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LCCI
International Qualifications from EDI

လက်တွေ့ အသုံးချ

အရြေခံစာရင်းကိုင်ပညာ

ပထမပိုင်း

ဒုတိယပိုင်း

ဆရာမ ဒေါသက်သက်

ယာယီလျှောင်ခန်း
ဦးဝင်းလှ ဒေါ်ခင်ခင်ကြည်
ကြည်ဝင်းလှ

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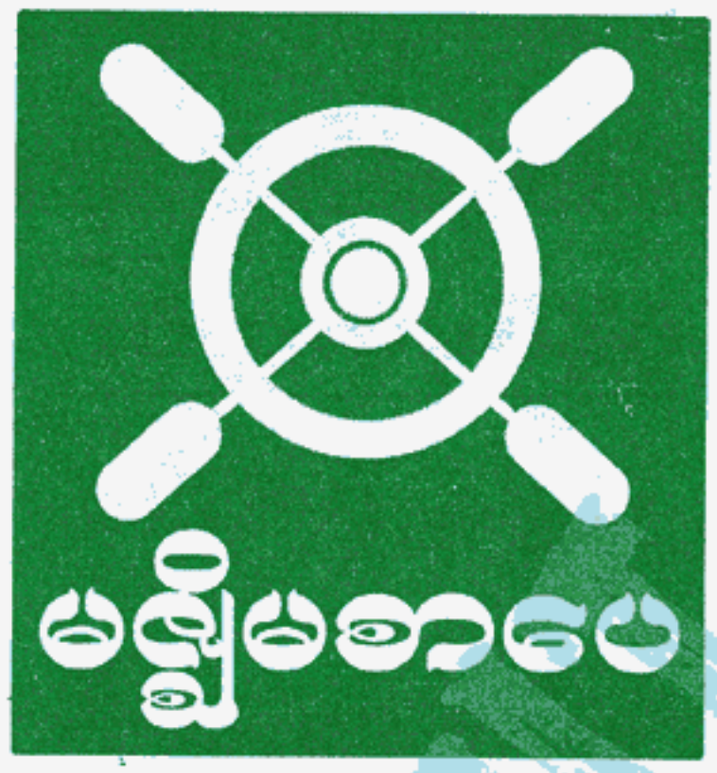

APS

စီးပွားရေးသင်တန်းကျောင်းမှ

စီစဉ်သည်။

ဖြန့်ချိရေး

မင္ၫြမစာေပ

အမှတ် (၂၃၇)၊ (ပထမထပ်-ဝ)၊ ၃၉-လမ်း၊ အပေါ်ဘာလောက်၊

ကျောက်တံတားမြို့နယ်၊ ရန်ကုန်မြို့။

ဖုန်း - ၀၁-၃၉၂၇၃၅၊ ၀၉-၇၃၀၅၉၉၃၅၊ ၀၉-၅၀၅ပဂ၄၃

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လက်တွေ့အသုံးချ အခြေခံစာရင်းကိုင်ပညာ (ပထမပိုင်း+ဒုတိယပိုင်း)

ပုံနှိပ်မတိတမ်း

စီစဉ်သူ	❖ ဦးဖြိုးကြွယ်မြင့် (APS CEO)
ပုံနှိပ်ခြင်း	❖ ပထမအကြိမ်၊ အုပ်ရေ (၁၀၀၀)
ထုတ်ဝေသည့်ကာလ	❖ ၂၀၁၃ ခုနှစ်၊ အောက်တိုဘာလ။
ထုတ်ဝေသူ	❖ ဦးအောင်ခိုင်မြင့်
	မဇ္ဈိမစာပေတိုက်
	အမှတ် (၄၇)၊ (၁) လမ်း၊ တောင်ဥက္ကလာပမြို့နယ်။ ရန်ကုန်။
အတွင်းနှင့်မျက်နှာဖုံးပုံနှိပ်	❖ ဦးမျိုးမြင့်ကျော်
	မြတ်ထက်ဟိန်းပုံနှိပ်တိုက်
	အမှတ် (၅)၊ ဈေးလမ်း၊
	တပ်မြေ (၆) ရပ်ကွက်၊ ပုဇွန်တောင်။
အတွင်းဖလင်	❖ ကိုဦး (၀၉၅၁၀၇၀၆၆၃)
မျက်နှာဖုံးနှင့်	❖ APS စီးပွားရေးသင်တန်းကျောင်း
အတွင်းအပြင်အဆင်	
တန်ဖိုး	❖ ၃၀၀၀ ကျပ်

CIP - 006

ဆရာမဒေါ်သက်သက်

လက်တွေ့အသုံးချ အခြေခံစာရင်းကိုင်ပညာ (ပထမပိုင်း) (ဒုတိယပိုင်း) - ရန်ကုန်။

မဇ္ဈိမစာပေ၊ ၂၀၁၃။

စာ - ၁၉၂၊ ၁၈.၄ × ၂၅.၃၈ စင်တီ။

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လက်တွေ့အသုံးချ

အခြေခံစာရင်းကိုင်ပညာ

(ပထမပိုင်း)

(ဒုတိယပိုင်း)

ဆရာမ ဒေါ်သက်သက်

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Book-Keeping and Accounting Level 1

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- အမှာစာ -

ကျွန်မအနေနဲ့ စာဖတ်သူအပေါင်းအတွက် အထောက်အကူတစ်ခုဖြစ်စေရန် ရည်ရွယ်တင်ဆက်လိုက်ပါသည်။ LCCI Level I & II အတွက်အထောက်အကူပြုစာအုပ်၌ မြန်မာပြန်ဆိုထားမှုအချို့ ဆီလျော်စွာ ဖြည့်စွက်ထားပါသည်။ ယခုစာအုပ်မှာ LCCI Level I & II တွင် ပါဝင်သော အခန်းများကို မိမိဘာသာ ဆရာလွတ် လေ့လာနိုင်စေရန် ရည်ရွယ်ပြုစုထားပါသည်။ အခြေခံစာရင်းကိုင်ပညာကိုလေ့လာလိုသူများအတွက် အနည်းအကျဉ်းဖြစ်စေ အထောက်အကူပြုနိုင်စေရန် ရည်ရွယ်ခြင်းဖြစ်ပါသည်။

ဆရာမ ဒေါ်သက်သက်

BOOK KEEPING AND ACCOUNTING (Level - I)

Basic Knowledge

အခြေခံ သိမှတ်စရာများ နှင့် ဝေါဟာရများ

Book-keeping is the systematic recording in their books of account of the business transaction of a business. This recording and keeping work of the account book is called as Book-keeping.

(စီးပွားရေးလုပ်ငန်းတစ်ခု၏ လုပ်ငန်းပိုင်းဆိုင်ရာ လုပ်ဆောင်ချက်များကို သက်ဆိုင်သော စာရင်းစာအုပ်ထဲတွင် စနစ်တကျမှတ်သားထားခြင်းကို ခေါ်သည်။)

Accounting is the process of identifying, measuring, summarizing, recording and communicating economic tranactions. It is also interpreting their effect on the affairs of a business.

(စီးပွားရေးလုပ်ဆောင်ချက်များ၏ အမျိုးအစားခွဲခြားခြင်း၊ တိုင်းတာခြင်း၊ စုပေါင်းတင်ပြခြင်း၊ မှတ်သားထားခြင်းနှင့် ဆက်သွယ်ပေးခြင်းတို့ဖြစ်သည်။ လုပ်ငန်းကိစ္စရပ်များပေါ်တွင် အကျိုးသက်ရောက်မှုများကိုလည်း ပိုင်ရှင်ကို အဓိပ္ပါယ်ရှင်းလင်း ဖော်ပြပေးသည်။)

Assets is all the properties of a business and two type of assets are tangible assets and intangible assets.

(လုပ်ငန်းတစ်ခု၏ ပိုင်ဆိုင်သောပစ္စည်းများအားလုံး "ရပိုင်ခွင့်"များကို ဆိုလိုသည်။ စမ်းသပ်ကိုင်တွယ်၍ရသော **assets** နှင့် ကိုင်တွယ်၍မရသော **assets** ဟူ၍ (၂) မျိုးရှိသည်။)

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Tangible assets include land and buildings, plant and machinery, fixtures and fittings office furniture, stock, investment, debtors and cash.

Intangible assets include goodwill, pantents, copyrights and trademarks.

Capital is the total of money and property supplied to a business by its owner. (owner contribution).

(ငွေနှင့်ပိုင်ဆိုင်ပစ္စည်းများထည့်ဝင်ထားသောသူ- "ပိုင်ရှင်"ဟုခေါ်သည်။)

Liabilities is an amount of money in a business that is owed to someone and has to be paid in the future.

(လုပ်ငန်းအတွက် တစ်စုံတစ်ဦး(သို့)အဖွဲ့အစည်းထံမှ ချေးယူထားသောငွေ၊ လုပ်ငန်းမှ ပေးရန်ရှိသည့်ငွေကိုခေါ်သည်။ (Include loan, Creditor).)

Accounting Equation

(1)	[Assets	=	Capital]
	လုပ်ငန်းသုံးပစ္စည်းများ	=	ပိုင်ရှင်ရင်းနှီးသောငွေ
	(ရပိုင်ခွင့်ရှိသောပစ္စည်းများ)		
	$ 100	=	$100

(2)	[Assets	=	Capital	+	Liabilities (loan)]
	$100	=	$70	+	$30

(3)	[Assets	-	Liabilities	=	Capital]
	$100	-	$30	=	$70

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Example.(1) Mr John buy the Assets for business. (to built a Market).

buy the assets = လုပ်ငန်းသုံးပစ္စည်းဝယ်သည်။

- Purchase for resale(goods)	$	1,000
- Building	$	5,000
- Furniture	$	5,000
- Motor Ven	$	500
- Cash in hand	$	1,000
- Cash in Bank	$	2,000
Total Assets	**$**	**14,500**

∴ Assets = Capital

$ 14,500 = $ 14,500

Credit is a person will pay what he owes. An entry on the right-hand side of an account.

(လူတစ်ယောက်တွင်ပေးဖို့ရှိသောအကြွေးဖြစ်သည်။ အကောင့်၏ညာဘက်တွင်စာရင်းသွင်းရမည်)

Creditor A person or organization to whom money or something is owned for services or goods.

(ကုန်ပစ္စည်းအကြွေးတင်ခြင်း (သို့)ဝန်ဆောင်မှုလုပ်ငန်းများအတွက် ပိုက်ဆံ(သို့) တစ်စုံတစ်ခု အကြွေးပြန်ပေးရန်ရှိသော လူပုဂ္ဂိုလ်၊အဖွဲ့အစည်းများကို လုပ်ငန်း၏မြီရှင် (creditor) ဟုခေါ်သည်။

Example.(2) Mr John buy goods on Credit $ 200.

ကုန်ပစ္စည်းအကြွေးဝယ်လို့ကုန်ပစ္စည်း (stock) လည်းတိုးမည်။

အကြွေးဆပ်ဖို့လည်းတိုးမည်။

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	Assets	=	Capital	+	Libilities
from eg. (1)	$ 14,500	=	$ 14,500	+	0
∴	$ 14,700	=	$ 14,500	+	$ 200

(Note - buy goods - ကုန်ပစ္စည်းဝယ်)
(on credit - အကြွေးဝယ်သည်။)

Example.(3) Owner contributes by cash $ 500.

ပိုင်ရှင်မှရင်းနှီးငွေ $ 500 ထပ်ထည့်သည်။ (Assets တိုး၊ Capital တိုး)

	Assets	=	Capital	+	Libilities
from eg. (2)	$ 14,700	=	$ 14,500	+	$ 200
∴	$ 15,200	=	$ 15,000	+	$ 200

(Note - buy cash - လက်ငင်းဝယ်သည်။)

Example.(4) Buy goods by cash $ 300.

ကုန်ပစ္စည်း $ 300 ဖိုးလက်ငင်းဝယ်လိုက်သည်။ (stock တိုး၊ ငွေလျော့)

	Assets	=	Capital	+	Liabilities
∴	$ 15,200 + $ 300 - $ 300	=	$ 15,000	+	$ 200

Example.(5) Pay creditor by cheque $ 50.

အကြွေးဝယ်ထားသည်ကို ချက်လက်မှတ်ဖြင့် $ 50 အကြွေးပြန်ဆပ်သည်။

	Assets	=	Capital	+	Liabilities
∴	$ 15,200 - $ 50	=	$ 15,000	+	($ 200 - $ 50)
	15,150	=	$ 15,000	+	$ 150

(Paid to by cheque. pay by cheque - ချက်လက်မှတ်ဖြင့်ငွေပေးသည်။)

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eg. (6) **Owner takes cash from business for his own use $ 300.**

ပိုင်ရှင်သည်ကိုယ်ပိုင်သုံးရန်အတွက်လုပ်ငန်းမှငွေထုတ်သုံးသည်။

Assets	=	Capital	+	Liabilities
$ 15,150 - $ 300	=	$ 15,000 - $ 300	+	$ 150
∴ $ 14,850	=	$ 14,700	+	$ 150

(Note - take cash from business = လုပ်ငန်းမှငွေထုတ်ယူသည်။)

Debit is an accounting entry acknowledging sums that are owing. An entry on the left-hand side of account.

Debtors is a person or organization that owes money to another person or organization.
အခြားတစ်ဦး(သို့)အဖွဲ့အစည်းတစ်ခုဆီမှ လုပ်ငန်းကရရန်ရှိသော အကြွေးစာရင်း၊အကြွေးတင်သောလူကို(မြီစား) debtors ဟုခေါ်သည်။

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Double Entry System for Assets, Liabilities and Capital

နစ်ဖက်သွင်း စာရင်းစနစ်

Assets
- Increase - Debit (Assets တွေတိုးရင် Debit side မှာထည့်)
- Decrease - Credit (Assets လျော့ရင် Credit side မှာထည့်)

Liabilities & Capital
- Increase - Credit (Liabilities တွေတိုးရင် Credit side မှာထည့်)
- Decrease - Debit (Laibilities တွေလျော့ရင် Debit side မှာထည့်)

xxxxxxxxx A/C

Debit Side (Dr) — Credit Side (Cr)

Date	Paritcular	Folio	Amount	Date	Paritcular	Folio	Amount

Dr — Assets A/C — Cr

Debit (တိုး)	Credit (လျော့)
+	-
increase	decrease

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Dr	Liabilities & Capital A/C	Cr
Debit (လျှော့)		Credit (တိုး)
+		-
decrease		increase

Double entry book-keeping

Every transaction must be enter twice, once on the debit side in one account and once on the credit side in another account.

လုပ်ငန်းလုပ်ဆောင်ချက်များတိုင်းတွင် စာရင်းနှစ်ကြိမ်သွင်းရမည်။ အကောင့်၏ Debit side တွင် စာရင်းသွင်းပြီးလျှင် နောက်အကောင့်တစ်ခုတွင် Credit side တွင်စာရင်းသွင်းရမည်။

c/d = carrige down (closing balance)

b/d = brough down (opening balance)

Personal Account Accounts used to record transaction with persons.

(လူပုဂ္ဂိုလ်အနေဖြင့် စာရင်းသွင်းလေ့ရှိသော အကောင့်ကိုခေါ်သည်။)

e.g- Debtors, Creditors [Debit side is Receiver. Credit side is Supplier.]

Note - Debtors - မိမိဆီမှကုန်များကိုအကြွေးဝယ်သောသူ (Debit nature)

Creditor - မိမိဆီသို့ကုန်များကို အကြွေးရောင်းသောသူ (Credit nature)

The Receiver လက်ခံရရှိသူ

The Supplier ပေးသွင်းသူ

Real Account is relating to tangible things.

(လက်ဆုပ်လက်ကိုင်ပြနိုင်သောပစ္စည်းများကိုစာရင်းသွင်းသောအကောင့်ကိုခေါ်သည်။)

e.g- Land, Building, Cash, Bank, etc...[Credit-What come out][Debit-What come in].

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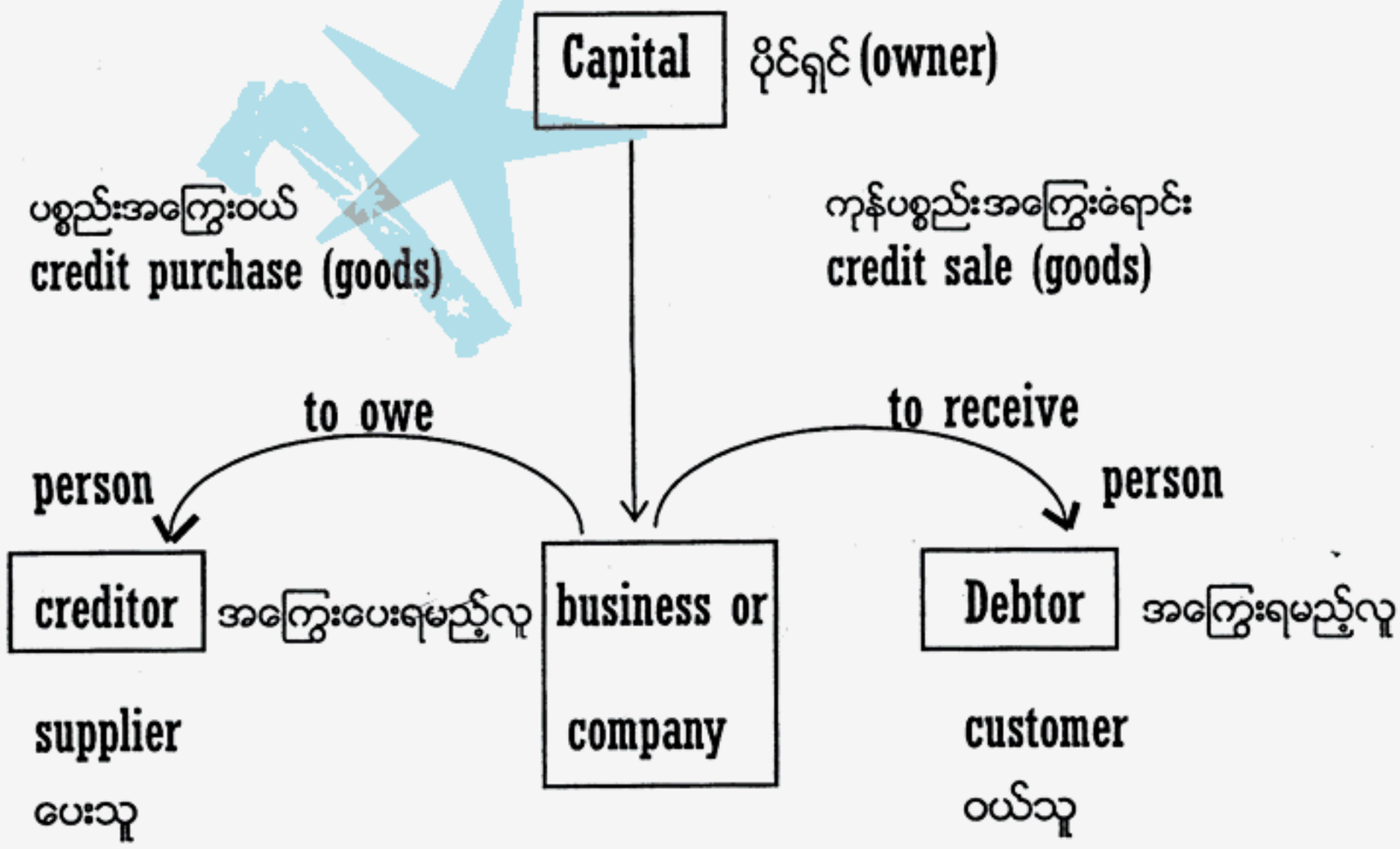
Note - Debit - what come in (ဘာတွေဝင်လာသလဲ debit side မှာသွင်း)
Credit - what come out (ဘာပစ္စည်းတွေထွက်သွားသလဲ credit side မှာ သွင်း)

Nominal Account is relating to gain or losses. It does not bear.
e.g- Rent, Wages, Purchase, Sales, Interest Received, etc.....
(အရှုံးအမြတ်နှင့်သက်ဆိုင်သော အကောင့်များကို စာရင်းသွင်းသော အကောင့်ကို ခေါ်သည်။ လူပုဂ္ဂိုလ် နာမည်များနှင့်မသက်ဆိုင်သော အကောင့်ဖြစ်သည်။)

Debit side - loss / expenses
Credit side - gain / incomes

Dr	A/C Name	Cr
loss expense		gain incomes



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Example(2)

Note 1 Mr John started his business with a capital of £7000.on Jan 1.
Note 2 Jan 1 - He bought office furniture by cheque £ 200.
Note 3 Jan 2 - He bought machinery £ 350 on credit from Winning Way company.
Note 4 Jan 3 - Sold some office furniture £ 100 on credit to Mr.B.
Note 5 Jan 5 - Bought office furniture £ 100 on credit from Sweety Home.
Note 6 Jan 9 - Paid the amount owing to Winning Way company £ 300.
Note 7 Jan 15 - Received the amount due from £ 100 Mr.B.
Note 8 Jan 20 - Took £ 750 out of the bank and put it in the Cash Account.

Debit Capital Account Credit

Date	Paritcular	Folio	Amount	Date	Paritcular	Folio	Amount
31.Jan	closing c/d		7000	Jan.1	Bank 1		7000
			7000				7000
					opening b/d		7000

Note

Amount *များသော* *side* *ကိုကြည့်၍စာရင်းအရင်ပိတ်ရမည်။*
နည်းသော *side* *တွင်* *c/d* *ဖော်ပြ၍နောက်လအစတွင်* *opening* *အဖြစ်စာရင်းသွင်းရမည်။*

Free for All

Bank Account (Assets)

		£			£
Jan-1	Capital	7000	Jan-1	Office furniture	200
Jan-15	Mr.B	100	Jan-9	Winning Way	300
			Jan-20	Cash A/C	750
			Jan-31	Closing c/d	5850
		7100			7100
Feb-1	Opening b/d	5850			

Office furniture Account (Assets)

		£			£
Jan- 1	Bank	200	Jan- 3	Mr.B	100
Jan- 5	Sweety Home	100	Jan- 31	Closing c/d	200
		300			300
Feb- 1	Opening b/d	200			

Machinery Account (Assets)

		£			£
Jan- 2	machinery	350	Jan- 31	closing c/d	350
		350			350
Feb- 1	Opening b/d	350			

Free for All

Winning Way Company (Creditor)

		£			£
Jan- 9	Bank	300	Jan- 2	machinery	350
Jan- 31	closing c/d	50			
		350			350
			Feb- 1	opening b/d	50

Mr.B Account (Debtor)

		£			£
Jan- 3	office furniture	100	Jan- 15	Bank	100
		100			100

Sweety Home Account (Creditor)

		£			£
Jan- 31	closing c/d	100	Jan- 5	Office furniture	100
		100			100
			Feb- 1	opening	100

Free for All

Cash A/C (Assets)

		£			£
Jan- 20	Bank	750	Jan- 31	closing c/d	750
		750			750
Feb- 1	opening b/d	750			

Note for exercise (2)

- Started business with capital £.....(.....ငွေဖြင့် လုပ်ငန်းစတည်ထောင်သည်။)
- Bought by cheque - ချက်လက်မှတ်ဖြင့် ဝယ်သည်။
- Bought on credit from "....." ("....."မှ အကြွေးဝယ်သည်။)
- Sold on credit to Mr.B (Mr.B ထံသို့ အကြွေးရောင်းသည်။)
- Paid to (ငွေပေးလိုက်သည်။ (သို့) ငွေရှင်းလိုက်သည်။)
- Received from (.....ထံမှ ငွေရသည်။)

Note(1) - လုပ်ငန်းသို့ရင်းနှီးငွေ £ 7000 ပိုင်ရှင်မှ ထည့်သွင်းလိုက်သည်။ ပိုင်ရှင်မှ အစတွင် ငွေထည့်လိုက်သည်ဟု ပြောခြင်းမှာ Bank Account ထဲသို့ ထည့်ခြင်းဖြစ်သည်။ ထို့ကြောင့် Bank A/C မှာ ငွေဝင်လို့ Bank A/C မှာ Debit side မှ ထည့် Capital A/C တွင် Credit side မှ ထည့်ရမည်။

Note(2) - ချက်လက်မှတ်ဖြင့် office furniture ဝယ်လိုက်သည်။
ငွေထွက်သွားအတွက် Bank A/C မှာ Credit.
Assets ပစ္စည်းဝင်လာလို့ office furniture A/C မှာ Debit.

