

ACT201: Financial Accounting

The Trial Balance of BBS Limited contained the following accounts at December 31, 2018, the end of company's fiscal year.

	Debit	Credit
Cash	28,700	
Accounts Receivable	30,700	
Land	600,000	
Merchandise Inventory	44,700	
Supplies	6,200	
Machinery	85,000	
Accumulated Depreciation-Machinery		22,000
Equipment	48,000	
Accumulated Depreciation-Equipment		6,000
Gain on sale of the property		51,000
8% Debenture		100,000
Accounts Payable		48,500
Common Stock (50,000 shares of \$2 each)		100,000
Additional Paid in Capital		220,000
Retained Earnings		50,000
Sales		1,755,200
Sales Returns and Allowances	8,800	
Cost of Goods Sold	897,400	
Salaries Expense	24,400	
Advertising Expense	14,000	
Utilities Expense	12,100	
Repair Expense	24,000	
Wages Expense	16,700	
Freight Out Expense	2,400	
Rent Expense	207,200	
Auditors Fee	302,400	
Total	2,352,700	2,352,700

Additional Data:

The interest on the debentures has not yet been paid.

A cash dividend of \$1 has been declared to the Ordinary Shareholders

Depreciation is to be charged on a reducing-balance basis: equipment at 10%, machinery at 20%.

Supplies on hand totaled \$2000.

The company is under 42.5% tax bracket.