1. From the following trial balance of A Morenike, extracted after one year’s trading, prepare a statement of financial performance for the year ended 31 December 2021. A statement of financial position is not required.

**Trial Balance as at 31 December 2021**

*Dr Cr*

N N

Sales 190,576

Purchases 119,832

Salaries 56,527

Motor expenses 2,416

Rent 1,894

Insurance 372

General expenses 85

Premises 95,420

Motor vehicles 16,594

Trade receivables 26,740

Trade Payables 16,524

Cash at bank 16,519

Cash in hand 342

Drawings 8,425

Capital 138,066

**345,166 345,166**

Inventory at 31 December 2021 was N12,408.

1. From the following trial balance of Lanre after his first year’s trading, you are required to draw up a statement of financial performance for the year ended 30 June 2018.

**Trial Balance as at 30 June 2018**

*Dr Cr*

N N

Sales/ Purchases 154,870 265,900

Rent 4,200

Lighting and heating expenses 530

Salaries and wages 51,400

Insurance 2,100

Buildings 85,000

Fixtures 1,100

Receivables 31,300

Sundry expenses 412

Payables 15,910

Cash at bank 14,590

Drawings 30,000

Vans 16,400

Motor running expenses 4,110

Capital 114,202

**396,012 396,012**

Inventory at 30 June 2018 was N 16,280.

1. From the following trial balance of B Morse drawn up on conclusion of his first year in business, draw up a statement of profit or loss for the year ended 31 December 2018.and a statement of financial position as at date

**Trial Balance as at 31 December 2018**

*Dr Cr*

N N

General expenses 305

Business rates 2,400

Motor expenses 910

Salaries 39,560

Insurance 1,240

Purchases 121,040

Sales 235,812

Car 4,300

Payables 11,200

Receivables 21,080

Premises 53,000

Cash at bank 2,715

Cash in hand 325

Capital 23,263

Drawings 23,400

**270,275 270,275**

Inventory at 31 December 2018 was N14,486.

1. Prepare a statement of financial performance for the year ended 30 June 2018 for Gwadobe and a statement of financial position as at that date. The trial balance as at 30 June 2018.after his first year of trading was as follows:

*Dr Cr*

N N

Equipment rental 940

Insurance 1,804

Lighting and heating expenses 1,990

Motor expenses 2,350

Salaries and wages 48,580

Sales 382,420

Purchases 245,950

Sundry expenses 624

Lorry 19,400

Fixtures 4,600

Shop 174,000

Cash at bank 11,346

Drawings 44,000

Capital 194,272

Payables/Receivables 44,516 23,408

**600,100 600,100**

Inventory at 30 June 2018 was N 29,304.

‘

1. Henry is a sole trader who keeps records of his cash and bank transactions in a three column cash book. His transactions for the month of March were as follows:

March

1 Cash in hand N100, Cash at bank N 5,672

4 York received a cheque for N 1,246 from W Abbot which was paid directly into the bank.

This represented sales.

6 Paid wages in cash N 39

8 Sold goods for cash N 152

10 Received cheque from G Smart for N315, in full settlement of a debt of N344; this was paid directly into the bank.

11 Paid sundry expenses in cash N 73

14 Purchased goods by cheque for N 800

18 Paid J Sanders a cheque of N 185 in full settlement of a debt of N 201

23 Withdrew N 100 from the bank for office purposes

24 Paid wages in cash N 39

26 Sold goods for cash N 94

28 Paid salaries by cheque N 230

31 Retained cash amounting to N 150 and paid the remainder into the bank

**Required**:

(a) Enter the above transactions within T-accounts and bring down the balances.

(b) Assuming no opening receivables, payables or inventory, prepare a statement of financial performance for the month of March.

1. Adahnu started in business on 1 July 2020, with N40,000 capital in cash. During the first year he kept very few records of his transactions.

The assets and liabilities of the business at 30 June 20X1 were:

N

Freehold premises 76,000

Mortgage on the premises 50,000

Inventories 24,000

Receivables 2,800

Cash and bank balances 5,400

Payables 7,600

During the year, Adahnu withdrew N 9,000 cash for his personal use but he also paid N6,000 received from the sale of his private car into the business bank account.

**Required**:

From the above information, prepare a balance sheet showing the financial position of the business at 30 June 2021 and indicating the net profit for the year.

