

## Chapter 5

1. Redraft the following Trial Balance

Selina Enterprise  
Trial Balance  
As at 31 Dec 2020

	Dr	Cr
	\$	\$
Cash at Bank		3,500
Sales Revenue	5,000	
Motor Vehicle	3,000	
Capital	3000	
Inventory		2,500
Trade Receivables	500	
Trade Payable	1,800	
Equipment		1,800
Bank Loan		5,000
Cost of Sales		3,000
Rent	500	
	<u>13,800</u>	<u>15,800</u>

2. You are given the following ledger balances as at 31 December 2020 for Laila Enterprise.  
Prepare the statement of financial performance for the year ended 31 December 2020 and statement of financial position as at 31 December 2020.

Equipment	1,000
Motor Vehicle	2,000
Inventory	2,000
Cash at Bank	1,000
Trade Receivables	1,000
Capital	4,500
Bank Loan	1,000
Trade Payables	1,500
Sales Revenue	8,000
Cost of Sales	2,000
Rent	500
Wages	500
Advertising	600
Utilities	400

## Answers

### Selina Enterprise Trial Balance As at 31 Dec 2020

	Dr	Cr
	\$	\$
Cash at Bank	3,500	
Sales Revenue		5,000
Motor Vehicle	3,000	
Capital		3,000
Inventory	2,500	
Trade Receivables	500	
Trade Payable		1,800
Equipment	1,800	
Bank Loan		5,000
Cost of Sales	3,000	
Rent	500	
	14,800	14,800

### Laila Enterprise Statement of Financial Performance For the year ended 31 December 2020

	\$	
Sales Revenue	8,000	
Less Sales Returns	0	
Net Sales Revenue	8,000	
Less Cost Of Sales	2,000	
Gross Profit	6,000	
Other Income	0	

#### Less other expenses

Wages	500	
Rent	500	
Utilities	400	
Advertising	600	2,000
Profit for the year		4,000

Laila Enterprise  
Statement of Financial Position  
As at 31 December 2020

<u>Assets</u>	\$	\$
<u>Non-Current Assets</u>		
Equipment	1,000	
Motor Vehicle	<u>2,000</u>	3,000
<u>Current Assets</u>		
Inventory	2,000	
Cash at Bank	1,000	
Trade Receivables	<u>1,000</u>	4,000
Total Assets		<u><u>7,000</u></u>
<u>Equity and Liabilities</u>		
<u>Owner's Equity</u>		
Capital(1000+4000-500)		4,500
<u>Non Current Liabilities</u>		
Long Term Borrowings		1,000
<u>Current Liabilities</u>		
Trade Payables		1,500
Total Equity and Liabilities		<u><u>7,000</u></u>