

**SEMESTER FALL 2020**

**FINANCIAL ACCOUNTING (MGT101)**

**ASSIGNMENT # 01**

**DUE DATE: 26<sup>th</sup> January 2021**

**MARKS: 10**

**LEARNING OBJECTIVES:**

- To develop an understanding of the basic concepts involved in the preparation of Income Statement and Balance Sheet.

**QUESTION**

Following information is extracted from the books of a business concern on 31<sup>st</sup> December 2020.

Particulars	Rs.	Particulars	Rs.
Opening stock of material	13,000	Closing stock of material	12,000
Plant and Machinery	100,000	Bank charges	5,453
Cash in hand	12,800	Capital	300,000
Financial expenses	8,000	Gross purchases	50,000
Creditors	54,000	Return outwards	10,000
Debtors	20,000	Return inwards	5,000
Cost of goods sold	35,000	Net sales	85,000

**ADDITIONAL INFORMATION:**

- Plant & Machinery is depreciated @15% per annum.
- Provision for doubtful debts is to be maintained for Rs. 5,000.
- Net loss for the period is Rs. 80,000.

**Required:**

**Based on the above information, you are required to calculate the amount of:**

1. Net purchases to be presented in Income Statement.
2. Gross profit to be presented in Income Statement.
3. Net Book Value of machinery to be presented in Balance Sheet.
4. Value of debtors to be presented in Balance Sheet.
5. Owner's equity to be presented in Balance Sheet.

**Note:**

1. Preparation of Income Statement and Balance Sheet is not required. Just solve the given questions with necessary working.
2. Any mistake in any part will be awarded zero marks in that part. So be careful while solving the assignment.

## **IMPORTANT:**

Grace period of extra 24 hours after the due date is usually available to overcome uploading difficulties. This extra time should only be used to meet the emergencies and above mentioned due dates should always be treated as final to avoid any inconvenience.

## **IMPORTANT INSTRUCTIONS**

- Take help from internet for collecting the information.
- Carefully watch relevant lectures and consult the relevant material from handouts along with recommended books.
- Attempt the assignment by yourself and it will be entertained positively.

## **OTHER IMPORTANT INSTRUCTIONS:**

### **DEADLINE:**

- Make sure to upload the solution file before the due date on VULMS.
- Any submission made via email after the due date will not be accepted.

## **FORMATTING GUIDELINES:**

- Use the font style “Times New Roman” or “Arial” and font size “12”.
- It is advised to compose your document in MS-Word format.
- You may also compose your assignment in Open Office format.
- Use black and blue font colors only.

## **RULES FOR MARKING**

Please note that your assignment will not be graded or graded as Zero (0), if:

- It is submitted after the due date.
- The file you uploaded does not open or is corrupt.
- It is in any format other than MS-Word or Open Office; e.g. Excel, PowerPoint, PDF etc.
- It is cheated or copied from other students, internet, books, journals etc.

***Note related to load shedding: Please be proactive***

**Dear students!**

As you know that Post Mid-Term semester activities have been started and load shedding problem is also prevailing in our country now a days. Keeping in view the fact, you all are advised to post your activities as early as possible without waiting for the due date. For your convenience; activity schedule has already been uploaded on VULMS for the current semester, therefore no excuse will be entertained after due date of assignments, quizzes or GDBs.