File

FINAL ACCOUNTS ADJUSTMENTS 1

The following balances were extracted from the ledger accounts of a small business at 31st December 1999 :

	£
Capital at 1 Jan 1999	2300
Drawings	950
Office furniture	1200
Provision for Depreciation (Office Furniture) at 1 Jan 1999	720
Motor Vehicles	2000
Provision for Depreciation (Motor Vehicles) at 1 Jan 1999	1200
Stock at 1 Jan 1999	990
Debtors	1640
Cash at Bank	1380
Rent Received	80
Interest Received	10
Cash in Hand	70
Creditors	1830
Purchases	3760
Sales	7580
Rent	840
Rates	500
Wages and Salaries	860
Motor Expenses	150
Commission Received	120
Sales Returns	250
Telephone	130
Light and Heat	100
Purchase Returns	300
Sundry Expenses	150
Bank Loan	1000
Advertising	170

TASK 1

Prepare a trial balance at 31st December 1999 based on the above draft balances . Present this as the first two columns of your spreadsheet .

The owner of the business has informed you that the following adjustments have not yet been put through the accounts :

(1) The depreciation charge for 1999 has not yet been taken into account . This should be calculated at the following rates :

- Office Furniture --- 10% straight line
- Motor Vehicles --- 25% reducing balance

(2) Stock unsold at 31st December 1999 was valued at £1125

TASK 2

Prepare a profit and loss account for the year ended 31st December 1999 and a balance sheet at that date , incorporating the above adjustments to your draft figures .