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MATRIC NUMBER: 1815M602/027

DEPARTMENT: ACCOUNTING

COURSE CODE: ACC 206

### ASSIGNMENT

#### ABUAD FARMS

Statement of reconciliation showing the changes in fair value during the year 2019.

	#
Jan 1st 1300 day old chicks @ 200	260,000
Jan 1st 800 2 years old chickens @ 3500	2,800,000
July 1st 500 6 months old chickens @ 1500	750,000
	<u>3,810,000</u>
Dead chickens during the year 120 chickens @ 1800	(216,000)
	<u>3,594,000</u>
Changes in fair value	3,217,000

31st Dec 1 year old chickens ( $1300 - 60 = 1240 \times 3000$ )	3,720,000
31st Dec 1 1/2 year old chickens ( $800 - 30 = 470 \times 3300$ )	1,551,000
31st Dec 3 year old chickens ( $500 - 30 = 770 \times 2000$ )	1,540,000
	<u>6,811,000</u>

#### FLOCK OF CHICKENS

1/1/19 Bal b/d	3,069,000	Loss of chickens	216,000
1/7/19 Cash	750,000	31/12/19 Bal b/d	6,595,000
31/12/19 Por L	3,207,000		
	<u>6,811,000</u>		<u>6,811,000</u>
1/1/20 Bal b/d	6,595,000		

## ABUAD FARMS

Statement of profit or loss for the year ended 31/12/19

	N	N	N
Sales : Farm Produce			6,423,340
Opening Inventory		1,509,000	
Purchases : Feeds	2,096,570		
Insecticides	<u>156,000</u>	3,252,750	
LOGAS		2,752,570	
Closing inventory		(1,850,000)	(1,902,570)
GROSS PROFIT			4,520,770
Miscellaneous Income		450,960	
Change in fair value		<u>3,217,000</u>	<u>3,667,960</u>
			8,188,730
<b>Expenses:</b>			
Depreciation: Farm produce		96,000	
Farm machinery		160,750	
Staff cost		770,000	
Fuel and oil		168,000	
Marketing cost		105,000	
Repairs		52,500	
Insurance		77,600	
Hire of tractors		100,800	
Bad debts		175,500	
Other operating expenses		<u>292,750</u>	<u>(1,999,400)</u>
NET PROFIT			<u>6,189,330</u>

## ABUAD FARMS

### Statement of Financial Position as at 31/12/19

Non-current Asset	Cost ₦	Accumulated depreciation ₦	Carrying value ₦
Land	12,567,350	-	12,567,350
Farm house	27,135,000	(192,400 + 96800) = 289,200	27,561,100
Farm machinery	13,290,750	(325,500 + 160,750) = 486,250	12,804,500
Biological Asset	3,310,000 + 3,217,000 = 7,027,000	-	7,027,000
			<u>59,960,450</u>
<u>Current Asset:</u>			
Inventory		1,850,000	
Bank and Cash		13,146,550	
Receivables		2,578,870	24,602,420
Total Asset			<u>77,535,870</u>
<u>Equity</u>			
Capital		45,000,000	
Net profit		6,184,380	
Drawing		(1,590,000)	49,594,380
<u>Non current liabilities</u>			
Loan		26,000,000	
<u>Current liabilities</u>			
Payables		1,936,540	27,936,540
			<u>77,535,870</u>