' dropdown menu is set to '2018'. A green button labeled 'Generate report' is located at the bottom right of the page, with a blue arrow pointing to it.

### Check point!

Check the information of your GST return for the month of April 2018. Does it show the correct amount of GST to pay? (See previous page). Ignore any minor rounding difference.

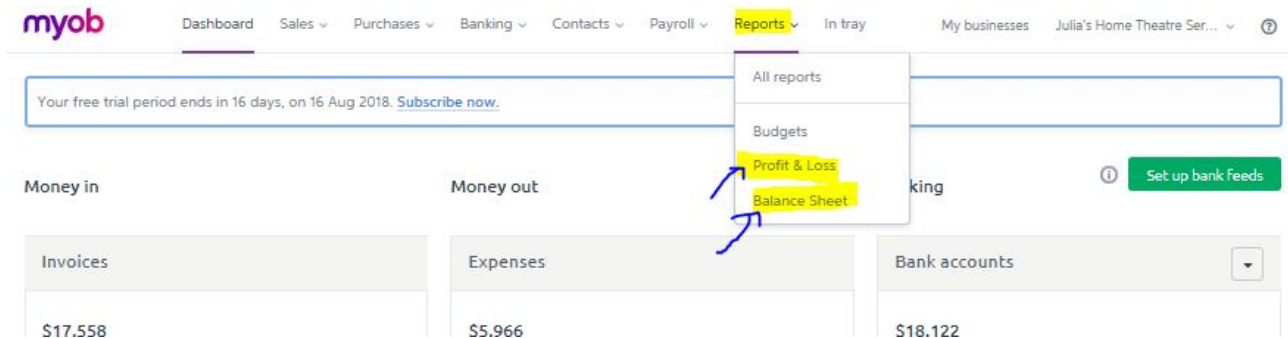
### Assessment!

Generate, and save the GST return for submission. More instructions can be found in Section 12.

## Section 9: Financial Reporting

In this section, you will generate a profit and loss statement and a balance sheet to report on the financial performance of your business after a month's operation.

Use the Reports functions to generate Profit & Loss and Balance Sheet respectively.

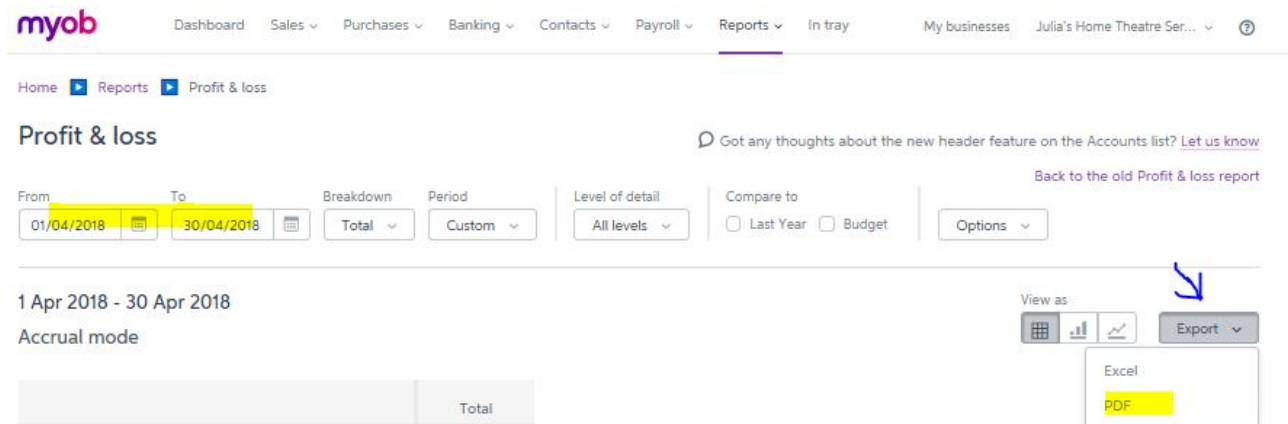


### Report 1: Generate a statement of Profit & Loss

#### Assessment!

Create and save the statement Profit and Loss for submission.

When the profit and loss report page is open, make sure to set the correct report period as from 01/04/2018 to 30/04/2018.



Export the financial statement in a PDF File. You are required to submit a copy of this document as a part of you MYOB project. More instructions can be found in Section 12.

### Report 2: Generate a Balance Sheet

#### Assessment!

Create and save the balance sheet for submission. When the balance sheet report page is open, make sure to set the correct balance date as 30/04/2018. Export the financial statement in a PDF File. You are required to submit a copy of this document as a part of you MYOB project. More instructions can be found in Section 12.