Free for All

Note(3) - Winning Way Company မှ စက်ပစ္စည်းအကြွေးဝယ်သည်။
Machinery သည် Assets type ဖြစ်သည်။ Machinery A/C - Debit.
အကြွေးပေးရန်ရှိသော Winning Way Comapany A/C - Credit.

Note(4) - office furniture တချို့ကို Mr.B သို့အကြွေးရောင်းလိုက်သည်။
Assets ပစ္စည်းပြန်ထွက်သွားလို့ office furniture A/C - Credit.
အကြွေးငွေရမည့် Mr.B (Debtor) A/C တွင် Debit ဖြင့်သွင်းရမည်။

Note(5) - office furniture အား Sweety Home မှ အကြွေးဝယ်သည်။
Assets တိုးလို့ office furniture A/C - Debit.
အကြွေးပေးရန်ရှိသော Sweety Home (Creditor) A/C - Credit.

Note(6) - Winning Way company သို့အကြွေးပြန်ပေးလိုက်သည်။
အကြွေးလျော့သွားလို့ creditor A/C (Winning Way) မှာ - Debit.
ငွေပေးလိုက်သည့်အတွက် Bank A/C (Assets) မှာ - Credit လျော့။

Note(7)- အကြွေးရောင်းထားသော Mr.B ထံမှ ငွေရရှိသည်။
ငွေရ၍ Bank A/C - Debit တိုး
Mr.B A/C - Credit လျော့

Note(8) - Bank မှ ငွေထုတ်ပြီး ငွေသားအကောင့်သို့ ထည့်လိုက်သည်။
Bank A/C - Credit (ငွေလျော့)
Cash A/C - Debit (ငွေရ)

Free for All

Double Entry system for Stock

Stocks

Debit တိုး	Stock of goods (Assest Type)		Credit လျော့
purchase -	ကုန်ပစ္စည်းဝယ်	sale -	ကုန်ပစ္စည်းရောင်း
sale return (return inward)	ရောင်းပြီးပစ္စည်း customer ဆီမှ ပြန်ပို့ခြင်း	purchase return - (return outward)	ဝယ်ပြီးပစ္စည်းပြန်ပို့ (ပစ္စည်းလျော့)

Credit - sale of goods/ purchase return
Debit - purchase of goods/ sale return

Sale A/C	Sale return A/C	Purchase A/C	Purchase return A/C
x	x	xx	xx

Example(3)

Note(1)	Sep-1 -	Started business with £ 20,000 in the bank.
Note(2)	Sep-2 -	Goods bought on cash £ 1,000.
Note(3)	Sep-3 -	Goods bought on credit £ 1,200 from Mr.A.
Note(4)	Sep-4 -	Took £ 750 of the bank and paid it into the cash.
Note(5)	Sep-6 -	Sold goods on credit £ 800 to Mr.B.
Note(6)	Sep-10 -	Bought machinery by cheque £ 1,000.
Note(7)	Sep-14 -	Bought motor Ven on credit £ 1,500 from Auto Service.
Note(8)	Sep-17 -	Sold good on cash £ 500.
Note(9)	Sep-20 -	Returned some goods to Mr.A £ 500.
Note(10)	Sep-20 -	Paid to Auto Service £ 1,500.
Note(11)	Sep-25 -	Owner put a futher £ 500 into the Bank.

Free for All

Note(12) Sep-27 - Goods returned to us by Mr.B £ 200.
Note(13) Sep-30 - Goods receive £ 150 from Mr.B.
Note(14) Sep-30 - Bought furniture on credit £ 100 from Kingstone Equiment.
Note*** Bought on cash - လက်ငင်းဝယ်သည်။
Sold on cash - လက်ငင်းရောင်းသည်။

Capital

	£			£
Closing c/d	25000	Sep-1	Bank	20,000
		Sep-25	Bank	500

Bank A/C (Assets)

		£			£
Sep-1	capital	20,000	Sep-2	purchase	1,000
Sep-25	capital	500	Sep-4	cash	750
			Sep-10	machinery	1,000
			Sep-20	Auto service	1,500
				Closing c/d	20750

Cash A/C (Assets)

		£		£
Sep-4	Bank	750	Closing c/d	1250
Sep-17	Sale	500		

Sale A/C

	£			£
Closing c/d	1300	Sep-6	Mr.B	800
		Sep-17	cash	500

Free for All

Motor Ven (Assets)

		£			£
Sep-14	Auto service	1,500		Closing c/d	1500

Purchase Return A/C

		£			£
	Closing c/d	500	Sep-20	Mr.A	500

Purchase A/C (Assets)

		£			£
Sep-2	Bank	1,000		Closing c/d	2200
Sep-3	Mr.A	1,200			

Mr.A (Creditor)

		£			£
Sep-20	purchase return	500	Sep-3	purchase	1,200
	Closing c/d	700			

Mr.B A/C (Debitor)

		£			£
Sep-6	Sales	800	Sep-27	sale return	200
			Sep-30	sale return	150
				Closing c/d	450

Machinery (Assets)

		£			£
Sep-10	Bank	1,000		Closing c/d	1000

Free for All

Auto Service

		£			£
Sep-20	Bank	1,500	Sep-14	motor ven	1,500

Sale Return A/C

		£		£
Sep-27	Mr.B	200	Closing c/d	350
Sep-30	Mr.B	150		

Furniture A/C

		£		£
Sep-30	Kingstone	100	Closing c/d	100

Kingstone Equipment

		£			£
	Closing c/d	100	Sep-30	Fruniture	100

Note***

Note(1)	Bank A/C	-	Debit (Dr)
	Capital A/C	-	Credit (Cr)
Note(2)	Purchase A/C	-	Dr (ပစ္စည်းတိုး)
	Bank A/C	-	Cr (ငွေလျော့)
Note(3)	Purchase A/C	-	Dr (ပစ္စည်းတိုး)
	Mr.A A/C	-	Cr (အကြွေးတိုး)
Note(4)	Cash A/C	-	Dr (ငွေဝင်)
	Bank A/C	-	Cr (ငွေလျော့)
Note(5)	Sale A/C	-	Cr (အရောင်းတိုး)
	Mr.B A/C	-	Dr (ငွေရရန်တိုး)

Free for All

Note(6)	Machinery A/C	-	Dr (ပစ္စည်းတိုး)
	Bank A/C	-	Cr (ငွေလျှော့)
Note(7)	Motor Ven A/C	-	Dr (ပစ္စည်းတိုး)
	Auto Service A/C	-	Cr (အကြွေးတိုး)
Note(8)	Cash A/C	-	Dr (ငွေတိုး)
	Sale A/C	-	Cr (အရောင်းတိုး)
Note(9)	Purchase A/C	-	Cr (ပစ္စည်းလျှော့)
	Purchase returnA/C	-	Dr (ပြန်ပို့စာရင်းမှာတိုး)
Note(10)	Auto service A/C	-	Dr (အကြွေးပေးရန်လျှော့)
	Bank A/C	-	Cr (ငွေလျှော့)
Note(11)	Capital A/C	-	Cr (ရင်းနှီးငွေတိုး)
	Bank A/C	-	Dr (ငွေတိုး)
Note(12)	Sale return A/C	-	Dr (အရောင်းစာရင်းလျှော့)
	Mr.B A/C	-	Cr (အကြွေးရရန်လျှော့)
Note(13)	Bank A/C	-	Dr (ငွေတိုး)
	Mr.B A/C	-	Cr (ရရန်ရှိလျှော့)
Note(14)	Furniture A/C	-	Dr (ပစ္စည်းတိုး)
	Kingstone Equipment	-	CR (အကြွေးတိုး)

Free for All

Double Entry for Expenses, Incomes and Profit or Loss

Expenses - Costs of operating the business.
လုပ်ငန်းတွင်းလည်ပတ်သုံးစွဲသောကုန်ကျငွေဖြစ်သည်။
eg. Rent, Wages, Salaries, Telephone, Insuranus, Machinery, Sundry expenses, Repairs, Interest, Sale Commission, Printing and Stationary, Postage, Maintenance, Entertainment, Discount Allowed.

Incomes - Value of goods or services supplies to the customer.
eg. Rent receivable, Discount Receive, Commission receivable.

Profit- The excess of the selling price over the cost of providing the goods or service sold.
ဝန်ဆောင်မှု(သို့)ကုန်ပစ္စည်းရောင်းချမှုတွင်ကုန်ကျငွေထက်ပိုရသောငွေ(အမြတ်ငွေ)ဖြစ်သည်။

Losses - The amount by which the expenses of a transaction or operation exceed the income produced.
လုပ်ငန်းလည်ပတ်မှုတွင်ရရှိသောဝင်ငွေထက်အသုံးစရိတ်ပမာဏက ပိုများနေသောငွေ(အရှုံးပေါ်ခြင်း)ဖြစ်သည်။

Decrease (Debit)	Profit and Loss A/C	Increase (Credit)
- Expense - Loss - Drawing		- Income - Profit/gain

Drawing - is owner take out from his capital for use himself.
ပိုင်ရှင်သည်သူကိုယ်ပိုင်သုံးရန်အတွက်သူ၏ရင်းနှီးငွေထဲမှငွေထုတ်ယူသည်။

Free for All

Example(4) Enter the below transaction, completing the double entry in book.

1.	May-1	Started business with £ 5,000 in the cash book.
2.	May-2	Purchase goods £ 1,200 on credit from Great Co.,
3.	May-3	Bought fixtures £ 100 paying by Cash.
4.	May-6	Sold goods for cash £ 470.
5.	May-8	Bought goods on credit £ 100 from Lion Smith.
6.	May-10	Owner took cash for private use £ 50.
7.	May-11	Paid telephone bill by cash £ 5.
8.	May-14	Bought Sundry Expense by cash £ 70.
9.	May-18	Sold goods on credit to Golden Star £ 500.
10.	May-20	Paid rent by cash £ 15.
11.	May-25	Paid insurance by cash £ 71.
12	May-31	Paid wages by cash £ 300.

Capital A/C

		£			£
May-31	Closing c/d	5000	May-1	Cash	5,000

Purchase

		£			£
May-2	Great Co.,	1,200	May-31	Closing c/d	1300
May-8	Lion Smith	100			

Furniture

		£			£
May-3	Cash	100	May-31	Closing c/d	100

Free for All

Lion Smith

		£			£
May-31	Closing c/d	100	May-8	purchase	100

Telephone Bill

		£			£
May-11	cash	5	May-31	Closing c/d	5

Golden Star

		£			£
May-18	sale	500	May-31	Closing c/d	500

Wages

		£			£
May-31	cash	300	May-31	Closing c/d	300

Great Co.,

		£			£
May-31	Closing c/d	1200	May-2	purchase	1,200

Free for All

Cash A/C

		£			£
May-1	capital	5,000	May-3	Furniture	100
May-6	sale	470	May-10	Drawing	50
			May-11	Telephone	5
			May-14	Sundry	70
			May-20	Rent	15
			May-25	insurance	71
			May-31	wages	300
			May-31	Closing c/d	4859

Sale A/C

		£			£
May-31	Closing c/d	970	May-6	cash	470
			May-18	Golden Star	500

Drawing

		£			£
May-10	Bank	50	May-31	Closing c/d	50

Sundary

		£			£
May-14	cash	70	May-31	Closing c/d	70

Free for All

Rent

		£			£
May-20	cash	15	May-31	Closing c/d	15

Insurance

		£			£
May-25	cash	71	May-31	Closing c/d	71

Note (1)	Bank A/C	-	Dr
	Capital A/C	-	Cr
Note (2)	Purchase A/C	-	Dr
	Great Co., A/C	-	Cr
Note (3)	Furniture A/C	-	Dr
	Cash A/C	-	Cr
Note (4)	Sale	-	Cr
	Cash	-	Dr
Note (5)	Purchase A/C	-	Dr
	Lion Smith	-	Cr
Note (6)	Drawing A/C	-	Dr
	Cash	-	Cr
Note (7)	Telephone A/C	-	Dr
	Cash A/C	-	Cr
Note (8)	Sundary A/C	-	Dr
	Cash A/C	-	Cr
Note (9)	Sale A/C	-	Cr
	Golden Star A/C	-	Dr

Free for All

Note (10)	Rent A/C	-	Dr
	Cash A/C	-	Cr
Note (11)	Insurance A/C	-	Dr
	Cash A/C	-	Cr
Note (12)	Wages A/C	-	Dr
	Cash A/C	-	Cr

7Star BOOKSHOP

Free for All

The Trial Balance (အစမ်းရှင်းတမ်း)

A list of the balances on all the accounts of a business with debit balances in one coloum and credit balance in the other.

The totals of Debit coloum and credit coloum should be the same.

(လုပ်ငန်း၏အကောင့်တစ်ခုခြင်းစီမှပေါ်လာသော လက်ကျန်စာရင်းများကို Debit side တွင် ပေါ်ပါက Debit ဘက်တွင် စာရင်းပြုစု၍ Credit side တွင် ပေါ်ပါက Credit ဘက်တွင် စာရင်းထည့် ရမည်ဖြစ်သည်။ Trail Balance တွင် Debit စုစုပေါင်းနှင့် Credit စုစုပေါင်းသည် ညီရမည်)

(Figures reffered from example (4) transaction)

Trail Balance format

"Company Name " Trail Balance as at .....

Account Name	Debit Balance	Credit Balance
	£	£
Capital A/C		5,000
Cash A/C	4,859	
Purchase A/C	1,300	
Furniture A/C	100	
Sales A/C		970
Lion smith (creditor)		100
Drawing	50	
Telephone Bill	5	
Sundary	70	
Golden Star (Debtor)	500	
Rent	15	
Wages	300	
Insurance	71	
Great Co.,		1,200
	7,270	7,270

Free for All

Profit and Loss Account and Balance Sheet

Profit and Loss (or) Income Statement

To show operational result of a period.It is also known as profit and loss account. (ကာလအပိုင်းအခြားအတောအတွင်းလုပ်ငန်းလည်ပတ်မှုအရှုံးအမြတ်ကို ဖော်ပြသော စာရင်းတစ်ခုဖြစ်သည်။

"Format of Profit and Loss A/C "

Profit and Loss Account for the year ended .....

		$	
(1)	Sales Revenue(or) Net sales	x	(အသားတင်ရောင်းရငွေ)
(2)	Cost of sale	(x)	(အရောင်းကုန်ကျစရိတ်)
(3)	Gross Profit	x	(အကြမ်းဖျင်းအမြတ်)
(4)	Other incomes	x	(အခြားဝင်ငွေ)
(5)	Distribution costs	(x)	(ပစ္စည်းဖြန့်ဝေခြင်းကုန်ကျစရိတ်)
(6)	Administrative expense	(x)	(ရုံးတွင်းပိုင်းကုန်ကျစရိတ်)
(7)	Other Expenses	(x)	(အခြားကုန်ကျစရိတ်)
(8)	Profit from operation	x	(လုပ်ငန်းလည်ပတ်မှုမှအမြတ်ရငွေ)
(9)	Interest incomes	x	(အတိုးဝင်ငွေ)
(10)	Interest expense	(x)	(အတိုးပေးငွေ)
(11)	Profit before tax	x	(အစိုးရသို့အခွန်မဆောင်ခင်အမြတ်ငွေ)
(12)	Income tax expense	(x)	(ဝင်ငွေခွန်ကုန်ကျငွေ)
(13)	Profit for the Year	x	(ယခုနှစ်၏အမြတ်ငွေ)

(OR)

Free for All

"Format of Profit and Loss A/C "

Profit and Loss Account for the year ended .....

	£	£	£
Sales		x	
(-) returns inwards		(x)	x
(-) Cost of goods sold			
Opening stock		x	
purchase	x		
(+)carriage inwards	x		
(-) return outwards	(x)	x	
(-) closing stock		(x)	x
Gross Profit			xx
(+)Income			x
(-) expenses			(x)
Net Profit			x

Working Note

(1) Sale revenue (Net Sale) = Sales - Sale return

(2) Cost of Sales =(opening stock+purchase+carriage inward-purchase return-closing stock)

(3) Gross profit = Net sale - cost of Good sold

(4) Other incomes (Discount receive, commission receivable, Interest receivable, Rent receivable)

Balance Sheet - A statement of the total assets, libilities and capital a t an business at last day of the accounting period and to show financial position.

(နောက်ဆုံးရက်တွင်ကျန်ရှိသော ရပိုင်ခွင့်ပစ္စည်းများ၊ငွေများ၊ပေးရန်ရှိသောပစ္စည်းများ(ငွေများ)နှင့် ဘဏ္ဍာရေးအခြေအနေကိုဖော်ပြပေးသောလက်ကျန်ရှင်းတမ်းစာရင်းဖြစ်သည်။)

"Company Name"

Balance sheet as at .....

ASSETS	£	£
None-Current Assets		
Land and Building	x	
Plant and Machinery	x	
Fixtures and Fittings	x	
Goodwill	x	
Other intangible assets	x	
		x
Current Assets		
Inventories (stock)	x	
Trade receivable (Debtors)	x	
Other current assets	x	
Cash and Bank	x	
		x
Total Assets		xx
Current Libilities		
Trade and other pay ables (creditors)	x	
Short term loan(ကာလတိုချေးငွေ)	x	x
Non-Current Libilities		
Debentures	x	
Long-term loan(ကာလရှည်ချေးငွေ)	x	X
Finance by		
Capital	x	
+ Profit for the year	x	
(-) Drawing	(x)	x
		xx

Free for All

(Trading Profit and loss A/C and Balance Sheet are call Final Account.)

Example (5)- The following Trial Balance was extracted from the book of Mr.John on April 2011. Prepare his Income statement for the year ended 30 April 2011 and a Balance sheet at that date.

	Dr £	Cr £
Sale		17,500
Purchase	11,446	
Stock 1-May-2010	3,776	
Carriage inwards	234	
Carriage outwards	326	
Return inwards	440	
Return outwards		550
Salaries and wages	2500	
Motor expenses	664	
Rent	550	
Administrative expenses	1210	
Fixtures and fittings	600	
Motor Vechicles	2500	
Creditors		3171
Debitors	4500	
Cash in hand	150	
Cash at Bank	3800	
Drawings	2025	
Capital		13500
	34721	34721

Inventories (stocks) at 30 Aripl 2011 was £ 4950.
Prepare for the Profit and Loss Account and Balance Sheet.

Free for All

"Working Note"

Sale revenue (Net Sale) = Sale - Sale return
= £ 17500 - £ 440
= £ 17060

Cost of sale = opening stock + purchase + carriage inward- purchase return - closing stock
= £ 3776 + £ 11446 + £ 234 - £ 550 - £ 4950
= £ 9956

Other expenses = £ 2500 + £ 664 + £ 550 +£ 326
= £ 4040

Profit and loss for the year ended 30 April 2011

	£
Sales Revenue(or) Net sales	17,060
Cost of sale	(9,956)
Gross Profit	7,104
Other incomes	-
Distribution costs	-
Administrative expense	(1,210)
Other Expenses	(4,040)
Profit from operation	1,854
Interest incomes	-
Interest expense	-
Profit before tax	1,854
Income tax expense	(-)
Profit for the Year	1,854

Free for All

(OR)

Profit and Loss Account for the year ended .....

	£	£	£
Sales		17500	
(-) returns inwards		(440)	17060
(-) Cost of goods sold			
Opening stock		3776	
purchase	11446		
(+)carriage inwords	234		
(-) return outwards	(550)	11130	
(-) closing stock		(4950)	(9956)
Gross Profit			7104
(+)Income			-
(-) expenses			
Carriage outwards		326	
Salary and wages		2500	
Motor expenses		664	
Rent		550	
Administative		1210	(5250)
Net Profit			1854

Free for All

"Mr.John"

Balance Sheet as at 30 Aripl 2011.

ASSETS	£	£
Non Current Assets		
Fixture and fittings	600	
Motor Vehicles	2500	
		3100
Current Assets		
Inventories	4950	
Debitor	4500	
Cash in hand	150	
Cash at bank	3800	
		13400
Total Assets		16500
Current Libilities		
Creditor		3171
Finance by		
Capital	13500	
(+) Profit for the year	1854	
(-) Drawing	(2025)	
		13329
		16500

Free for All

The principles and Rules of Accounting

(a). Books of prime entry or Day Book.

* A book or record in which certain types of transaction are recorded before becoming part of the double-entry book keeping system.

Double entry Book ထဲသို့မသွင်းမီ ခွဲခြားသတ်မှတ်ထားသော အမျိုးအစားများအတိုင်း အရင်စာရင်းသွင်းထားသော စာအုပ်ကိုခေါ်သည်။

The books of price entry are known as the "Day books Journal and cash books.

* Sales and purchases journals.
* Return inwards and outwards journals.
* Cash books
* Journal

(b) Double entry to ledger

* Sale ledger
* Purchase ledger
* General ledger
* Cash Book

(c) Trial Balance (အစမ်းရှင်းတမ်း)

(d) Income Statement (profit and loss) (အရှုံးအမြတ်စာရင်း)

(e) Balance Sheet (or) final accounts (လက်ကျန်ရှင်းတမ်း)

Type of Account		Type of Ledger
Personal Account		
(i) Debitor A/C	⟶	Sale Ledger
(ii) Creditor A/C	⟶	Purchase Ledger

Free for All

Real Account
(i) Assets A/C
(ii) Stock A/C

Nominal Account
(i) Expenses A/C

} → General ledger

Cash and Bank A/C → Cash Book/petty cash book

Journal - A book of prime entry in which transfer to be made from one account to another are recorded.

- Mr John started business with £ 5000 in the bank at Jan-1.

Dr	Capital	Cr
		5000

Dr	Bank	Cr
5000		

Journal Format

Date	Description	folio	Debit	Credit
			£	£
Jan-1	Bank		5000	
	Capital			5000
	[Being capital at the bank at this date]			

Free for All

Example-

1 June 'AA' paid £ 10000 into bank as capital.
3 June He bought a machine £ 3000 by cheque.
4 June Bought goods from J Brew on credit £ 1700.
6 June Sold goods to ArrFu on credit 1200.
8 June Withdrew £ 700 from bank.

