

Question 11
Shine Cleaning Service

1

Workings

Depreciation of Office Equipment

$$(\$14,000 - \$5,000) \times 20\% = \$1,800$$

Depreciation of Motor Vehicles

$$(\$49,000 - \$9,000) \times 10\% = \$4,000$$

Shine Cleaning Services
Income Statement
for the year ended 30 June 2018

Fees (\$200,000 – \$2,000)			198,000
<i>Less Add Other Income</i>			
Interest (\$1,600 + \$850)			2,450
			200,450
Promotional Expenses			
Advertising		28,900	
Direct Cleaning Services			
Cleaners' Wages (\$73,400 + \$530)	73,930		
Cleaning Materials (\$22,000 – \$2,400)	19,600	93,530	
Motor Vehicle Expenses			
Motor Vehicle Repairs	4,500		
Petrol and Oil	6,900		
Depreciation of Motor Vehicle	4,000	15,400	
General and Office Expenses			
Rent (\$16,800 – \$300)	16,500		
Office Salaries	24,220		
Depreciation of Office Equipment	1,800	42,520	180,350
Net Profit			\$20,100

Question 11 continued
Shine Cleaning Services

2

Shine Cleaning Services
Balance Sheet
as at 30 June 2018

Current Assets		
Cash at Bank		22,900
Accounts Receivable		18,100
GST Credits		4,700
Cleaning Materials Supplies		2,400
Prepaid Rent		300
Accrued Income		850
Total Current Assets		<u>49,250</u>
Non-Current Assets		
Office Equipment	14,000	
Less Accumulated Depreciation	<u>6,800</u>	7,200
Motor Vehicles	<u>49,000</u>	
Less Accumulated Depreciation	<u>13,000</u>	36,000
Total Non-Current Assets		<u>43,200</u>
Total Assets		<u>92,450</u>
Current Liabilities		
Accounts Payable		6,920
GST Payable		4,000
Unearned Income		2,000
Accrued Expenses		530
Total Current Liabilities		<u>13,450</u>
Non-Current Liabilities		
Loan from Bank		<u>8,000</u>
Total Non-Current Liabilities		<u>8,000</u>
Total Liabilities		<u>21,450</u>
Net Assets		<u>\$71,000</u>
Equity		
Capital		73,410
Add Profit		<u>20,100</u>
		93,510
Less Drawings		<u>22,510</u>
Total Equity		<u>\$71,000</u>

Question 12

West Couriers

1

Workings

Depreciation of Office Equipment

$$\$8,000 \times 10\% = \$800$$

Depreciation of Motor Vehicles

$$(\$50,000 - 13,000) \times 20\% = \$7,400$$

West Couriers Income Statement for the year ended 30 June 2028			
Fees (\$117,000 – \$1,000)			116,000
<i>Less Expenses</i>			
Motor Vehicle Expenses			
Drivers' Wages	43,900		
Petrol and Oil (\$29,300 – \$800)	28,500		
Depreciation of Motor Vehicles	7,400	79,800	
Office Expenses			
Rent (\$8,700 – \$400)	8,300		
Office Salaries	27,600		
Depreciation of Office Equipment	800	36,700	
Financial Expenses			
Interest on Loan (\$3,600 + \$600)		4,200	120,700
Net Loss			(\$4,700)

Question 12 continued
West Couriers

2

West Couriers
Balance Sheet
as at 30 June 2028

Current Assets		
Cash at Bank		22,700
Accounts Receivable		9,300
GST Credits		2,000
Petrol and Oil Supplies		800
Prepaid Rent		400
Total Current Assets		<u>35,200</u>
Non-Current Assets		
Office Equipment	8,000	
Less Accumulated Depreciation	<u>1,800</u>	6,200
Motor Vehicles	50,000	
Less Accumulated Depreciation	<u>20,400</u>	29,600
Total Non-Current Assets		<u>35,800</u>
Total Assets		<u>71,000</u>
Current Liabilities		
Accounts Payable		2,100
GST Payable		5,000
Loan from Bank		2,000
Unearned Income		1,000
Accrued Expenses		600
Total Current Liabilities		<u>10,700</u>
Non-Current Liabilities		
Loan from Bank		<u>6,000</u>
Total Non-Current Liabilities		<u>6,000</u>
Total Liabilities		<u>16,700</u>
Net Assets		<u>\$54,300</u>
Equity		
Capital		69,500
Less Loss		<u>4,700</u>
		64,800
Less Drawings		<u>10,500</u>
Total Equity		<u>\$54,300</u>

Question 13

Citywide Electrical Services

1

Workings

Depreciation of Office Equipment

$$\$4,000 \times 10\% = \$400$$

Depreciation of Motor Vehicles

$$(\$52,000 - 4,000) \times 20\% = \$9,600$$

Citywide Electrical Services Income Statement for the year ended 30 June 2026

Fees			101,000
<i>Less Expenses</i>			
Direct Electrical Expenses			
Electricians' Wages (\$58,300 + \$600)	58,900		
Electrical Materials (\$7,200 – \$900)	6,300	65,200	
Motor Vehicle Expenses			
Petrol and Oil	3,500		
Motor Vehicle Repairs	4,700		
Depreciation of Motor Vehicles	9,600	17,800	
Office Expenses			
Rent (\$11,800 – \$400)	11,400		
Office Salaries	27,600		
Depreciation of Office Equipment	400	39,400	122,400
Net Loss			(\$21,400)

