**Westminster International University in Tashkent**

**Financial Accounting, Semester I, 2020/2021**

**Workshop 8**

You continue your business as WIUT retail business. The following activities took place in February 2020.

01.02. Paid 600,000 sum Fancy Buildings by check

03.02. Paid 50,000 sum to Dairy Farms by cash

05.02. Employee salaries of 25, 000 had been paid

10.02. Joseph paid 20,000 sum in cash

13.02. Sold goods for 180,000 to Peter on credit to pay till April 1, 2020

20.02. Paid 170,000 for advertisement by check

25.02. Paid electricity of 30,000 sum by check

27.02. Purchased goods costing 120,000 by check

29.02. February payroll expenses of 25, 000 had been accrued

The following additional information as at February 29, 2020 is available

1. 5,000 sum out of 30,000 sum in payment done for electricity was prepayment for March
2. Advertisement company did not provide its service in February
3. Depreciation of all assets is done using strait-line method for 15 years
4. Closing stock value worth 150,000 sum.
5. Telephone expenses for February were accrued by 10,000 sum
6. You have some concern that 10% of trade debt may not be paid by your customers
7. You have to pay 20,000 as fixed tax starting from February.

Required

1. Enter all transactions and prepare initial trial balance
2. Make all adjustments for stock, depreciation of fixed assets, prepayment and accrued expenses
3. Show adjusted trial balance, income statement and determine gross profit and net profit.