

ACC1701B ACCOUNTING FOR DECISION MAKERS
Semester 1, 2024/2025

Teaching Schedule (Part 1a)

NOTE*: “Ch” denotes chapters, and “lo” denotes learning objectives, from Financial Accounting: IFRS Edition”, 3e by Stice, Stice, Albrecht, Swain, Duh, and Hsu (Cengage) [Course textbook]. **ALL pages in a stated chapter and readings are examinable unless specifically excluded (even if not covered in lecture).**

Lecture Week	Topics	Required Readings: Course Textbook (Chapter=Ch). <u>Refer to lecture notes for additional required reading.</u>	Tutorial Questions (Questions starting with PE, E, P and AA are from the course textbook. For Questions starting with T, please see Tutorial Appendix below.)	Tutorial Week	Self-Study Questions (Questions starting with PE, E, P and AA are from the course textbook.)
1	Accounting Information: Users and Uses Financial Statements: An Overview	Ch 1 Ch 2	T1.1, T1.2 & T1.3 (See Tutorial 1 Appendix attached below for the write-up of the questions.)	Week 2 (Tutorial 1)	AA 1-3, AA 1-6 E 2-1, E 2-2, P 2-2 part 1, P 2-4
2	The Accounting Cycle: The Mechanics of Accounting	Ch 3	T2.1, T2.2 (See Tutorial 2 Appendix attached below for the write-up of the questions.)	Week 3 (Tutorial 2)	PE 3-16, PE 3-18, E 3-3, E 3-12, P 3-5, P 3-6, P 3-7, AA 3-7
3	Completing the Accounting Cycle: Accrual Accounting	Ch4	E4-6* T3.1 P4-11* (See Tutorial 3 Appendix attached below.) (*Note: Please refer to the Tutorial 3 Appendix for E4-6 and P4-11 question write-up and not the textbook write-up.)	Week 4 (Tutorial 3)	PE 4-10 to PE 4-13, PE 4-16 to PE 4-18, E 4-5, E 4-7, E 4-9, E 4-11, P 4-2, P 4-7, P 4-15

Tutorial 1 Appendix (Page 1 of 2)

Tutorial 1 Question T1.1

Below are the items found in Singtel Group's Annual Report 2024.

Required: Indicate for each item whether it would be on a balance sheet (BS), or a statement of comprehensive income (SCI) which includes revenues, expenses, gains, losses, net income, and other comprehensive income. If it is a balance sheet item, further, indicate if it is an asset (A), liability (L) or equity (E).

1. Cash and cash equivalents	2. Operating expenses	3. Current tax liabilities	4. Other assets	5. Dividend payable
6. Tax expense	7. Trade receivables	8. Property, plant and equipment	9. Borrowings (unsecured)	10. Share capital
11. Inventories	12. Depreciation	13. Other receivables	14. Trade and other payables	15. Operating revenue

Tutorial 1 Question T1.2

Sysco Corporation is one of the Singapore's leading distributors of food and related products to restaurants, universities, hotels, and other customers. Its accounts contained the following items (in millions) for the Statement of Comprehensive Income for the current year.

	\$
Sales	55,371
Cost of sales	44,814
Income taxes	371
Interest expense	303
Selling, general, and administration expense	8,504
Other revenues	16

Required: Compute the net income for the current year for Sysco Corporation. Show your computations.

Tutorial 1 Question T1.3

Konda Motor Corporation of Japan is a leading international distributor of automobiles, motorcycles, all-terrain vehicles, and personal watercraft. As a Japanese company, it follows IFRS and reports its financial statements in billions of yen (the sign for yen is ¥). Its accounts contained the following items (in billions) for the Balance Sheet as of 31 March 2024.

	¥
Cash and cash equivalents	2,106
Paid-in capital (Capital stock)	231
Salary payable	429
Income tax payable	500
Accounts payable	4,500
Inventories	1,364
Other current assets	8,606
Other non-current assets	597
Long-term debt	4,022
Net property, plant, and equipment	3,200
Other non-current liabilities	1,938
Accounts receivables	3,085
Retained earnings	?

Required: Prepare a balance sheet as of 31 March 2024 for Konda.

T2.1

The following company's transactions occurred during the current financial year.

1. Issued capital stock for \$90,000 cash.
2. Borrowed \$45,000 cash from a bank. Signed a note to secure the debt. Ignore interest.
3. Paid salaries and rent of \$53,000 and \$4,100 in cash, respectively.
4. Purchased inventory from a supplier on credit for \$6,300.
5. Paid the supplier for the inventory purchased in (4) above.
6. Sold inventory that cost \$1,350 for \$2,400 on credit.
7. Collected \$2,400 cash from customers on transaction (6) above

Required:

Record each of the above transactions in the company's general journal. (Omit explanations.)

