

2021 HL Accountancy. Q1a A. Kenny

b/d-A	Asset Balance b/d. Start of Year Asset Figure
b/d-L	Liability Balance b/d. Start of Year Liability Figure
c/d-A	Asset Balance c/d. End of Year Asset Figure. To go to the Balance Sheet
c/d-L	Liability Balance c/d. End of Year Liability Figure. To go to the Balance Sheet
P&L	Expense Account End of Year Closing Figure. To go to the Final Accounts
P&L	Revenue Account End of Year Closing Figure. To go to the Final Accounts.
↻	The Very Last, the Final Figure Found in the Account
Green	The Figure has been found through a Calculation (at the side) not in the account itself.

Adjustments

- (i) [Damaged Stock](#)
- (ii) [Sale or Return](#)
- (iii) [Van Disposal & Depreciation](#)
- (iv) [Fire Damage and Warehouse construction](#)
- (v) [Buildings Depreciation and Revaluation](#)
- (vi) [Suspense](#)
- (vii) [Bank Reconciliation](#)
- (viii) [Bad Debt Provision and tidying up Mortgage/Investment accounts](#)

(i)

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Damaged Stock		12,400
Drop	75%	9,300

Closing Stock	72,100
Less Damaged Stock	9,300
Corrected Stock	<u>62,800</u>

To (ii)

(ii)

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Sales

Sale or Return	28,000	b/d	1,797,300
↻ P&L	1,769,300		

Credit Sale of	28,000
Including mark up	25%

Cost Figure =	22,400
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Debtors

b/d-A	97,300	Sale or Return	28,000
		To (vii) c/d-A	69,300

(i)

Closing Stock	62,800
Plus Sale or Return	22,400
	<hr/> 85,200

To: P&L

To: c/d-A

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Delivery Vans

b/d-A	380,000	Old: To Disposal	42,000
67 New - Allowance	11,000		
New - Purchases	56,000	↻ c/d-A	405,000

Depreciation - Delivery Vans

Old: To Disposal	29,400	b/d-L	70,000
↻ c/d-L	120,350	P&L New Depreciation	79,750

Disposal

From Van	42,000	From Depreciation	29,400
		New: Allowance	11,000
		↻ P&L	1,600

Purchases

b/d	1,105,000	New Van error	56,000
		To (iv) P&L	-1,049,000

Cost	380,000
- Net	310,000
= Dep b/d	70,000

Old Van

Cost	42,000
Rate	20%

Old Depreciation

Bought on	30/09/2016	3 months
Full Years	2017, 18, 19	36 months
Sold on	31/03/2020	3 months
Had for total of		42 months

Old Depreciation

42,000 @ 20% @ 42 / 12
= 29,400

P&L Depreciation

	31/03/20	Rate
	405,000	20%
380,000		
3 months	9 months	

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Land and Buildings

b.d-A	900,000	To Fire Insurance	75,000
{	New Store: Purchases	38,000	
	New Store: Salaries & GE	44,000	↻ c/d-A 907,000

L&B	900,000
- Land	400,000
= Buildings	500,000

Depreciation

	b/d-L	105,000
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Net	795,000
Rate	2%

Purchases

(iii) b/d	1,049,000	To Fire Insurance	24,000
		L&B: New Storeroom	38,000
		↻ P&L	987,000

Fire Insurance

From: Land & Buildings	75,000	c/d-A Compensation due	90,000
From: Purchases	24,000	↻ P&L	9,000

Salaries and General Expenses

b/d	135,800	New Storeroom	44,000
		↻ P&L	91,800

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Land and Buildings

(iv) b/d-A	907,000	c/d-A Revalued to	1,100,000
➡ To Revaluation Reserve	193,000		

Depreciation

➡ To Revaluation Reserve	115,140	b/d-L	105,000
		P&L	10,140

Revaluation Reserve

➡ c/d-L	308,140	From: Land & Buildings	193,000
		From: Depreciation	115,140

L&B	907,000	
- Land	400,000	Rate 2%
= Buildings	507,000	

Per Annum

New Depreciation

$$= 507,000 @ 2% @ 12/12 = 10,140$$

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Advertising (Incorporating Suspense)

b/d	36,000	Error From Mort Inter	500
		Error From Creditors	2,900
		➔ P&L	32,600

Mortgage Interest (20% Drawings)

b/d 1st 3 months	2,375	P&(L)	13,375
Error to Suspense	500	20% Drawings	2,675
➔ c/d-L	10,500	80% P&L	10,700

Creditors

Error to Suspense	2,900	b/d-L	68,600
➔ c/d-L	65,700		

To (vii)

Mortgage Interest

31/03/2020		Rate
50-	280,000	5%
230,000		
3 months	9 months	

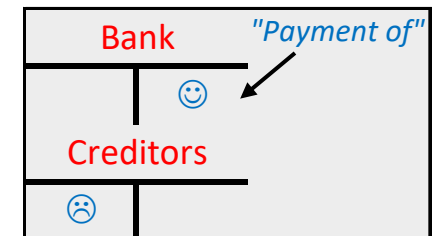
Error in the First 3 months

	230,000	@	5%	@	3 / 12
=	2,875				
=	500 Bigger than given figure				

P& (L) for the Year

	230,000	@	5%	@	3 / 12
	280,000	@	5%	@	9 / 12
P&(L) =	13,375				

Creditors



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Bank

1. C/T BD Recovered	1,800	b/d-L	52,100
3. Creditor (Returned)	4,800	2. Creditors (18,700-17,800)	900
⇒ c/d-L	46,400		

Bad Debt Recovered

⇒ P&L	2,500	1. { C/T Bank	1,800
		1. { Debtors	700
		2,500 {	

Debtors

(ii) b/d-A	69,300		
1. Bad Debt Recovered	700	⇒ c/d-A	70,000

Creditors

2. Bank	900	(vi) b/d-L	65,700
⇒ c/d-L	69,600	3. Bank (Returned)	4,800

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Mortgage Interest

Completed in Adj (vi)

Investment Income

Ⓟ&L	2,625	b/d	2,200
		➡ c/d-A Inv Income due	425

Investment Income

01/08/2020	Rate
0	210,000
7 months	5 months
	3%

Ⓟ&L For the Year

= 210,000 @ 3% @ 5 / 12

Bad Debt Provision

c/d-L (6% of Debtors)	4,200	b/d-L	3,500
		➡ P&L	700

Final Debtors: After Adjustment (vii) = 70,000