Show the Journal entry necessary to record the above items.

'Journal'

Date	Particular	Folio	Debit	Credit
1-June	Bank		10000	
	Capital			10000
	(Being Bank and capital at this date)			
3-June	Machine		3000	
	Bank			3000
	(Being bought a machine at this date)			
4-June	Pruchase		1700	
	J Brew			1700
	(Being bought goods on credit at this date)			
6-June	Mr.Arr Fu		1200	
	Sale			1200
	(Being sold goods on credit at this date)			
8-June	Drawing		700	
	Bank			700
	(Being drawing at this date)			

Free for All

Parchases Day Book (PDB) -Each purchase (except cash purchases) will be entered in the purchase day book.

(နေ့စဉ်အကြွေးဝယ်သောကုန်ပစ္စည်းငွေစာရင်းကိုမှတ်ထားသောစာအုပ်ဖြစ်သည်။)

Purchase day book is a record book not an account.

Example-

1-Jan	Bought Goods on Credit from Mr.Roller	£ 5000
7-Jan	Bought Goods on Credit from Mr.Jone	£ 3000
13-Jan	Bought Goods on Credit from Ms.Rosy	£ 8000
31-Jan	Prepare purchase day book and ledgers.	

Purchase Day Book

Date	Invoice & Supplier's name		folio	Amount
				£
1-Jan	xxx	Mr.Roller		5000
7-Jan	xxx	Mr.Jone		3000
13-Jan	xxx	Ms.Rosy		8000
31-Jan		To purchase ledger		16000

Dr **General ledger (Purchase A/C)**

		£	
31-Jan	purchase day book	16000	

Free for All

Mr.Roller

		£
1-Jan	purchase	5000

Ms.Jone

		£
7-Jan	purchase	3000

Ms.Rosy

		£
7-Jan	purchase	8000

Purchase Returns Day Books

example : 1-Feb Returned goods to Mr.Roller £ 500.
20-Feb Returned goods to Ms. Rosy £ 2000.

Purchase Returns Day Books

Date	Supplier & Invoice	Folio	£
1- Feb	Mr.Roller		500
20-Feb	Ms.Rosy		2000
28-Feb	Purchase returns ledgers		2500

Mr.Roller

		£
1-Feb	Prushase return	500

Free for All

Ms.Rosy

		£		
1-Feb	Purchase return	2000		

Purchase Returns Account (General Ledger)

		£
	28-Feb purchase return day book	2500

Sales Day Book Eash sale(except cash sales) will be entered in this sales day book.

(နေ့စဉ်အကြွေးရောင်းသောစာရင်းများကိုစာရင်းသွင်းရသောစာအုပ်ကိုခေါ်သည်)

Sales Day Book

Date	Customer & Invoice	Folio	Amount
1-Jan	Mr.John		3000
11-Jan	Mr.Paw		8000
31-Jan	Sales Ledger		11000

Mr.John (Debitor)

		£		£
1-Jan	Mr.John	3000		

Mr.Paw (Debitor)

		£		£
11-Jan	Mr.Paw	8000		

Free for All

General Ledger (sale A/C)

	£			£
		31-Jan	Sales day book	11000

* S.R = Sale return
* P.R = Pruchase return

Sale Return Day Book

Date	Customer & Invoice	Folio	Amount
1-Feb	Mr.John		100
20-Feb	Mr.Paw		500
28-Feb	General Ledger		600

Mr.John

		£
1-Feb	Sale Return	100

Mr.Paw

		£
20-Feb	Sale Return	500

General Ledger (Sale Return A/C)

		£	
28-Feb	Sale Return Day Book	600	

Free for All

Book of Original entry (Cash Book)

Cash Book - A book in which bank, cash transactions are recorded. These include receipts and payments as well as other expense and other income etc....
ငွေအဝင်အထွက်စာရင်းများ၊ အသုံးစာရင်းများနှင့် အခြားငွေအဝင်စာရင်းများကို ရေးမှတ်ရသော စာအုပ်ဖြစ်သည်။

Two coloum cash book - A cash book that records receipts and payments made but does not record discounts allowed and discounts received.
ဘဏ်စာရင်းနှင့်ငွေစာရင်းအဝင်အထွက်များကိုရေးမှတ်ပြီးငွေလျှော့ပေးခြင်းနှင့်ရခြင်းများမပါဝင်ပါ။

Debit — Credit

Date	Particular	folio	Cash	Bank	Date	Particular	folio	Cash	Bank
	Cash receipt		x	x		Payment		x	x

Three coloum cash book - A cash book in which details of Discounts allowed and Discounts received are included in addition to receipts and payments made.ဤစာအုပ်တွင် Bank,Cash စာရင်းများနှင့် Discount စာရင်းများထည့်သွင်းရေးမှတ်သည်။

Three Coloum Cash Book

Date	Particular	D.A	Cash	Bank	Date	Particular	D.R	Cash	Bank
	Cash receipt		x	x		Payment		x	x
	Discount Allowed	x				Discount Received	x		

Note - Sales of Good on Credit ——— Debitor —— Discount Allowed.
Sales of Good on Credit ——— Creditor —— Discount Received.

Free for All

Example 1-Jan Goods sold on credit to Ms.Will £ 200
Sales allowed for 5% cash discount for payment.
6-Jan Ms.Will pay debt by cheque.

Ms.Well (Debtor)

		£			£
1-Jan	Sale	200	6-Jan	Cash	190
			6-Jan	Discount Allowed	10

Example 1-Jan Goods purchase from Ms.Rosy £ 300.
By paying within 14 days receive a cash discount 10%
13-Jan We paid Ms.Rosy by cheque.

Ms. Rosy (Creditor)

		£			£
13-Jan	Bank	270	1-Jan	purchase	300
13-Jan	Discount Received	30			

Discount Allowed (Expenses)

		£
6-Jan	Ms.Will	10

Discount Received (Income)

			£
13-Jan	Ms.Rosy		30

Free for All

Three Coloum Cash Book

Date	Particular	D.A	Cash	Bank	Date	Particular	D.R	Cash	Bank
6-Jan	Ms.Will	10	190		13-Jan	Ms.Rosy	30		270

Exercise Write up three coloum cash book. Post the totals of discount allowed and discount received from the cash book into the discount allowed and discount received accounts.

-Mr John commenced his business on 1-January with the capital amounitiny £ 50000 cash inhand and £ 80000 at bank.

3-Jan Bought goods by cash £ 4000.
5-Jan Sold goods to Mr.B on credit £ 5000.
7-Jan Withdrew from bank and kept it in business £ 2000.
9-Jan Bought Premises by cash £ 10000.
11-Jan Received a cheque from Mr.B £ 5000.
The cash settlement discount allowed £ 400.
13-Jan Rent office room by cheque £ 1500.
31-Jan Prepare the cash book showing closing balances.

Three Coloum Cash Book

Date	Particular	folio	D.A	Cash	Bank	Date	Particular	folio	D.R	Cash	Bank
1-Jan	Capital			50000	80000	3-Jan	Purchase			4000	
7-Jan	Bank	C		20000		7-Jan	Cash	C			20000
11-Jan	Mr.B		400		5000	9-Jan	Premise			10000	
						13-Jan	Rent office				1500
						31-Jan	Balance c/d		400	56000	63500
			400	70000	85000				400	70000	85000
Feb Balance			400	56000	63500						

Free for All

Note(1) Discount Allowed £ 400 transfer to Discount Allowed Account Debit Side.

Discount Allowed	
£	
400	

Petty Cash Book

Petty Cash book is a cash book to pay small items of expenses. A book used to record petty cash transactions. It is usually kept in an imprest system. Imprest system where a restore is made of the total paid out in the period.

(အသုံးစရိတ်ငယ်များကို ငွေထုတ်ပေးရသော ငွေစာရင်းစာအုပ်ဖြစ်သည်။ ထိုငွေစာရင်းစာအုပ်တွင် ပြန်ဖြည့်ပေးသောစနစ်ကို အသုံးပြုသည်။ ပြန်ဖြည့်ပေးသောစနစ်ဆိုသည်မှာ ကာလပိုင်းခြားတစ်ခု အတွင်းသုံးလိုက်သော (သို့)ငွေပေးလိုက်သော ပမာဏအတိုင်း main cash book မှ သုံးသလောက်ပြန်ဖြည့်ပေးသောစနစ်ဖြစ်သည်။

Rule of entry

(1) Main cash book paid to petty cash book.
Debit - Petty cash book
Credit - Main cash book (Cash)

(2) Expense paid by petty cash.
Debit - Expenses account
Credit - Petty cash

Free for All

Example

Oct-1	Main cash book put to petty cash book	£	100
Oct-1~15	Petty cash paid to expenses	£	(20)
Oct-15	Petty cash balance	£	80
Oct-16	Added to petty cash from main cash book	£	20
		£	100
Oct-16	Petty cash paid to expenses	£	(50)
Oct-31	Petty cash balance	£	50
Nov-1	Added to petty cash from main cash book	£	50
		£	100

Exercise

Mr.John keeps his petty cash on the imprest system.
The petty cashier started £ 20 as an initial advance at 1 June.
The expenditures are as below. Prepare A petty cash book and petty cash accounts in relation with it.

3-June	Paid motor vehicle expenses £ 32
5-June	Purchase stationary £ 11.50
8-June	Purchase postage stamps £ 8.90
11-June	Paid travelling expenses £ 11
16-June	Pard Ms.Rosy, a creditor £ 20.30
21-June	Purchase stationary £ 15.20
27-June	Pruchase petrol £ 14
30-June	Payment of charge for postage expenses £ 13.50

At 1-July the cashier restored the cash for the next period.
Q(a) Prepare a petty cash book and petty cash accounts in relation with it.

Debit Credit "Petty Cash Book"

Date	Received	Date	Details	Vr. No.	Total	Motor Ven	Stationary	Postage Stamp	Travelling	Petrol	folio	Ledger
£	£	£	£	£		£	£	£	£	£	£	£
1-June	200	3-June	Motor Vehicle		32	32						
	initial	5-June	Stationary		11.50		11.50					
		8-June	Postage stamp		8.90			8.90				
		11-June	Travelling		11				11			
		16-June	Ms.Rosy		20.30							20.30
		21-June	Stationary		15.2		15.2					
		27-June	Petrol		14					14		
		30-June	Postage		13.50			13.50				
					126.4	32	26.7	22.4	11	14		20.30
		30-June	balance c/d		73.6							
	200				200							
1-July	Balance b/d 73.6											
	126.4											

ငွေထပ်ဖြည့်ခြင်း

Q(b) State the ledger to which the total of each analysis coloum will be posted.

General Ledger

Motor Vechicle Exp:

	£
30-June Petty Cash Book	32

Free for All

Free for All

Stationary Expenses

		£	
30-June	Petty Cash Book	26.7	

Postage Stamp expenses

		£	
30-June	Petty Cash Book	22.4	

Travelling expenses

		£	
30-June	Petty Cash Book	11	

Petrol expense A/C

		£	
30-June	Petty Cash Book	14	

Purchase Ledger

Ms.Rosy A/C

		£	
30-June	Petty Cash Book	20.30	

Free for All

Exercises

Exercise(1) Classify the following item into Liabilities and Assets.

(a) Machinery
(b) Cash in hand
(c) Loan from D Jones
(d) Stock of goods
(e) Premises
(f) Creditors for goods
(g) Debtors
(h) Owing to bank
(i) Motor Vehicles
(j) We owe for goods

Exercise(2) Complete the gaps in the following table.

	Assets	Liabilities	Capital
	£	£	£
(a)	75600	5000	(?)
(b)	28000	(?)	16450
(c)	(?)	17200	39750
(d)	11650	(?)	9985

Exercise (3)

Entry the following transactions in the records of Mr.Simon.

2012

Nov-1 Start Business with £ 5000 in the banks.
2 Bought goods on credit from Mr.Shaw £ 900.
3 Bought goods on credit from D.Moore £ 350.
7 Sold goods for cash £ 190.

Free for All

8 Sold goods on credit from H.Morgan £ 150.
9 Returned goods to Mr.Shaw £ 50.
17 Take £ 280 of the cash and paid it into the bank.
20 Bought machinery by cheque £ 550.
21 H.Morgan returned to us £ 38.
23 Bought motor vehicle on credit from Auto Service £ 600.
24 We paid Mr.Shaw by cheque £ 850.

Exercises (4)

Enter the following transactions in double entry.

Year 2011

Jan- 1 Started business with £ 8000 in the bank.
2 Bought stationary by cheque £ 20.
3 Bought goods on credit from B.Hanson £ 900.
4 Sold goods for cash £ 180.
5 Paid insurance by cash £ 60.
8 Bought machinery on credit from 8W. Jone £ 700.
9 Paid for machinery expenses by cheque £ 50.
11 Sold goods on credit to D.small £ 300.
13 Received by cheque from D.small £ 300.
19 Paid rent by cash £ 30.
24 Paid by cheque to B.Hanson £ 500.
25 Received goods from D.small £ 30.
26 Paid salaries by cheque £ 250.
30 Proprietor take out from bank for himself £ 500.

Free for All

Exercises (5)

Statement a trial balance as at 31-Jan-2011. Using the balance of all accounts of exercise (4) transactions.

Exercise (6)

The following Trail Balance had been extracted form the ledger of Mr S Morgan.

Trail Balance at 28-Feb-2012

	Dr(£)	Cr(£)
purchases	155000	
sales		281590
stock, 1-March-12	11000	
return's outwards		4550
heat & lighting	2950	
salaries & wages	38990	
administrative expenses	7800	
premiser	108000	
furniture & fitting	35000	
motor vehicles	18500	
debitors	21000	
bank	1200	
cash	150	
creditros		22000
loan		7800
drawing	5600	
capital		92250
	408190	408190

Inventory stocks at 28-Feb-2012 was valued at £ 16150.

Required,

Prepare a trading profit and loss account for the year ended 28-Feb-2012 and balance sheet at that date of the following trial balance form.

Free for All

Exercise (7)

Mr.John is a sole trader. Who records all his cash and bank transactions in a three coloum cash book. A 1-Nov-Year 10.

Cash in hand £ 78 and bank overdraft £ 1690 balance had in her account. The following are Mr.John transactions for the month of Nov-Year-10.

Year	
Nov-2	Received a cheque of £160 from Mr.D in full settlement of a debt of £168.
Nov-9	Cash sales receive by cheque £ 2110.
Nov-10	Drew a cheque £ 89 for insurance.
Nov-12	Paid £ 55 cash for postage stamp.
Nov-14	Paid to Mr.C the sum of £ 80 by cheque in settlement of an amount owed to him of £ 95.
Nov-18	Cash sale receive £ 1250.
Nov-19	Drew cheque for rent £ 160.
Nov-24	Received a cheque of £ 608 from Mr.D in settlement of his account amount to £ 700.
Nov-30	Paid salaries of cash £ 20.

Required,

- Drew up the three coloum cash book for the month of Nov-Year-10.
- Total the two discount coloums and state to which ledger accounts.

Free for All

Exercise (8)

Using the petty cash imprest system, the imprest is £ 200. At the 1-Nov-Year-5, the balance of petty cash in hand is £ 13.10.

Year-4

Nov-1	Mr.A put cash to petty cash book to make up to the imprest amount.
Nov-2	Paid £ 15.80 for cleaning materials.
Nov-6	Paid £ 25 for travelling expenses.
Nov-10	Purchase postage stamp £ 30.
Nov-14	Purchase stationary £ 50.
Nov-16	Payment of charge for cleaning materials £ 8.2.
Nov-19	Paid £ 35 for postage stamp.
Nov-26	Paid £ 15 for stationary.
Nov-29	Paid £ 10.15 to Mr.B, a creditor.
Nov-30	Paid £ 3.50 for Mr.E, a creditor.

Free for All

Exercise (1) Answer

(a) Assets
(b) Assets
(c) Libilities
(d) Assets
(e) Assets
(f) Liabilities
(g) Assets
(h) Liabilities
(i) Assets
(j) Liabilities

Exercise (2) Answer

(a) 70600
(b) 11550
(c) 56950
(d) 1665

Exercise (3) Answer

Nov-1	Bank-Dr , Capital-Cr
Nov-2	Purchase-Dr , Mr.Shaw-Cr
Nov-3	Pruchase-Dr , D.Moore-Cr
Nov-7	Cash A/C-Dr , Sale A/C-Cr
Nov-8	H.Morgon-Dr , Slae A/C-Cr
Nov-9	Mr.Shaw-Dr , Purchase return A/C-Cr
Nov-17	Bank A/C-Dr , Cash A/C-Cr
Nov-20	Machinery A/C-Dr , Bank A/C-Cr
Nov-21	Sale return A/C-Dr , H.Morgon A/C-Cr
Nov-23	Motor Vehicle-Dr , Auto Service-Cr
Nov-24	Mr.Shaw A/C-Dr , Bank A/C-Cr.

Free for All

Exercise (4) Answer

Capital A/C

		£			£
Jan-31	closing c/d	8000	Jan-1	Bank	8000
		8000			8000
			Feb-1	opening b/d	8000

Stationary A/C

		£			£
Jan-2	Bank	20	Jan-31	Closing c/d	20
		20			20
Feb-1	opening b/d	20			

Purchase A/C

		£			£
Jan-3	B-Hanson	900	Jan-31	Closing c/d	900
		900			900
Feb-1	opening b/d	900			

Sale A/C

		£			£
Jan-31	Closing c/d	580	Jan-4	Cash	180
			Jan-11	D-Small	400
		580			580
			Feb-1	opening b/d	580

Free for All

Bank A/C

		£			£
Jan-1	capital	8000	Jan-2	stationary	20
Jan-13	D-small	300	Jan-9	Machinery Expense	50
			Jan-24	B-Hanson	500
			Jan-26	Salary	250
			Jan-30	Drawing	500
			Jan-31	Closing c/d	6980
		8300			8300
Feb-1	opening b/d	6980			

Cash A/C

		£			£
Jan-4	Sale	180	Jan-5	Insurance	60
			Jan-19	Rent	30
			Jan-31	closing c/d	90
		180			180
Feb-1	opening b/d	90			

B-Hanson A/C

		£			£
Jan-24	Bank	500	Jan-3	Purchase	900
Jan-31	closing c/d	400			
		900			900
			Feb-1	opening b/d	400

Free for All

Insurance A/C

		£			£
Jan-5	Cash	60	Jan-31	closing c/d	60
		60			60
Feb-1	opening b/d	60			

Machinery A/C

		£			£
Jan-8	SW.Jone	700	Jan-31	closing c/d	700
		700			700
Feb-1	opening b/d	700			

SW Jone A/C

		£			£
Jan-31	closing c/d	700	Jan-8	machinery	700
		700			700
			Feb-1	opening b/d	700

Machinery Expenses

		£			£
Jan-9	Bank	50	Jan-31	closing c/d	50
		50			50
Feb-1	opening b/d	50			

Free for All

D-Small A/C

		£			£
Jan-11	Sale	400	Jan-13	Bank	300
			Jan-25	Sale return	30
			Jan-31	closing c/d	70
		400			400
Feb-1	opening b/d	70			

Rent A/C

		£			£
Jan-19	Cash	30	Jan-31	closing c/d	30
		30			30
Feb-1	opening b/d	30			

Sale Return A/C

		£			£
Jan-25	D-Small	30	Jan-31	closing c/d	30
		30			30
Feb-1	opening b/d	30			

Salary A/C

		£			£
Jan-26	Bank	250	Jan-31	closing c/d	250
		250			250
Feb-1	opening b/d	250			

Free for All

Drawing A/C

		£			£
Jan-30	Bank	500	Jan-31	closing c/d	500
		500			500
Feb-1	opening b/d	500			

Exercise (5) Answer

Trial Balance as at 31-Jan-2011

	£ Dr	£ Cr
Capital A/C		8000
Stationary A/C	20	
Purchase A/C	900	
Sale A/C		580
Bank A/C	6980	
Cash A/C	90	
B-Hanson A/C		400
Insurance A/C	60	
Machinery A/C	700	
S.W Jone A/C		700
Machinery Expenses A/C	50	
D.Small A/C	70	
Rent A/C	30	
Sale returned A/C	30	
Salary A/C	250	
Drawing A/C	500	
	9680	9680

Free for All

Exercise (6) Answer

Profit and Loss Account for the year ended 28-Feb-2012.

	£
Sales revenue (281590-3000)	278,590
Cost of sales (155000-4550+11000-16150)	(145,300)
Gross Profit	133,290
Administrative expenses	(7,800)
Other expenses (2950+38990)	(41,940)
Profit for the year	83,550

Balance Sheet as at 28-Feb-2012

	£	£	£
Non Current Assets			
Premises			108,000
Furniture & fitting			35,000
Motor Vehicles			18,500
			161,500
Current Assets			
Debitors		21,000	
Inventories		16,150	
Bank and cash (1200+150)		1,350	38500
Total Assets			200000
Equity and Liabilities			
Equity			
Capital		92250	
(-) Drawing		(5600)	
Profit for the year		83550	170200
Current Liabilities			
Trade Creditor		22000	
Loan		7800	29800
			200000

Free for All

Exercise (7) Answer

Three Coloum Cash Book

Date	Particular	folio	D.A	Cash	Bank	Date	Particular	folio	D.R	Cash	Bank
	Opening b/d			78			Opening b/d				1690
2-Nov	Mr.D A/C		8			10-Nov	Insurance				89
9-Nov	Sales A/C				2110	12-Nov	postage stamp			55	
18-Nov	Sales A/C			1250		14-Nov	Mr.C A/C		15		
24-Nov	Mr.D A/C		92			19-Nov	Rent A/C				160
						30-Nov	Salaries A/C			20	
						30-Nov	Closing c/d			1253	171
			100	1328	2110				15	1328	2110
1-Dec	opening b/d			1253	171						

Discount Allowed (expenses)

		£
30-Nov	Cash book	100

Discount Received (income)

		£
30-Nov	Cash book	15

Exercise (8) Answer

Dr Receive	Cr Date	Particular	Total	Cleaning materials	Travelling	Postage stamp	stationary	folio	Ledger
Year 5									
1-Nov	1-Nov	Opening b/d							
Opening b/d	2-Nov	Cleaning material	15.8	15.8					
13.1	6-Nov	travelling	25		25				
186.9	10-Nov	postage stamp	30			30			
200	14-Nov	stationary	50				50		
	16-Nov	cleaning machine	8.2	8.2					
	19-Nov	postage stamp	35			35			
	26-Nov	stationary	15				15		
	29-Nov	Mr.B A/C	10.15						10.15
	30-Nov	Mr.E A/C	3.5						3.50
			192.65	24	25	65	65		13.65
	30-Nov	Balance c/d	7.35						
200			200						
7.35									
192.65									
200									

Free for All

Free for All

Book-Keeping and Accounting Level 2

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Free for All

Capital Expenditure

Expenditure is the spending on capital equipment (spends money to buy or add value to a fixed assets)(လုပ်ငန်းပိုင်ဆိုင်မှုပစ္စည်းအတွက်ထပ်လောင်းကုန်ကျငွေဖြစ်သည်)

Example
Capital Expenditure
-purchase of new welding machine
-purcahse of new motor ven
-building extension to the ware house
-additional office room

Revenue Expenditure

Expenditure is an ongoing cost for running (day to day)of the business. example: operating cost (လုပ်ငန်းလည်ပတ်မှုအတွက်နေ့စဉ်ကုန်ကျစရိတ်များဖြစ်ဘည်)

Revenue Expenditure
-carriage costs on purchase
-carriage costs on sale
-legal costs of collection debts
-insurance premium
-repairs to office equipment

Free for All

Q (1-1) Classify the following between 'Capitl' and 'Revenue Expenditure'.

