



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

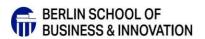
Tasks (Answer to all questions):

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		205,000
(Building)		
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**.



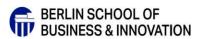


GUIDANCE ON ASSESSMENT

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

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





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