

**SOLUTIONS TO QUESTION FOUR**

ABUAD NUASA

**(a) Bar Income Statement**

	₦	₦
Bar Receipts		154,200
<u>Cost of Bar Sales:</u>		
Opening Inventories	27,000	
Purchases (w2)	<u>127,400</u>	
	154,400	
Closing Inventories	<u>(42,700)</u>	<u>(111,700)</u>
<b>Bar Profit</b>		<u><u>42,500</u></u>

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

<b>INCOME</b>	₦	₦
Bar Profit		42,500
Subscriptions (w1)		46,900
Donations		<u>7,500</u>
		96,900
<b>EXPENDITURE</b>		
Depreciation on New Equipment (1/3 × 12,000)	4,000	
Travelling Expenses	28,500	
Ground Rent	<u>6,000</u>	<u>(38,500)</u>
Surplus or Excess of income over expenditure		<u><u>58,400</u></u>

**(c) Statement of Financial Position as at 30/09/2016**

	Cost ₦	Dep ₦	Carrying Value ₦
<b><u>Non-Current Assets</u></b>			
New Equipment	<u>12,000</u>	<u>4,000</u>	8,000
<b><u>Current Assets</u></b>			
Bar Inventories		42,700	
Subscription in Arrears		2,300	
Cash at bank		100,000	
Cash in hand		<u>2,000</u>	147,000
			<u><u>155,000</u></u>
<b><u>Accumulated Fund And Liabilities</u></b>			
Accumulated Fund 1/10/2016			86,400
Surplus			58,400
<b><u>Current Liabilities</u></b>			
Bar Payables		<u>10,200</u>	<u>10,200</u>
Accumulated Fund 30/09/2017			<u><u>155,000</u></u>

## Working Notes

1. Subscription A/C

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

2. Bar Payables A/C

	₦		₦
Bal b/f	7,500	R & P	124,700
I & E	127,400	Bal c/d	10,200
	<u>134,900</u>		<u>134,900</u>
Bal b/d	10,200		

3. Accumulated Fund as at 1/10/2016

	₦	₦
<b>Assets</b>		
Bar Payables		27,000
Subscription in Arrears		3,400
Cash at Bank		60,000
Cash in Hand		3,500
		<u>93,900</u>
<b>Liabilities</b>		
Bar Payables	7,500	(7,500)
Accumulated Fund 1/10/2016		<u>86,400</u>

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MATRIC NO: **19/SMS02/042**

COURSE CODE: **ACC102**

COURSE: **PRINCIPLES OF ACCOUNTING II**