(i) New Premise for office
(ii) Carriage cost on purchase
(iii) Wages of factory staff
(iv) Repair to office safe
(v) Cost of new plastic mould machine
(vi) Building repairs
(vii) Fire insurance premium
(viii) Painting extension to warehouse
(ix) Addition furniture for office
(x) Legal charges on company licence

Accrued & Prepaid Expenses and Accrued & Advance Income

(အသုံးစရိတ်ပေးရန်ကျန်၊ကြိုတင်ပေးနှင့်ရရန်ကျန်၊ကြိုတင်ရငွေများ)

Accrued Expenses - (Liabilities type)

Good of service comes in but we have not yet paid for it.

(စရိတ်ပေးရန်ကျန်ငွေသည် Lia: အမျိုးအစားဖြစ်လို့ Expenses A/C တွင် Cr Side တွင်ထည့်ရန်)

Prepaid Expenses - (Assets type)

A payment made for good or services before they are received.

(စရိတ်ကြိုတင်ပေးငွေသည် Assets အမျိုးအစားဖြစ်လို့ Expense A/C တွင် Dr Side တွင်ထည့်ရန်)

Free for All

Dr	Expenses A/C		Cr
	£		£
Prepaid b/d	xx	Accrued b/d	xx
Cash/Bank	xx	Profit and loss A/C	xx
Accrued c/d	xx	Prepaid c/d	xx
	xx		xx
Prepaid b/d	xx	Accrued b/d	xx

Example : 'A' prepaid £120 for Rent Building for the next year.
Prepare accounts for this transation.

Dr	Rent Bulding A/C		Cr
		£		£
Date	Cash A/C	120	Date prepaid expenseA/C	120

Dr	Prepaid Expense A/C		Cr
		£	£
Date	Rent Building	120	
	(send to B/S under C.Assets)		

Note- This prepaid expense is not effect to Profit and Loss .
Therefore, no entry in the Profit and loss A/C.

Free for All

Example : 'A' has to be paid Telephone Bill £300 for this accounting period.Prepare adjustment accounts Profit and Loss Account for this transation.

Dr Telephone Bill A/C Cr

		£			£
Date	Accrued Expense	300	Date	Profit and Loss A/C	300

Dr Accrued Expense A/C Cr

		£			£
			Date	Telephone Bill (send to B/S under C.Liabilities)	300

Dr Profit and Loss A/C Cr

		£			£
Date	Telephone Bill	300			

Accrued Income - (Assets type)

Income that has been earned during an accounting period but not received by the end of it.

(ရရန်ကျန်ငွေသည် Assets အမျိုးအစားဖြစ်လို့ Income A/C တွင် Dr Side တွင်ထည့်ရန်)

Advance Received/ Income- (Liabilities)

Income that has been received before period time. This account is reverse of Accrual Income Account.

(ကြိုတင်ရရှိငွေသည် Lia: အမျိုးအစားဖြစ်လို့ Income A/C တွင် Cr Side တွင်ထည့်ရန်)

Free for All

Dr	Income A/C		Cr
	£		£
Accrued b/d	xx	Advance b/d	xx
Profit and loss A/C	xx	Cash and Bank A/C	xx
Advance c/d	xx	Accrued c/d	xx
	xx		xx
Accrued b/d	xx	Advance b/d	xx

Example: At the end of 31 Dec Year 2 , the interest on investment £ 500 has to be received during this accounting period but not get yet in this accounting period. Prepare adjustment accounts, Profit and Loss Account for this transation.

Dr	Interest Income A/C			Cr
		£		£
Date	Profit and Loss A/C	500	Date Income Accrued	500

Dr	Accrued Income A/C		Cr
		£	£
Date	Interest Income	500	
	(send to B/S under C.Assets)		

Free for All

Dr	Profit and Loss A/C		Cr
	£		£
	Date	Interest Income	500

Advance Income Received Account is the reverse of Accrual Income Account.

Rule of entry,

Debit- Inerest Income Account

Credit- Advance Income Account (transfer to B/S---under C.Liabilities)

7x Day

Free for All

Depreciation Method and Provision for depreciation

Depreciation on fixed assets (နှစ်စဉ်တန်ဖိုးလျော့တွက်ခြင်း)

The measure of the cost or revalued amount of the economic benefits of a tangible fixed asset that have been consumed during a financial period.

Causes of Depreciation

(1) Physical factors
(2) Fall in market price
(3) Time factors
(4) Economic factors
(5) Obsolescence

(ပိုင်ဆိုင်သောပစ္စည်းများ၏ ရုပ်ပိုင်းဆိုင်ရာအရေပျက်စီးမှု၊ ဈေးကွက်ကျဆင်းမှု၊ အချိန်ကြာမြင့်မှုများ၊ စီးပွားရေးဆိုင်ရာအကြောင်းအရင်းများ၊ ခေတ်ကုန်ခြင်း၊ အသုံးမဝင် တော့ခြင်းတို့ကြောင့် ဖြစ်ပေါ်လာသောပျက်စီးမှုများကို အသုံးပြုခဲ့သောနစ်အလိုက် နှစ်တစ်နှစ်အတွင်းစီးပွားရေး အကျိုးခံစားမှုများအရတန်ဖိုးလျော့၍တွက်ခြင်းဖြစ်သည်။)

Method of Depreciation

(1) Straight Line Method,

$$\text{Annual depreciation} = \frac{\text{Original Cost - Scrap Value}}{\text{Useful life(years)}} \text{ or Residual Value}$$

or

$$= (\text{Original Cost-Scrap Value}) \times \text{Depn:Rate\%}(100/\text{life})$$

Scrap value/Residual Value/Disposal Value = ပြန်ရောင်းလျှင်ရနိုင်မည့်တန်ဖိုး

Free for All

Example:

1 Jan 2009 buy motor ven £500 , life 4 years, scrap value £100.

$$\text{Annual depreciation} = \frac{\text{Original Cost - Scrap Value}}{\text{Useful life(years)}}$$

$$= \frac{£500 - £100}{4}$$

= £100 per annum(နှစ်စဉ်)

Dr — Motor Vehicle Account — Cr

		£				£
Year 2009	Cash	500	Year2009	Profit&Loss		
				Depreciation		100
				Balance c/d		400
		500				500
Year 2010	Balance b/d	400	Year2010	Profit&Loss		
				Depreciation		100
				Balance c/d		300
		400				400
Year 2011	Balance b/d	300	Year2011	Profit&Loss		
				Depreciation		100
				Balance c/d		200
		300				300
Year 2012	Balance b/d	200	Year2012	Profit&Loss		
				Depreciation		100
				Balance c/d		100
		200				200

Free for All

(2) Reducing balance Method,

Annual depreciation = Net Book Value(N.B.V) x Depn: %

Net Book Value(N.B.V)= Original Cost - Accumulated or provision for depn:

မှတ်ချက်-

(1) လုပ်ငန်းစစ်ခြင်းတွင် Cost = Net Book Value(NBV) တို့ညီသည်။
Depreciation = Provision for depreciation

(2) Depreciation ကိုနှစ်ကုန်စာရင်းပိတ်သောနေ့တွင်တွက်ရန်။

(3) Depreciation ကို Profit and Loss A/C ဖြင့်ပိတ်ရန်။

(4) Provision for depreciation A/C ၏ opening သည် အမြဲတမ်း Credit ဖြစ်သည်။

Example: 1 Jan 2009 buy motor ven £500 , life 4 years, Depreciation 20%.

Answer,
31 Dec 2009 = £500 - £0 x 20% = £100
31 Dec 2010 = £500 - £100 x 20% = £80
31 Dec 2011 = £500 - £180 x 20% = £64
31 Dec 2012 = £500 - £ 224 x 20% = £51

<u>Double entry for depreciation (expense)</u>
Debit - Depreciation A/C
Credit - Provision for Depn: A/C

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဲဒိုမ ကားတိုင် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Depreciation A/C

Date	Particular	folio	£ Amount	Date	Particular	folio	£ Amount
31-01-09	Provision for Depn:		100	31-12-09	Profit & loss a/c		100
			100				100
31-01-10	Provision for Depn:		80	31-12-10	Profit & loss a/c		80
			80				80
31-01-11	Provision for Depn:		64	31-12-11	Profit & loss a/c		64
			64				64
31-01-12	Provision for Depn:		51	31-12-12	Profit & loss a/c		51
			51				51

Free for All

Provision for Depreciation A/C

Date	Particular	folio	Amount	Date	Particular	folio	Amount
31-12-09	Balance c/d		100	31-01-09	Depreciation A/C		100
			100				100
31-12-10	Balance c/d		180	01-01-10	Balance b/d		100
				31-12-10	Depreciation A/C		80
			180				180
31-12-11	Balance c/d		244	01-01-11	Balance b/d		180
				31-12-11	Depreciation A/C		64
			244				244
31-12-12	Balance c/d		295	01-01-12	Balance b/d		244
				31-12-12	Depreciation A/C		51
			295				295

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဋ္ဌိမ အခေတိုတ် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

"Balance Sheet"

	Cost	Accumulated Depn:	N.B.V
Fixed Assets			
Motor Vehicle (Year 2009)	500	100	400
Motor Vehicle (Year 2010)	500	180	320
Motor Vehicle (Year 2011)	500	244	256
Motor Vehicle (Year 2012)	500	295	205

Debtor, Bad debt and Provision for Bad debt

Bad Debt (အကြွေးဆုံး)

An amount owed by a debtor that is unlikely to be paid .The bad debts must be written off from accounts.

(Debtor ထံမှ ရရန်အလားအလာ မရှိသောငွေကို ခေါ်သည်။ကြွေးဆုံးငွေကို ရရန်ရှိသော အကြွေးစာရင်းမှ ပယ်ဖျက်ရမည်ဖြစ်သည်။)

The double entry in the joural ,
Dr Bad Debt Account
Cr Debtors Account

The finail accounts entry,
Dr Profit and Loss Account
Cr Bad Debts Account

(စာရင်းပိတ်သောနေ့တွင် တွက်လေ့ရှိသည်။စာရင်းပိတ်လျှင် Profit & Loss A/C ဖြင့်ပိတ်ရမည်)

Free for All

Example, Debtors £5000 , Bad Debt written off £100.
Show Debtor Account and Bad Debt Account.

Dr — Debtors Account — Cr

		£			£
Date	Balance b/d	5,000	Date	Bad debts	100
				Balance c/d	4,800
				(Balance Sheet --- C.Assets)	
		5,000			5,000

Dr — Bad Debts Account — Cr

		£			£
Date	Debtors A/C	100	Date	Profit & Loss	100

Provision for Bad debt(Doubtful debt) (ကြွေးဆုံးလျာထားချက်)

An amount set aside out of profits for doubtful debt is called provision for doubtful debt. It is usually made by taking a suitable percentage on Sundry debtors. It is provided from profit and will remain in Balance Sheet. We must show it under the Debtor balance with "less"mark.

(ရရန်ရှိငွေများထဲမှ မိမိကြွေးဆုံးခံနိုင်သောရာခိုင်နှုန်းတစ်ခုသတ်မှတ်ပြီး ကြွေးဆုံးလျာထား ခြင်းဖြစ်သည်။ ၎င်းကို Balance Sheet ၏ Debtor အောက်တွင်နတ်ပေးရမည်။

Provision for Bad debt(Doubtful debt) ၏ opening သည်အမြဲတမ်း Cr- side ဖြစ်သည်။

Free for All

The double entry are,

(လျာထားသည့်တန်ဖိုးထက်ကျော်လွန်၍ကြွေးဆုံးခဲ့ပါက - Profit and Loss A/C ၏ expense အောက်တွင်စာရင်းသွင်းရန်)

Dr Profit and Loss account

Cr Provision for doubtful debts Account

(လျာထားသည့်တန်ဖိုးထက်နည်း၍ကြွေးဆုံးခဲ့ပါက - Profit and Loss A/C ၏ Income အောက်တွင်စာရင်းသွင်းရန်)

Dr Provision for doubtful debts Account

Cr Profit and Loss account

Example: Bad debts written off £300 during the year 2. Provision for doubtful debts is to be remained 5% on Debtor £4700, after debts written off. Provision for doubtful debt is £280 at previous year1. Show accounts relating to the above given.

Dr Debtors Account Cr

		£			£
Date	Balance b/d	9,000	Date	Bad debts	300
				Balance c/d .	8,700
				(Balance Sheet --- C.Assets)	
		9,000			9,000

Dr Bad Debts Account Cr

		£			£
Date	Debtors A/C	300	Date	Profit & Loss	300

Free for All

Dr Provision for doubtful debt Account Cr

		£			£
Date	Balance c/d	435	Date	balance b/d	280
				Profit and loss (Provision 5%)	155
		435			435

Provision increased £155. It will be loss and debit entry to Profit and loss A/C.

working note: Before bad debt written off = 9000
After bad debt written off = 9000-300 = 8700 x 5% = 435
(In Balance sheet under the Debtor balance with "less"mark.(8700-435)=8265

Dr Provision for doubtful debt Account Cr

		£			£
Date	Profit & Loss (Provision 2%)	106	Date	balance b/d	280
	Balance c/d	174			
		280			280

Provision decreased £106. It will be profit and credit entry to Profit & loss A/C.
In Balance Sheet under the Debtor balance with "less" 174 (8700-174)=8526 .

Free for All

Bad Debts Recover (ကြွေးဆုံးပြန်ရရှိခြင်း)

Successful recovery which was written off as lost in one accounding period to the profit and loss account.

The double entry are,

(တစ်နှစ်အတွင်းငွေပြန်လည်ရရှိလျှင်ကြွေးဆုံးစာရင်းမှ ပယ်ဖျက်ပေးရမည်။ စာရင်းသွင်းရန်မလိုပါ)

(within the financial year)

Dr	Debtor Account	or	Cash Account
Cr	Bad debt expense account	or	Debtor Account

(after the financial year)

Dr	Cash Account
Cr	Bad debt recovered account

7 Star LIGHT

Free for All

Sole Trader (တစ်ဦးတည်းပိုင်လုပ်ငန်း)

An individual who runs an unincorporated business on his or her own is known as a Sole Trader.

(သူများနှင့်စပ်တူလုပ်ခြင်းမဟုတ်ပဲ မိမိတစ်ဦးတည်းသီးသန့်လုပ်ကိုင်သောလုပ်ငန်းကိုခေါ်သည်။)

Final Account (နောက်ဆုံးအပြီးသတ် အတည်ဖြစ်သော ငွေစာရင်း)

Trading Account & Profit and Loss Account are called Final Account.

Example

The following Trial Balance have been extracted from the books of 'Jone' at 31 December Year 2012, A sole trader.

	Dr £	Cr £
Motor Vehicle at cost	9,600	
Machinery at cost	25,000	
Land and building	70,000	
Debtors and creditor	5,140	4,950
Purchases and Sales	19,900	49,500
Stock at 1 January	4,990	
Bank	3,550	
Cash In hand	800	
Return inwards and outwards	220	558
Carriage inwards	190	
Discount allowed and received	400	650
Advertising	2,300	
Interest on Loan	625	
Carriage outwards	300	

Free for All

Light and heat	3,000	
Travelling Expenses	2,500	
Wages and salaries	7,100	
Rent	2,950	
Postage and stationary	1,153	
Provision for depreciation at 1 January ,		
Motor Vehicle		3,450
Machinery		4,310
Drawing	4,500	
Capital		88,000
Provision for doubtful debt		300
Loan, from 1 Jan 2011 & 2012 at 10% per annum		12,500

Additional information,

(1) Stock at 31 December 2012 value at £5280.

(2) Depreciation,

(i) Machinery at 20% per annum using the reducing balance method.

(ii) Motor vehicle at 2% per annum on cost.

(3) Wages and salaries prepaid £ 150

(4) Light and heat is accrued £150 at 31 December 2012.

(5) Adversiting of £450 had not yet been paid.

(6) Provision for doubtful debts is 5% of closing debtors.

Required

Prepare for Trading and profit & loss Account for the year ended 31 December 2012. Prepare a Balance Sheet extract at 31 December 2012.

Free for All

Answer,

Trading Profit and Loss Account for the year ended 31 December 2012

	£	£	£
Sales		49,500	
(-) return inwards		(220)	49,280
less Cost of good sold			
Opening stock		4,990	
Purchase	19,900		
(-) return outwards	(558)		
(+) carriage inwards	190	19,532	
		24,522	
Closing stock		(5,280)	(19,242)
Gross Profit			30,038
(+) Incomes			
Discount received			650
Note(6) Provision for doubtful debt			43
			30,731
(-) Expenses			
Discount allowed		400	
Advertising(£2300+£450)		2,750	
Interest on Loan		1,250	
Carriage outwards		300	
Light and heat(£3,000+£150)		3,150	
Travelling Expenses		2,500	
Wages and salaries (£7,100-£150)		6,950	
Rent		2,950	

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဌမ အဆင့် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Postage and stationary	1,153	
Depreciation,		
Machinery (£25,000-£4,310)x20%	4,138	
Motor Vehicle (£9,600x2%)	192	(25,733)
Net Profit		4,998

Balance Sheet Extract at 31 December 2012

	Original Cost	Acc: Depn:	NBV
Fixed Assets	£	£	£
Motor Vehicle at cost	9,600	3,642	5,958
Machinery at cost	25,000	8,448	16,552
Land and building	70,000		70,000
			92,510
Current Assets			
Closing Stock			5,280
Debtor	5,140		
(-)provision for doubtful debt	(257)		4,883
Bank			3,550
Cash In hand			800
Prepaid			150
			14,663
Current Liabilities			
Creditors	4,950		
Accrued , Light and heat	150		
Adversiting	450		
Loan interest	625	(6,175)	8,488
NET CURRENT ASSETS/WORKING CAPITAL			100,998

Free for All

Finance By,	
Capital	88,000
(+) Net Profit	4,998
(-) Drawing	(4,500)
Long term liabilities	12,500
	100,998

(OR)

Balance Sheet Extract at 31 December 2012

	Original Cost	Acc: Depn:	NBV
Fixed Assets	£	£	£
Fixed Assets			
			xx
Current Assets			
Stock		x	
Debtor		x	
Cash and Bankx		x	
Prepaid		x	
		xx	
Current Liabilities			
Creditor	x		
Accrued	x	(x)	xx
Net Current Assets/Working Capital			xx
Finance By			
Capital			xx
(+) Net Profit			xx
(-) Drawing			(xx)
Long term liabilities			xx
			xx

Free for All

Partnership Accounts (အစုစပ်စာရင်း)

An association of two or more people formed for the purpose of carrying on a business.

(နှစ်ယောက်မှနှစ်ယောက်ထက်ပို၍ဖွဲ့စည်းထားသောလုပ်ငန်းအဖွဲ့အစည်းကိုခေါ်သည်။)

Business ဘက်မှကြည့်ရန် (Profit for the year)	Partner ဘက်မှကြည့်ရန်
(+)Interest on Drawing (income-Cr) Partner မှလုပ်ငန်း၏ငွေထုတ်သုံးသည့်အခါလုပ်ငန်းမှအတိုးရခြင်း	ပေးရခြင်း(expense-Dr)
(-) Interest on Capital (expense-Dr) Partner ၏ရင်းနှီးငွေထည့်ဝင်ထားမှုပေါ်လုပ်ငန်းမှအတိုးပေးခြင်း	ငွေရခြင်း(income-Cr)
(-) Salary (expense-Dr) လုပ်ငန်းမှလစာပေးရခြင်း	ငွေရခြင်း(income-Cr)
(-) Share of Profit (expense-Dr) လုပ်ငန်းမှအမြတ်ငွေခွဲဝေပေးခြင်း	ငွေရခြင်း(income-Cr)

As per Partnership Act 1890 , if Partnership have no agreement

* partners share equally in the profits & losses of the partnership; (ဝေစုကိုညီတူခွဲဝေရန်)
* partners are not entitled to receive salaries; (လစာခံစားခွင့်မရှိ)
* partners are not entitled to interest on their capital; (ရင်းနှီးငွေပေါ်တွင်အတိုးခံစားခွင့်မရှိ)

Free for All

* partners are not paid to interest on their capital; drawing;(ထုတ်သုံးငွေပေါ်တွင်အတိုးမပေးရ)

Partnership Final Accounts,

-Trading Profit and Loss Accounts
-Profit and Loss Appropriation Account
-Balance Sheet

A and B Partnership

Profit and Loss Appropriation Account for the year ended xxxxx.

	£	£	£
Net Profit for the Year			xx
(+) Interest on drawing			
A (Drawing x %)		xx	
B (Drawing x %)		xx	xx
			xx
(-) Interest on Capital			
A (Capital x %)	xx		
B (Capital x %)	xx	xx	
(-) Partner's Salaries			
A	xx		
B	xx	xx	(xx)
Residual Profit			xx
(-) Share of Profit			
A		xx	
B		xx	(xx)
			0

Free for All

Profit & Loss Appropriation A/C ရှိအချက်အလက်များကို **Partner's Current A/C** သိုပ်ိုရမည်။

Dr Partner's Current A/C (အစုစပ်စာရင်းရင်စာရင်း) **Cr**

	A	B		A	B
Balance b/d	xx	xx	Balance b/d	xx	xx
Drawing	xx	xx	Interest on Capital	xx	xx
Interest on Drawing	xx	xx	Partner Salary	xx	xx
Balance c/d	xx	xx	Share of profit	xx	xx
			Balance c/d	xx	xx
	xx	xx		xx	xx
Balance b/d	xx	xx	Balance b/d	xx	xx

Dr Partner's Capital A/C (အစုစပ်ရင်းနှီးငွေစာရင်း) **Cr**

	A	B		A	B
Capital Withdraw	xx	xx	Balance b/d	xx	xx
Balance c/d	xx	xx	Additional Capital	xx	xx
	xx	xx		xx	xx
			Balance b/d	xx	xx

Free for All

A and B
Balance Sheet as at xxxxxxxx.

Fixed Assets		xx
Current Assets		xx
Current Liabilities		xx
		xx
Finance By		
Capital A/C		
A	xx	
B	xx	xx
Current A/C		
A	xx	
B	xx	xx
Long-term liabilities		
% loan		xx
Total Capital Employed		xx

Example,
A and B are have been in partnership at Year1. Their partnership agreement contains as the following.
Their accounts balance at 1-April-Yr3 is as below.

		A	B
(1)	Capital balance	£ 20,000	£15,000
	Drawing balance	£15,000	£12,000
	Current Balance	£1,800	£1,000

(2) Net Profit for the year £125,000.

