

## **HOMEWORK ACCOUNTING STUDENTS**

### **QUESTION1**

The KLM company has several motor vehicles. On 1 January 2016, the motor vehicles account shows a balance of \$79,300.

On the same date, the provision for depreciation on the motor vehicles account stood at \$31,800.

On 5 March 2016, Motor Vehicle No. 026 was sold for \$8,400. It had an original cost of \$14,000 and an accumulated depreciation of \$7,250.

**Required:** Show journal entries and relevant ledger accounts, assuming a depreciation rate of 20% p.a. on cost.

### **QUESTION2**

Mack and Spencer are in partnership sharing profits and losses equally. The following is the trial balance as at 30 June 2003.

	Dr.	Cr.
	£	£
Buildings (cost £750,000) Fixtures at cost 110,000	500,000	
Provision for depreciation: Fixtures		33,000
Debtors	162,430	
Creditors		111,500
Cash at bank	6,770	
Stock at 30 June 19X8	419,790	
Sales		1,236,500
Purchases	854,160	
Carriage outwards	12,880	
Discount allowed	1,150	
Loan interest: King	40,000	
Office expenses	24,160	
Salaries and wages	189,170	
Bad debts	5,030	
Provision for bad debts		4,000
Loan from J King		400,000
Capitals: Mack		350,000
Spencer		290,500
Current accounts: Mack		13,060
Spencer		2,890
Drawings: Mack	64,000	

Spencer

<u>56,500</u>	
<u>2,446,040</u>	<u>2,446,040</u>

**Required:**

Prepare a trading and profit and loss appropriation account for the year ended 30 June 19X9 and a balance sheet as at that date.

- a) Stock, 30 June 2003, £563,400
- b) Expenses to be accrued: Office Expenses £960; Wages £2,000
- c) Depreciate fixtures 10 per cent on reducing balance basis, buildings £10,000
- d) Reduce provision for bad debts to £3,200.
- e) Partnership salary: £8,000 to Mack. Not yet entered
- f) Interest on drawings: Mack £1,800; Spencer £1,200.

Interest on capital account balances at 10 per cent

QUESTION 3) PETER and JOHN a partnership one year ago PETER contributed Frw 40millions while JOHN contributed 80millions the partnership agreement specifies the following

- i) 4% per year to be charged as interest on capital
- ii) 5% per year to be charged as interest on drawing
- iv) PETER salaries was 30,000 frw
- v) the campony campany made profit after tax of 24million during the year total drowings were 6 million PETER 2 and JOHN 4million

prepare a) income statement of the partnership

- b) PARTNER,S current account
- c) capital account