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DEPARTMENT: ECONOMICS
LEVEL: 100
MATRIC NO: 19/SMS01/002
COURSE CODE: ACC 102
SOLUTION TO QUESTION FOUR
ABUAD NUASA

(a) BAR INCOME STATEMENT

	₦	₦
Bar receipt		154,200
<u>cost of sales:</u>		
Opening Inventories	27,000	
Purchases(wk1)	<u>127,400</u>	
	154,400	
Less Closing Inventories	<u>42,700</u>	<u>-111,700</u>
Bar Profit		<u><u>42,500</u></u>

(b) INCOME AND EXPENDITURE FOR THE YEAR ENDED 30/09/2016

	₦	₦
INCOME		
Bar profit		42,500
Donation		7,500
Subscription(wk2)		<u>46,900</u>
		96,900
EXPENDITURE		
Travelling Expenses	28,500	
Ground Rent	6,000	
Equipment(1/3*12,000)	<u>4,000</u>	<u>-38,500</u>
Excess or surplus of income over expenditure		<u><u>58,400</u></u>

© Statement of Financial Position as at 30/09/2016

	Cost ₦	Dep ₦	Carrying Value ₦
<u>NON-CURRENT ASSET</u>			
Equipment	<u>12,000</u>	<u>4,000</u>	<u>8,000</u>
	<u><u>12,000</u></u>	<u><u>4,000</u></u>	<u><u>8,000</u></u>

CURRENT ASSETS

Cash in hand	2,000	
Cash at bank	100,000	
Bar Inventories	42,700	
Subscription owing	<u>2,300</u>	<u>147,000</u>
		<u>155,000</u>
Accumulated Fund 1/10/2015(wk3)		86,400
Surplus		58,400

Liabilities

Payables	<u>10,200</u>
Accumulated Fund 30/09/2016	<u>155,000</u>

Workings Note

wk1

Purchases Account

	₦		₦
R and P	124,700	Bal b/f	7,500
Bal c/d	<u>10,200</u>	Bar Income	<u>127,400</u>
	<u>134,900</u>		<u>134,900</u>

wk2

Subscription Account

	₦		₦
Bal b/f	3,400	R and P	48,000
I and E	<u>46,900</u>	Bal c/d	<u>2,300</u>
	<u>50,300</u>		<u>50,300</u>

wk3

Accumulated Fund as at 1/10/2015

	₦	₦
<u>ASSETS</u>		
Inventories	27,000	
subscription owing	3,400	

cash in hand	3,500	
cash at bank	<u>60,000</u>	93,900

Liabilities

Payables	<u>-7,500</u>	
Accumulated fund 1/10/2015	<u>86,400</u>	