Free for All

(3) For the financial year, Interest is to be charged at the rate of 10% of each partner's drawing.

(4) A and B entitled to an annual salary £500 and £300 on the net profit for the year.

(5) Interest of 5% per annum is to be allowed on the balance of each partner's capital at the beginning of the financial year.

(6) Profit and losses are to be shared between A and B in the ratio of 2:1 respectively.

Required,

Prepare the Profit & Loss Appropriation Account for the year ended 31-Mar-Yr4.

Answer,

A and B Partnership

Profit & Loss Appropriation Account for the year ended 31-March-Year4.

	£	£	£
Net Profit for the Year			85,000
(+) Interest on drawing			
A (15,000 x 10%)		1,500	
B (12,000 x 10%)		1,200	2,700
			87,700
(-) Interest on Capital			
A (20,000 x 5%)	1,000		
B (15,000 x 5%)	750	1,750	
(-) Partner's Salaries			
A	500		
B	300	800	(2,550)
Residual Profit			85,150

Free for All

(-) Share of Profit (2:1)

A (85,150 x $2_{/3}$)	56,767	
B (85,150 x $1_{/3}$)	28,383	(85,150)
		0

(Profit & Loss Appropriation A/C ရှိအချက်အလက်များကို Partner's Current A/C သို့ပို့ရမည်။)

Dr Partner's Capital A/C Cr

	A	B		A	B
Capital Withdraw	xx	xx	Balance b/d	20,000	10,000
Balance c/d	20,000	10,000	Additional Capital	xx	xx
	20,000	10,000		20,000	10,000
			Balance b/d	20,000	10,000

Dr Partner's Current A/C Cr

	A	B		A	B
Balance b/d	xx	xx	Balance b/d	1,800	1,000
Drawing	15,000	12,000	Interest on Capital	1,000	750
Interest on Drawing	1,500	1,200	Partner salary	500	300
			Share of profit	56,767	28,383
Balance c/d	43,567	17,233			
	60,067	30,433		60,067	30,433
			Balance b/d	43,567	17,233

Free for All

Balance Sheet as at 31-March-Year4

Fixed Assets		
Nil		xx
Current Assets		
Nil		xx
Current Liabilities		
Nil		(xx)
Finance By		
Capital A/C		
A	20,000	
B	10,000	30,000
Current A/C		
A	43,567	
B	17,233	60,800
Long-term liabilities		
% loan		xx
Total Capital Employed		90,800

Free for All

Partnetship Revaluation of Asstes and Goodwill (နာမည်ကောင်းနှင့် ပိုင်ဆိုင်မှုများတန်ဖိုးပြန်လည်သတ်မှတ်ခြင်း)

(1) Outgoing old partner (အစုဝင်ဟောင်းထွက်သွားခြင်း)
(2) Incoming new partner (အစုဝင်သစ်တိုးလာခြင်း)
(3) Change in partnership interest (partnership အကျိုးစီးပွားပြောင်းလဲခြင်း)

အထက်ပါအခြေအနေတစ်ခုခုပေါ်မူတည်ပြီး Goodwill နှင့် ပိုင်ဆိုင်မှုများတန်ဖိုးပြန်လည်သတ်မှတ်ခြင်းတို့အားဆောင်ရွက်ရတတ်သည်။

Adjustment
(i) Revaluation of Assets & Liabilities
(ii) Goodwill Adjustment
(iii) New Partner Capital Introduce
(iv) Retire Partner Capital Withdraw

Balance Sheet အဟောင်းနှင့် အပြောင်းအလဲကိစ္စရပ်များပေး ထားမည်။ ၄င်း(၂)ခုကို ဆက်စပ်၍ Balance Sheet အသစ်ပြန်ဆွဲရခြင်းဖြစ်သည်။

အပြောင်းအလဲကိစ္စရပ်များကို အပြောင်းအလဲဂဏန်းဖြင့် Balance Sheet အသစ်တွင် ထည့်ပါ။

(1) Outgoing old partner (အစုဝင်ဟောင်းထွက်သွားခြင်း)

ထွက်သွားသောအစုဝင်ဟောင်းအား အောက်ပါ(၃)မျိုးဖြင့်ငွေပြန်အမ်းလေ့ရှိသည်။
- Captial A/C and Current A/C balance
- Goodwill
- Revaluation Profit

ထွက်သွားသောအစုဝင်ဟောင်းအတွက် လုပ်ငန်းကငွေအပြည့်အဝမအမ်းနိုင်လျှင် ကျန်သောငွေပမာဏကို Loan ဖော်ပေးရသည်။

Free for All

Capital Introduce by new Partner

Cash A/C - Dr
Fixed Assets A/C - Dr
Capital A/C - Cr

Capital withdraw by Old Partner

Cash A/C - Dr
Fixed Assets A/C - Dr
Capital A/C - Cr

Two type of Revulation,
(1) Upward revulation (increase amount of F.A) **Note* F.A=Fixed Assets**

Balance Sheet amount(-)revalue ----> increase
Dr: Assets A/C
Cr: Revaluation A/C

(2) Downward revulation (decrease amount of F.A)

Balance Sheet amount(-)revalue ----> decrease
Dr: Revaluation A/C
Cr: Assets A/C

Assets များအတိုးအလျော့ထည့်ပြီးသောအခါ Revulation A/C ကိုအရင်ပိတ်ပါ။
အရှုံးအမြတ်ပေါ်လာပါက old ratio နှင့်ခွဲပြီး old partner capital A/C ကိုပို့ပါ။

Create Provision for Bad Debt
Dr: Revaluation A/C
Cr: Provision for Bad Debt A/C

Free for All

Profit on Revaluation
Dr: Revaluation A/C
Cr: Old Partner A/C

Loss on Revaluation
Dr: Old Partner A/C
Cr: Revaluation A/C

Example. A , B and C are partnership.

Balance Sheet extracted
31-Mar-2009

Fixed Assets	
land & building	£10,000
Machinery	£5,000
Current Assets	
Stock	£5,000
Debtor	£4,000

On 31-Mar-2009 , "A" retire and revalued Assets as follow

land & building	£15,000
Machinery	£3,000
Stock	£4,000
Create provision Bad Debt	£1,000

Require, Prepare Revaluation A/C and Capital A/C extract.

Free for All

Answer,

Dr Revaluation A/C Cr

	£		£
Machinery	2,000	Land and Building	5,000
Stock(5,000-4,000) *decrease*	1,000	(10,000-15,000) *increase*	
Provision for Bad Debt	1,000		
Profit capital A/C	1,000		
A(1,000x1/3)=333			
B(1,000x1/3)=333			
C(1,000x1/3)=334			
	5,000		5,000

Patner Capital A/C

	A	B	C		A	B	C
Revaluation c/d	x	x	x	Balance b/d	x	x	x
				Revaluation	333	333	334
				Profit			

Free for All

Two type of Goodwill,

(1) Valulation of Goodwill (Goodwill တန်ဖိုးတွက်ချက်ခြင်း)

$$\text{Goodwill} = \frac{\text{Total Profit}}{\text{no: of year}} \times \text{Year of purchase}$$

(2) Accounting treatmark of Goodwill (Goodwill အကောင့်ဖွင့်ခြင်းနှင့်ပိတ်ခြင်း)

(i) Opening new Goodwill A/C (old capital A/C နှင့်အကောင့်ဖွင့်ရန်)

Dr: Goodwill A/C

Cr: Old Partner Capital A/C (old ratio)

(ii) Closing Goodwill A/C (new capital A/C နှင့်အကောင့်ဖွင့်ရန်)

Dr: New Partner Capital A/C (new ratio)

Cr: Goodwill A/C

(မေးခွန်းတွင် Goodwill A/C ကိုပိတ်မည်ဆိုပါက Balance Sheet တွင်ဖော်ပြရန်မလို)

Example: A & B partnership profit equally . Admitted new partner C. Revaluated Goodwill as £60,000. A, B & C are partner sharing profit equally. Show in Balance Sheet as Fixed Assts.

A & B ,old ratio	-------> 'C' partner admitted	---------> A , B & C ,new ratio
1/2 , 1/2		1/3,1/3,1/3

Free for All

Answer,

Dr Goodwill A/C Cr

	£		£
Old Partner Captial	60,000	Balance c/d	60,000
A(60,000x1/2)=30,000			
B(60,000x1/2)=30,000			
	60,000		60,000

Patner Capital A/C

	A	B	C		A	B	C
Capital c/d	(x)	(x)	(x)	Balance b/d	x	x	x
				Bank	x	x	x
				Goodwill	30,000	30,000	

Example: The partner do not wish to shown Goodwill A/C in Balance Sheet.

Dr Goodwill A/C Cr

	£		£
Partner Captial A/C(old ratio)	60,000	Partner Captial A/C(new ratio)	60,000
A(60,000x1/2)=30,000		A(60,000x1/3)=20,000	
B(60,000x1/2)=30,000		B(60,000x1/3)=20,000	
		C(60,000x1/3)=20,000	
	60,000		60,000

Patner Capital A/C

	A	B	C		A	B	C
Goodwill A/C	20000	20000	20000	Balance b/d	x	x	x
				Bank	x	x	x
				Goodwill	30,000	30,000	

Free for All

Manufacturing Account (ကုန်ထုတ်လုပ်မှုစာရင်း)

Statement used in accounting process of a manufacturing organization. This financial statement does not show profit and loss figures but rather the cost of direct materials and labor. A manufacturing account also includes production overhead.

(ကုန်ထုတ်လုပ်မှုတွင် တိုက်ရိုက်အသုံးပြုသော ကုန်ကြမ်းများ၊ အလုပ်သမားခများ နှင့် ထုတ်လုပ်မှုနှင့်ပတ်သက်သော အသုံးစရိတ်များကိုသာထည့်သွင်းရေးဆွဲခြင်းဖြစ်သည်။)

Raw Material is the basic material form which a product is manufactured or made, is in an unprocessed or minimally processed state. Examples include steel plate, wood and chemicals.

(ထုတ်လုပ်ရာတွင်အသုံးပြုမည့် မည့်သည့်အရာနှင့်မှ ရောစပ်ထားခြင်းမရှိသေးသော ဘာမှမပြုလုပ်ရသေးသည့်အခြေခံကုန်ကြမ်းပစ္စည်းဖြစ်သည်။)

Manufacture is process of making something (a product) from raw materials by hand or by machinery especially on a large scale.

Direct Materials that are directly incorporated in the final product. For examples, direct materials would include wood, glue and paint etc..

(ကုန်ပစ္စည်းထုတ်လုပ်မှုအတွက် တိုက်ရိုက်အသုံးပြုရသောပစ္စည်းများကိုခေါ်သည်။)

Direct wages or Direct Labour that workers directly concerned with the production of a product.

(ကုန်ပစ္စည်းထုတ်လုပ်မှုတွင်တိုက်ရိုက်လုပ်ရသောအလုပ်သမားများကိုခေါ်သည်။)

Free for All

Manufacturing Account for the year ended...

(ထုတ်လုပ်မှုနဲ့သက်ဆိုင်သောအချက်များသာသွင်းရန်)

	£	£	£
Direct Material Cost(cost of sale)			
Opening stock of Raw Material(R.M)			xx
(+) Purchase of Raw Material	xx		
(+) Carriage Inward of R.M	xx		
(-) Return Outward of R.M	(xx)	xx	
		xx	
(-) Closing Stock of Material		(xx)	xx
Direct Labour Cost/Wages		xx	
(+) Accrued		xx	xx
Direct Expense			xx
Prime Cost (ကနဦးကုန်ကျစရိတ်)			xx
Factory Overhead/Production Overhead			
(ထုတ်လုပ်မှုအတွက်သွယ်ဝိုက်သောနည်းနဲ့သက်ဆိုင်သောအသုံးစရိတ်များ)			
Indirect material		xx	
Indirect labour		xx	
Indirect expense		xx	
Factory expense		xx	
Depn: on plant & Machinery		xx	xx
Production/Factory Cost			xx
(+) Opening Work in Process(WIP) (ပြုလုပ်ဆဲ)			xx
(-) Closing Work in Process(WIP)			(xx)
Cost of Goods completed			xx
(+) Manufacture Profit			xx
Cost of finished Goods produced			xx
(Transfer to Trading Account ....purchase အနေဖြင့်ဖို့ခြင်း)			

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဋ္ဌိမ စာအုပ်တိုက် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Trading Profit and Loss Account for the year ended...

(ရောင်းချမှုနှဲ့သက်ဆိုင်သောအချက်များသာသွင်းရန်)

	£	£	£
Sale		xx	
(-) Sale Return		(xx)	xx
(-) Cost of Sale			
Opening stock of Finished Goods(F.G)		xx	
(+) Cost of F.G produced (from manuf: A/C)		xx	
(-) Closing Stock of Material		(xx)	(xx)
Gross Profit			xx
(+) Incomes			xx
(-) Expenses			(xx)
Net Profit			xx

Free for All

Balance Sheet as at .....

	Cost	Pro:for Depn:	NBV
Fixed Assets			
(ပြောင်းလဲခြင်းမရှိ)			xx
Current Assets			
Closing Stock-Raw Material		xx	
W.I.P		xx	
Finished Goods		xx	
Debtor	xx		
(-) Provision for doubtful debt	(xx)	xx	
Prepaid expenses		xx	
Bank		xx	
Cash		xx	
		xx	
Current Liabilities			
(ပြောင်းလဲခြင်းမရှိ)		(xx)	xx
Working Capital			xx
Financed By			
Capital		xx	
(+) Net Profit		xx	
(-) Drawing		(xx)	xx
Long-term liabilities			
% Loan			xx
Total Capital Empolyed			xx

Free for All

Example: "YP" factory gave the following Trail Balance at the end of accounting period 31-Dec-Year 3.

	Dr £	Cr £
Machinery at cost	15000	
Purchase of Raw materials	4410	
Stock at 1 Jan Year 3,		
Raw Material stock	3000	
Finished Goods stock	1550	
Work In Process	850	
Carriage Inwards	130	
Direct wages	460	
Electric Power :	1000	
Office - £ 200 and Factory £ 800		
Rents:	300	
Office - £ 50 and factory £ 250		
Staff Salaries:	2050	
Office - £ 950 and factory £ 1100		
Factroy repairs	200	
Sales		19000
Debtors balance	1960	
Creditors balance		1800
Bank Balance	6120	
Gerneral office expenses	110	
Sales expenses	160	
Capital Balance		16500
	37300	37300

Free for All

The following additional information is available.

(1) Stock at 31 Dec Year 3,

Raw Mateíral	1200
Work In Process	2100
Finished Goods	1050
(2) Depreciation on Machinery	£ 600.

Required,

Prepare Manufacturing Account of "YP" factory Trading Profit and loss Account and Balance Sheet.

7Star Library

Free for All

Answer,

Manufacturing Account for the year ended...

(ထုတ်လုပ်မှုနှဲ့သက်ဆိုင်သောအချက်များသာသွင်းရန်)

	£	£	£
Direct Material Cost(cost of sale)			
Opening stock of Raw Material(R.M)		3000	
(+) Purchase of Raw Material	4410		
(+) Carriage Inward of R.M	130	4540	
(-) Closing Stock of Material		(1200)	
			6340
Direct Labour Cost/Wages			460
Prime Cost (ကနဦးကုန်ကြစရိတ်)			6800
Factory Overhead/Production Overhead			
Electric Power		800	
Rents		250	
Staff Salaries		1100	
Factory repair		200	
Depn: on Machinery		600	
Production/Factory Cost			2950
(+) Opening Work in Process(WIP)			850
(-) Closing Work in Process(WIP)			(2100)
Cost of finished Goods produced (Transfer to Trading Account)			8500

Free for All

"YP" Factory

Trading Profit and Loss A/C for the year ended 31 Dec Year 3

	£	£	£
Sale		19000	
(-) Sale Return		(xx)	19000
(-) Cost of Sale			
Opening stock of Finished Goods(F.G)		1550	
(+) Cost of F.G produced (from manuf: A/C)		8500	
(-) Closing Stock of Material		(1050)	(9000)
Gross Profit			10000
(+) Incomes			-
(-) Expenses			
Electric Power		200	
Rents		50	
Staff Salaries		950	
General office expense		110	
Sales expenses		160	(1470)
Net Profit			8530

Free for All

Balance Sheet as at 31 Dec Year 3

	Cost	Pro:for Depn:	NBV
Fixed Assets			
Machinery	15000	600	14400
Current Assets			
Closing Stock-Raw Material	1200		
W.I.P	2100		
Finished Goods	1050	4350	
Debtor		1960	
Bank		6120	
		12430	
Current Liabilities			
Creditors		(1800)	10630
Working Capital			25030
Finance By			
Capital			16500
Net Profit			8530
			25030

Free for All

Stock Valuation (ကုန်ပစ္စည်းလက်ကျန်တန်ဖိုးတွက်ချက်ခြင်း)

Two type of system,
(1) Peroidic stock system (ကာလတစ်ခုပြီးမှတစ်ခုတွက်ချက်ခြင်း)
(2) Perpetual stock system (စဉ်ဆက်မပျက်တွက်ချက်ခြင်း)

There are three type of method.
First In First Out Method (FIFO) - အရင်ဝင်အရင်ထွက်နည်း
Last In First Out Method (LIFO) - နောက်ဆုံးဝင်အရင်ထွက်နည်း
Weight Average Cost Method (WAC) - အလေးချိန်ပျမ်းမျှနည်း

(1) Stock value တွက်ရာတွင် Cost ~ N.R.V နှိုင်းယှဉ်ပြီးနဲ့ သည့်ဈေးနှင့်တွက်ရန်
(2) Stock တန်ဖိုးကို Cost ဖြင့်သာ သတ်မှတ်သည်။ Sale or selling price ဖြင့်ပေးထားလျှင် Cost ပြန်ဖွဲ့ပြီးတွက်ရန်။
(3) ပြင်ဆင်ခရိုလျှင်ပေါင်းရန်။
(4) Sale or return basic ကိုသတိထားရန်။
(5) Stock sheet တွင်ပိုပေါင်းထားလျှင်ပြန်နုတ်ရန်၊ လိုပေါင်းထားလျှင်ပြန်ပေါင်းရန်။
(6) ပျောက်ပျက်ပစ္စည်းများရှိလျှင် နုတ်ရန်။

Example:

		unit	purchase price
Stock at 1 January Year 1		250	0.64
Purchase:	12 Jan	500	0.67
	25 Jan	500	0.68
	10 Feb	600	0.66
	18 Feb	400	0.70

Free for All

Sales:	20 Jan	600
	20 Feb	1500

Required

(1) First In First Out Method (FIFO)

(2) Last In First Out Method (LIFO)

(3) Weight Average Cost Method (WAC)

(1) First In First Out Method (FIFO) - အရင်ဝင်အရင်ထွက်နည်း

Date	Reference	Purchase			Sale			Balance		
		Unit	Price	Amt	Unit	Price	Amt	Unit	Price	Amt
01-Jan	balance b/d							250	0.64	160
12-Jan		500	0.67	335				500	0.67	335
								750		**495**
20-Jan					250	0.64	160	150	0.67	101
					350	0.67	235			
					600		**395**			
25-Jan		500	0.68	340				500	0.68	340
10-Feb		600	0.66	396				600	0.66	396
18-Feb		400	0.70	280				400	0.70	280
								1650		**1117**
20-Feb					150	0.67	101	150	0.70	105
					500	0.68	340			
					600	0.66	396			
					250	0.70	175			
					1500		**1012**			
					Cost of sales		**1407{395+1012}**			

Free for All

(2) Last In First Out Method (LIFO) - နောက်ဆုံးဝင်အရင်ထွက်နည်း

Date	Reference	Purchase			Sale			Balance		
		Unit	Price	Amt	Unit	Price	Amt	Unit	Price	Amt
01-Jan	balance b/d							250	0.64	160
12-Jan		500	0.67	335				500	0.67	335
								750		**495**
20-Jan					500	0.67	335	150	0.64	96
					100	0.64	64			
					600		**399**			
25-Jan		500	0.68	340				500	0.68	340
10-Feb		600	0.66	396				600	0.66	396
18-Feb		400	0.70	280				400	0.70	280
								1650		**1112**
20-Feb					400	0.70	280	150	0.64	96
					600	0.66	396			
					500	0.68	340			
					1500		**1016**			
					Cost of sales		**1415{399+1016}**			

Free for All

Weight Average Cost Method (WAC) - အလေးချိန်ပျမ်းမျှနည်း (Peroidic system)

Date	Reference	Purchase			Sale			Balance		
		Unit	Price	Amt	Unit	Price	Amt	Unit	Price	Amt
01-Jan	balance b/d							250	0.64	160
12-Jan		500	0.67	335				500	0.67	335
								750	**0.66**	**495**
20-Jan					600	0.66	396	150	0.66	99
25-Jan		500	0.68	340				500	0.68	340
10-Feb		600	0.66	396				600	0.66	396
18-Feb		400	0.70	280				400	0.70	280
								1650	**0.68**	**1115**
20-Feb					1500	0.68	1020	150	0.68	102
					Cost of sales **1416{396+1020}**					

Stock Taking (forward), when physical stock taken before the year ended.
(နှစ်ဆုံးမရောက်ခင် လက်ကျန်စာရင်းကို ကောက်မိခြင်း)
(စောကောက်မိလျှင် အတည့်အတိုင်းယူရန် (တိုး+,လျော့-))

25 Mar-Year1 — 31 Mar-Year1

opening | +purchase | -sale | ???

Stock Taking (Backward), when physical stock taken after the year ended .
(နှစ်ဆုံးတွင် လက်ကျန်စာရင်းကို မကောက်မိဘဲ နောက်ကျမှစာရင်းကောက်ခြင်း)
(နောက်ကျမှစာရင်းကောက်မိလျှင် ပြောင်းပြန်ယူရန် (တိုး-,လျော့+))

9 April-Year2 — 31 Mar-Year1

opening | -purchase | +sale | ???

Free for All

Stock value at 1 April Year 1		xx
(31 Mar Year1 to 9 April Year2)		
(-)	Purchase	(xx)
(+)	Purchase Return	xx
(+)	Sales (convert to cost)	xx
(-)	Sale Return (convert to cost)	(xx)
(+)	Goods Drawing	xx
Stock value at 31 Mar Year2		xx

Example:

T Merry's financial year ended on 31 December. He didn't take his stock at 31 December year 3. It was taken instead on 8 January Year 8 when it was valued at cost 20,150.

The following information stock at between 31 December Year 3 and 8 January Year 4:

	£
(i) purchase received from suppliers	4900
(ii) goods sent to customers at selling price	9930
(iii) sales returned from customers at selling pirce	180
(iv) purchases returned to suppliers at cost	250
(v) goods taken at cost for his own private use	600

He uses mark up 50% on cost to selling price

Free for All

Required

(a) Calculate the value of T Merry's closing stock at December Year 3.