1. From the following trial balance of G Still, draw up a trading and profit and loss account for the year ended 30 September 2019, and a balance sheet as at that date.

Dr Cr

N N

Inventories 1 October 2018 41,600

Carriage outwards 2,100

Carriage inwards 3,700

Returns inwards 1,540

Returns outwards 3,410

Purchases 188,430

Sales 380,400

Salaries and wages 61,400

Warehouse rent 3,700

Insurance 1,356

Motor expenses 1,910

Office expenses 412

Lighting and heating expenses 894

General expenses 245

Premises 92,000

Motor vehicles 13,400

Fixtures and fittings 1,900

Receivables 42,560

Payables 31,600

Cash at bank 5,106

Drawings 22,000

Capital 68,843

**484,253 484,253**

Inventories at 30 September 2019 was N44,780.

1. The following trial balance was extracted from the books of F Suleiman on 30 April 2017. From it, and the note about inventories, prepare his trading and profit and loss account for the year ended 30 April 2017, and a balance sheet as at that date.

Dr Cr

N N

Sales 210,420

Purchases 108,680

Inventories 1 May 2016 9,410

Carriage outwards 1,115

Carriage inwards 840

Returns inwards 4,900

Returns outwards 3,720

Salaries and wages 41,800

Motor expenses 912

Rent 6,800

Sundry expenses 318

Motor vehicles 14,400

Fixtures and fittings 912

Receivables 23,200

Payables 14,100

Cash at bank 4,100

Cash in hand 240

Drawings 29,440

Capital 18,827

247,067 247,067

Inventories at 30 April 2017 was N11,290.

1. The following is the trial balance of T Owen as at 31 March 20X9. Draw up a set of financial statements for the year ended 31 March 2019.

Dr Cr

N N

Inventories 1 April 2018 52,800

Sales 276,400

Purchases 141,300

Carriage inwards 1,350

Carriage outwards 5,840

Returns outwards 2,408

Wages and salaries 63,400

Business rates 3,800

Communication expenses 714

Commissions paid 1,930

Insurance 1,830

Sundry expenses 208

Buildings 125,000

Receivables 45,900

Payables 24,870

Fixtures 1,106

Cash at bank 31,420

Cash in hand 276

Drawings 37,320

Capital 210,516

**514,194 514,194**

Inventories at 31 March 2019 was N58,440. ‘

1. Barde drew up the following trial balance as at 30 September 2018. You are to draft the statement of performance for the year ended 30 September 2018 and a balance sheet as at that date.

Dr Cr

N N

Capital 49,675

Drawings 28,600

Cash at bank 4,420

Cash in hand 112

Receivables 38,100

Payables 26,300

Inventories 30 September 2017 72,410

Van 5,650

Office equipment 7,470

Sales 391,400

Purchases 254,810

Returns inwards 2,110

Carriage inwards 760

Returns outwards 1,240

Carriage outwards 2,850

Motor expenses 1,490

Rent 8,200

Telephone charges 680

Wages and salaries 39,600

Insurance 745

Office expenses 392

Sundry expenses 216

**468,615 468,615**

Inventories at 30 September 2018 was N89,404.

11. Enter the following transactions in the ledger of A Baker and prepare a trial balance at

31 May, together with a calculation of the profit for the month and a balance sheet at 31 May.

May 1 Started in business with N1,500 in the bank and N 500 cash

May 2 Purchased goods to the value of N 1,750 from C Dunn, agreeing credit terms of 60 days

May 3 Bought fixtures and fittings for the bakery for N 150, paying by cheque

May 6 Bought goods on credit from E Farnham for N 115

May 10 Paid rent of N 300 paying cash

May 12 Bought stationery – cash book and invoices – for N 75 – paying by cash

May 14 Sold goods on credit, value N 125, to G Harlem

May 20 Bought an old van for deliveries for N 2,000 on credit from I Jumpstart

May 30 Paid wages of N 450 net for the month by cheque, Inland Revenue deductions of N75 to

be paid in the following month

May 31 Summarised cash sales for the month and found them to be N2,500. Took a cheque for

N500 as own wages for the month. Banked N 2,000 out of the cash sales over the month

May 31 Closing Inventories was N500

12.The following trial balance was extracted from the books of R Giggs at the close of business on 28 February 2017.

