

Omotoso Oluwafunke Oluwafunmilayo
Accounting
18/sms02/045

YEAR	ACTUAL UNIT	ACTUAL ROYALTY(₦)	MIN ROYALTY(₦)	SHORTW
2001	630	4410	4800	3
2002	465	3255	4800	1
2003	840	5880	4800	
2004	420	2940	4800	1
2005	660	4620	4800	1
2006	675	4725	4800	
2007	1170	8190	4800	

₦ ROYALTY(PAYABLE) ACC

31/12/2001	LESSOR	4410
31/12/2002	LESSOR	3255
31/12/2003	LESSOR	5880
31/12/2004	LESSOR	2940
31/12/2005	LESSOR	4620
31//12/06	LESSOR	4725
31/12/2007	LESSOR	8190

₦

LESSOR ACCOUNT

			31/12/2001
31/12/2001	BANK	4800	31/12/2001
		4800	
			31/12/2002
31/12/2002	BANK	4800	31/12/2002
		4800	
31/12/2003	SHORTWORKING	6080	31/12/2003
31/12/2003	BANK	4800	
		5880	
			31/12/2004
31/12/2004	BANK	4800	31/12/2004
		4800	
31/12/2005	BANK	4800	31/12/2005
			31/12/2005
		4800	
31/12/2006	BANK	4800	31/12/2006
			31/12/2006
		4800	
31/12/2007	SHORTWORKING	255	31/12/2007
31/12/2007	BANK	7935	
		8190	

SHORTWOR

₦

31/12/2001	LESSOR	390	31/12/2001
01/01/2002	BAL B/D	390	
31/12/2002	LESSOR	1545	31/12/2002
		1935	
01/01/2003	BAL B/D	1935	31/12/2003
		1935	31/12/2003
		1935	
01/01/2004	BAL B/D	855	31/12/2004
31/12/2004	LESSOR	1860	31/12/2004
		2715	
01/01/2005	BAL B/D	1860	31/12/2005
31/12/2005	LESSOR	180	
		2040	
01/01/2006	BAL B/D	2040	
31/12/2006	LESSOR	75	31/12/2006
		2115	
01/01/2009	BAL B/D	2115	31/12/2007
		2115	31/12/2007
		2115	
01/01/2008	BAL B/D	1860	31/12/2008

QUESTION 6

shortworking receivable and shortworking allowable are both recognised as assets and liability i concept that states provisions should be made for all losses and due care should be carried out not to recognise the shortworkings until they are lapsed. Also, the tenant does not record the landlord doesn't record the shortworkings as profit till it is lapsed. The tenant doesn't realise his

WORKING(₦)	SHORTWORKINGS RECOUPED(₦)	SHORTWORKING LAPSED(₦)	AMOUNT PAID(₦)
390	-	-	4800
545	-	-	4800
-	1080	-	4800
860	-	855	4800
180	-	-	4800
75	-	1860	4800
-	255	-	7935

AMOUNT		₦
31/12/2001	STATEMENT OF PROFIT AND LOSS	4410
31/12/2002	STATEMENT OF PROFIT AND LOSS	3255
31/12/2003	STATEMENT OF PROFIT AND LOSS	5880
31/12/2004	STATEMENT OF PROFIT AND LOSS	2940
31/12/2005	STATEMENT OF PROFIT AND LOSS	4620
31/12/06	STATEMENT OF PROFIT AND LOSS	4725
31/12/2007	STATEMENT OF PROFIT AND LOSS	8190

	₦
ROYALTY	4410
SHORTWORKING	390
	4800
ROYALTY	3255
SHORTWORKING	1545
	4800
ROYALTY	5880
	5880
ROYALTY	2940
SHORTWORKING	1860
	4800
ROYALTY	4620
SHORTWORKING	180
	4800
ROYALTY	4725
SHORTWORKING	75
	4800
ROYALTY	8190
	8190

SHORTWORKINGS(RECOVERABLE) ACCOUNT

₦

BAL C/D	390
BAL C/D	1935
	1935
LESSOR	1080
BAL C/D	855
	1935
STATEMENT OF P/L	855
BAL C/D	1860
	2715
BAL C/D	2040
	2040
BAL C/D	2115
	2115
LESSOR	225
BAL C/D	1860
	2115
STATEMENT OF P/L	1860

in the statement of financial position. It follows the prudence when recognising profit. The landlord practices due care loss until he cant recover it. It follows the realisation concept which is the lost until he cant recover it.