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COURSE: ACCOUNTING FOR SPECIALIZED BUSINESSES
MATRIC NO: 18 SMS02/020
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Solution		Account	
Sales (Egg)	1500,000		640,500
Inventory			
Biological Asset	3810,000		
Land	96,000		
Farm House (2785,000)	2794,000		
Farm machinery (255,000)	1361,250		
Purchases	4689,250		
Feed	2096,570		
Insecticide	15,000		
Less closing stock	225,250		
Gross Profit	4976,7154		
Add miscellaneous income	1850,000		
	4509,60		
	4836,8114		
Depreciation	192,900		
House	325,500		
Machine	77,600		
Insurance	100,800		
Hire of Tractor	175,500		
Bad debt	292,750		
Other operating exp	99,000		
Staff cost	1935,050		
Net profit	2050,3164		
Statement of Financial position			
Non-current asset			
Land	125,678,50		
Farmhouse	2794,000		
Machine	13,451,500		
	4159,750		
Current asset	185,000		
Inventory	96,000		
	160,750		
	1282,160		

Figure 1

Bank Cash 13146550

14996550
27821150

Non-current liabilities
Receivable
loan

257870
26000000
26257870
54079000

Current liabilities

payable 1936540
Debt 1590000
capital 45000000
Net profit 50303164

143829704
197908724

1936540
1590000
45000000
50303164
143829704
197908724

Statement of Reconciliation

One (1) day old chick @ 200
Two (2) year old chickens @ 3500
7200
Less 6 month old chicken @ 500
1800

Fair value for biological Asset:

One (1) day old chicken @ 3000
One and a half (1.5) year old chicken @ 3,300
4650
Less three (3) year old chicken @ 2000
1350

Total died chicken during the year @ 1800 216000

(3)

(3)