Dr Cr

N N

Purchases and sales 92,800 157,165

Cash at bank 4,100

Cash in hand 324

Capital account 1 March 2016 11,400

Drawings 17,100

Office furniture 2,900

Rent 3,400

Wages and salaries 31,400

Discounts 820 160

Receivables and Payables 12,316 5,245

Inventories 1 March 2016 4,120

Provision for doubtful debts 1 March 2016 405

Delivery van 3,750

Van running costs 615

Bad debts written off 730

**174,375 174,375**

Notes:

(a) Inventories 28 February 2017 N 2,400.

(b) Wages and salaries accrued at 28 February 2017 N 340.

(c) Rent prepaid at 28 February 2017 N 230.

(d) Van running costs owing at 28 February 2017 N 72.

(e) Increase the provision for doubtful debts by N 91.

(f ) Provide for depreciation as follows: Office furniture N 380; Delivery van N 1,250.

Required:

Draw up the trading and profit and loss account for the year ending 28 February 2017 together with a balance sheet as on 28 February 2017.

12. The trial balance for a small business at 31 August 2018 is as follows:

N N

Inventories 1 September 2017 8,200

Purchases and Sales 26,000 40,900

Rent 4,400

Business rates 1,600

Sundry expenses 340

Motor vehicle at cost 9,000

Receivables and Payables 1,160 2,100

Bank 1,500

Provision for depreciation on motor vehicle 1,200

Capital at 1 September 2017 19,700

Drawings 11,700

**63,900 63,900**

At 31 August 2018 there was:

Inventories valued at cost prices N9,100

Accrued rent of N 400

Prepaid business rates of N 300

The motor vehicle is to be depreciated at 20% of cost

Required:

a. The adjustments to the ledger accounts for rent and business rates for the year to 31 August

2018.

b. A statement of financial performance for the year ending 31 August 2018, together with a balance sheet as at that date.

**13** J Wright, a sole trader, extracted the following trial balance from his books at the close of business on 31 March 2019:

*Dr Cr*

N N

Purchases and sales 61,420 127,245

Inventories 1 April 2018 7,940

Capital 1 April 2018 25,200

Bank overdraft 2,490

Cash 140

Discounts 2,480 62

Returns inwards 3,486

Returns outwards 1,356

Carriage outwards 3,210

Rent and insurance 8,870

Provision for doubtful debts 630

Fixtures and fittings 1,900

Van 5,600

Receivables and Payables 12,418 11,400

Drawings 21,400

Wages and salaries 39,200

General office expenses 319

**168,383 168,383**

*Notes*:

(*a*) Inventories 31 March 2019 N 6,805.

(*b*) Wages and salaries accrued at 31 March 20X9 N3,500; Office expenses owing N 16.

(*c*) Rent prepaid 31 March 2019 N 600.

(*d*) Increase the provision for doubtful debts by N 110 to N 740.

(*e*) Provide for depreciation as follows: Fixtures and fittings N 190; Van N 1,400.

**Required:**

Prepare the trading and profit and loss accounts for the year ended 31 March 2019 together with a balance sheet as at that date.

14 The following trial balance has been extracted from the ledger of Mr Yusuf, a sole trader.

Trial Balance as at 31 May 2016

Dr Cr

N N

Sales 138,078

Purchases 82,350

Carriage 5,144

Drawings 7,800

Rent, rates and insurance 6,622

Postage and stationery 3,001

Advertising 1,330

Salaries and wages 26,420

Bad debts 877 ‘

Provision for doubtful debts 130

Receivables 12,120

Payables 6,471

Cash in hand 177

Cash at bank 1,002

Inventories as at 1 June 2015 11,927

Equipment at cost 58,000

Accumulated depreciation 19,000

Capital 53,091

**216,770 216,770**

The following additional information as at 31 May 2016 is available:

(a) Rent is accrued by N 210.

(b) Rates have been prepaid by N 880.

(c) N2,211 of carriage represents carriage inwards on purchases.

(d) Equipment is to be depreciated at 15% per annum using the straight line method.

(e) The provision for doubtful debts to be increased by N 40.

(f ) Inventories at the close of business has been valued at N 13,551.

Required:

Prepare a statement of financial performance for the year ended 31 May 2016 and a balance sheet as at that date.

15 Mr Chai has been trading for some years as a wine merchant. The following list of balances has been extracted from his ledger as at 30 April 2017, the end of his most recent financial year.

