

NED University of Engineering & Technology

Online Spring Semester Examinations - 2020

Seat No. SE-18079 Batch 2018Course Title FCA Course Code CT-258Enrol No. NED/1250/2018 Date 25/9/20**PLEASE READ THESE INSTRUCTIONS CAREFULLY**

- 1) Download and print this cover page (separately for each exam).
- 2) Fill the above mentioned particulars before attempting the questions.
- 3) Students are not allowed to use red or green ink. Solve the questions on A4 size paper using blue or black pen ONLY.

Question No.	Award	
	First Examiner Internal	Second Examiner External / ERC
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
Total in figures		
Total in words		

First / Internal Examiner's Signature

Second / External Examiner's / ERC Signature

Question 1:-

i) Income statement:-

Revenue:-

Ticket sales Revenue	322,000.
Rent Revenue earned	6000.

Expenses:-

Advertising Expense	3900
Wages Expense	58,750
Supplies Expense	7500.
Depreciation Expense (Building)	1650
Depreciation Expense (T & E)	2200.
Utilities Expense	19400.
Insurance Expense	15000.
Income Tax expense	26,628.
Interest Expense	3250.

Net Income.

189722/-

ii) Statement of Retained Earning:-

Statement of Retained Earnings

Retained Earnings (du 31, 2018)	0
Net Income	189722.
less: dividend	17000.

Retained earnings (du, 31, 2019)

~~172722.~~
172722.

iii) Balance Sheet

Assets

Cash	183392	
Accounts Receivable	7250	
Office supplies	1200	
Unexpired Insurance	3000	
Land	52,000	
Building	36000	
Accumulated Depreciation (Building)		1650
Tools and Equipment	12000	
Accumulated Depreciation (T & E)		2200
Total assets :-	<u>290992</u>	

Liabilities:-

Notes Payable	4000
Accounts Payable	2690
Income Tax Payable	5580
Unearned Rent Revenue	6000
Total liabilities	18270

Retained Earnings:-

Capital Stock	100,000
Retained Earnings	0
Dividend	17000
Income	189722
Total Retained earnings	272722

$$18270 + 272722 = \underline{\underline{290992}}$$

iv)

Question 2:-

a) Adjustment Entries are required to adjust the values of accounts affected by transactions from two ~~to~~ accounting periods.

$$\begin{aligned}
 \text{b) Depreciation Building} &= \frac{480,000}{20} \\
 &= 24,000/\text{yr} \\
 &= 2,000/\text{mo}
 \end{aligned}$$

$$\begin{aligned}
 \text{Depreciation (T \& E)} &= \frac{120,000}{5} \\
 &= 24,000/\text{yr} \\
 &= 2,000/\text{mo}
 \end{aligned}$$

(c)

Worksheet

	Trial Balance		Adjustments		Adjusted Trial Balance		Income Statement		Balance Sheet	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
B Cash	495000				495000				495000	
Notes receivable	30000				30000				30000	
Acc receivable	9500				9500				9500	
Shop supplies	15000		(A) 5000		10000				10000	
Land	600,000				600,000				600,000	
Building	480,000				480,000				480,000	
Accumulated deprec (building)			(B) 2000			2000				2000
T&E	120,000				120,000				120,000	
Accumulated deprec (T&E)			(C) 2000			2000				2000
Notes payable		360,000				360,000				360,000
Acc "		82,000				82,000				82,000
Interest "		2625				2625				2625
Ali capital		794,500				794,500				794,500
Ahmed capital		500,000				500,000				500,000
Ali drawing	51,000				51,000				51,000	
Ahmed drawing	30,000				30,000				30,000	
Repair Revenue		240,000				240,000	240,000			
Ad Expense	50,000				50,000		50,000			
Wages Expense	86,000				86,000		86,000			
Interest "	2625				2625		2625			
Sales Expense			(A) 5000		5000		5000			
Dep Expense (Building)			(B) 2000		2000		2000			
Dep Expense (T&E)			(C) 2000		2000		2000			
Totals	1969125	196125	9000	9000	1973125	1973125		92375		

* Adjustments

(A) for shop expense (B) for building (C) for Tools

Rising

Q3

(a)

