

FINANCIAL STATEMENT HOMEWORK

1) Write short note on the following term used in accounting/

- a) income due?
- b) Idle asset
- c) Accrued rent
- d) Salary due
- e) provision

2) Explain accounting equation /**15marks**

3) A business makes a provision for bad and doubtful debts at rate of 10% of debtors.

The debtors balance as on 31 December were as under for three years

Years	Debtors balance
2010	Rwf 16 000 000
2011	25 000 000
2012	10 000 000

Show entries in: i) Provision for bad debts
ii) Profit and loss account
iii) Extract of balance sheet

4) Mr Steven a sole trader makes a provision for discount received at rate of 8% of total creditors at the end of the years

Years	Creditors balance
2009	Rwf 120 000
2010	150 000
2011	100 000
2012	130 000

Show entries in: i) Provision for discount received
ii) Profit and loss account
iii) Extract of balance sheet

The following balances were extracted from Bon 1`Bon at the end of accounting period on 31 August 2011:

Particulars	Amount in Rwf
Inventory 1 September 2011	8 200 000

Purchases	26 000 000
sales	40 900 000
Rent	4 400 000
Business Rates.....	1 600 000
Sundry expenses.....	340 000
Motor vehicle at cost.....	9 000 000
Accounts receivable.....	1160 000
Account payables.....	2 100 000
Bank	1 500 000
Provision for depreciation on motor vehicles	1 200 000
Capital on 1 September 2012.....	19 700 000
Drawings	11 700 000

On 31 August 2012 there was:

Accrued rent of Rwf 400 000

Inventory valued at cost prices Rwf 9 100 000

Prepaid business rates of Rwf 300 000

The motor vehicle is to be depreciated at 20% of cost

- a) Prepare an unadjusted trial balance,
- b) adjusted trial balance
- c) Cost Closing trial balance
- d) income statement
- e) balance sheet

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