

Qno1: Following is the trial balance of Iqbal & Sons (Broker) for the period ended Dec 31, 2008:

S.no	Titles of Accounts	Debit	Credit
1	Cash	Rs.4,550	
2	Accounts Receivable	3,500	
3	Office supplies v	300	
4	Furniture	5,000	
5	Accounts Payable		Rs.700
6	Capital		5,000
7	Commission Income v		8,000
8	Office rent expense	350	
	Total	Rs.13,700	Rs.13,700

Data for adjustment:

- Estimated depreciation on furniture is Rs.500.
- Office supplies expired Rs.50.
- Bad debts are estimated at Rs.500.
- Accrued salaries Rs.1,000
- Accrued commission Rs.5, 000.

Required:

Complete entire accounting cycle.

Iqbal and Sons General Journal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
2008		(Adjustments)			
Dec 31	1	Depreciation Expense		500	
		Accumulated Depreciation -Furniture			500
		(To record estimated depreciation)			
	2	Office Supplies Expense		50	
		Office Supplies ✓			50
		(To record office supplies expense)			
	3	Bad Debts Expense		500	
		Allowance for Bad Debts			500
		(To record estimated bad debts)			
	4	Salaries Expense		1,000	
		Salaries Payable			1,000
		(To record salaries Payable)			
	5	Commission Receivable		5,000	
		Commission Income ✓			5,000
		(To record commission Receivable)			

General Ledger Office Supplies

W-1

2008 Dec 31	Balance	300	2008 Dec 31	Adj	50
Balance	250				

W-2

Commission Income

			2008 Dec 31	Balance	8,000
			31	Adj	5,000
			Balance	13,000	

Iqbal & Sons
Adjusted Trial Balance
'Dec 31, 2008

Rs.

S.no	Account Titles and Explanation	A/c No.	Debit	Credit
1	Cash		4,550	
2	Accounts Receivable		3,500	
3	Allowance for Bad Debts			500
4	Commission Receivable		5,000	
5	Office Supplies W-1		250	
6	Furniture		5,000	
7	Accumulated Depreciation-Furniture			500
8	Accounts Payable			700
9	Salaries Payable			1,000
10	Capital-Iqbal			5,000
11	Commission Income W-2			13,000
12	Office Rent Expense		350	
13	Depreciation Expense		500	
14	Office Supplies Expense		50	
15	Bad Debts Expense		500	
16	Salaries Expense		1,000	
	Total		20,700	20,700

Iqbal & Sons
Income Statement

For the period ended Dec 31, 2008

Rs.

Revenue

Commission Income

W-2

13,000

Total Revenue

13,000

Less: Operating Expenses:

Office Rent Expense

350

Depreciation Expense

500

Office Supplies Expense

50

Bad Debts Expense

500

Salaries Expense

1,000

Total Operating Expenses

(2,400)

Net Income

10,600