**Week 4 Tutorials**

**Question 1**

The trial balance for Jock at 31 December 20X8 is as follows:

  Debit Credit

  £ £

Sales revenue   10,000

Trade receivables    5,000

Allowance for irrecoverable debts         250

Purchases    2,000

Trade payables      1,000

Provision for discounts         100

Rent       200

Rates       300

Inventories       100

Motor car 10,000

Provision for depreciation     2,000

Bank    5,000

Capital account        9,250

**22,600 22,600**

**Additional information**

 1. Closing inventory value is £500.

 2. The rates in the trial balance cover the 15 months to 31 March 20X9.

 3. The motor car is depreciated using 20 per cent straight-line method.

 4. A credit customer with a balance on his account of £1,000 is bankrupt.

 5. Remove the provision for discounts and provide for a 10 per cent allowance for irrecoverable debts.

**Required**

a. Prepare the statement of performance for Jock for the year ended 31 December 20X8.

b. Prepare the statement of financial position at the same date.

**Question 2**

 B. Good drew up the following trial balance as at 31 March 20X9.

   Debit Credit

  £ £

Sundry expenses      1,090

Rent received           200

Office expenses        560

Insurance        525

Wages and expenses     4,580

Telephone     1,250

Purchases and sales revenue 125,560  189,560

Motor expenses        569

Rent     2,500

Rates     1,250

Carriage outwards        546

Carriage inwards        200

Returns outwards          302

Return inwards        560

Building 230,000

Motor vehicle   12,500

Fixtures     5,365

Trade receivables and payables   28,560    48,560

Cash          12

Bank      32,250

Drawings     5,562

Capital   178,907

Opening inventories   28,590

**449,779  449,779**

Closing information included the following:

 1. Inventories at the year end were valued at £35,650.

 2. An accrual for wages of £400 has still to be posted.

 3. The last rent payment (on 15 February) for £1,000 covered the period 1 February to 31 May 20X9.

 4. A rates prepayment has been calculated at £250.

 5. An accrual for sundry expenses of £110 has still to be posted.

 6. Rent income owing at the year end amounted to £100.

**Required**

Prepare the statement of performance for the year ended 31 March 20X9 and the statement of financial position as at 31 March 20X9.