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| **Leicester De Montfort Law School**  **Legal Practice Course**  **Solicitors Accounts**  **Small Group Session 2**  **In Session Exercises** |

**Exercise One**

**In examples (1) and (2) below, describe the double entries you would make using the following type of ‘shorthand’:**

**CR A Mutch £200 CLIENT SECTION**

**DR Cash £200 CLIENT SECTION**

**You do not have to show the entries on accounts grid paper.**

1. You act for D. Spencer. On 11 September you send a bill for £200 plus VAT. On 12 October your client sends you a cheque for the total amount due.
2. You act for G. Schmidt. On 2 October you send a bill for £500 plus VAT. The client queries the bill and on 5 October you agree to reduce it to £400 plus VAT.

**Exercise Two**

**Explain how a firm of solicitors should deal with the following. In each case state any Rule involved. You are not required to show any accounting entries that would be required.**

1. You act for J Henry in a litigation matter. Your client sends you a cheque for £600 to pay counsel’s fees. Counsel sends you an invoice for her fees of £500 & VAT. You email a copy of the invoice to your client. You then pay the barrister.

(ii) You receive a cheque for £60 from your client, Norman Bradley, in reimbursement of a court fee the firm paid on his behalf two weeks ago because (at that time) you held no money for this client on client account.