## Section 10: the Statement of Cash Flows

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You have now completed all required tasks by using MYOB. These tasks mimic the bookkeeping and financial reporting process of a business for a month's operation. MYOB Essentials

### Important:

Now read the textbook pages 697-702 and be familiar with the layout of the statement of cash flows and classification of cash flows. Ignore the direct and indirect methods from page 703 and onwards for this assignment purpose. You will learn these methods during the lectures in week 09 and week 10 of ACCT103.

### Assessment!

Based on all the available the information in Section 6: Banking, you are required to prepare (i.e. assemble) a statement of cash flows for your business for the month ending 30 April 2018.

Your statement of cash flows should have appropriate **titles, date, classifications and layout**. The classification and presentation of the statement should comply with GAAP. The statement of cash flows should reflect the opening balances, transitions and closing balances of both accounts:

- 1-1000 FirstBank Cheque Account; and
- 1-4000 FirstBank Savings Account.

Your statement of cash flow should be prepared using Microsoft Excel or Word. Create and save the Statement of Cash Flows for submission. See section 12.



## Section 11: Management report

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### Assessment!

Assume that you are the sole owner/operator of the business. You are required to write up a management report based on all the information available in this MYOB project.

In this management report, you are to reflect on and evaluate the business performance as of 30 April 2018. As a result of your evaluation, you are required to identify two (2) issues and/or concerns, operational or financial, that you may have for your business. For each issue/concern that you have identified, you are required to:

- Describe your concern or the business problem. The business problem is an issue or concern about the operational or financial circumstances of your business. It is not a critique on the quality of the accounting information or accounting software package per se.
- Present evidence (i.e. relevant information from this MYOB project) to support your description
- Propose a course of action(s) that you believe will be able to resolve the situation or rectify the business problem.

Your management report should be word processed with suitable format, structure and style for business use. The word limit for this report is: **600 words maximum**. You are encouraged to use subtitle(s) to structure your report.

You are to save a copy of this management report for submission. More instructions can be found in Section 12.

### Guidance

You are encouraged to evaluate the financial performances and cash flows for April 2018 and the financial position as of 30 April 2018. Ideally you should make use of the financial information you have processed in your MYOB project, in particular the reports you have generated. You should also incorporate both historical and forward-looking perspectives when carrying out your evaluation.

You can explore other functions of MYOB Essentials, but this is not required.

You are **not** required to collect and analyse information other than those embedded in this MYOB project.

## Section 12: Submission

This section specifies the instructions for assignment submission. The assignment is due on: **9:00 am, Monday 10 September 2018**

### Checklist

You are required to submit each of the following documents in electronic format **via LEARN**. Check if you have had these documents ready:

	Workbook Reference	electronic
1) Quote generated on 25/04/2018 for Castle Show Homes	Page 26	<input type="checkbox"/> PDF
2) General ledger details – Accounts <b>1-1000 FirstBank Cheque Account</b> and <b>1-4000 FirstBank Saving Account</b> from 01/04/2018 to 30/04/2018	Page 38	<input type="checkbox"/> PDF
3) Journals – a list of all journal entries created on 30/04/2018	Page 43	<input type="checkbox"/> PDF
4) GST Return for the month from 01/04/2018 to 30/04/2018	Page 46	<input type="checkbox"/> PDF
5) A statement of profit and loss for the month from 01/04/2018 to 30/04/2018	Page 47	<input type="checkbox"/> PDF
6) A balance sheet as at 30/04/2018	Page 47	<input type="checkbox"/> PDF
7) The statement of cash flows for the month ended 30/04/2018	Page 48	<input type="checkbox"/> PDF, excel or Word
8) Management report (maximum 600 words)	Page 49	<input type="checkbox"/> PDF or Word

### Submit the documents online

You are required to submit the above (1) to (7) documents via ACCT103 LEARN site **by the specified due date and time**.

The management report should be submitted separately via the Turnitin drop box via ACCT103 LEARN site **by the specified due date and time**.

