

Lcbb4001 Smaranda Gindila

by Smaranda Gindila

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University of Wales Trinity Saint David

ACCOUNTING FUNDAMENTALS

TRIAL BALANCE AND FINAL ACCOUNTS OF SOLE TRADER

1 **AME : SMARANDA ANA-MARIA GINDILA**

LECTURER : YOUSUF KAMAL

COURSE NAME : LCBB 4001

TASK 1

Smart Grocery

Profit and Loss Statement

For the period ended 31st of December 2022

Details	£	£
Sales	154,786	
Net sales		154,786
Less: COGS		
Opening inventory	5,100	
Add: Purchases	88,600	
Less: Closing inventory	(2,400)	
COGS		(91,300)
Gross Profit		63,486
Add: Discounts received		320
Less: Expenses		
Rent	2,200	1,970
Less: Rent Prepaid	(230)	
Salaries	28,400	28,740
Add: accruals	340	
Discounts allowed	740	
Depreciation for furniture	1,935	
Depreciation for vehicles	1,870	
Bad Debt	316	
New bad debt provision	185	
Vehicle maintenance	615	1,155
Add: Accruals	540	
Total expenses		(36,911)
Net Profit		26,895



Depreciation for Vehicles:

¹
Depreciation=13,700-4,350=9,350@ 20%=**1,870**

¹

Depreciation for Furniture:

Depreciation=12,900@15%=**1,935**

¹

Bad debt provision:

14,316-316=14,000@5%=700

New bad debt provision

700-515=185

Smart Grocery

Balance Sheet

As at 31st of December 2022

Details

£

£

Non-current assets:			
Furniture	12,900	7,095	
Less: accumulated depreciation	(5,805)		
Vehicle	13,700	7,480	
Less: Accumulated depreciation	(6,220)		
Total Non-Current Assets			14,575
Current Assets			
Bank		4,820	
Trade Receivables	14,316	13,300	
Less: Specific Bad Debt	(316)		
Less: Provision for Bad Debt	(700)		
Closing Inventory		2,400	
Rent Prepaid		230	
Total Current Assets			20,750
Total Assets			35,325
Liabilities and Capital:			
Non-current Liabilities:		0	
Total Non-current Liabilities			0
Current Liabilities:			
Trade Payables		6,350	
Salaries Accruals		340	
Vehicle Maintenance Accrual		540	
Total Current Liabilities			7,230
Total Liabilities			7,230
Capital		15,000	
Add: Net Profit		26,895	
Less: Drawings		(13,800)	
Ending Capital			28,095
Capital and Liabilities			35,325

Task2

Elena's Business Financial Journal

NO.	Date	Transactions	Debit	Credit
<u>1</u>	2 nd May	Advertising	500	
		Bank		500
<u>2</u>	3 rd May	Payables	2,500	
		Bank		2,500
<u>3</u>	7 th May	Drawings	700	
		Bank		700
<u>4</u>	9 th May	Bank	3,000	
		Receivables		3,000
<u>5</u>	11 th May	Petrol expense	350	
		Bank		350
<u>6</u>	15 th May	Bank	2,600	
		Receivables		2,600
<u>7</u>	18 th May	Insurance	450	
		Bank		450
<u>8</u>	20 th May	Purchases	1,200	
		Payables		1,200
<u>9</u>	21 st may	Receivables	2,400	
		Sales		2,400
<u>10</u>	30 th May	Purchase	1,200	
		Bank		1,200

Capital

Debit		Credit	
Balance c/d	50,000	Balance	50,000
Total	50,000	Total	50,000
		31 st of May Balance b/d	50,000

Delivery Van

Debit		Credit	
Balance	13,000	Balance c/d	13,000
Total	13,000	Total	13,000
31 st May Balance b/d	13,000		

Bank

Debit		Credit	
Balance	27,000	2 nd May – Advertising	500
9 th May – Receivables	3,000	3 rd May – Payables	2,500
15 th May – Receivables	2,600	7 th May – Drawings	700
		11 th May – Petrol Expense	350
		18 th May – Insurance	450
		30 th May – Purchases	1200
Total	32,600	Total	5,700
		Balance c/d	26,900
31 st of May Balance b/d	26,900		

Payables

Debit		Credit	
3 rd May – Bank	2,500	Balance	5,000
		2 nd May – Purchase	1,200
Total	2,500	Total	6,200
Balance c/d	3,700		
		31 st of May Balance b/d	3,700

Drawings

Debit		Credit	
7 th May – Bank	700	Balance c/d	700
Total	700	Total	700
31 st of May Balance b/d	700		

Insurance

Debit		Credit	
18 th of May – Bank	450	Balance c/d	450
Total	450	Total	450

31 st of May Balance b/d	450		
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Sales

Debit		Credit	
Balance c/d	2,400	21 st of May – Receivables	2,400
Total	2,400	Total	2,400
		31 st of May Balance b/d	2,400

Receivable

Debit		Credit	
Balance	15,000	9 th of May – Bank	3,000
21 st of May – Sales	2,400	15 th of May – Bank	2,600
Total	17,400	Total	5,600
		Balance c/d	11,800
31 st of May Balance b/d	11,800		

Advertising

Debit		Credit	
11 th of May – Bank	500	Balance c/d	500
Total	500	Total	500
31 st of May Balance b/d	500		

Fuel Expenses

Debit		Credit	
11 th of May – Bank	350	Balance c/d	350
Total	350	Total	350
31 st of May Balance b/d	350		

Purchases

Debit		Credit	
20 th of May – Payables	1,200	Balance c/d	2,400
30 th of May – Bank	1,200		
Total	2,400	Total	2,400
31 st of May Balance b/d	2,400		

Elena's Business

Trial Balance

As at 31st of May 2023

S/N	Account Name	Debit	Credit
1	Capital		50,000
2	Bank	26,900	
3	Van	13,000	
4	Payables		3,700
5	Receivables	11,800	
6	Advertising	500	
7	Fuel expenses	350	
8	Insurance	450	
9	Sales		2,400
10	Purchases	2,400	
11	Drawings	700	
12	Total	56,100	56,100



Task3

Depreciation is a concept that helps any business to set a value for an asset that will be used more than an year.

The assets which are held by a business for production and supply of goods and services expected to be used for more than an accounting year have a limited useful life and they are known as depreciable assets.

The main purpose of the concept of depreciation and its accounting is the allocation of the cost of a fixed asset. Depreciation expense does not involve any outflow of cash.



Calculation of depreciation

$$\text{Depreciation} = \frac{\text{Original Cost} - \text{Salvage Value}}{\text{Useful Life}} = \frac{500000 - 200000}{4} = 120000$$

ORIGINALITY REPORT

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FINAL GRADE

94/100

GENERAL COMMENTS

Instructor

Please note: all marks are provisional until they have been moderated and confirmed by the Exam Board

Income statement and Balance sheet :

You did an excellent work. All the mathematical parts are correct.

For income statement its 100% correct. For Balance sheet, its 100% correct. So you got 50/50.

Adjustments and T accounts

All
T accounts are correct. you got 30/30.

Trial balance

Your trial balance is correct, you got 10/10.

Theory part

Your theory part needs better improvement, You should use at least one in-text citation and a list of reference. Also the discussion is not great. You did not discuss any specific method of depreciation. For this part, you got 4/10.

Feedforward:

You need to review materials on Harvard referencing style so that you could improve your citation skills.

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Comment 1

25/25

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Comment 4

10/10



Comment 5

This part needs better improvement, You should use at least one in text citation and a list of reference. Also the discussion is not great. You did not discuss any specific method of depreciation. So you get 4/10 in this part.