**BCOM 211: REVISION QUESTIONS**

1. **A** corporation had the following assets at the beginning of year 2011.

|  |  |  |
| --- | --- | --- |
| ASSET | COST (KSH. Millions) | Accumulated depreciation (Ksh. Millions) |
| Motor vehicles | 20 | 5 |
| Furniture and fittings | 10 | 8 |
| Land and buildings | 250 | 50 |
| Machinery | 300 | 100 |

The land had cost Ksh. 80 million.

Motor vehicles and furniture and fittings are depreciated at 10% per annum using the straight line method.

Buildings and machinery are depreciated at 15% reducing balance.

An item of furniture and fittings was reclassified to buildings. It had cost Ksh. 1 million and had an accumulated depreciation of Ksh. 200,000.00

A motor vehicle that cost Ksh. 2.5 million and a accumulated depreciation of Ksh. 300,000.00 was disposed off in the year for Ksh. 1 million.

A full years’ depreciation is charged during the year of acquisition, but none during the year of disposal.

The acquisitions for the year by the company are as follows

|  |  |
| --- | --- |
| ASSET | COST (KSH. Millions) |
| Motor vehicles | 5 |
| Furniture and fittings | 8 |
| buildings | 15 |
| land | 10 |

**REQUIRED**

The depreciation expense for the year.

A PPE movement schedule for the year.

The disposal account for the motor vehicle disposed off.

1. The bank columns in the cash book for November 2004 and the bank statement for that month for S Shaw are:

**CASH BOOK (BANK COLUMN ONLY)**

|  |  |
| --- | --- |
| 2004 DR | 2004 CR |
| Nov 5 G Peggs 80 | Nov 1 Balance b/d 210 |
| Nov 14 B Ford 115 | Nov 4 S Haslem 74 |
| Nov 18 N Renton 86 | Nov 21 S Nower 95 |
| Nov 25 B Hughes 190 | Nov 24 L Black 167 |
| Nov 26 I Yates 134 | Nov 30 Balance c/d 59 |
| **605** | **605** |
|  |  |

BANK STATEMENT

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2004 |  | DR (Ksh.) | CR (ksh) | Balance (Ksh) |
| Nov 1 | Bal b/d |  |  | 210 (DR) |
| Nov 9 | 11334 | 74 |  | 284 (DR) |
| Nov 11 | Sundries |  | 80 | 204 (DR) |
| Nov 12 | Bank Charges | 41 |  | 245(DR) |
| Nov 18 | Standing order- O. Browne | 75 |  | 320(DR) |
| Nov 17 | Sundries |  | 115 | 205(DR) |
| Nov 26 | 11335 | 95 |  | 300(DR) |
| Nov 27 | Sundries |  | 86 | 214(DR) |
| Nov 29 | Dividends |  | 64 | 150(DR) |
|  |  |  |  |  |
|  |  |  |  |  |

Update the cash book.

Draw up a bank reconciliation statement as on 30 November 2004