Answer,

	£
Stock valued at 8 January Year 4	20,150
(i) purchase	(4,900)
(ii) Sales	6,620
(iii) sales returned	(120)
(iii) purchase returned	250
(v) Drawing	600
	22,600

Working Note

mark-up 50% (မေးခွန်းတွင်ရောင်းဈေးနှင့်ပေးထားသည့်အတွက် Cost ပြန်ဖွဲ့ပေးရခြင်း)

Cost 100 — Gross Profit 50% — Sale 150%

sale 150 — cost 100

sale 9930 — cost ? =9930/150 x100 = 6620

Sales returned

sale 150 — cost 100

sale 180 — cost ? =180/150 x 100 = 120

Stock valued at cost or net realisable value(NRV)

- Cost (Purchase Cost + Carriage Inward)

Free for All

- Net realisable Value(N.R.V)

Actual or Estimated Selling Price(ရောင်းဈေး)			xx
(-) Futher Cost	(နောက်ထပ်ကုန်ကျစရိတ်)	xx	
Selling & Distribution Cost(ဖြန့်ဖြူးခြင်းစရိတ်)		xx	(xx)
N.R.V			xx

(Stock value တွက်ရာတွင် Cost ~ N.R.V နှိုင်းယှဉ်ပြီး နဲ့ သည့်ဈေးနှင့်သာသတ်မှတ်ရန်)

**** Cost < N.R.V (normal)

Cost > N.R.V (exceptional)

Example:

(1) Closing stock at 31 Dec Year 3 100 unit

(2) Purchased this stock at cost of £15 per unit

(3) Estimated sales value at 31 Dec £20 per unit and updating cost for sale £3 per unit and delivery charges £2 per unit respectively.

Answer

Calculation of stock value

Cost (Purchase Cost)	£100	
N.R.V per unit,		
selling price		£120
futher cost	£ 15	
delivery charges	£ 10	(£25)
		£95

Stock valuation at 31 Dec Year 3 = £95 x 100 unit

= £ 950

Free for All

Stock Losses Calculation(expense) (ကုန်စည်ပစ္စည်းပျောက်တွက်ချက်ခြင်း)

Opening stock		xx
(+)	Purchase	xx
(-)	Sales	(xx)
	Closing stock book value	xx
	Closing stock physical	xx
	Stock loss	xx

(ကုန်စည်ပစ္စည်းပျောက်တွက်ချက်ရာတွင် ကုန်ဝယ်ပေါင်း၊ ကုန်ရောင်းနုတ်ပြီး စာရင်းစာအုပ်လက်ကျန်နှင့် လက်ဝယ်ရှိသောကုန်လက်ကျန်စာရင်း တိုက်ရန်)

Example

Opening stock of stationaries	£500
Purchase during the year	£400
Closing stock physical	£350

Answer

Opening stock		500
(+)	Purchase	400
(-)	Sales	-
	Closing stock book value	900
	Closing stock physical	350 (Balance sheet--under C.A --stock)
	Stock loss	550

Free for All

Stationaries A/C

Date			Date		
	Balance b/d	500		Closing stock	350
	Purchase	400		Profit and loss A/C (Stock loss)	550
		900			900

Adjustment for Stock

Our stocks on customer hand (the goods that are sent to and received by another.

(မိမိကုန်စည်ပစ္စည်းကို သူများဆီတွင်ရောင်းရန်ပို့ထားခြင်း၊ ရောင်းမထွက်သေး ပါက မိမိ၏လက်ကျန်ကုန်ပစ္စည်းတွက်ချိန်တွင်ပေါင်းပေးရမည်။

Customer stocks on our hand (the goods that are in-hand and already sold to customers.

(မိမိကုန်စည်ပစ္စည်းကို သူများဆီတွင်ရောင်းထားပြီးဖြစ်သော်လည်း ၊ Customer မှ လာမယူသေးသည့်အတွက် မိမိ၏လက်ကျန်ကုန်ပစ္စည်းတွက်ချိန်တွင် နှတ် ရမည်။

	+	-	
Stock before adjustment			xx
(+) Our stocks on customer hand	xx		
(-) Customer stocks on our hand		xx	
	xx	xx	xx (+/-)
			xx

Free for All

Limited Company

Profit and Loss Appropriation Account for the year ended xxxxx.

	£	£	£
Net Profit for the Year			xx
(+) opening retained profit			xx
(-) Goodwill written off		xx	
(-) Transfer to Reserve (Note)		xx	
(-) Dividend			
Interim dividend			
Ordinary Share	xx		
%Preference Share	xx	xx	
Propose dividend/final dividend			
Ordinary Share	xx		
%Preference Share	xx	xx	(xx)
Closing Retained Profit for the year			xx

Authorised Share = မူတ်ပုံတင်ခွင့်ရသည့်ရှယ်ယာ
Issue Share = ထုတ်ရောင်းချသည့်ရှယ်ယာ
Ordinary Share = သာမာန်ရှယ်ယာ
%Preference Share = ဦးစားပေးရှယ်ယာ
Share Premium = ရှယ်ယာအပိုကြေး
Reserve = ရန်ပုံငွေ
Retained Profit = ချန်လပ်ထိန်းသိမ်းထားသည့်အမြတ်
Dividend = အမြတ်ဝေစု

(အမှန်တကယ်ထုတ်ဝေရောင်းချသော Issue Share အပေါ်တွင်ပေးလေ့ရှိသည်။ အမြတ်ဝေစုတွက်ရာတွင် % ဖြင့်ပေးပါက ငွေသားအပေါ်တွင်တွက်ရန်၊ Per Share ဟုပြောပါက Share စောင်ရေအပေါ်တွင်တွက်ပါ။)

Free for All

Interim dividend = ကြားဖြတ်အမြတ်ဝေစု (ပုံမှန်အားဖြင့် နှစ်ကုန်မှအမြတ်ဝေစုပေးလေ့ရှိသော်လည်း တစ်ခါတစ်ရံတွင်နှစ်ဝက်တွင်ပေးလေ့ ရှိသည်။ O.share အတွက် ပုံသတ်မှတ်ထားခြင်းမရှိပါ။ P.Share အတွက်နှစ်ဝက်အမြတ်ဝေစုသည် ၁နှစ်စာပေးမည့်ပမာဏ၏တဝက်တိတိဖြစ်သည်။)

Final/Proposed dividend = နောက်ဆုံးအမြတ်ဝေစု

Goodwill = နာမည်ကောင်း (Intingable F.A investment)

Debenture = ငွေချေးစာချုပ် (Debenture များအတွက်အတိုးကို ပုစ္ဆာကပေးပေးမပေးပေး၄င်းအတိုး % အတိုင်းတွက်ပေးရမည်။ အပြည့်အဝမပေးထားပါက B/S တွင် Accrued ဖော်ပြပေးရမည်)

Example:

Painting Ltd has prepared accounts for the year to 31 Dec 2000. The following balance have been extracted:

		£
Net profit for the year to 31 Dec 2000		54500
Interim dividend:	Ordinary shares	25000
	Preference shares	4000
Issued Capital, Ordinary shares		390000
8% Preference shares		100000
Profit and loss account balance at 31 Dec 2009		15300

The directors have recommended that a final dividend of £0.05 on the ordinary shares capital should be paid.

Required,

Profit and Loss Appropriation A/C for the year ended 31DecYear2000.

Free for All

Answer,

Profit and Loss Appropriation Account for the year ended 31 Dec Year 2000.

	£	£	£
Net Profit for the Year			54500
(+) opening retained profit			15300
			69800
(-) Dividend			
Interim dividend			
Ordinary Share	25000		
%Preference Share	4000	29000	
Propose dividend/final dividend			
Ordinary Share(390000x£0.05)	19500		
%Preference Share	4000	23500	(52500)
(100000x8%)-interim dividend4000			
Closing Retained Profit for the year			17300

Balance Sheet as at 31 Dec Year 2000.

Finance By: Capital & Reserve

Ordinary Share Capital	390000
% Preference Share Capital	100000
Share Premium	-
Retained Profit c/d	17300
General reserve	-
	507300

Free for All

Control Accounts (ထိန်းချုပ်စာရင်းများ)

Account is general account that displays balances on a substantial number of subsidiary accounts.

Control Accounts are only entry to related with credit sale and purchase. No need to entry cash sale, purchase sale and provision for doubtful debt.
(အကြွေးဝယ်၊ရောင်းနှင့်ပတ်သက်သောစာရင်းများကိုသာသွင်းရမည်။ လက်ငင်းရောင်းဝယ်ခြင်းနှင့် ကြွေးဆုံးလျာထားချက်များကို မသွင်းရပါ။)

Type of Ledger and Control A/C,
(1) Cash Book (Including Cash and Bank A/C)
(2) Sale Ledger (Including all debtors account)
(3) Purchase Ledger (Including all creditors account)
(4) General Ledger (Including all A/C except Debtor ,Creditor, Cash, Bank)

Sale Ledger Control Account(Total Debtor A/C)

	£		£
Balance b/d (major)	xx	Balance b/d (minor)	xx
Credit Sales	xx	Sale return	xx
(sale day book total)		(sale return day book total)	
Bill Dishonour	xx	Cash	xx
Cheque Dishonour	xx	Bank	xx
Cash refund	xx	Discount Allowed	xx
Debt collection Fees	xx	Bad Debt	xx
Legal charges	xx	Bill Receivable	xx
		Purchase Ledger(contra)	xx
balance c/d (minor)	xx	balance c/d (major)	xx
	xx		xx
Balance b/d	xx	Balance b/d	xx

Free for All

Credit Sale:	Sale ledger Control A/C	Dr
	Sale A/C	Cr
Sale Return:	Sale Return A/C	Dr
	Sale ledger Control A/C	Cr
Cash receive from debtor:	Cash,Bank,Bill A/C	Dr
(Cash,Bank,Bill receivable)	Sale ledger Control A/C	Cr
Dishonoured Cheque:	Sale ledger Control A/C	Dr
	Bank A/C	Cr
Discount Allowed,Bad debt:	Discount Allowed	Dr
	Bad debt A/C	Dr
	Sale ledger Control A/C	Cr
Debt collection fee/:	Sale ledger Control A/C	Dr
Legal expense	Cash or Bank A/C	Cr
Cash Refund:	Sale ledger Control A/C	Dr
	Cash A/C	Cr
Contra :	Purchase ledger Control A/C	Dr
	Sale ledger Control A/C	Cr

Free for All

Purchase Ledger Control Account(Total Creditor A/C)

	£		£
Balance b/d (minor)	xx	Balance b/d (major)	xx
Purchase return	xx	Creditor Purchase	xx
(purchase return day book)		(purchase day book total)	
Discount Received	xx		
Cash,Bank,Bill payable	xx		
Sale ledger(contra)	xx		
balance c/d (major)	xx	balance c/d (minor)	xx
	xx		xx
Balance b/d	xx	Balance b/d	xx

Credit Purchase:	Purchase A/C	Dr
	Purchase ledger Control A/C	Cr
Purchase Return:	Purchase ledger Control A/C	Dr
	Purchase Return A/C	Cr
Discount Received:	Purchase ledger Control A/C	Dr
	Discount Received A/C	Cr
Cash,Cheque,Bill payable:	Purchase ledger Control A/C	Dr
	Cash,Bank,Bill payable A/C	Cr
Contra:	Purchase ledger Control A/C	Dr
	Sale ledger Control A/C	Cr

Free for All

Note** -Individual, List, People စသည့်တစ်ဦးချင်းစာရင်းများတွင်ပိုပေါင်း၊လိုပေါင်းခဲ့ပါက တစ်ဦးချင်းစာရင်းမှာပဲပြင်ရမည်။

- Control မှာမှားလျှင် Control မှာပဲပြင်ရမည်။
- Day Book အတွင်းသားတွင်မှားလျှင် Individual နှင့် Control နှစ်ခုစလုံးတွင် ပြင်ရမည်။

Example :

"Mr .A" want to prepare total Account in his book for the month of June . This balances ware extracted from the books of Mr.A at 1-June. Debtors Balance of sales ledger was £ 5200 and Creditors Balance of purchase ledger was £ 3900.

The following transactions took place in the month of June-2009.

	£
Cash sales	25400
Cash purchase	13050
Sales on credit	146520
Credit sales returns	2560
Purchase on credit	167580
Credit purchases returns	3012
Discount Allowed	1880
Discount Received	1560
Cash Receipts	131150
Bills receivable	1200
Cash payments	153808
Bills payable	5520
Bad debts written off	1350

At 30-June-Yr2009 the Debtors and the Creditors Balance were £13580 and £7580.

Free for All

Required

Prepare the Purchase Ledger Control and Sale Ledger Control accounts for June 2009 in the book of Mr.A.

Answer

Dr — Purchase Ledger Control Account — Cr

	£		£
Purchase return	3012	Balance b/d	3900
Discount Received	1560	Creditor Purchase	167580
Cash Payment	153808		
Bill payable	5520		
balance c/d	7580		
	171480		171480

Dr — Sale Ledger Control Account — Cr

	£		£
Balance b/d	5200	Sale return	2560
Credit Sales	146520	Cash Receipt	131150
		Discount Allowed	1880
		Bad Debt	1350
		Bill Receivable	1200
		balance c/d	13580
	151720		151720

Free for All

Correction of Error & Suspense Account

Two type of error

(1) Error not effect on Trial Balance (Trial Balance ကိုမထိခိုက်စေသောအမှား)

(a) Error of Omission (မေ့ကျန်သောအမှား)

(b) Error of Commission (ခေါင်းစဉ်မှားသွင်းသောအမှား)

(c) Error of Principle (မူဝါဒမှားသွင်းသောအမှား၊Trading P/L တွင်သွင်းရမှာကို B/S တွင်မှားသွင်းသောအမှား)

(d) Compensating error (အပြန်အလှန်ချေစေသောအမှား)

(e) Complete reversal of entry (size ပြောင်းပြန်သွင်းခြင်း) (၂ဆ၊ ၂ခါပြင်)

(f) Error of Original entry (ကိန်းဂဏန်းမှားသွင်းသောအမှား)

(2) Error effect on Trial Balance (Trial Balance ကိုထိခိုက်စေသောအမှား)

(g) Error of duplication (စာရင်းသွင်းချက်မပြည့်စုံခြင်း၊ဂဏန်းမှားယွင်းခြင်း၊)

Trial Balance ကိုထိခိုက်စေသောအမှားများပေါ်ပေါက်လာပါက Suspense A/C (ယာယီစာရင်း) ဖွင့်၍ညှိနှိုင်းလုပ်ရမည်။

Suspense A/C (ယာယီစာရင်း)

A temporary account in the books of an business to record balances to correct mistakes or balances that have not yet been finalized.

အမှားပြင်ရန်လိုအပ်ချက်များမှာ

(၁) ပေးထားသောအမှားကိုချရေး

(၂) ဖြစ်သင့်တာကိုစဉ်းစား

(၃) အမှားကိုချေဖျက် (Dr side မှာ မှားထည့်ထားရင် Cr side မှာအပြန်အလှန်ပြန်ထည့်ပြီး ချေပစ်ရန်)

(၃) အမှန်ကိုပြင်ရန်ဖြစ်သည်။

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ မဇ္ဈိမ ဘားပေတိုက် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

(a) Error of Omission (မေ့ကျန်သောအမှား)

Example: Purchase of goods from Mr.A , but didn't enter related accounts.

Mr. A A/C

£	£
	150

Purchsae A/C

£	£
150	

(b) Error of Commission (ခေါင်းစဉ်မှားသွင်းသောအမှား)

Example: Purchase of goods £120 from Mr.A , It is enter in the account of Mr.B.

Mr. B A/C

£	£
120	120
	x

Mr.A A/C

£	£
	120
	√

(c) Error of Principle (မူဝါဒမှားသွင်းသောအမှား)

Example: Purchase of Machine £500 , it is debited to Purchase A/C.

Purchase A/C

£	£
500	500
x	

Machine A/C

£	£
500	
√	

(d) Compensating error (အပြန်အလှန်ရြေစေသောအမှား)

Example: Telephone A/C is overcast £50 , and also overcast in Sales A/C.

Telephone A/C

£	£
50	50
x	√

Sale A/C

£	£
50	50
√	x

Free for All

(e) Complete reversal of entry (size ပြောင်းပြန်သွင်းခြင်း) (၂ဆ၊ ၂ခါပြင်)
Example: Received of cash £75 from Mr.B was entered on the payment side of the cash book and Debit to Mr.G A/C.

Cash A/C

	£	£
အမှားချေ	75	75
√	75	x

Mr.G A/C

£	£
75	75 အမှားချေ
	75 √

(f) Error of Original entry (ကိန်းဂဏန်းမှားသွင်းသောအမှား)
Example: Goods sale of £76 to Mr.C was entered in the books as £ 67.

Mr.C A/C

£	£
x 67	
9	

Sale A/C

£	£
	67 x
	9

(Dr side မှာလိုရင် Dr side မှာသွင်း၊ Cr side မှာလိုရင် Cr side မှာ သွင်း)

(2) Error effect on Trial Balance (Trial Balance ကို ထိခိုက်စေသောအမှား)
(g) Error of duplication (စာရင်းသွင်းချက်မပြည့်စုံခြင်း)
Example: A payment to telephone bill £50 ,has not been posted to this account.

Telephone A/C

£	£
50	

Suspense A/C

£	£
	50

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဝ္ဌိမ အားဟိုက် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Example: Payment to Insurance £ 86 , has been posted as 68.

Insurance A/C

£	£
18	

Suspense A/C

£	£
	18

Example: Discount Receive £ 200 has been posted to debit side of Discount Allowed.

Discount Allowed A/C

£	£
200	200
x	အမှားခြေ

Suspense A/C

£	£
400	

Discount Receive A/C

£	£
	200
	√

Example: Returned of good by debtor £700, has been posted to the return inward day book to debit side of his accounts.

Debtor A/C

£	£
x 700	700 အမှားခြေ
	700

Suspense A/C

£	£
1400	

Free for All

Calculation of Corrected Profit

	£ +add	£ -less	£
Net Profit before Correction			xx
Profit and Loss Items,			
Adjustment in Debit Entry		xx	
Adjustment in Credit Entry	xx		
	xx	xx	xx (-/+)
Adjusted/Corrected net profit			xx

Calculation of Corrected Working Capital

	£ +add	£ -less	£
Working Capital before Correction			xx
Working Capital Items,			
Adjustment in Debit Entry	xx		
Adjustment in Credit Entry		xx	
	xx	xx	xx (-/+)
Adjusted/Corrected Working Capital			xx

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဋ္ဌိမ အခေတ်တိုက် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Accounting Ratio

Liquidity and Working Capital Ratio

a) Current Ratio/ Working Capital Ratio (များမှကောင်းသည်)

$$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

= (?) : 1

(b) Acid test Ratio (များမှကောင်းသည်)

$$= \frac{\text{Current Assets-Stock}}{\text{Current Liabilities}}$$

= (?) : 1

(c) Rate of Stock Turnover (များမှကောင်းသည်)

$$= \frac{\text{Cost of good sold}}{\text{Average stock}}$$

= (?) time

$$\text{Average stock} = \frac{\text{Opening stock} + \text{Closing stock}}{2}$$

(d) Debtor Collection (နဲမှကောင်းသည်)

$$\frac{\text{Debtor}}{\text{Credit Sale}} \times 100, 365, 52, 12 = (?)\%, \text{days}, \text{weeks}, \text{month}$$

$$\frac{\text{Credit Sale}}{\text{Debtor}} = (?) \text{ time}$$

Free for All

(e) Creditor Settlement (များမှကောင်းသည်)

$$\frac{\text{Creditor}}{\text{Credit Purchase}} \times 100, 365, 52, 12 = (?)\ \%, \text{days}, \text{weeks}, \text{month}$$

$$\frac{\text{Credit Purchase}}{\text{Creditor}} = (?)\ \text{time}$$

Profitability Ratio (အမြတ်များမှကောင်းသည်)

(f) Gross Profit to sale (Margin)

$$\frac{\text{Gross Profit}}{\text{Sale}} \times 100 = (?)\ \%\ \text{on sale}$$

(g) Gross Profit to Cost of sale (Mark up)

$$\frac{\text{Gross Profit}}{\text{Cost of Sale}} \times 100 = (?)\ \%\ \text{on cost}$$

(h) Net Profit to sales (Margin)

$$\frac{\text{Net Profit}}{\text{Sale}} \times 100 = (?)\ \%$$

Returned on Capital employed (ROCE) (များမှကောင်းသည်)

(i) Company

$$\frac{\text{Net Profit}}{\text{Share holder fund}} \times 100 = (?)\ \%$$

Free for All

(j)Partnership

$$\frac{\text{Net Profit}}{\text{Capital balance+Current balance c/d}} \times 100 = ?\ \%$$

(k) Sold Trader

$$\frac{\text{Net Profit}}{\text{Average Captial}} \times 100 = ?\ \%$$

(l) Sale to Capital employed

$$\frac{\text{Sales}}{\text{Capital employed}} = ?\ \text{time}$$

Example: The financial accounts for the "T" Supplies for Year 3 is summarised below.

Profit and Loss Accounts for the year to 31 Dec Year 3

	£ 000	£ 000
Sales		1260
(-)Cost of sales		
Opening stock	100	
Purchase	1100	
	1200	
(-) Closing stock	(90)	(1110)
Gross Profit		150
(-) Expenses		(90)
Net Profit		60

Free for All

Balance Sheets at December Year 3

		£000
Fixed Assets		190
Current Assets,		
Stock	90	
Bank in hand	190	
Trade debtors	20	
	300	
Current Liabilities,		
Creditor	(220)	80
Net Current Assets		270
Finance By,		
Capital		200
Net Profit for the year		60
Drawing		10
		270

Required,

Calculate the following ratios or the "T" Supplies for Year 3,correct to one decimal place.

(a) Current Ratio/ Working Capital Ratio

(b) Acid test Ratio

(c) Rate of Stock Turnover

(d) Net Profit to sales %

(e)Returned on Capital employed (ROCE)

Free for All

Answer;

(a) Current Ratio/ Working Capital Ratio

$$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$= 310/220 = 1.4 : 1$$

b) Acid test Ratio

$$= \frac{\text{Current Assets-Stock}}{\text{Current Liabilities}}$$

$$= 210/220 = 0.95 : 1$$

(c) Rate of Stock Turnover

$$= \frac{\text{Cost of good sold}}{\text{Average stock}}$$

$$= 1200/95 = 12.6 \text{ time}$$

$$\text{Average stock} = \frac{\text{Opening stock} + \text{Closing stock}}{2} = \frac{100+90}{2} = 95$$

(d) Net Profit to sales %

$$= \frac{\text{Net Profit}}{\text{Sale}} \times 100 = 60/1260 = 4.8\ \%$$

(e)Returned on Capital employed (ROCE)

$$= \frac{\text{Net Profit}}{\text{Average Captial(or)Closing Capital}} \times 100 = 60/210 = 28.6\ \%$$

Free for All

Final Account for Non-Trading (Non-Profit) Organization

(အမြတ်မရှိသောအသင်းအဖွဲ့များ၊ သာရေးနာရေးအသင်းအဖွဲ့များအား
နှစ်ချုပ်စာရင်းရေးဆွဲခြင်း)

Non-Trading A/C
(a) Accumulated Fund (မတည်ရန်ပုံငွေ)
(b) Excess of Income over expense (or) Excess of Expenditure over income

(a) Accumulated Fund ကိုရှာရန်အတွက် Statement of Affairs(opening balance sheet) ဆွဲရမည်။

Formula,
[Opening Accumulated fund(capital)=Opening Assets - Opening Liabilities]

Statement of Affairs at .....

