**Introduction to Accounting I/Financial Accounting I**

**ACC1101**

**Assignment One and Two ( 20 Marks )**

Attempt the question on double entry given in class. post the entries in the ledger accounts and extract a trial balance 2.4 and 3.4

CAT ONE **( 15 Marks )**

Attempt and show your workings from question 9.4 and 9.5A

**CAT TWO ( 15 Marks )**

**Question**

The following trial balance was extracted from the books of Mama Salim, a sole trader, as at 30 June 2015.

**Sh. Sh.**

Capital 25,054,200

Drawings 2,829,600

Debtors and creditors 10,587,200 7,092,400

Sales 116,148,400

Purchases 86,820,200

Rent and rates 776,000

Electricity 49,000

Salaries and wages 11,273,500

Provision for doubtful debts as 1 July 2014 434,900

Stock at 1 July 2014 12,654,800

Insurances 34,400

General expenses 786,600

Bank balance 2,116,400

Motor vehicles at cost 11,300,000

Provision for depreciation of motor vehicles at 1 July 2014 4,920,000

Proceeds of sale of motor vehicle 350,000

Motor vehicle expenses 772,200

Freehold premises at cost 14,000,000

153,999,900 153,999,900

Notes:

1. Stock at 30 June 2015 was valued at Sh. 13,376,800.
2. Electricity due on 30 June 2015 was Sh. 120,000.
3. Prepaid rates and insurances amounted to Sh. 18,000 and Sh. 19,400 respectively as at 30 June 2015.
4. Of the debtors, Sh. 167,200 are regarded as bad and the provision for doubtful debts is to be adjusted to 5% of the remaining debtors.
5. Depreciation on motor vehicles is to be provided for at 20% per annum on the straight line method.
6. Rent receivable at 30 June 2015 was Sh. 15,000.
7. On 1 January 2015, a motor vehicle which had been purchased for Sh. 1,400,000 on 1 July 2011 was sold for Sh. 350,000. The only record of the transaction is the credit of Sh. 350,000 to the proceeds from the sale of motor vehicle account. Full depreciation is provided in the year of acquisition and none in the year of disposal.

Required:

1. Trading, profit and loss account for the year ended 30 June 2015.
2. Balance sheet as at 30 June 2015.

**Assignment Three**

**QUESTION ONE**

Record the following in respective ledger accounts, balance them off and then extract a trial balance as at 30th June 2019.

1 Started in business with capital in cash of Kshs.80,000 and Kshs.220,000 in the bank.

2 Bought goods on credit from the following persons:

P. Gatu Kshs.31, 400; Taya Kshs.17, 400, S. Gemi Kshs.34, 500, P. tone Kshs.54, 200,

4 Sold goods on credit to: J. chacha Kshs, .34, 000; G. Boiyo Kshs.72, 000; F. Titus Kshs.115, 200

6 Paid rent by cash Kshs.18, 000

9 J. Chacha paid us his account by chque Kshs.34, 000

10 F. Titus paid us his account by cheque Kshs.100, 000

12 We paid the following by cheque: Taya Kshs.17,400; J. Waki Kshs.61,000

15 Paid carriage by cash Kshs.3,800

18 Bought goods on credit from: P. Gatu Kshs.29,100; S. Gemi Kshs.94,000

21 Sold goods on credit to G. Boiyo Kshs.81,000

31 Paid rent by cheque Kshs.23,000

**For practice not to be submitted**

The following information is provided to you by Amos

**31st December 2014 31st December 2015**

**Shs. Shs**

1. Wages in arrears 60,000 67,000
2. Insurance paid in advance 21,000 25,500
3. Rates in arrears 7,500 NIL
4. Rates in advance NIL 9,000
5. Payments made during 2015 were;

Wages Kshs. 715,000

Insurance Kshs. 43,500

Rates Kshs. 46,000

Calculate the amounts Amos should transfer to the profit and loss account for wages, insurance and rates for the year 2015.

Prepare the Balance sheet extract. **(10 marks)**