

FIN711 SOLVED BY **safdar ali ansari**

mb130200013

Mr. Owner

Income Statement

For the year ended March 31, 2012

	Amount		Amount
Opening Stock	Rs. 64100	Sales	Rs. 418230
(+) Purchases	<u>286100</u>	Closing Stock	<u>70900</u>
Gross Profit	<u>138930</u>		
	489130		489130
Motor Van Expenses	9400	Gross Profit	<u>138930</u>
Discount Allowed	1500		
Salaries	4000		
Rent and General Expenses	29400		
Provision for doubtful debts (1080-370)	710		
Part Time Assistant	8400		
Misc. Expenses	2000		
Accountant Fee	2000		
Net profit	<u>81520</u>		
	138930		<u>138930</u>

Requirment b

Mr. Owner

Balance Sheet

As on March 31, 2012

liab	Amount	Assets	Amount
Provision for legal claim 6000		Fixed Assets:	
(-) Legal claim settled <u>4600</u>	1400	Motor Van (Cost value = 48000)	
		Rs. 28800	
Accountant fee payable	2000	(-) Depreciation <u>6400</u>	Rs. 22400
Creditors	24200	Current Assets:	
Bank Overdraft	30140	Stock	70900
Opening Capital 77300		Debtors 18000	
Net Profit <u>81520</u>		(-) provision 4dubtful <u>1080</u>	16920
158820		Due from Café Juice	<u>2940</u>
Drawings <u>103400</u>			
Ending Capital	55420		
	<u>113160</u>		<u>113160</u>

1. Working

Debtor Account

	Amount		Amount
Opning Debtr	Rs. 12000	Cash from customers	Rs.331000
Cafe Juice	1960	Cash from Cafe Juice	78400
		discount	1500
Crdit Sals	418230	Bad Dbt	350
		Endng Debtors	2940
		Ending Cafe Juice	18000
	432190		432190

2.Wrking

creditor

	Amount		Amount
Cash paid	Rs. 282840	Opng balance	Rs. 20940
End Balance	24200	Purchases	286100
	307040		307040

3.Wrking Profit n loss (opening)

liab	Amount	asset	Amount
Accountant's fee	1200	Debtors	Rs. 11280
Provision for legal claim	6000	Due from Cafe Juice	1960
Over draft at bank	700	Delivery Van	28800
Creditors	20940	Stock	64100
Capital	<u>77300</u>		
	106140		432190

4.Wrking (depreciation)

Cost value = Rs. 48000

Book value = 28800

Accumulated depreciated = 19200

$$19200/3 = 6400$$

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5. Wrking Motor Van Exp

Tax, insurance and repair exp	=	Rs. 4400
(+) Petrol Exp	=	8000
(+) Depreciation	=	<u>6400</u>
Total exp	=	<u>18800</u>
Half of 18800 is personal exp of owner	=	9400
Half of 18800 is busnes exp	=	9400

6. wrking

Provision of dubtful debts (-) bad debts= $720 - 350 = 370$

7. Wrking drawings

=Rs. $74000 + 20000 + 9400 = 103400$

8. Wrking for calculating of doubtful debts

$720 / 12000 \times 100 = 6\%$

So

$18000 \times 6\% = 1080$