

Ans to the Question no: 01

Financial Statement:

Amin electronics Company

Income statement

For the month / year ended on 31<sup>st</sup> December, 2021

Description	Amount	Total
Revenues:		
<del>unearned</del> Interest revenue	33680	
Rental revenue	<u>240</u>	33920
Expenses:		
Salary expense	9050	
Rental expense	3200	
Utility expense	1970	
Supplies expense	4080	
Sundry expense	910	
Insurance expense	<u>200</u>	
		19410
Net profit		14150

Amin electronics Company  
Owner's equity statement

For the month/year ended on 31<sup>st</sup> december 2021

Description	Amount	Total
capital	30000	
Net profit	<u>14 510</u>	44510
(-) Drawings	8000	(8000)
Current capital		36510

Amin electronics Company  
Balance sheet  
As on 31<sup>st</sup> december 2021

Assets	Amount	Total	Liabilities and owner's equity	Amount	Total
<u>Current Assets:</u>			<u>Liabilities:</u>		
cash	19130		Accounts payable	1800	
Account receivable	5440		unearned interest revenue	480	
Supplies	1520		Notes payable	15000	
Insurance pre-payment	<u>4600</u>	30690	Salary payable	<u>500</u>	17780
<u>Fixed Assets:</u>			<u>owner's equity:</u>		
Land	20000		capital	<u>36510</u>	36510
office equipment	<u>3600</u>	23600			
Total	-	<u>54290</u>	Total		<u>54290</u>



Ans to the Question no: 01 (OR)

(1)

Anafat and sons

Adjusting Journal entries

As on 31<sup>st</sup> December 2022

Date	Particulars	Ref	Debit	Credit
(i)	Supplies expense Supplies		800	800
(ii)	Depreciation expense—Furniture Accumulated depreciation —Furniture		2000	2000
(iii)	<del>Salary expense</del> Depreciation expense building <del>Salary payable</del> Accumulated Depreciation, building		1000	1000
(iv)	Salary expense Salary payable		5000	5000
(v)	Account Receivable Service Revenue		1300	1300
(vi)	Unearned Service revenue Service revenue		3000	3000

12)

Amrafal and sons

Adjusted Trial balance

For the month/year ended on 31<sup>st</sup> December 2022

Accounts title	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash	6000				6000	
Account Receivable	5000		1300		6300	
Supplies	1000			800	200	
Furniture	10000				10000	
Accumulated Dep-Furniture		4000		2000		6000
Building	50000				50000	
Accumulated Dep-Building		30000		1000		31000
Account Payable		2000				2000
Unearned service revenue		8000	3000			5000
Salary payable				5000		5000
Common stock		10000				10000
Retained earnings		2000				2000
Drawings	25000				25000	
Service revenue		60000		3000 1300		64300
Salary expense	16000		5000		21000	
Supplies expense			800		800	
Advertising expense	3000				3000	
Depreciation expense-Furniture			2000		2000	
Depreciation expense-Building			1000		1000	
Total	<u>116000</u>	<u>116000</u>	<u>43100</u>	<u>13100</u>	<u>125300</u>	<u>125300</u>



Agape Counseling Center  
worksheet  
May 31, 2018

Accounts Title	Unadjusted	Trial Balance	Adjustments		Adjusted Trial balance		Income Statement		Balance sheet	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
Cash	1670				1670				1670	
Notes Receivable	10340				10340				10340	
Supplies	560			150	410				410	
Prepaid insurance	1790			390	1400				1400	
Furniture	27410				27410				27410	
Accumulated Dep- furniture		1480		380		1860				1860
Building	55900				55900				55900	
Accumulated Dep- building		33560		160		33720				33720
Land	13700				13700				13700	
Accounts payable		14730				14730				14730
unearned service revenue		6800	4400			2400				2400
NIP long term		18700				18700				18700
R.J Capital		34290				34290				34290
R.J withdrawal	3800				3800				3800	
Service revenue		9970		4400		14370		14370		
Salary expense	2170		600		2770		2770			
utilities expense	490				490		490			
Property tax expense	640				640		640			
Advertisement expense	1060				1060		1060			
Salary payable				600		600				600
Supplies expense			150		150		150			
Insurance expense			390		390		390			
Interest <del>receivable</del> revenue			170		170				170	
Interest revenue				170		170		170		
Depreciation expense Furniture			380		380		380			
Dep- expense building			160		160		160			
Net income							8500			8500
Total	119530	119530	6250	6250	120840	120840	14540	14540	114800	114800

