

DEGREE: BSc International Business and Management

Module: Finance and Accounting - Retake

Exercise Title: Analysis of Trial balance and financial statements

Exercise Type: Written/ Practical Skills Assessment (duration: 90 minutes)

Word Limit: 2000 words (+/- 200)

Weighting: 40%

Exercise date: 12/06/2024

Feedback Date: 26/06/2023

Plagiarism:

When submitting work for assessment, students should be aware of the InterActive/Canvas guidance and regulations in concerning plagiarism. All submissions should be your own, original work.

You must submit an electronic copy of your work. Your submission will be electronically checked.

Learner declaration

I certify that the work submitted for this assignment is my own and research sources are fully acknowledged.

Student signature:

Date:

Harvard Referencing:

The Harvard Referencing System must be used. The Wikipedia, UKEssays.com or similar websites must **not** be used or referenced in your work.

Learning Outcomes:

LO1. Explain and deal with the current theories and practices of finance and accounting

LO2. Develop a sound understanding and describe the fundamentals of finance and accounting

LO3. Demonstrate understanding through trial balance and statements core areas of accounting and finance for business

Assessment Criteria: Weighting 40%

2000 words

Tasks (Answer to all questions):

Suppose you are provided with the following Trial Balance for ABC Company as of December 31, 2023.

Account	Debit (€)	Credit (€)
Cash	55,000	
Accounts Receivable	35,000	
Inventory	105,000	
Prepaid Expenses	10,000	
Building	505,000	
Accumulated Depreciation (Building)		205,000
Accounts Payable		35,000
Salaries Payable		15,000
Bank Loan		105,000
Common Stock		105,000
Retained Earnings		155,000
Sales Revenue		605,000
Cost of Goods Sold	355,000	
Salaries Expense	105,000	
Utilities Expense	15,000	
Depreciation Expense	25,000	

Questions

1. Prepare the Income Statement for ABC Company for the year ended December 31, 2023. (LO1, LO2, LO3) [30%]
2. Prepare the Statement of Retained Earnings for ABC Company for the year ended December 31, 2023. (LO1, LO2, LO3) [30%]
3. Prepare the Balance Sheet for ABC Company as of December 31, 2023. (LO1, LO2, LO3) [40%]

Important Hints

Remember the basic structure of the following statements:

1. The **Income Statement** starts with sales revenue, then deducts all the expenses (Cost of Goods Sold, Salaries Expense, Utilities Expense, Depreciation Expense) to arrive at the Net Income.
2. The **Statement of Retained Earnings** begins with the beginning balance of retained earnings, adds the Net Income from the income statement, and then deducts any dividends paid (if any; in this case, let's assume no dividends were paid) to arrive at the ending Retained Earnings.
3. The **Balance Sheet** is divided into Assets (Cash, Accounts Receivable, Inventory, Prepaid Expenses, and Building net of Accumulated Depreciation), Liabilities (Accounts Payable, Salaries Payable, and Bank Loan), and Equity (Common Stock and Retained Earnings from the Statement of Retained Earnings).
4. The **Total Assets** should equal the **Total of Liabilities and Equity**.

GUIDANCE ON ASSESSMENT

All materials must be properly referenced under Harvard conventions. The length required is 2,000 with tasks equally weighted. The writing style should be formal academic / report writing style with in-text referencing to support your comments and observations. Originality, quality of argument and good structure are required. The formal report should demonstrate sound understanding and ability to apply knowledge and theory of Finance and Accounting. Additional marks being awarded for juxtaposition and insight of issues.

