

- 2 Alex's fixed asset accounts and provision for depreciation on fixed asset accounts for the year ended 30 April 2008 were as follows:

Furniture and equipment account					
\$000			\$000		
2007			2007		
1 May	Balance b/d	2 700	5 July	Disposal	450
3 June	Bank	720	2008		
		<u>3 420</u>	30 April	Balance c/d	<u>2 970</u>
					<u>3 420</u>
2008					
1 May	Balance b/d	2 970			
Provision for depreciation on furniture and equipment account					
\$000			\$000		
2007			2007		
5 July	Disposal	345	1 May	Balance b/d	945
2008			2008		
30 April	Balance c/d	<u>897</u>	30 April	Profit & loss	<u>297</u>
		<u>1 242</u>			<u>1 242</u>
			1 May	Balance b/d	897
Motor vehicles account					
\$000			\$000		
2007			2007		
1 May	Balance b/d	1 560	3 Oct	Disposal	330
3 Oct	Bank	570	2008		
		<u>2 130</u>	30 April	Balance c/d	<u>1 800</u>
					<u>2 130</u>
2008					
1 May	Balance b/d	1 800			
Provision for depreciation on motor vehicles account					
\$000			\$000		
2007			2007		
3 Oct	Disposal	285	1 May	Balance b/d	675
2008			2008		
30 April	Balance c/d	<u>840</u>	30 April	Profit & loss	<u>450</u>
		<u>1 125</u>			<u>1 125</u>
			1 May	Balance b/d	840

ALTERNATIVE PRESENTATION USING RUNNING BALANCE

		Furniture and equipment account		
		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			2 700 Dr
3 June	Bank	720		3 420
5 July	Disposal		450	2 970

		Provision for depreciation on furniture and equipment account		
		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			945 Cr
5 July	Disposal	345		600
2008				
30 April	Profit and loss		297	897

		Motor vehicles account		
		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			1 560 Dr
3 Oct	Disposal		330	1 230
	Bank	570		1 800

		Provision for depreciation on motor vehicles account		
		Dr	Cr	Balance
2007		\$000	\$000	\$000
1 May	Balance b/d			675 Cr
3 Oct	Disposal	285		390
2008				
30 Apr	Profit and loss		450	840

During the year ended 30 April 2009 the following transactions took place:

- On 1 June 2008 new equipment was purchased for \$540 000.
On 3 December 2008 new furniture was purchased for \$80 000.
On 3 September 2008 equipment which had been purchased on 31 March 2006 for \$300 000 was sold for \$132 000.
- On 1 February 2009 three new motor vehicles were purchased for \$80 000 each. On the same date a vehicle which had cost \$56 000 on 15 May 2005 was sold for \$20 000.

A full year's depreciation is provided for on all fixed assets in use at the end of the financial year but none is provided for in the year of disposal of a fixed asset.

The rates of depreciation applied on cost for the year ended 30 April 2008 continue to be applied for the year ended 30 April 2009.

REQUIRED

(a) Prepare the following accounts for the year ended 30 April 2009:

(i) Furniture and equipment

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(ii) Motor vehicles

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(iii) Provision for depreciation on furniture and equipment

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(iv) Provision for depreciation on motor vehicles

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(v) Disposal of furniture and equipment

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(vi) Disposal of motor vehicles.

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