SEMESTER SPRING 2021

FINANCIAL ACCOUNTING (MGT101)

ASSIGNMENT # 01

DUE DATE: 28th July 2021 **MARKS: 12**

LEARNING OBJECTIVES:

- To develop an understanding of the basic concepts regarding the topics Fixed Assets and Depreciation, Provision for doubtful debts and Financial Statements

QUESTION

Following information is extracted from the books of a business concern on 30th June 2021.

Particulars	Rs.	Particulars	Rs.
Opening stock	15,000	Net sales	65,000
Plant and Machinery	100,000	Bank charges	5,453
Accumulated depreciation - Plant and Machinery	20,000	Loan given to ABC Brothers.	40,000
Cash in hand	12,800	Capital	250,000
Cost of goods sold	25,000	Loan taken from bank	50,000
Creditors	54,000	Commission received	10,000
Sundry debtors	20,000	Return inwards	5,000
Bad debts	1,575	Carriage outwards	450

ADDITIONAL INFORMATION:

- In addition to the value of Plant & Machinery given in the above information, one machine costing to Rs. 30,000 was bought on 1st April 2021. Basis/Policy of charging depreciation is Time Proportionate (on the basis of use). Plant & Machinery is depreciated @ 10% per annum on straight line method.
- Provision for doubtful debts is to be maintained @ 5%
- Net loss for the period is Rs. 75,000.
- There is no closing stock found at the end of the accounting period
- Books of accounts are closed on 30th June each year.

Required:

Based on the above information, you are required to calculate the amount of:

1. **Gross profit**
2. **Purchases**
3. **Net book value of Plant & Machinery.**

4. **Sundry debtors to be presented in Balance Sheet.**
5. **Owners' equity to be presented in Balance Sheet.**

Note:

1. **Preparation of Income Statement and Balance Sheet or any ledger account is not required. Just solve the given questions with necessary working.**
2. **Any mistake in any part will be awarded zero marks in that part. So be careful while solving the assignment.**
3. **Mentioning of Add or Plus sign (+) and Less or Minus sign (-) are necessary with working in case of addition or subtraction. Otherwise marks of working will not be awarded.**

IMPORTANT:

Grace period of extra 24 hours after the due date is usually available to overcome uploading difficulties. This extra time should only be used to meet the emergencies and above mentioned due dates should always be treated as final to avoid any inconvenience.

IMPORTANT INSTRUCTIONS

- Take help from internet for collecting the information.
- Carefully watch relevant lectures and consult the relevant material from handouts along with recommended books.
- Attempt the assignment by yourself and it will be entertained positively.

OTHER IMPORTANT INSTRUCTIONS:

DEADLINE:

- Make sure to upload the solution file before the due date on VULMS.
- Any submission made via email after the due date will not be accepted.

FORMATTING GUIDELINES:

- Use the font style "Times New Roman" or "Arial" and font size "12".
- It is advised to compose your document in MS-Word format.
- You may also compose your assignment in Open Office format.
- Use black and blue font colors only.

RULES FOR MARKING

Please note that your assignment will not be graded or graded as Zero (0), if:

- It is submitted after the due date.
- The file you uploaded does not open or is corrupt.
- It is in any format other than MS-Word or Open Office; e.g. Excel, PowerPoint, PDF etc.
- It is cheated or copied from other students, internet, books, journals etc.

Note related to load shedding: Please be proactive

Dear students!

As you know that Post Mid-Term semester activities have been started and load shedding problem is also prevailing in our country now a days. Keeping in view the fact, you all are advised to post your activities as early as possible without waiting for the due date. For your convenience; activity schedule has already been uploaded on VULMS for the current semester, therefore no excuse will be entertained after due date of assignments, quizzes or GDBs.