Question 13 continued
Citywide Electrical Services

2

Citywide Electrical Services
Balance Sheet
as at 30 June 2026

Current Assets		
Cash at Bank		22,600
Accounts Receivable		11,000
GST Credits		2,500
Electrical Materials Asset		900
Prepaid Rent		400
Total Current Assets		<u>37,400</u>
Non Current Assets		
Office Equipment	4,000	
Less Accumulated Depreciation	<u>2,400</u>	1,600
Motor Vehicles	52,000	
Less Accumulated Depreciation	<u>13,600</u>	38,400
Total Non Current Assets		<u>40,000</u>
Total Assets		<u>77,400</u>
Current Liabilities		
Accounts Payable		8,200
GST Payable		2,000
Loan from Bank		4,000
Accrued Expenses		600
Unearned Income (\$103,000 – \$101,000)		2,000
Total Current Liabilities		<u>16,800</u>
Total Liabilities		<u>16,800</u>
Net Assets		<u>\$60,600</u>
Equity		
Capital		92,000
Less Loss		<u>21,400</u>
		70,600
Less Drawings		10,000
Total Equity		<u>\$60,600</u>

Question 14
About Town Plumbers

1

Workings

Depreciation of Motor Vehicle

$(\$18,000 \times 30\%) \times 11/12 = \$4,950$

About Town Plumbers
Income Statement
for the year ended 30 June 2028

Fees (\$67,000 – \$2,400)			64,600
<i>Less Expenses</i>			
Direct Plumbing Expenses			
Plumbing Materials		3,900	
Motor Vehicle Expenses			
Petrol and Oil	9,700		
Depreciation of Motor Vehicle	4,950	13,650	
Other Expenses			
Insurance (\$2,100 – \$500)	1,600		
Advertising (\$11,000 + \$400)	11,400	13,000	31,550
Net Profit			\$33,050

Question 14 continued
About Town Plumbers

2

About Town Plumbers
Balance Sheet
as at 30 June 2028

Current Assets		
Cash at Bank		51,000
GST Credits		100
Plumbing Materials Asset (\$4,200 – \$3,900)		300
Prepaid Insurance		500
Total Current Assets		<u>51,900</u>
Non Current Assets		
Motor Vehicle	18,000	
Less Accumulated Depreciation	<u>4,950</u>	13,050
Total Non Current Assets		<u>13,050</u>
Total Assets		<u>64,950</u>
Current Liabilities		
GST Payable		300
Accrued Expenses		400
Unearned Income		2,400
Total Current Liabilities		<u>3,100</u>
Non-Current Liabilities		
Loan from Bank		<u>15,000</u>
Total Non-Current Liabilities		<u>15,000</u>
Total Liabilities		<u>18,100</u>
Net Assets		<u>\$46,850</u>
Equity		
Capital		29,000
Add Profit		<u>33,050</u>
		62,050
Less Drawings		<u>15,200</u>
Total Equity		<u>\$46,850</u>

Question 15
Direct traders

1

Workings

Depreciation of Office Equipment

$$(\$4,000 - \$1,000) \times 20\% = \$600$$

Allowance for Doubtful Debts

Bad Debts	600	Balance	900
Balance c/d	1,000	Doubtful Debts	700
	<u>1,600</u>		<u>1,600</u>
		Balance b/d	1,000

Question 15 continued
Direct Traders

Direct Traders
Income Statement
for the year ended 30 June 2027

Sales		183,400
Less Sales Returns		3,000
Less Discount Allowed		1,400
Net Sales		179,000
Less Cost of Sales	55,000	
Less Discount Received	500	54,500
Gross Profit		124,500
Add Other Income		
Rent Income (\$6,800 – \$800)	6,000	
Interest	200	6,200
		130,700
<i>Less Other Expenses</i>		
Selling and Distribution Expenses		
Doubtful Debts	700	
Advertising	4,000	
Sales Salaries	35,100	
Loss on Sale of Delivery Vehicle	2,600	42,400
General and Administration Expenses		
Insurance (\$800 – \$300)	500	
Electricity (\$2,900 + \$500)	3,400	
Office Salaries	59,500	
Depreciation of Office Equipment	600	64,000
Financial Expenses		
Interest Expense	8,300	114,700
Net Profit		\$16,000

Question 15 continued
Direct Traders

2

Direct Traders
Balance Sheet
as at 30 June 2027

Current Assets		
Cash at Bank		9,600
Accounts Receivable	41,400	
Less Allowance for Doubtful Debts	1,000	40,400
GST Credits		2,000
Inventory		29,000
Prepaid Insurance		300
Total Current Assets		81,300
Non-Current Assets		
Office Equipment	4,000	
Less Accumulated Depreciation	1,600	2,400
Total Non-Current Assets		2,400
Total Assets		83,700
Current Liabilities		
Accounts Payable		16,900
GST Payable		3,700
Unearned Rent Income		800
Accrued Electricity		500
Total Current Liabilities		21,900
Non-Current Liabilities		
Loan from Bank		29,000
Total Non-Current Liabilities		29,000
Total Liabilities		50,900
Net Assets		\$32,800
Equity		
Capital		34,000
Add Profit		16,000
		50,000
Less Drawings		17,200
Total Equity		\$32,800