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DEP: BUSINESS ADMINISTRATION
MATRIC NO: 19/SMS03/009
LEVEL: 100LV1
COURSE: ACC 102

SOLUTIONS TO QUESTION THREE

MAKEBA CLUB

Bar Income Statement	₦	-	₦	-
Bar receipts				9600
Cost of Bar Sales:				
Opening inventories		1250		
Purchases		5830		
		7080		
Closing inventories		<u>-1630</u>		<u>-5450</u>
				4150
Bar wages				<u>-2130</u>
Bar profit				<u>2020</u>

Income and Expenditure for the year ended 31/12/2014

Income:	₦	-	₦	-
Bar profit				2020
Membership subscription				8460
Membership admission				<u>670</u>
				11150

Expenditure:				
Dep. On Equipment(5620x25%)		1405		
Insurance		589		
rent & rates		605		
Social expenses		2500		
general wages		3210		
electrical expenses		309		
postage & telephone		425		
bank charges		132		<u>-9175</u>
surplus of income over expenditure				<u>1975</u>

Statement of Financial position as at 31/12/2014

	Cost	Dep	Carrying va
Non-current Assets	₦	-	₦
Equipments	5620	1405	4215
Premises	70000	-	70000
Furniture and Fittings	5320	-	<u>5320</u>
	<u>80940</u>	<u>1405</u>	79535

Current Assets		
Bar inventories	1630	
Insurance prepaid	160	
Cash in hand	4400	<u>6190</u>
		85725
Current liabilities		
Subscription in advance		-110
		<u>85615</u>
Accumulated fund		83640
surplus		1975
		<u>85615</u>

Accumulated fund as at 1/1/2014

Assets:	₦	-	₦	-
premises		70000		
furniture& fittings		5320		
Bar inventories		1250		
insurance prepaid		140		
cash in hand		<u>7000</u>		
		83710		
Liabilities:				
subscription in advance		<u>-70</u>		
accumualated fund 1/1/2014		<u>83640</u>		

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