General Journal

Date	Title of accounts	Y/P	Dr	Cr
31/Dec	Commissions Earned Income summary		143900	143900
31/Dec	Income summary		139000	
	Salary Expense			85000
	Supply expense			3900
	Rent expense			12000
	Insurance "			1900
	Ad "			500
	Dep Expense (Equipment)			1800
	Interest "			900
	Income tax expense			33000
31/Dec	Income summary Retained earnings		4900 1700	4900
31/Dec	Dividends To close (dividends)		6000	6000
31/Dec	Retained earnings Dividends		6000	6000

General Ledger

Date	Explanation	Dr	Cr	Bal
Dec/19				
31	Revenue:		143900	143900
	Commission Revenue			0
	To close	143900		
31	Income summary		143900	143900
	Revenue			
31	Expenses			85000
	Salary Exp	85000		88900
	Supply Exp	3900		100900
	Rent Exp	12000		102800
	Insurance	1900		103300
	Ad	500		105100
	Dep Expense	1800		106000
	Interest	900		139000
	Income tax exp	33000		0
	To close		139000	
31	Income summary		143900	143900
	Revenue			4900
	Expenses	139000		0
	To close	4900		
31	Retained Earnings			
	Beginning R E		40000	40000
	Income (2019)		4900	44900
	dividends	6000		38900

Question 3 (b)

Beta Corp. Closing Trial Balances

Cash	180000	
Acc. Receivable	9400	
Prepaid Rent	50,000	
Unexpired Insurance	7200	
Supplies	500	
Acc. Depreciation (Equip)		7200
Equipment	18000	
Notes Payable		10000
Acc " "		3200
Salaries "		51000
Income taxes payable		16000
Unearned commission Revenue		8800
Capital Stock		100,000
Retained earning		88900

~~235100~~

235100

235100

Q4(a)

Periodic Inventory System:-

An inventory system in which recording cost of goods occurs after a certain period.

Perpetual Inventory System:-

An inventory system in which we record transactions as they occur.

Q4(b)

FIFO

Date	Purchase			Sold			Balance		
	Unit	Unit Cost	Total	Unit	Unit Cost	Total	Units	Unit Cost	Total
1/Jul	400	14	5600				400	14	5600
05/Jul	500	13.1	6550				400	14	5600
							500	13.1	6550
9/Jul	200	12.4	2480				400	14	5600
							500	13.1	6550
							200	12.4	2480
15/Jul				400	14	5600	300	13.1	6550
				200	13.1	2620	200	12.4	2480
25/Jul	700	12.1	8470				300	13.1	6550
							200	12.4	2480
							700	12.1	8470

UPO

Date	Purchased			Sold			Bal.		
	unit	Cost	Total	unit	unit cost	Total	unit	unit cost	Total
1/Jul	400	14	5600				400	14	5600
5/Jul	500	13.1	6550				400	14	5600
							500	13.10	6550
9/Jul	200	12.40	2480				400	14	5600
							500	13.10	6550
							200	12.4	2480
15/Jul				200	12.4	2480	400	14	5600
				400	13.10	5240	100	13.1	1310
25/Jul	700	12.1	8470				400	14	5600
							100	13.1	1310
							700	12.1	8470
27/Jul	3			500	12.1	6050	400	14	5600
							100	13.1	1310
							200	12.1	2420
	1800		23100	1100		13770	700		9330

Page No.

Rising

Date: _____

Ending Inventory (700) = 9330
 COGS⁽¹¹⁰⁰⁾ = 13770

Average:-

Date	Purchased			Sold			Balance		
	Unit	Unit Cost	Total	Unit	Unit Cost	Total	Unit	Unit Cost	Total
1/Jul	400	14	5600				400	14	5600
5/Jul	500	13.10	6550				900	13.5	12150
9/Jul	200	12.4	2480				1100	13.3	14630
15/Jul				600	13.3	7980	500	13.3	6650
25/Jul	700	12.1	8470				1200	12.6	15120
27/Jul				500	12.6	6300	700	12.6	8820
Total	1800			1100		14280	700		8820

Ending Inventory = 8820
 COGS = 14280