

ADEKOYA ADEMILADEOJO D.

ACC 206.

18/8MS 02/003

Solution for (A)

2019

Jan 1st	1,240	1yr old chicks @ 3,000	3,720,000
Jan 1st	770	3yr old chicks @ 3,300	1,551,000
July 1st	470	1 1/2yr old chicks @ 2,000	1,540,000

Workings 120 chicks dead.

60 should be 1yr old $\therefore 1300 - 60 = 1240$

30 should be 1 1/2yr old $\therefore 500 - 30 = 470$

30 should be 3yrs old $\therefore 800 - 30 = 770$

Av. fair value less estimated point of sale cost = 1800×120
value of dead chicks = 36,000

(B:))

ABUAD FARMS

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31st DEC., 2019

	₦	₦
Sales		6,423,340
Inventory	1,500,000	
Purchase: feeds	2,096,570	
Insecticide	<u>156,000</u>	
	3,752,570	
Closing Inventory	<u>(1,850,000)</u>	<u>(1,902,570)</u>
Gross profit		4,520,770
Miscellaneous Income		<u>450,960</u>
		4,971,730
Expenses.		
Depreciation for the year:		
Farm House	96,000	
Farm Machinery	<u>160,750</u>	256,750
Staff Cost		770,000
Fuel & oil for Machines		168,000
Marketing Cost		105,500
Insurance		77,600
Hire of Tractors		100,800
Repairs		52,500
Bad debts		175,500
Other operating Expenses	<u>292,750</u>	<u>(1,999,400)</u>
Net profit:		2,972,330

(Bii)

ABUAD FARMS

STATEMENT OF FINANCIAL POSITION AS AT THE YEAR ENDED 31ST DEC, 2019.

	Cost	Accumulated Depreciation	Carrying value
Fixed Assets.			
Farm House	27,850,000	192,900	27,657,100
Farm Machinery	13,290,750	325,500	12,965,250
Land	41,140,750	518,400	40,622,350
Biological Assets Land			12,567,850
Biological Assets			3,810,000
			<u>57,000,200</u>
Current Assets.			
Inventory		1,850,000	
Bank and Cash		13,146,550	
Receivables		2,578,870	17,575,420
			<u>74,575,620</u>
Capital & Liabilities.			
Capital			45,000,000
Net profit			2,972,330
Drawings			(1,590,000)
			46,382,330
Loan			26,000,000
Current Liabilities			
Payable			1,936,540
			<u>74,318,870</u>