	£	£
Assets,		
Cash, Bank		xx
Land and building,Machinery, etc..		xx
Stock , Debtor		xx
Subsription in arrears(နှစ်စဉ်ကြေးရရန်ကျန်ငွေ)		xx
***Advance(ရရန်ကျန်ငွေ)		xx
		xx
Liabilities,		
Subsription in Advance(နှစ်စဉ်ကြေးကြိုတင်ရငွေ)	xx	
Creditor	xx	
***Accrued(ပေးရန်ကျန်ငွေ)	xx	(xx)
Accumulated Fund(captial)		xx (send to B/S)

Free for All

(b) Income and Expenditure A/C ရေးဆွဲခြင်း

(i) Balance opening and closing must be ignored from Receive & Payment A/C. Receipt datas entry to income and payment datas entry to Expense.
(ii) Fixed Assets receipt and expenditure must not be considered
(iii) Arrears and Advances must not be made entry in it.
(iv) Subscription Account must be opened and make entry to enter the arrears and advances.

Income and Expenditure A/C for the year ended

	£	£
Income, (from Bank Receivable)		
Subscription		xx
Restaurant/Bar Profit		xx
(-)Expenditure, (from Bank Payable)		
Sundry expense...		
*** (Insurance)Expense	xx	
(+)Accrued c/d	xx	
(-)Accrued b/d	(xx)	(xx)
Excess Income or Expenditure		+/-xx (send to B/S,finance By)

Free for All

Dr Subscription A/C (နှစ်စဉ်ကြေးရင်း) Cr

Accrued b/d (arrear,assets)	x	Advance b/d (liabilities)	xx
Income & Expense (member x rate)	x	Bank A/C (နှစ်အတွင်းရသောငွေများထည့်)	xx
Advance c/d	xx	Accrued c/d	xx
	xx		xx
Accrued b/d (B/S- current assets)	xx	Advance b/d (B/S-liabilities)	xx

ပေးချက်တွင် Sale, Purchase and Stock တို့ပါလျှင် Trading A/C ဆွဲပေးရသည်။

Restaurant / Bar Trading Account for the year ended

	£	£	
Sales		xx	
(-) Cost of sales		(xx)	
Gross Profit		xx	
(-) Expense		(xx)	
Profit or Loss		+/-xx	(send to Income & expenditureA/C)

◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆ ပဋ္ဌိမ အခေတိုက် ◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆◆

Free for All

Bank A/C or Received and Payment Account for the year ended

Receipts(ငွေရခြင်း)		Payment(ငွေပေးခြင်း)	
Cash/Bank balance b/d	xx	All the payment of Cash and Cheque	xx
All the receive of Cash and Cheque	xx	Cash/Bank balance c/d	xx
	xx		xx

Balance Sheet as at .....

	Cost	Pro:for Depn:	NBV
Fixed Assets			
(ပြောင်းလဲခြင်းမရှိ)	xx	xx	xx
Current Assets			
Stock		xx	
Accrued Subscription		xx	
Prepaid Expenses		xx	
Cash/Bank (receive and payment a/c)		xx	
		xx	
less:Current Liabilities			
Creditor or Supplies	xx		
Received in advance of subscription	xx		
Accrued expenses	xx	(xx)	xx
Working Captial			xx
Finance By,			
Opening Capital/Accumulated Fund			xx
(+/-) Excess Income/Expense			(xx)
			xx

Free for All

Example:

The following is a summary of the receipts and payments of Social Club for the year ended 31 Dec Year2.

Receipts	£	Payments	£
Restaurant taking (sales)	16500	Supplies to restaurant	10450
Annual subscriptions	25000	Restaurant staff wages	3000
	41500	Bank Charges	160
		Rent	7300
		Equipment	18250
		Light and heat	1250
			40410

Additional information,

	1 Jan Year 2	31 DecYear 2
	£	£
Equipment at valuation	13200	30250
Subscription in arrear	300	410
Subscription in advance	200	140
Accrued Rent	400	500
Accrued light and heat	70	140
Stock of restaurant	860	890
Creditors for restaurant	420	380
Cash in hand	1780	2830

30% of the expense for the light and heat and rent are to be charged to the restaurant.

Free for All

Required

Prepare for the Social Club for the year ended 31 Dec Year2.

(1) A statement for Accumulted Fund

(2) Trading Account

(3) Income and Expenditure

(4) Subscription Account

(5) Balance Sheet

Answers,

(a) Statement of the Accumulated Fund at 1 Jan Year 2

	£	£
Assets,		
Equipment		13200
Subscription in arrear		300
Stock		860
Bank		1780
		16140
Liabilities,		
Creditors	420	
Subscription in advance	200	
Accrued Ligh and heat	70	
Accrued Rent	400	(1090)
Accumulated Fund		**15050**

Free for All

(b) Restaurant / Bar Trading Account for the year ended 31 Dec Year 2

	£	£	£
Sales			16500
(-) Cost of sales			
Opening stock		860	
Purchase(10450+380-420)		10410	
(-)closing stock		(890)	(10380)
Gross Profit			6120
(-) Expense			
Restaurant staff wages		3000	
Rent (7300+500-400)x30%		2220	
Light and heat (1250+140-70)x30%		396	(5616)
Profit or Loss			504

Free for All

(c) Income and Expenditure A/C for the year ended 31 Dec Year 2.

Income, (from Bank Receivable)	£	£
Subscription	25170	
Restaurant/Bar Profit	504	25674
(-)Expenditure, (from Bank Payable)		
Bank Charges	200	
Rent (7300+500-400)x70%	5180	
Light and heat (1250+140-70)x70%	924	
Depreciation,Equipment (13200+18250-30250)	1200	(7504)
Excess Income or Expenditure		18170

Dr Subscription A/C (နစ်စဉ်ကြေးရင်း) Cr

	£		£
Accrued b/d (arrear,assets)	300	Advance b/d (liabilities)	200
Income & Expense (member x rate)	25170	Bank A/C (နစ်အတွင်းရသောငွေများထည့်)	25000
Advance c/d	140	Accrued c/d	410
	25610		25610

Free for All

(d) Balance Sheet as at as 31 Dec Year 2.

	Cost	Pro:for Depn:	NBV
	£	£	£
Fixed Assets			
Equipment	31450	1200	30250
Current Assets			
Stock		890	
Accrued Subscription		410	
Cash inhand		2830	
		4130	
less:Current Liabilities			
Creditor or Supplies	380		
Received in advance of subscription	140		
Accrued Rent	500		
Accrued light and heat	140	(1160)	2970
			33220
Working Captial			
Finance By,			
Opening Capital/Accumulated Fund			15050
(+/-) Excess Income/Expense			18170
			33220

Free for All

Exam Questions and Suggested Answers for Book-Keeping & Accounts

Question (1)

On 1 Jan Year 5, Mr B purchase a motor vehicle by cheque for £ 9,500. He decided to depreciate it at rate of 20% per annum, using the straight line method of depreciation. She sold the motor vehicle on 31 Dec Year 7 for £2,100 received in cash.

Required,
For the 3 financial years ending 31 December Year 5 , 6 and 7 prepare Mr B.

(a) Motor Vehicle Account
(b) provision for depreciation of motor vehicle account
(c) Disposal Account

Model Answer to Question (1)

(a) Motor Vehicle Account

1 Jan Year5	Balance b/d	9500	31 Dec Year 5	Balance c/d	9500
		9500			9500
1 Jan Year6	Balance b/d	9500	31 Dec Year 6	Balance c/d	9500
		9500			9500
1 Jan Year7	Balance b/d	9500	31 Dec Year 7	Balance c/d	9500
		9500			9500

Free for All

Working Note

Straight Line Method

Annual depreciation = (original cost - scrap value) x depn: rate %

= (£9,500 - 0) x 20 %

= £1,900 per annum

(b) Provision for depreciation of motor vehicle account

		£			£
31 Dec Year 5	Balance c/d	1900	31 Dec Year 5	Depreciation	1900
		1900			1900
31 Dec Year 6	Balance c/d	3800	1 Jan Year6	Balance b/d	1900
			31 Dec Year 6	Depreciation	1900
		3800			3800
31 Dec Year 7	Balance c/d	5700	1 Jan Year7	Balance b/d	3800
			31 Dec Year 7	Depreciation	1900
		5700			5700

(c) Disposal Account

		£			£
31 Dec Year 7	Motor Ven	9500	31 Dec Year 7	Provision for Depn:	5700
				Cash proceed	2100
				Profit loss	1700
		9500			9500

Free for All

Question (2)

Viper Ltd commenced trading on 1 January 1998, and its financial year end is 31 December.

It was company policy to deprecitate Motor Vehicles at 25% per annum, using straight line method and to depreciated Plant and Machinery at 20% per annum, using the reducing balance method.

Depreciation for a full year is to be charged on fixed assets purchased in the first half of the year, and half a year's depreciation is to be charged on fixed assets purchased in the second half of the year.

No depreciation is to be charged in the year of sale.

On 1 January 1998, Vehicle A was purchased for £ 20,000.
On 31 July 1999, Vehicle B was purchased for £ 30,000.
On 1 June 2000, Vehicle C was purchased for £ 40,000.
On 30 September 2000, Vehicle A was sold for £ 9,000.
On 1 January 1998, Plant and Machinery was purchased for £ 50,000.
On 1 August 1999, Plant and Machinery was purchased for £ 40,000.

Required

Prepare the following accounts in the books of Viper Ltd for the period 1 January 1998 to 31 December 2001:

(a)	Motor Vehicle Account	(8 marks)
(b)	Provision for Depreciation Motor Vehicle Account	(8 marks)
(c)	Disposal of Motor Vehicle Account	(4 marks)
(d)	Provision for Depreciation Plant and Machinery Account	(5 marks)

***Please enter dates for all entries in accounts. (Total 25 marks)

Free for All

Model Answer to Question (2)

(a)

Motor Vehicle Account

Date	Particular	£	Date	Particular	£
01-Jan-98	Motor VenhicleA	20,000	31-Dec-98	Balance c/d	20,000
		20,000			20,000
01-Jan-99	Balance b/d	20,000			
31-Jul-99	Motor VenhicleB	30,000	31-Dec-99	Balance c/d	50,000
		50,000			50,000
01-Jan-00	Balance b/d	50,000	30-Sep-00	Disposal MVenA	20,000
01-Jun-00	Motor VenhicleC	40,000	31-Dec-00	Balance c/d	70,000
		90,000			90,000
01-Jan-01	Balance b/d	70,000	31-Dec-01	Balance c/d	70,000
		70,000			70,000
01-Jan-02	Balance b/d	70,000			

Free for All

(b) Provision for Depreciation Motor Vehicle Account

Date	Particular	£	Date	Particular	£
31-Dec-99	Balance c/d	13,750	31-Dec-98	Depn: P&L A/C	5,000
			31-Dec-99	Depn: P&L A/C	8,750
		13,750			20,000
30-09-00	Disposal MVenA	10,000	01-01-00	Balance b/d	13,750
31-12-00	Balance c/d	21,250	31-12-00	Depn: P&L A/C	17,500
		31,250			31,250
31-12-01	Balance c/d	38,750	01-01-01	Balance b/d	21,250
			31-12-01	Depn: P&L A/C	17,500
		38,750			38,750

(c) Disposal of Motor Vehicle Account

Date	Particular	£	Date	Particular	£
30-Sep-00	Motor VehicleA	20,000	30-Sep-00	Cash proceed	9,000
			30-Sep-00	Pro:Depn: MVenA	10,000
			31-Dec-00	Profit & Loss A/C	1,000
		20,000			20,000

Free for All

(d) Provision for Depreciation Plant and Machinery Account

Date	Particular	£	Date	Particular	£
31-Dec-99	Balance c/d	22,000	31-Dec-98	Depn: P&L A/C	10,000
			31-Dec-99	Depn: P&L A/C	12,000
		22,000			22,000
31-12-00	Balance c/d	35,600	01-01-00	Balance b/d	22,000
			31-12-00	Depn: P&L A/C	13,600
		35,600			35,600
31-12-01	Balance c/d	46,480	01-01-01	Balance b/d	35,600
			31-12-01	Depn: P&L A/C	10,880
		46,480			46,480
			01-01-02	Balance b/d	46,480

Working Note

Depreciation for Motor Vehicle

Ven A 1 Jan~31Dec 98 (£20,000 -0)x 25% = £ 5,000 per annum x full year

Ven A 1 Jan~31Dec 99 = £ 5,000 p.a x 1year = £5,000

Ven B 31 July~31Dec 99 (£30,000-0)x 25% = £ 7,500 p.a x 1/2 year= £3,720

Ven A 1 Jan~31Dec 00 (ပုဆွာတွင်ရောင်းတဲ့နှစ်မတွက်ခိုင်းထားပါ)

Ven B 1 Jan~31Dec 00 = £ 7,500 p.a x 1year = £7,500

Ven C 1 Jan~31Dec 00 (£40,000-0)x 25% = £ 10,000 p.a x 1year = £10,000

Ven B 1 Jan~31Dec 01 = £ 7,500 p.a x 1year = £7,500

Ven C 1 Jan~31Dec 01 = £ 10,000 p.a x 1year = £10,000

Free for All

Working Note

Annual depn: for Plant & Machinery

for £50,000	1 Jan~31Dec 98	(£50,000-0)x20%	=	£10,000
	1 Jan~31Dec 99	(£50,000-10,000)x20%	=	£8,000
	1 Jan~31Dec 00	(£50,000-18,000)x20%	=	£6,400
	1 Jan~31Dec 01	(£50,000-24,400)x20%	=	£5,120
for £40,000	1 Aug~31Dec 99	(£40,000-0)x20% x 1/2year	=	£4,000
	1 Jan~31Dec 00	(£40,000-4,000)x20%	=	£7,200
	1 Jan~31Dec 01	(£40,000-12,200)x20%	=	£5,760

Question(3)

Peter prepares his accounts to 31 December each year. The following occurred in respect of bad and doubtful debts:

Year 1

The debtor balances at the end of the year totalled £ 163,200. After this balance was extracted, Peter made the following write off.

B Smith	£ 8,400
J Murry	£ 4,300

As this was Peter's first year of trading he decided to make a provision of 2% of final debtors.

Year 2

The end of year debtor balance was £ 124,000. No bad debts were written off and the provision of 2% of final debtors was maintained.

Free for All

Year 3

The end of year debtor balance was £ 95,600 after the forllowing debtor balance had been written off:

S Maikin £ 700 on 1 February Year 3

On 1 November Year 3 a cheque for £ 4,300 was received from J Murry in respect of the debt written off in Year 1. On 28 December Peter received a cheque from S Maikin for £ 700 covering the debt.

It is decided to adjust the provision to 3% of final debtors.

Required

Prepare the following accounts for the relevant years:

(a)	Bad Debts	(5 marks)
(b)	Provision for Doubtful Debts	(8 marks)
(c)	Bad debts recovered	(2 marks)
(d)	B Smith	(2 marks)
(e)	J Murry	(4 marks)
(f)	S Maikin	(4 marks)
		(Total 25 marks)

Model Answer to Question (3)

(a)

Bad Debts Account

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
31 Dec	B Smith	8,400	31 Dec	Profit & Loss A/C	12,700
31 Dec	J Murry	4,300			
		12,700			12,700
Year 3			Year 3		
01 Feb	S Maikin	700	28 Dec	S Maikin	700

Free for All

(b)

Provision for Doubtful Debts Account

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
31 Dec	Balance c/d	3,010	31 Dec	Profit & Loss A/C	3,010
		3,010			3,010
Year 2			Year 2		
31 Dec	Profit&Loss A/C	530	01 Jan	Balance b/d	3,010
31 Dec	Balance c/d	2,480			
		3,010			3,010
Year 3			Year 3		
31 Dec	Balance c/d	2,868	01 Jan	Balance c/d	2,480
			31 Dec	Profit & Loss A/C	388
		2,868			2,868
			Year 3		
			01 Jan	Balance b/d	2,868

(c)

Bad Debts Recovered Account

Date	Particular	£	Date	Particular	£
Year 3			Year 3		
31 Dec	Profit & Loss A/C	4,300	01 Nov	J Murry	4,300
		4,300			4,300

Free for All

(d)

B Smith Account (Debtor)

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
31 Dec	Balance b/d	8,400	31 Dec	Bad Debts	8,400

(e)

J Murry Account (Debtor)

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
31 Dec	Balance b/d	4,300	31 Dec	Bad Debts	4,300

J Murry Account (Debtor)

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
01 Nov	Bad debts recovered	4,300	01 Nov	Bank A/C	4,300

(f)

S Maikin Account (Debtor)

Date	Particular	£	Date	Particular	£
Year 1			Year 1		
01 Feb	Balance b/d	700	01 Feb	Bad debts	700
28 Dec	Bad debts	700	28 Dec	Bank	700
		1,400			1,400

Free for All

Question(4)

G Tone, a sold trader , extracted the following Trial Balance from his books at the end on 31-March-Year 6.

	£	£
Capital		26,150
Purchase and sales	122,500	170,155
Returns inwards and Outwards	300	100
Fixture and fitting	9,800	
Motor vehicle	9,950	
Stock at 1 April 2005	3,750	
Wages and salaries	20,540	
Light and heat	590	
Bad debts	200	
Rent	4,950	
Sundry expenses	1,515	
Insurance	1,290	
Motor Vehicle expenses	1,950	
Provision for depreciation at 1 April 2006,		
Fixture and fitting		2,220
Motor vehicle		3,300
Telephone	320	
Discount allowed and received	500	450
Provision for doubtful debts		180
Bank balance	18,600	
Drawing	5,800	
	202,555	202,555

Free for All

Additional information, at 31 March Year 2006.

(1) Stock at £ 4110.

(2) Insurance prepaid £210 . Accrued Rent and telephone £320 and 110.

(3) Depreciation rate 25 % for Motor Vehicle on cost and 20 % for furniture and fitting on cost.

(4) Provision for doubtful debts to be adjusted to 3% of debtors.

Required

(1) Prepare Trading and Profit and loss Account for the year ended 31MarYear6.

(2) Prepare Balance Sheet as at 31MarYear6.

Model Answer to Question (4)

(1) Trading and Profit and loss Account for the year ended 31MarYear6

	£	£	£
Sales		170,155	
(-) returns inwards		(300)	169,855
(-) Cost of goods sold			
Opening stock		3,750	
Purchase	122,500		
(-) return outwards	(100)	122,400	
(-) closing stock		(4,110)	(122,040)
Gross Profit			47,815
Discount Received			450
			48,265

Free for All

(-) expenses		
Wages and salaries	20,540	
Light and heat	590	
Bad debts	200	
Rent (4950+320)	5,270	
Sundry expenses	1,515	
Insurance (1290-210)	1,080	
Motor Vehicle expenses	1,950	
Telephone (320+110)	430	
Discount Allowed	500	
Depreciation , Motor Vehicle	2,488	
Depreciation , Furniture and Fitting	1,960	
Provision for doubtful debts	105	(36,628)
Net Profit		**11,637**

(2) Balance Sheet as at 31MarYear6

	Cost	Accu: depn:	NBV
Fixed Assets			
Fixture and fitting	9,800	4,180	5,620
Motor vehicle	9,950	5,788	4,162
	19,750	9,968	**9,782**

Free for All

Current Assets			
Stock		4,110	
Debtor	9,500		
(-)Provision for doubtful debts	(285)	9,215	
Bank		18,600	
Prepaid		210	
		32,135	
(-) Creditor within one year			
Creditors	4,150		
Accrued (320+110)	430	(4,580)	27,555
			37,337
Finance By			
Capital			31,500
Net Profit			11,637
(-)Drawing			(5,800)
			37,337

Free for All

Question(5)

Thames and Severn are in partnership sharing profits and losses in the ratio 2:3 respectively. The following Trial Balance was extracted from the partnership books at 31 December 2002:

	Dr £	Cr £
Freehold premises	300,000	
Motor Vehicles at cost	50,000	
Fixtures and fittings at cost	18,000	
Plant and machinery at cost	80,000	
Capital, Thames 1 January 2002		209,000
Capital, Severn 1 January 2002		163,000
Drawings , Thames	19,700	
Drawings , Severn	38,500	
Rent	28,000	
Salaries	101,000	
Carriage In	4,700	
Carriage Out	8,950	
Returns In	9,500	
Purchases	609,000	
Sales		1,005,000
Insurance	9,300	
Light and heat	7,800	
Trade debtors	126,000	
Trade creditors		91,000
Bad Debts	1,800	
Teleplone	8,000	
General office expenses	15,350	
Motor Vehicles expenses	9,900	

Free for All

Interest on Bank loan	3,750	
Provision for doubtful debts 1 January 2002		3,700
Discount Allowed &Discount Received	8,300	1,800
Bank Loan		75,000
Cash at Bank	66,950	
Stock at 1 January 2002	67,900	
Provision for depreciation 1 January 2002,		
Motor Vehicle		10,000
Plant and machinery		30,300
Fixtures and fittings		3,600
	1,592,400	1,592,400

The following additional information has been made available in respect of year ended 31 December 2002:

(1) Depn: is to be provided at the following rates using the straight line method.
Fixtures and Fittings 10% per annum
Plant and Machinery 15% per annum
Motor vehicles 20% per annum

(2) The provision for doubtful debts is to be adjusted to 2% of debtors.

(3) Thames is to receive a salary of £25,000.

(4) The partners are to receive interest at rate of 5% per annum based on the balance on their Captial Accounts at 1 January 2002.

(5) Closing stock was valued at £58,900.

(6) There were no balances on the partner's current accounts at 1 January 2002.

(7) Accrued charges at 31 December 2002 were :

Salaries	1,000
Interest on loan	3,750
Motor vehicles expenses	600

Free for All

Telephone	550
Light and Heat	450
(8) The prepayments at 31 December 2002:	
Rent	4,000
Insurance	50

Required,

(a) Trading, Profit & Loss Account and Appropriation Account for the year ended 31 December 2002. (20 marks)

(b) The partner's currnet accounts, in coloumner format, in respect of the year ended 31 December 2002. (5 marks)

(Total 25 marks)

Model Answer to Question (5)

(a) Trading, Profit & Loss Account and Appropriation Account for the year ended 31 December 2002

	£	£
(a) Gross Profit		372,800(Gross Profitတိ အဝင်)
Net profit for the year		147,530
(-) Interest on Capital		
Thames (209,000x 5%)	10,450	
Severn (163,000x5%)	8,150	(18,600)
(-) Partner's Salary		
Thames		(25,000)
Residual Pofit		103,930

Free for All

(-) Share of profit (2:3)

Thames (103,930 x 2/5)	41,572	
Severn (103,930 x3/5)	62,358	(103,930)
		-

(b) Partner's Current Account

	£ Thames	£ Severn		£ Thames	£ Severn
Balance b/d	Nil	Nil	Balance b/d	Nil	Nil
Drawing	19,700	38,500	Interest on Captial	10,450	8,150
Balance c/d	57,322	32,008	Partner salary	25,000	
			Share of profit	41,572	62,358
	77,022	70,508		77,022	70,508
			Balance b/d	57,322	32,008

Question (6)

XYZ plc has an authorised share capital of 300,000 10% preference shares of £2 each and 450,000 ordinary shares of £2 each.