T2.2

The company, Gowhite started a laundry service on July 1, 2022. The following transactions occurred during the first financial year.

- a) Shareholders invested NT\$60,000 cash in the business in exchange for shares.
- b) Purchased washing machines for NT\$36,000. Snow White paid NT\$5,000 in cash and signed a 2-year notes payable for the remaining balance starting on 1 August 2022. Ignore interest expense for the year.
- c) Paid NT\$6,000 in cash for office rent for the year.
- d) Purchased NT\$7,000 of supplies on account.
- e) Paid NT\$1,000 in cash to a local newspaper for advertising.
- f) Performed NT\$80,000 of service on account.
- g) Received NT\$30,000 cash for service provided.

(...to continue)

T2.2

- h) Paid for supplies purchased in (d).
- i) Received cash payment of NT\$50,000 for service provided on account in (f).
- j) Paid NT\$40,000 cash for employee salaries.
- k) Paid NT\$2,000 cash for utilities.
- l) Declared and paid cash dividends of NT\$10,000.

Required:

1. Prepare the journal entry for each transaction (omit explanations).
2. Prepare the statement of comprehensive income for the first financial year.
3. Prepare the balance sheet on June 30, 2023.

Tutorial 3 Question E4.6

Masa Company provides computer network consulting services. The company initially debits assets in recording prepaid expenses and credits liabilities in recording unearned revenues.

1. On March 15, 2022, Masa received \$54,000 cash for a contract to provide consulting services for 18 months beginning immediately.
2. On April 1, 2022, the company paid \$285 cash for a two-year subscription to a computer networking journal. The subscription starts April 1, 2022, and expires March 31, 2024.
3. On May 1, 2022, Masa paid \$7,500 cash in property taxes for the year May 1, 2022, to April 30, 2023.
4. Masa rented part of its office building to Thinkers Advertising Inc. Thinkers paid \$3,350 cash on August 1, 2022, for the next six months' rent.
5. On September 1, 2022, the company paid a two-year premium of \$30,000 cash on an insurance policy that is effective September 1, 2022, and expires August 31, 2024.
6. Masa loaned \$175,000 to a client. On October 1, 2022, the client paid \$13,300 cash for interest in advance (October 1, 2022, to September 30, 2023).

Required:

Provide the appropriate entry that Masa would use to record each of the following transactions on the date it occurred. Prepare the adjusting entries needed on December 31, 2022. (Round all numbers to the nearest dollar.)

Tutorial 3 Question T3.1

The company, Jurong Leisure Boat Pte Ltd, repairs, stores, and cleans boats for customers. It is completing the accounting process for the financial year ending on November 30, 20x1. The transactions for financial year 20x1 have been journalized and posted, except for the below items:

- a) Jurong Leisure Boat (cleaned and covered) three boats for customers at the end of November but did not record the service for \$3,300.
- b) On October 1, Jurong Leisure Boat paid \$2,200 to the local newspaper for an advertisement to run every Thursday for 12 weeks. All ads have been run except for three Thursdays in December to complete the 12-week contract.
- c) Jurong Leisure Boat borrowed \$300,000 at an 11 percent annual interest rate on April 1, 20x1 to expand its boat storage facility. The long-term loan requires Johnson's to pay the interest quarterly each year until the note is repaid in three years. Jurong Leisure Boat paid quarterly interest on July 1 and October 1.
- d) The Sanjeev family paid Jurong Leisure Boat \$4,500 on November 1 to store its sailboat for six months until May 1 of the next financial year. Jurong Leisure Boat credited the full amount to Unearned Storage Revenue on November 1.

Required:

Prepare the adjusting entries that should be recorded for Jurong Leisure Boat on 30 November 20x1 for items (a) to (d) above. Show your calculations.

Tutorial 3 Appendix (Page 2 of 2)

Tutorial 3 Question P4.11

The unadjusted and adjusted trial balances of Johnson Company as of December 31, 2022 are shown below.

	Unadjusted		Adjusted	
	Debit	Credit	Debits	Credit
Cash	\$ 97,500		\$ 97,500	
Accounts Receivable	96,500		96,500	
Prepaid Rent	20,500		5,500	
Prepaid Insurance	5,000		1,000	
Accounts Payable		\$ 79,000		\$ 79,000
Salaries Payable			12,000	
Income Tax Payable			1,200	
Interest Payable		1,200		2,000
Capital Stock	95,000		95,000	
Retained Earnings	3,200		3,200	
Service Revenue	250,000		250,000	
Salaries Expense	180,000		192,000	
Rent Expense	22,000		37,000	
Insurance Expense	1,200		5,200	
Interest Expense	900		1,700	
Income Tax Expense	4,800		6,000	
Total	<u>\$428,400</u>	<u>\$428,400</u>	<u>\$442,400</u>	<u>\$442,400</u>

Required: Prepare the closing entries on December 31, 2022.