Ans to the Question no:02

Ans to the Question no: 03

ATOM MOTORS  
Statement of cost of goods sold

Description	Amount	Amount	Amount
Direct Materials:			
Materials inventory, opening balance		8000	
Add: purchases	132000		
Net purchase		132000	
Available Materials for use			140000
less: Materials inventory, ending balance			10000
Direct materials consumed			130000
Add: Direct labour			90000
Prime cost			220000
Add: Factory overhead			
utilities, Factory		9000	
Maintenance, Factory		24000	
Supplies, Factory		700	
Rent factory building		80000	
Indirect labour		56300	
Depreciation factory		40000	
Total factory overhead			210000
Total manufacturing costs			430000
Add work in process, opening balance			5000
less work in process, ending balance			20000
Cost of good manufactured			415000
Add: finished goods inventory, opening balance			7000
Cost of goods available for sale			422000
Cost of finished good inventory, ending balance			25000
Cost of goods sold			397000



Ans to the Question no: 04

(i) Given,

$$\text{fixed expense} = \$108,000$$

$$\text{Contribution margin per unit, CM} = 50 - 32 \\ = \$18$$

$$\text{CM ratio} = \frac{\text{CM}}{\text{Sales}} \\ = \frac{\$18}{50} \\ = 0.36$$

$$\therefore \text{BEP in sales unit} = \text{fixed expense} / \text{CM per unit} \\ = \$108,000 / \$18 \\ = 6000 \text{ units}$$

$$\therefore \text{BEP in sales amount} = \text{fixed expense} / \text{CM ratio} \\ = \$108,000 / 0.36 \\ = \$300,000$$

(ii) Given that,

$$\text{target profit} = \$50,000$$

$$\text{fixed expense} = \$108,000$$

$$\text{CM per unit} = \$18$$

$$\therefore \text{Target profits sales unit} =$$

$$(\text{fixed expense} + \text{target profit}) / \text{CM per unit}$$

$$= (\$108,000 + \$50,000) / \$18$$

$$\approx 8777.78 \text{ units}$$

$$= 8778 \text{ (approximate) units}$$

(iii)

### Income Statement

Sales revenue (15000 X 50)	750000
Less variable expense (15000 X 32)	480000
Contribution margin	270000
Less fixed expense	108000
Net profit income	162000

∴ Degree of operating leverage (DOL)

$$\begin{aligned} &= \text{Contribution margin} / \text{Net operating income} \\ &= 270000 / 162000 \\ &= 1.67 \text{ times.} \end{aligned}$$

Q2 If sales increase by 40%, Net will increase by

$$\begin{aligned} &= 40\% \times 1.67 \text{ times} \\ &= 66.8\% \end{aligned}$$

∴ Total amount of net operating income for next year will be

$$\begin{aligned} &\$162000 + (\$162000 \times 66.8\%) \\ &= \$270216. \end{aligned}$$



Ans-to-the Question no:05

Material Purchase Budget and Expected cash payment  
Schedule:-

Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Budgeted production units	5000	8000	7000	6000	26000
(x) per unit required materials	x 8g	x 8g	x 8g	x 8g	x 8g
Total requirement for Production	40000	64000	56000	48000	208000
Add: finding inventory (35% of the following quarter needs)	22400	14600	16800	8000	8000
less: Beginning inventory	7000	22400	19600	16800	7000
Budgeted materials	55400	61200	53200	34200	204000
(x) cost per g.	x 1.50	x 1.50	x 1.50	x 1.50	x 1.50
Budget cost of materials	83100	<del>83100</del> 91800	<del>41800</del> 79800	<del>79800</del> 58800	31500
Payment schedule:					
70% in the quarter required	58170	64260	55860	41160	219450
30% in the following quarter	2500	24930	27540	23940	78910
Total cash Disbursements	60670	89190	83400	65100	298360

Ans to the Question no: 5 (OR)

(a)

Expected cash collection schedule

	July	August	September	Total
collection from May sale (43000 x 10%)	43000			43000
collection from June sale (540000 x 70%, 10%)	378000	54000		432000
collection from July sale (600000 x 20%, 70%, 70%)	120000	420000	60000	600000
collection from August sale (900000 x 20%, 70%)		180000	630000	810000
collection from September sale			100000	100000
Total	541000	654000	790000	1985000

(b)

Accounts receivable on September 30

From August sales	900000 x 10%	- - -	90000
From September sales	500000 x 80%	- - -	400000
Total			490000 .