Grading Criteria

	Generic Criteria	90 - 100	80 - 89	70 - 79	60 - 69	50 - 59	40 - 49	30 - 39	0 - 29
Level 4	Knowledge of contexts, concepts, technologies and processes The extent to which knowledge is demonstrated: <i>relevant contextual or theoretical issues are identified, defined and described</i> <i>historical or contemporary practices are identified, defined and described</i> <i>appropriate technologies, methods and processes are identified, defined and described</i>	Outstanding breadth of knowledge of fundamental contextual and theoretical issues and critical concepts and their relationship to historical and contemporary practices Extensive knowledge of relevant and specialist technologies and processes	Extensive knowledge of fundamental contextual and theoretical issues and critical concepts and a widening appreciation of historical and contemporary practices In depth and broadening knowledge of appropriate technologies and processes	Significant knowledge of fundamental contextual and theoretical issues and critical concepts and a widening appreciation of historical and contemporary practices Significant knowledge of appropriate technologies and processes	Confident familiarity with fundamental contextual and theoretical issues and critical concepts Thorough knowledge of appropriate technologies and processes	Familiar with fundamental contextual and theoretical issues and critical concepts Sound knowledge of appropriate technologies and processes	Adequate knowledge of fundamental contextual and theoretical issues and critical concepts Adequate knowledge of appropriate technologies and processes	Limited knowledge of fundamental contextual and theoretical issues and critical concepts Limited knowledge of appropriate technologies and processes	Little or no knowledge of fundamental contextual and theoretical issues or critical concepts Little or no knowledge of appropriate technologies or processes
	Understanding through application of knowledge The degree to which research methods are demonstrated: <i>relevant knowledge and information is compared, contrasted, manipulated, translated and interpreted</i> <i>knowledge and information is selected, analysed, synthesized and evaluated in order to generate creative ideas, practices, solutions, arguments or hypotheses</i>	Relevant knowledge is explored and interpreted when proposing solutions to projects and problems which demonstrate evidence of independent thought Outstanding ability to analyse and synthesise knowledge to produce own creative practice in standard situations and to evaluate results	Deep level of comprehension and exploration of relevant knowledge in seeking solutions to projects or problems Outstanding ability to analyse and synthesise knowledge in order to produce creative practice in standard situations and to evaluate the results	Deep level of comprehension of relevant knowledge in seeking solutions to projects or problems Strong ability to apply and analyse knowledge to produce creative practice in standard situations, with some evaluation of the results	Strong comprehension of relevant knowledge in seeking solutions to projects or problems Sound ability to apply and analyse knowledge to produce creative practice in standard situations	Sound comprehension of relevant knowledge in seeking solutions to projects or problems Sound ability to apply knowledge to produce creative practice in standard situations	Surface-level comprehension of relevant knowledge in seeking solutions to projects or problems Competent application of knowledge to the production of creative practice in standard situations	Incomplete comprehension of relevant knowledge in seeking solutions to projects or problems Limited ability to apply knowledge to produce creative practice in standard situations	Little or no comprehension of relevant knowledge in seeking solutions to projects or problems Little or no ability to apply relevant knowledge to produce creative practice in standard situations
	Application of technical and professional skills The degree to which: <i>appropriate materials and media are selected, tested and utilised</i>	Accomplished and fluent application of appropriate practical and technical skills	Relevant, accomplished and fluent application of basic practical and technical skills	Relevant and accomplished application of basic practical and technical skills	Strong application of basic practical and technical skills	Sound application of basic practical and technical skills	Competent application of practical and technical skills	Rudimentary application of basic practical and technical skills	Scant application of basic practical and technical skills



	<p><i>to realise and present ideas and solutions</i></p> <p><i>appropriate technologies, methods and processes are demonstrated</i></p> <p><i>transferable, professional skills are effectively demonstrated</i></p> <p><i>self management and independent learning are demonstrated</i></p>	<p>Outstanding application of appropriate transferable and professional skills</p> <p>Significant ability to learn independently and critically evaluate own progress using a wide range of feedback sources</p>	<p>Outstanding application of fundamental transferable and professional skills</p> <p>Substantial ability to work independently and use feedback to reflect critically on own progress</p>	<p>Highly effective application of fundamental transferable and professional skills</p> <p>Strong ability to work independently and use feedback to plan future tasks effectively</p>	<p>Strong application of fundamental transferable and professional skills</p> <p>Evidence of developing well as an independent learner</p>	<p>Sound application of fundamental transferable and professional skills</p> <p>Evidence of beginning to develop as an independent learner</p>	<p>Competent application of fundamental transferable and professional skills</p> <p>Adequate evidence of beginning to develop as an independent learner</p>	<p>Limited application of fundamental transferable and professional skills</p> <p>Limited evidence of ability to learn independently</p>	<p>Ineffective application of fundamental transferable and professional skills</p> <p>Little or no evidence of ability to learn independently</p>
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