N

Capital 83,887

Sales 259,870

Trade payables 19,840

Returns out 13,407

Provision for doubtful debts 512

Discounts allowed 2,306

Discounts received 1,750

Purchases 135,680

Returns inwards 5,624

Carriage outwards 4,562

Drawings 18,440

Carriage inwards 11,830

Rent, rates and insurance 25,973

Heating and lighting 11,010

Postage, stationery and telephone 2,410

Advertising 5,980

Salaries and wages 38,521

Bad debts 2,008

Cash in hand 534

Cash at bank 4,440

Inventories as at 1 May 2016 15,654

Trade Receivables 24,500

Fixtures and fittings – at cost 120,740

Provision for depreciation on fixtures and fittings – as at 30 April 2017 63,020

Depreciation 12,074

The following additional information as at 30 April 2017 is available:

(a) Inventories at the close of business was valued at N 17,750.

(b) Insurances have been prepaid by N 1,120.

(c) Heating and lighting is accrued by N 1,360.

(d) Rates have been prepaid by N 5,435.

(e) The provision for doubtful debts is to be adjusted so that it is 3% of trade receivables.

Required:

Prepare Mr Chai’s statement of financial performance for the year ended 30 April 2017 and a financial position as at that date.

16 The following list of balances as at 31 July 2021 has been extracted from the books of Jane Seymour who commenced business on 1 August 2020 as a designer and manufacturer of kitchen furniture:

N

Plant and machinery, at cost on 1 August 2020 60,000

Motor vehicles, at cost on 1 August 2020 30,000

Loose tools, at cost 9,000

Sales 170,000

Raw materials purchased 43,000

Direct factory wages 39,000

Light and power 5,000

Indirect factory wages 8,000

Machinery repairs 1,600

Motor vehicle running expenses 12,000

Rent and insurances 11,600

Administrative staff salaries 31,000

Administrative expenses 9,000

Sales and distribution staff salaries 13,000

Capital at 1 August 2020 122,000

Sundry Receivables 16,500

Sundry Payables 11,200

Balance at bank 8,500

Drawings 6,000

Additional information for the year ended 31 July 2021:

1. It is estimated that the plant and machinery will be used in the business for 10 years and the motor vehicles used for 4 years: in both cases it is estimated that the residual value will be nil. The straight line method of providing for depreciation is to be used.
2. Light and power charges accrued due at 31 July 2021 amounted to N1,000 and insurances prepaid at 31 July 2021 totalled N800.
3. inventories were valued at cost at 31 July 2021 as follows: Raw materials N7,000

Finished goods N10,000

1. The valuation of work in progress at 31 July 2021 included variable and fixed factory overheads and amounted to N12,300.
2. Two-thirds of the light and power and rent and insurances costs are to be allocated to the factory costs and one-third to general administration costs.
3. Motor vehicle costs are to be allocated equally to factory costs and general administration costs.
4. Goods manufactured during the year are to be transferred to the trading account at N 95,000.
5. Loose tools in hand on 31 July 2021 were valued at N5,000.

Required:

1. Prepare a manufacturing, trading and profit and loss account for the year ended 31 July 2021 of Jane Seymour.
2. An explanation of how each of the following accounting concepts have affected the preparation of the above accounts:
3. conservatism,
4. matching,
5. going concern.

17 E Wilson is a manufacturer. His trial balance at 31 December 2022 is as follows:

N N

Delivery van expenses 1,760

Lighting and heating: Factory 7,220

Office 1,490

Manufacturing wages 72,100

General expenses: Factory 8,100

Office 1,940

Sales reps: commission 11,688

Purchase of raw materials 57,210

Rent: Factory 6,100

Office 2,700

Machinery (cost N 40,000) 28,600

Office equipment (cost N 9,000) 8,200

Office salaries 17,740

Receivables 34,200

Payables 9,400

Bank 16,142

Sales 194,800

Van (cost N 6,800) 6,200

Inventories at 31 December 2021:

Raw materials 13,260

Finished goods 41,300

Drawings 24,200

Capital 155,950

**360,150** **360,150**

Prepare the manufacturing, trading and profit and loss accounts for the year ended 31 December

2022 and a statement of financial position as at that date. Give effect to the following adjustments:

1 inventories at 31 December 2022: raw materials N 14,510; finished goods N 44,490. There is no work in progress.