# Appendix A - Marking Guide

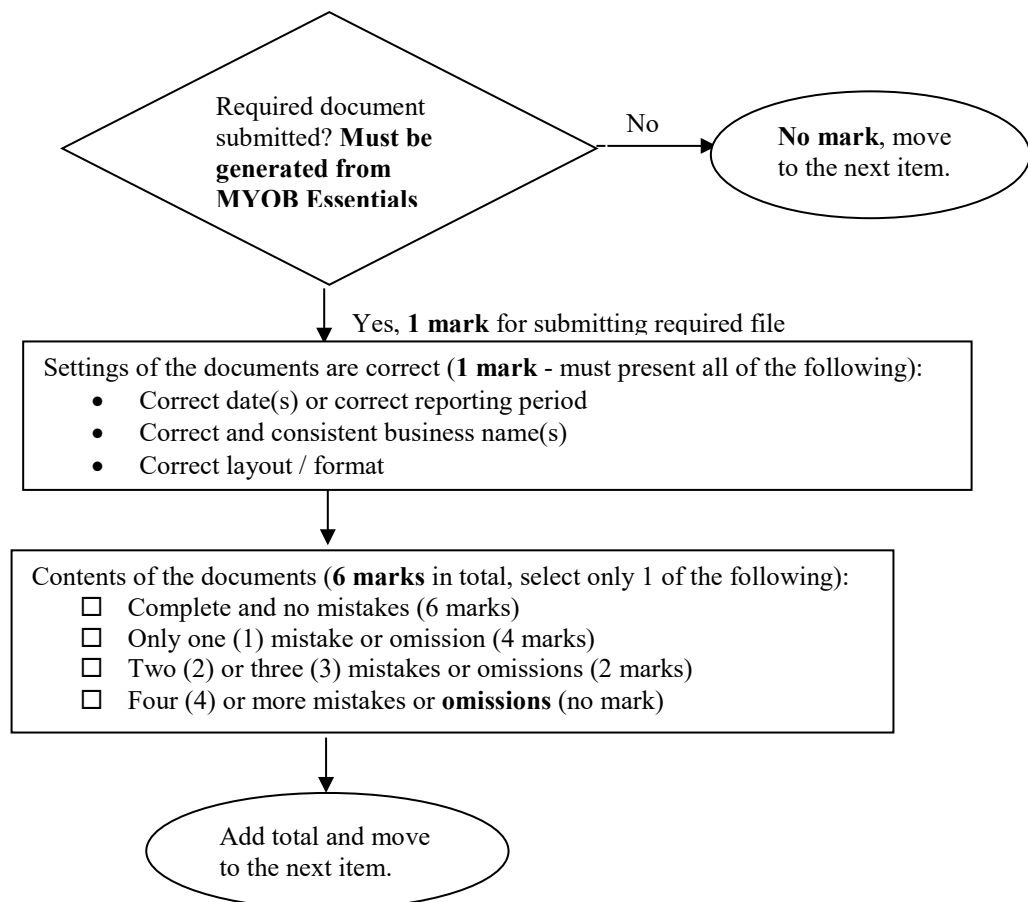
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## Marking guide1: MYOB documents

The following is the marking guide on each of the required documents (see items 1-6 listed on page 3) generated from MYOB Essentials.

6 documents @ 8 marks each.

[Total 48 marks]



## Marking guide2: The Statement of Cash Flows

- Title of the financial statements
- Correct accounting period and period end
- Currency unit
- Classifications – complete
- Classifications – amounts are all correct
- Identification and presentation of inflows and out flows
- Sequence of presentation
- Correct net flows for the year
- Correct closing balance of cash
- Separate disclosure on interest
- Separate disclosure on taxation
- No other mistakes

[Total 12 marks]

## Marking guide 3: Management report

The following is the marking guide on the management report.

<p><b>Structure and Style:</b> using headings, subheadings and paragraphs to organise the contents. Suitable style for formal business use; taking appropriate care as a business owner.</p> <p><i>Maximum 5 marks in total.</i></p>	<p>Not seen/ Extremely poor or exceeding the word limit <b>0/1</b></p>	<p>Poor <b>2</b></p>	<p>Average <b>3</b></p>	<p>Good <b>4</b></p>	<p>Excellent <b>5</b></p>
<p><b>Contents</b> Each of the two (2) business problems is:</p> <ul style="list-style-type: none"> <li>• separately identified without overlapping</li> <li>• valid and relevant</li> <li>• well-articulated</li> <li>• supported by evidence from the project</li> <li>• directed to a specific and realistic solution or improvement</li> </ul> <p><i>Maximum 10 marks each, 20 marks in total</i></p>	<p>Not seen/ Extremely poor <b>0/2</b></p>	<p>Poor <b>4</b></p>	<p>Average <b>6</b></p>	<p>Good <b>8</b></p>	<p>Excellent <b>10</b></p>
	<p>Problem/concern (1)</p>				
	<p>Problem/concern (2)</p>				

[Total 25 marks]