

Accounting Project



'Engro Fertilizers Company'



Department of Computer Science

Submitted To:

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Submitted By:

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⇒ Introduction of the Company

Company: "ENGRO FERTILIZERS LIMITED"

Engro Fertilizers Limited, a subsidiary of Engro Corporation, is one of Pakistan's leading companies in fertilizers. The company produces a range of nitrogenous, phosphate, and blended fertilizers. The company operates with a robust supply chain network, ensuring the availability of high-quality fertilizers across Pakistan.

⇒ Type of Company

Engro Fertilizers Limited is a publicly traded manufacturing company in the agricultural sector, specializing in the production and distribution of fertilizers.

⇒ Transactions

- 1) Issued common stock for cash (\$0,000,000).
- 2) Purchased raw materials on credit (2,000,000).
- 3) Sold fertilizers to customers on acc (\$0,000,000).
- 4) Paid salaries to employees (1,000,000).
- 5) Received payment from customers (2,500,000).
- 6) Paid raw materials previously purchased on credit (2,000,000).

- 7) Purchased equipment for cash (3,500,000).
- 8) Declared and paid dividends to share holders (500,000).
- 8) Depreciation expense for equipment (350,000).
- 10) Accrued interest expense (150,000).
- 11) Prepaid insurance for the upcoming year (600,000).
- 12) Adjusted for expired expense insurance (50,000)

⇒ Journal Entries

Date	Acc Title	Dr	Cr
1) Jan 1, 20	Cash Common Stock	5,000,000	5,000,000
2) Jan 5, 24	Materials Acc Payable	2,000,000	2,000,000
3) Jan 20, 24	Acc Receivable Sales Revenue	3,000,000	3,000,000
4) Jan 25, 24	Salaries Expense Cash	1,000,000	1,000,000
5) Jan 30, 24	Cash Acc Receivable	2,500,000	2,500,000
6) Feb 5, 24	Acc Payable Cash	2,000,000	2,000,000
7) Feb 10, 24	Equipment Cash	3,500,000	3,500,000
8) Feb 15, 24	Dividends Cash	500,000	500,000

Feb 28, 24	Depreciation Expense Acc Depreciation	350,000 -350,000	
Mar 1, 24	Interest Expense Interest Payable	150,000 150,000	
Mar 10, 24	Prepaid Insurance Cash	6,000,000 6,000,000	
Mar 31, 24	Insurance Expense Prepaid Insurance	50,000 50,000	

⇒ Ledger

Cash

Date	Description	Dr	Cr	Balance
1) Jan 01	Common Stock	5,000,000		5,000,000
2) Jan 25	Salaries Expense		1,000,000	4,000,000
3) Jan 30	Acc Receivable	2,500,000		6,500,000
4) Mar 25 Feb	Acc Payable		2,000,000	4,500,000
5) Mar 10 Feb	Equipment		3,500,000	1,000,000
6) Mar 15 Feb	Dividends		500,000	500,000
7) Mar 10	Prepaid Insurance		600,000	(1,000,000)

Account Receivable

Date	Description	Dr	Cr	Balance
1) Jan 20	Sales Revenue	3,000,000		3,000,000
2) Jan 30	Cash		2,500,000	500,000

Sales Revenue

Date	Description	Dr	Cr	Balance
1) Jan 20	Acc Receivable	3,000,000	3,000,000	3,000,000

Materials

Date	Description	Dr	Cr	Balance
1) Jan 15	Acc Payable	2,000,000		2,000,000

Account Payable

1) Jan 15	Materials		2,000,000	2,000,000
2) Feb 5	Cash	2,000,000		0

Salaries Expense

1) Jan 25	Cash	1,000,000		1,000,000
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Equipment

1) Feb 10	Cash	3,500,000		3,500,000
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Dividends

1) Feb 15	Cash	500,000		500,000
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Depreciation Expense

Date	Description	Dr	Cr	Balance
1) Feb 28	Acc Depreciation	350,000		350,000

Accumulated Depreciation

1) Feb 28	Depreciation Exp.		350,000	350,000
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Interest Expense

1) Mar 1	Interest Payable	150,000		150,000
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Interest Payable

1) Mar 1	Interest Expense		150,000	150,000
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Prepaid Insurance

1) Mar 10	Cash	600,000		600,000
2) Mar 31	Insurance Exp.		50,000	550,000

Insurance Expense

1) Mar 31	Prepaid Insurance	50,000		50,000
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=> Trial Balance

Account Titles		Dr	Cr
1)	Cash	5,900,000	
2)	Acc Receivable	500,000	
3)	Materials	2,000,000	
4)	Equipment	3,800,000	
5)	Prepaid Insurance	500,000	
6)	Accounts Payable		2,000,000
7)	Interest Payable		180,000
8)	Common Stock		5,000,000
9)	Sales Revenue		3,000,000
10)	Salaries Expense	1,000,000	
11)	Depreciation Exp.	350,000	
12)	Interest Expense	150,000	
13)	Insurance Expense	50,000	
14)	Dividends	500,000	
15)	Accumulated Deprec.		350,000
		14,550,000	14,550,000

⇒ Adjustments

- 1) Depreciation Expense: 350,000
- 2) Interest Expense 180,000
- 3) Insurance Expense 50,000

⇒ Adjusting Trial Balance

Account Titles		Dr	Cr
1)	Cash	5,900,000	
2)	Acc Receivable	500,000	
3)	Materials	2,000,000	
4)	Equipment	3,800,000	
5)	Prepaid Insurance	500,000	
6)	Accounts Payable		2,000,000
7)	Interest Payable		150,000
8)	Common Stock		5,000,000
9)	Sales Revenue		3,000,000
10)	Salaries Expense	1,000,000	
11)	Depreciation Exp.	350,000	
12)	Interest Expense	150,000	
13)	Insurance Expense	50,000	
14)	Dividends	500,000	
15)	Accumulated Depreciation		350,000
		14,550,000	14,550,000

⇒ Financial Statements

→ Income statement for the period
ended ~~in~~ March 31, 2023

Account Titles	Amount
1) Sales Revenue	3,000,000
2) Salaries Expense	(1,000,000)
3) Depreciation Expense	(350,000)
4) Interest Expense	(150,000)
5) Insurance Expense	(50,000)
6) <u>Net Income</u>	1,450,000

→ Statement of changes in Retained Earnings

Description	Amount
Beginning Ret Income	0
+ Net Income	1,480,000
Dividends	(500,000)
Ending Retained Earnings	980,000

→ Balance Sheet as of March 31, 2023

Account Titles	Amounts
<u>Assets</u>	
1) Accounts Receivable	5,800,000
2) Materials	500,000
3) Equipment	2,000,000
4) Prepaid Insurance	3,500,000
5) Cash	880,000
Total Assets	12,480,000
<u>Liabilities & Equity</u>	
1) Acc Payable	2,000,000
2) Interest Payable	180,000
3) Common Stock	3,500,000
4) Retained Earnings	980,000
5) Acc Depreciation	(880,000)
Total Liabilities & Equity	12,480,000