

①

OLAOTE ABDULLAH OLUWATOSIN
18/SM502/042
ACCOUNTING
ACC 206
2006

Solution

② 2019:

	#
Jan 1st 1,300 day old chicks @ #200 each	260,000
Jan 1st 800 2 year old chicken @ #3,500 each	2,800,000
July 1st 500 6 month old chicken @ #1,500 each	<u>750,000</u>
	3,810,000
Closing value for the chickens that died 120 chickens @ 1,800	<u>(216,000)</u>
	3,594,000
Change in fair value (Balance)	3,217,000
Dec 31st 1 year old chickens @ #3,000 each 1240 chickens @ #3,000	3,720,000
1/2 year old chickens 470 Chickens @ #3,300	1,551,000
3 year old chickens 770 chickens @ #2,000	<u>1,540,000</u>
	<u>6,811,000</u>

2

ABUAD FARMS

⑥ Statement of Profit and Loss

Sales:	#	#
Farm Produce (Eggs)		6,423,340
Opening Inventory	1,500,000	
Purchases:		
Feeds	2,096,570	
Insecticides	156,000	
	<u>3,752,570</u>	
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>
		8,188,730

Expenses

Depreciation:		
Farm house	96,000	
Farm Inventory	160,750	
Staff cost	770,000	
Fuel & Oil	168,000	
Marketing Cost	105,500	
Repairs	52,500	
Insurance	77,600	
Hire Purchase	100,800	
Bad debts	175,500	
Other operating expenses	292,750	(1,999,400)
		<u>6,189,830</u>

3

ABUAD FARMS

Statement of Financial Position as at 31/12/2019

Non-Current Assets	Cost	Accumulated Depreciation	Carrying Value
Biological Assets	7,027,000	—	7,027,000
Land	12,567,850	—	12,567,850
Farm House	27,850,000	(288,900)	27,561,100
Farm Machine	13,290,750	(486,250)	12,804,500
			<u>59,960,450</u>

Current Assets

Bank and cash	13,146,550	
Inventory	1,850,000	
Receivables	2,578,870	17,575,420
		<u>77,535,870</u>

Equity and liabilities:

Capital	45,000,000
Add net profit	<u>6,189,330</u>
	51,189,330
Drawings	<u>(1,590,000)</u>
	49,599,330

Non Current liabilities:

Loan	26,000,000	26,000,000
------	------------	-----------------------

Current liabilities:

Payable	1436,540	<u>1436 27,936,540</u>
		<u>77,535,870</u>