

UNIT 3 – Activity 5

Accounting for Sales Taxes

Task: Please visit the following website and watch the tutorials on Sales Taxes:

<http://www.jeffboulton.ca/BAF%203M1%20Note%20-%20Sales%20Taxes.swf>

Unit 3 Activity 5: HST = 13%

HST Transactions:

March of 2011

- 1 - Sold accounting services to Coffee Industries for \$1 000 plus HST on account.
- 5 - Purchased equipment on account for \$2 000 plus HST of \$260.
- 6 - Purchased supplies for cash for \$300 plus HST of \$39.
- 10 - Sold accounting services to Nestle Corp. for \$1 500 cash plus tax.
- 15 - Remitted \$320 of HST to government.
- 17 - Sold \$3 000 of accounting services to Nestle Corp. on account plus tax.
- 22 - Sold \$1 400 of accounting services for cash plus tax.
- 31 - Filed HST return to the government for the month of March. Here are the account balances:

HST Payable	\$1500.00
HST Recoverable	<u>650.00</u>
HST Owing/(Recoverable)	\$850.00

Chart of accounts

Bank
Accounts Receivable
HST Recoverable
Supplies
Equipment
Accounts Payable
HST Payable
Capital
Drawings
Revenues
Expenses