The following are the balances in the books at 31 October 2007:

Preference shares fully paid	450,000
Ordinary shares fully paid	600,000
Stock	499,200
Provision for doubtful debts at 31 October 2006	1,000
Motor vans at cost	180,000
Furniture and equipment at cost	150,000
Debtors	236,000
Insurance prepaid	10,000

Free for All

Bank overdraft	6,000
Profit and Loss account balance at 31 October 2006	114,000
Provision for depreciation on motor vans at 31 Octber 2006	42,000
Provision for depreciation on furniture and equipment at 31 October 2006	37,500
10% debentures (repayable 2021)	150,000
Creditors	186,000
Cash	5,000
Premises	645,000

Additional information:

No entries have been made in the books for the following:
(1) motor vans are depreciated at 10% per annum on cost
(2) furniture and equipment was valued at £105,000 on 31 October 2007
(3) provision for doubtful debts was increased by £2,200 at 31 October 2007
(4) interest on debentures is due but unpaid

After adjusting for items 1-4 above , the net profit before appropriation was £96,000.
The directors are proposing:
(i) the preference share dividend is to be paid in full
(ii) a dividend on the ordinary shares of £0.20 per share.

Required
Prepare a Balance Sheet at 31 October 2007. Show clearly the value of net current assets and total shareholder's funds.

Free for All

Model Answer to Question (6)

Working Note (1)

Motor Van depereciation = £180,000 x 10% = £18,000

Working Note (2)

Furniture and equipment depreciation

Original Cost	150,000
Accu:depn:	(37,500)
	112,500
Depreciation	(7,500)
Valued at 31Oct2007	105,000

Working Note (3)

Provision for doubtful debts at 31 October 2006

Balance c/d	3,200	Balance b/d	1,000
		Increase	2,200
	3,200		3,200

Working Note (4)

Accrued debenture interest = £150,000 x 10% = £15,000

Working Note (5)

Preference share ,final dividend

per annum (450,000 x 10%)=	45,000
interim dividend	nil
Proposed dividend	45,000

Free for All

Working Note (6)

Ordinary share ,final dividend

£0.20 per share x No of share

= £0.20 x £600,000/ £2

= £0.20 x 300,000

= £60,000

Working note (7)

Appropriation Account	£
Net Profit before appropriation	96,000
(-) Preference share dividend	(45,000)
(-) Ordinary share dividend	(60,000)
Retained profit for the year	(9,000)
Retained profit b/d	114,000
Retained profit c/d	105,000

Free for All

Balance Sheet as at 31 October 2007

	£	£	£
Fixed Assets			
Motor vans	180,000	60,000	120,000
Furniture and equipment	150,000	45,000	105,000
Premises	645,000	-	645,000
	975,000	**105,000**	**870,000**
Current Assets			
Stock		499,200	
Debtor	236,000		
(-)provision for doubtful debts	(3,200)	232,800	
Cash		5,000	
Prepaid insurance		10,000	
		747,000	
less: creditor amount due within one year			
Creditors	186,000		
Accrued debenture 10%	15,000		
Propose dividend(45,000+60,000)	105,000		
Bank overdraft	6,000	(312,000)	
Net Current Assets			435,000
Total Assets less current liabilities			**1,305,000**
less: creditor amount due more than one year			
Debenture			(150,000)
			1,155,000
Finance By			
Ordinary Share			600,000
Preference Share			450,000
Retained profit c/d			105,000
			1,155,000

Free for All

Question(7)

J Davenport extracted the following Trial Balance from his books at the end of the financial year, 31 March Year 12.

	£	£
Purchase of raw materials	262,000	
Heating and lighting	16,500	
Factory wages	85,000	
Repairs to plant and machinery	8,700	
Rent and rates	20,000	
Administration salaries	14,000	
Selling expenses	6,000	
Sales		496,000
Returns Inwards	5,000	
General office expenses	7,400	
Carriage outwards	1,600	
Stocks at 1 April Year 11:		
Raw materials(at costs)	23,000	
Work in process(at production cost)	15,000	
Finished goods (at market value)	24,500	
Provision for unrealised profit		3,000
Capital		476,000
Freehold premises at cost	420,000	
Plant and machinery at cost	86,000	
Provision for depreciation on plant and machinery at 1 Apr Year11		18,000
Debtors	21,000	
Creditors		35,500
Balance at bank	12,800	
	1,028,500	1,028,500

Free for All

In addition, the following information was available.

(1) Stock at 31 March Year 12,

Raw Material	26,000
Work in Progress	11,600
Finished goods (at market value)	25,800

(2) The provision for unrealised profit is to be adjusted to £3,200.

(3) Depreciation is to be provided on plant and machinery at 15% on cost.

(4) Rent and rates prepaid £4,000.

(5) Accrued due for heating and lighting £2,000.

(6) 75% of rent and rates, 80% of lighting and heating and 20% of general office expenses are to be charged to manufacturing.

(7) The market value of goods produced during the year ended 31 March 12 is £413,500 .

Required : Prepared for J Davenport the:

(a)(i) Manufacturing Account for the year ended 31 March Year 12. (19 marks)

(ii) Trading Profit and Loss A/C for the year ended 31 March Year 12.

(b) Prepare a Balance sheet at 31 March Year 12. (6 marks)

(Total 25 marks)

Free for All

Model Answer to Question (7)

(i) **Manufacturing Account for the year ended 31 March Year 12**

	£	£
Direct Material Cost(cost of sale)		
Opening stock of Raw Material(R.M)	23000	
(+) Purchase of Raw Material	262000	
(+) Carriage Inward of R.M	-	
(-) Closing Stock of Material	(26000)	259000
Direct Labour Cost/Wages		85000
Prime Cost (ကနဦးကုန်ကျစရိတ်)		**344000**
Factory Overhead/Production Overhead		
light & heat(16500+2000)x80%	14800	
Repairs to plant and machinery	8700	
Rents and rates(20000-4000)x75%	12000	
General office expenses	1480	
Depn: on Machinery(86000x15%)	12900	49880
Production/Factory Cost		**393880**
(+) Opening Work in Process(WIP)	15000	
(-) Closing Work in Process(WIP)	(11600)	3400
Cost of Goods completed		**397280**
(+) Manufacture Profit		16220 (413500-397280)
Market value of finished Goods produced		**413500**

Free for All

(ii) Trading Profit and Loss Account for the year ended 31 March Year 12

	£	£
Sale	496,000	
(-) Sale Return	(5,000)	491,000
(-) Cost of Sale		
Opening stock of Finished Goods(F.G)	24,500	
(+) Cost of F.G produced (from manuf: A/C)	413,500	
(-) Closing Stock of Material	(25,800)	(412,200)
Gross Profit		78,800
(+) Incomes,Manufacture Profit		16,220
		95,020
(-) Expenses		
Administration salaries	14,000	
Selling expenses	6,000	
Carriage outwards	1,600	
Provision for unrelaised profit increasing (opening 3000- closing 3200)	200	
light & heat(16500+2000)x20%	3,700	
Rents and rates(20000-4000)x25%	4,000	
General office expenses	5,920	(35,420)
Net Profit		59,600

Free for All

(iii) Balance sheet at 31 March Year 12.

	Cost	Pro:for Depn:	NBV
Fixed Assets			
Freehold premises	420,000	-	420,000
Plant and Machinery	86,000	30,900	55,100
	506,000	30,900	475,100
Current Assets			
Closing Stock,			
Raw Material		26,000	
W.I.P		11,600	
Finished Goods	25,800		
(-)unrealised profit	(3,200)	22,600	
Debtors		21,000	
Prepaid Rent and Rates		4,000	
Bank		12,800	
		98,000	
Current Liabilities			
Creditors	35,500		
Accrued lighting and heating	2,000	(37,500)	60,500
			535,600
Financed By			
Capital			476,000
(+) Net Profit			59,600
			535,600

Free for All

Question(8)

The Treasurer of the Four Rivers Golf and Social Club extracted the following summary of receipts and payments from the club's bank statements in respect of the year ended 31 December 2002.

Receipts	£	Payments	£
Restaurant takings	95,000	Kitchen and restaurant staff wages	26,000
Members subscriptions	60,000	Kitchen equipment	5,000
Life membership scheme	2,600	Food supplies for restaurant	46,500
		Administrative staff wages	21,000
		Sundry expenses	900
		Bank charges	650
		Marketing and advertising	3,500
		Insurances	2,100
		Light and heat	1,000
		Gifts	750
		Travelling expenses	1,100
		Rent	45,000

Other information:

	Year ended 31 December	
	2001	2002
	£	£
Kitchen equipment at valuation	8,100	12,000
Cash in hand	275	420
Cash in Bank	1,397	???
Subscription in arrears	2,600	3,100
Subscription in advance	150	300

Free for All

Administrative staff wages accrued	-	450
Light and heat accrued	-	200
Insurances prepaid	200	500
Creditor-food supplies	1,800	3,900
Stock- food supplies	600	800

Notes:

(1) The life membership scheme was intorduced on 1 January 2002, with 4 members each paying £650. It was agreed that life membership fees would be transferred to the Income and Expenditure Account in equal amounts over a five year period.

(2) One third of the cost of rent, insurances and light and heat related to the restaurant.

Required

Prepare for the Four Golf and Socail Club:

(a) a statement of the accumulated fund at 1 January 2002. (3marks)

(b) the Restaurant Trading A/C for the year ended 31 Dec 2002. (8marks)

(c) the Income and Expenditure A/C for the year ended 31 Dec 2002.(10marks)

(d) a calculation, showing workings, of the balance of cash at bank at 31 Dec 2002. (4marks)

(Total 25 marks)

Free for All

Model Answer to Question (8)

(a) **Four Rivers Golf and Social Club**

A statement of the accumulated fund at 1 January 2002

	£	£
Assets (1 Jan 2002)		
Kitchen equipment	8,100	
Cash	275	
Bank	1,397	
Subscription in arrears	2,600	
Stock- food supplies	600	
Insurances prepaid	200	
		13,172
Liabilities(1 Jan 2002)		
Food supplies for restaurant	1,800	
Subscription in advance	150	(1,950)
Opening Accumulated Funds		11,222 ※

Working Note (1)

Creditor Food Supplier A/C

Bank	46,500	Balance b/d	1,800
Balance c/d	3,900	Purchase (restaurant trading)	48,600
	50,400		50,400

Free for All

Working Note (2)

Subscription A/C (income)

Arrear b/d	2,600	Advance b/d	150
I & E (expense)	60,350	Bank	60,000
Advance c/d	300	Arrear c/d	3,100
	63,250		63,250

Working Note (3)

Kitchen Equipment A/C

Balance b/d	8,100	Depn: expenses	1,100
Bank	5,000	Balance c/d	12,000
	13,100		13,100

Working Note (3)

Life membership scheme

I & E (income) (2600÷5)	520	Bank	2,600
Balance c/d	2,080		
	2,600		2,600

Free for All

(b) The Four Rivers Golf and Social Club
Restaurant Trading A/C for the year ended 31 Dec 2002

	£	£
Sales		95,000
(-) Cost of sales		
Opening Stock-food	600	
Purchase	48,600	
(-)closing food stock	(800)	(48,400)
Gross Profit		46,600
(-) Expense		
Kitchen and restaurant staff wages	26,000	
Insurances (2100+200-500)=1800 x1/3	600	
Light and heat (1000+200)=1200 x1/3	400	
Rent (45000 x 1/3)	15,000	
Depn: of Kitchen equipment	1,100	(43,100)
Restaurant Profit		3,500 ※

(c) The Four Rivers Golf and Social Club
The Income and Expenditure A/C for the year ended 31 Dec 2002

	£	£
Income, (from Bank Receivable)		
Subscription	60,350	
Restaurant/Bar Profit	3,500	
Life membership scheme	520	64,370

Free for All

(-)Expenditure, (from Bank Payable)

Administrative staff wages(21000+450)	21,450	
Sundry expenses	900	
Bank charges	650	
Marketing and advertising	3,500	
Insurances (1800 x 2/3)	1,200	
Light and heat (1200 x 2/3)	800	
Gifts	750	
Travelling expenses	1,100	
Rent (45000 x 2/3)	30,000	(60,350)
Excess Income		4,020

(d) Receipts and Payments A/C (cash+bank)

	£		£
Balance b/d (275+1397)	1,672	Total Payments	153,500
Total receipts	157,600	Balance c/d (cash)	420
		Balance c/d (bank)	5,352
	159,272		159,272

Free for All

Question(9)

K Limited 's ,His business has deteriorated in the last year, when the profit percentages have remained constant.

They have provided you with the following information.

Profit and loss Account for the year ended 30 September 2006.

	Year 2006	Year 2005
	£ 000	£ 000
Sale	6,150	5,950
(-)Cost of sale	(3,850)	(4,000)
Gross Profit	**2,300**	**1,950**
Sundry expenses	(305)	(280)
Profit before interest	**1,995**	**1,670**
Interest paid	(100)	(95)
Net Profit	**1,895**	**1,575**

Balance Sheet at

	Year 2006	Year 2005
Fixed Assets		
Land and Building	710	700
Motor Vehicle	450	430
	1,160	**1,130**
Current Assets		
Stock	1,054	905
Debtor	1,450	850
Bank in hand	125	400
	2,629	**2,155**

Free for All

Creditors within one year		
Creditors	560	1,100
Bank Overdraft	700	-
	1,260	**1,100**
Net Current Assets	1,369	1,055
Total Assets less current liabilities	**2,529**	**2,185**
Finanace By		
Captial	634	610
Net Profit	1,895	1,575
	2,529	**2,185**

Required,

Calcualte the following ratios for the year ended 30 September 2005 and Year 2006, two decimal places.

(a) Current Ratio

(b) Acid test ratio (quick ratio)

(c) Stock turnover (use closing stock)

(d) Trade debtor peroid (to the nearest whole day)

(e) Trade creditor peroid (to the nearest whole day using cost of sale)

Model Answer to Question (9)

	Year 2006	Year 2005
(a) Current Ratio	=2629/1260	=2155/1100
	2.09 : 1	1.96 : 1
(b) Acid test ratio	=1575/1260	=1250/1100
	1.25 : 1	1.14 : 1

Free for All

(c) Stock Turnover	=3850/1054	=4000/905
	3.65 times	4.42 times
(d) Trade debtor period	=1450/6150 x 365	=850/5950 x 365
	86 days	52 days
(e) Trade creditor period	=560/3850 x 365	=1100/4000 x 365
	53 days	100 days

Question(10)

The following balances were of the books of Great Founding at 1 December 2006.

	Dr	Cr
	£	£
Sales Ledger Control Account	282,949	1,100
Purchase Ledger Control Account	1,450	268,950

Provision for doubtful debts balance was £ 9850.

The following is a summary of transactions for the month of December 2006.

	£
Cash Sales	27,000
Sales on credit	135,700
Purchases on credit	59,900
Credit sale returns	3,220
Credit purchase returns	1,122
Cash received from debtors	122,546
Payment to creditors	57,869
Discount Allowed	2,100

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Free for All

Discount Received	1,300
Bad debts written off	1,450
Debit balances in sale ledger transferred to purchase ledger	900
Cash refund to credit customer	336

At 31 Dec 2006, the following balances were in the purchase ledger and sale ledger Control Account.
Debit Balance : Purchase Ledger £ 2800
Credit Balance: Sale Ledger £ 1394

The Provision for doubtful debts was to be adjusted to 3 % of the debit balances in the sale ledger account at 1 December 2006.
Required:
(a) Prepare a Sales Ledger Control Account (14 marks)
(b) Prepare a Purchase Ledger Control Account (9 marks)
(c) Provision for doubtful debts Account at 31 Decemeber 2006. (2 marks)
(Total 25 marks)

Model Answer to Question (10)

(a) Sales Ledger Control Account

Date	Particular	£	Date	Particular	£
01-12-06	Balance b/d	282,949	01-12-06	Balance b/d	1,100
31-12-06	Credit Sales	135,700	31-12-06	Sale Returns	3,220
31-12-06	Cash refund	336	31-12-06	Bank	122,546
31-12-06	Balance c/d	1,394	31-12-06	Discount Allowed	2,100
			31-12-06	Bad debts	1,450
			31-12-06	Contra	900
			31-12-06	Balance c/d	289,063
		420,379			420,379
01-01-07	Balance b/d	289,063	01-01-07	Balance b/d	1,394

Free for All

(b) Purchase Ledger Control Account

Date	Particular	£	Date	Particular	£
01-12-06	Balance b/d	1,450	01-12-06	Balance b/d	268,950
31-12-06	Purchase returns	1,122	31-12-06	Credit purchased	59,900
31-12-06	Discount Received	1,300	31-12-06	Balance c/d	2,800
31-12-06	Bank	57,869			
31-12-06	Contra	900			
31-12-06	Balance c/d	269,009			
		331,650			**331,650**
01-01-07	Balance b/d	2,800	01-01-07	Balance b/d	269,009

Provision for doubtful debts Account

Date	Particular	£	Date	Particular	£
31-12-06	P & L (income) (decrease)	1,781	01-12-06	Balance b/d	9,850
31-12-06	Balance c/d (268950 x 3%)	8,069			
		9,850			**9,850**
			01-01-07	Balance b/d	8,069

Question(11)

The Trial Balance of 31 July 2009 did not agree . A suspense Account was created in order to achieve a balance.

Draft Final Accounts were produced from this Trial Balance and it showed there was working capital of £27550.

The following items were discovered,

(i) A cheque for £1,000 received from Mr.C had been credited to the account of Mr.B.

Free for All

(ii) The purchase of new motor vehicle on 1 July 2009 for 1,500 had been posted to the Stock Account.
(iii) A sale of £679 to H Golf had not been posted to his personal account.
(iv) A cheque received from Mr.E for £986 has been entered in the Cash Book but had been posted to Mr.E Account as £968.
(v) Discount allowed of £67 had been credited in error to the Discount Received Account.
(vi) Bank charges of £690 had been entered in the Cash Book but the other half of the entry had not been completed.
(vii) Sales of £342 to Mr Tom had been posted correctly to the Personal A/C, but entered in the Sales Account as £324.

Required
(a) Journal entries, without narrative or dates, to correct above items .
(b) The Suspense Account.
(c) A statement showing the

Model Answer to Question (11)
(a) Journal

		Dr £	Cr £
(i)	Mr.B A/C	1,000	
	Mr.C A/C		1,000
(ii)	Motor Vehicle A/C	1,500	
	Stock A/C		1,500
(iii)	H Golf A/C	679	
	Suspense A/C		679
(iv)	Suspense A/C	18	
	Mr.E A/C		18

Free for All

(v)	Discount Allowed	67	
	Discount Received	67	
	Suspense A/C		134
(vi)	Bank Charges A/C	690	
	Suspense A/C		690
(vii)	Suspense A/C	18	
	Sales A/C		18

(b) The Suspense Account

	£		£
Balance b/d	1,467	H Golf A/C	679
Mr.E A/C	18	Discount Allowed	67
Sales A/C	18	Discount Received	67
		Bank Charges A/C	690
	1,503		1,503

(c) Corrected Working Captial

	Dr (+) £	Cr (-) £	Net £
Before corrected working capital			27,550
(i) Mr.B A/C	1,000		
Mr.C A/C		1,000	
(ii) Stock A/C		1,500	
H Golf A/C	679		
(iv) Mr.E A/C		18	
	1,679	2,518	(839)
Corrected working capital			**26,711**

Note*** Working Captial (Dr) = Current Assets(Dr) - Current Liabilities(Cr)
That why, Dr Adjustment (+)
Cr Adjustment (-)

Free for All

Question(12)

Silly and T Merry are in partnership, sharing profit and losses in the ratio 4:1 respectively.

The Balance sheet of the partnership at 31 December 2002 was as follows.

Silly and T Merry
Balance Sheet at 31 December 2002

	£	£	£
Fixed Assets			
Freehold premises		125,000	
Motor Vehicle		38,000	
Plants and Machinery		40,000	
Fixtures and Fitting		12,000	
		215,000	
Goodwill		20,000	235,000
Current Assets			
Stock		12,500	
Debtor		19,000	
Bank		7,500	
		39,000	
Amounts falling due within one year			
Creditors	15,000		
Bank Loan(repayable June 2003)	6,000	(21,000)	18,000
			253,000

Free for All

Finance By		
Parner's Capital Accounts		
Silly	160,000	
T Merry	90,000	250,000
Parner's Current Accounts		
Silly	1,000	
T Merry	2,000	3,000
		253,000

Silly and T Merry agreed that, from 1 January 2003, profits and losses would be shared in the ratio 3:1 respectively. It was also agreed that certain assets would be re-valued.

	£
Freehold premises	140,000
Motor Vehicle	34,000
Fixtures and Fitting	10,000
Stock	11,900
Goodwill	44,000

It was further agreed that goodwill should no longer appear as an asset in the partnership books.

Required

Record the above in the books of the partnership by preparing the:

(a) Revaluation Account (6 marks)

(b) Partner's Capital Accounts, in coloumnar format (5 marks)

(c) Goodwill Account (3 marks)

Free for All

(d) Balance Sheet of the revised partnership at 1 January 2003 (11 marks)

(Total 25 marks)

Model Answer to Question (12)

(a) **Revaluation Account**

	£		£
Motor Vehicle (38,000 to 34,000)	4,000	Freehold premises (125,000 to 140,000)	15,000
Fixtures and Fitting (12,000 to 10,000)	2,000	Goodwill (20,000 to 44,000)	24,000
Stock (12,500 to 11,900)	600		
Revaluation Profit(4:1)old ratio			
Silly (4/5) 25,920			
T Merry (1/5) 6,480	32,400		
	39,000		39,000

Free for All

(b) Partner's Capital Accounts

Particular	£ Silly	£ T Merry	Particular	£ Silly	£ T Merry
Goodwill A/C	33,000	11,000	Balance b/d	160,000	90,000
Balance c/d	152,920	85,480		25,920	6,480
	185,920	96,480		185,920	96,480

(c) Goodwill Account

	£		£
Balance b/d	20,000	New Partner Captial	
Revaluation A/C	24,000	[Silly (3/4) 33,000	
		T Merry (1/4) 11,000]	44,000
	44,000		44,000

(d) Silly and T Merry Partnership

Balance Sheet of the revised partnership at 1 January 2003

	£	£	£
Fixed Assets			
Freehold premises		140,000	
Motor Vehicle		34,000	
Plants and Machinery		40,000	
Fixtures and Fitting		10,000	224,000

Free for All

Current Assets			
Stock		11,900	
Debtor		19,000	
Bank		7,500	
		38,400	
Amounts falling due within one year			
Creditors	15,000		
Bank Loan(repayable June 2003)	6,000	(21,000)	
			17,400
			241,400
Finance By			
Parner's Capital Accounts			
Silly		152,920	
T Merry		85,480	238,400
Parner's Current Accounts			
Silly		1,000	
T Merry		2,000	3,000
			241,400

Free for All

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