2 Depreciate machinery N 3,000; office equipment N 600; van N 1,200.

3 Manufacturing wages due but unpaid at 31 December 2022 N 550; office rent prepaid N 140.

18. A summary of the Wukari Tennis Club is shown below. From it, and the additional information, you are to construct an income and expenditure account for the year ended 31 December 2016, and a balance sheet as at that date.

**Cash Book Summary**

N N

Balance at 1/1/2016 1,440 Purchase of equipment 380

Collections at matches 4,218 Rent for pitch 1,600

Profit on sale of refreshments 5,520 Printing and stationery 104

Secretary’s expenses 220

Repairs to equipment 210

Groundsman’s wages 6,400

Miscellaneous expenses 96

Balance at 31/12/2016. 2,168

**11,178**  **11,178**

Further information:

1. At 1/1/2016 equipment was valued at N 2,000.
2. Depreciate all equipment 25 per cent for the year 2016.
3. At 31/12/2016 rent paid in advance was N 400.
4. At 31/12/2016 there was N 25 owing for printing.

The following trial balance of The IbiGolf Club was extracted from the books as on 31 December 2021:

*Dr Cr*

N N

Clubhouse 142,000

Equipment 18,600

Profits from raffles 6,508

Subscriptions received 183,400

Wages of bar staff 29,200

Bar stocks 1 January 2021 9,400

Bar purchases and sales 41,300 84,600

Greenkeepers’ wages 21,500

Golf professional’s salary 37,000

General expenses 910

Cash at bank 3,924

Accumulated fund at 1 January 2021 29,326

**303,834** **303,834**

*Notes*:

1. Bar purchases and sales were on a cash basis. Bar stocks at 31 December 2021 were valued at N 6,410.
2. Subscriptions paid in advance by members at 31 December 2021 amounted to N1,870.
3. Provide for depreciation of equipment N2,400.

**You are required to:**

a. Draw up the bar trading account for the year ended 31 December 2021.

b. Draw up the income and expenditure account for the year ended 31 December 2021, and a balance sheet as at 31 December 2021.

19. On 1 January 2022 The Happy Haddock Angling Club had the following assets:

N

Cash at bank 200

Snack bar stocks 800

Club house buildings 12,500

During the year to 31 December 2022 the Club received and paid the following amounts:

*Receipts* N *Payments* N

Subscriptions 20X8 3,500 Rent and rates 1,500

Subscriptions 20X9 380 Extension to club house 8,000

Snack bar income 6,000 Snack bar purchases 3,750

Visitors’ fees 650 Secretarial expenses 240

Loan from bank 5,500 Interest on loan 260

Competition fees 820 Snack bar expenses 600

Games equipment 2,000

*Notes*: The snack bar stock on 31 December 2022 was N 900.

The games equipment should be depreciated by 20%.

**Required:**

(*a*) Prepare an income and expenditure account for the year ended 31 December 2022. Show, either in this account or separately, the snack bar profit or loss.

(*b*) Prepare a balance sheet as at 31 December 2022.

20. The following is a summary of the receipts and payments of the Magongo Rotary Club during the year ended 31 July 2019.

**Magongo Rotary Club**

**Receipts and Payments Account for the year ended 31 July 2019**

N N

Cash and bank balances b/d 210 Secretarial expenses 163

Sales of competition tickets 437 Rent 1,402

Members’ subscriptions 1,987 Visiting speakers’ expenses 1,275

Donations 177 Donations to charities 35

Refund of rent 500 Prizes for competitions 270

Balance c/d 13 Stationery and printing 179

**N 3,324** **N 3,324**

The following valuations are also available:

*as at 31 July 2018 2019*

N N

Equipment (original cost N 1,420) 975 780

Subscriptions in arrears 65 85

Subscriptions in advance 10 37

Owing to suppliers of competition prizes 58 68

Stocks of competition prizes 38 46

**Required:**

1. Calculate the value of the accumulated fund of the Magongo Rotary Club as at 1 August 2018.
2. Reconstruct the following accounts for the year ended 31 July 2019:
3. the subscriptions account,
4. the competition prizes account.
5. Prepare an income and expenditure account for the Magongo Rotary Club for the year ended 31 July 2019 and a balance sheet as at that date.