Operational Level 1

Qno1:

Disposal-Sale

		Depreciation Charge : Line Method Cost - Scrap Value) x 1	l/Life				
Year	YearDepreciationAccumulatedYearExpenseDepreciation						
				250,000			
2001	(250000-20000)x1/10	23,000	23,000	227,000			
2002	(250000-20000)x1/10	23,000	46,000	204,000			
2003	(250000-20000)x1/10	23,000	69,000	181,000			
2004	(250000-20000)x1/10	23,000	92,000	158,000			
2005	(250000-20000)x1/10	23,000	115,000	135,000			
2006	(250000-20000)x1/10	23,000	138,000	112,000			
2007	(250000-20000)x1/10	23,000	161,000	89,000			
2008	(250000-20000)x1/10=23,000 x 6/12	11,500	172,500	77,500			

Case no 1:	
Computation for Loss or Gain on Sale of	Machine
Cost of Machine	250,000
Less: Accumulated Depreciation	(138,000)
Book Value	112,000
Compare: Proceeds from Sale-Selling Price	120,000
Gain on Disposal	8,000
Case no 2:	
Computation for Loss or Gain on Sale of	Machine
Cost of Machine	250,000
Less: Accumulated Depreciation	(172,500)
Book Value	77,500
Compare: Proceeds from Sale-Selling Price	70,000
Loss on Disposal	(7,500)
Case no 3:	
Computation for Loss or Gain on Sale of	Machine
Cost of Machine	250,000
Less: Accumulated Depreciation	(115,000)
Book Value	135,000
Compare: Proceeds from Sale-Selling Price	135,000
Breakeven at Disposal	

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	Chanda Enterprises							
	General Journal							
Date				7 Debi7	Credit			
		(Case no 1)						
2007 Jan	1	Cash	0	120,000				
		Accumulated Depreciation-Machine		138,000	8 000			
		Machine			8,000 250,000			
		(To record gain on sale)			200,000			
		(Case no 2)						
2008 June	30	Cash		70,000				
		Accumulated Depreciation-Machine		172,500				
		Loss on Disposal		7,500	050.000			
		Machine (Sold machine at loss)			250,000			
		(Sold machine at 1055) (Case no 3)						
2005 Dec	28	Cash		135,000				
Dee	20	Accumulated Depreciation-Machine		115,000				
		Machine		110,000	250,000			
		(Sold machine)						
	ŀ							

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Disposal-Exchange

Schedule for Depreciation Charge Straight Line Method Depreciation =(Total Cost - Scrap Value) x 1/Life							
YearComputationDepreciationAccumulated Book V							
				150,000			
2001	(150000-20000)x1/10	13,000	13,000	137,000			
2002	(150000-20000)x1/10	13,000	26,000	124,000			
2003	(150000-20000)x1/10	13,000	39,000	111,000			
2004	(150000-20000)x1/10	13,000	52,000	98,000			
2005	(150000-20000)x1/10	13,000	65,000	85,000			
2006	(150000-20000)x1/10	13,000	78,000	72,000			
2007	(150000-20000)x1/10	13,000	91,000	59,000			
2008	(150000-20000)x1/10=13000/2	6,500	97,500	52,500			

Case no 1:		
Computation for	r Loss or Gain on Exchar	nge of Machine
Cost of Machine		150,000
Less: Accumulate	ed Depreciation	(78,000)
Book	Value	72,000
Compare: Trade-i	in-Allowance	80,000
Gain on I	Exchange	8,000

Computation for Boot-Cash to be	Paid
Cost of New Machine	200,000
Compare: Trade-in-Allowance	80,000
Cash to be paid	120,000

Case no 2:		
Computation for Loss or Ga	ain on Exchange of	Machine
Cost of Machine		150,000
Less: Accumulated Depreciat	ion	(97,500)
Book Value		52,500
Compare: Trade-in-Allowance	2	40,000
Loss on Exchange		(12,500)
Computation for B	oot-Cash to be Paic	1
Cost of New Machine		180,000
Compare: Trade-in-Allowance	2	40,000
Cash to be pai	đ	140,000

Operational Level 1

Case no 3:				
Computation f	or Loss or Ga	ain on E	Exchange	of Machine
Cost of Machine	2			150,000
Less: Accumula	ted Depreciat	tion	_	(65,000)
Bool	k Value			85,000
Compare: Trade	-in-Allowance	e	_	85,000
Breakeven	on Exchange	e	_	-
Comp	utation for B	oot-Cas	h to be P	aid
Cost of New Ma	chine			300,000
Compare: Trade	-in-Allowance	e		85,000
C	ash to be paid	d		215,000

	Zindagi Enterprises General Journal						
Dat	te	Account Titles and Explanation	Post Ref.	Debit	Credit		
		(Case no 1)					
2007 Jan	1	Machine-New		200,000			
		Accumulated Depreciation-Machine		78,000			
		Gain on Exchange			8,000		
		Machine-Old			150,000		
		Cash			120,000		
		(To record gain on exchange)					
		(Case no 2)					
200 8 June	30	Machine-New		180,000			
		Accumulated Depreciation-Machine		97,500			
		Loss on Exchange		12,500			
		Machine-Old			150,000		
		Cash			140,000		
		(To record loss on exchange)					

Operational Level 1

J

Fundamentals of Financial Accounting

		(Case no	3)		
2005					
Dec	28	Machine-New		300,0	00
		Accumulated Depreciation-M	achine	65,0	00
		Machine-Old			150,000
		Cash			215,00
		(Exchanged machine)			
		Dis	posal: Discard	10	
Salim	& Co	purchased a furniture for Rs.50,000 Prepare journal entry fo	on Jan1, 2015 with useful lif r its discard .Use Straight lin		salvage value.
ase no	.1: It	is discarded after being fully deprecia			
		is discarded on Aug 1, 2019 by selling	-	P	
		is discarded on Aug 1, 2019 by selling	•		
Case no	1.				
case no	1.	Schedule fo	or Depreciation Charge		
			ght Line Method al Cost - Scrap Value) :	x 1/Life	
Year		Computation	Depreciation Expense	Accumulated Depreciation	Book Value
0015	(50	000 0) = 145	10.000	10,000	50,00
2015	(50	,000 - 0) x 1/5	10,000	10,000	40,000
2016	(50	,000 - 0) x 1/5	10,000	20,000	30,000
2017		$(000 - 0) \ge 1/5$	10,000	30,000	20,000
2018		,000 - 0) x 1/5	10,000	40,000	10,000
2019		,000 - 0) x 1/5	10,000	50,000	_
		L.	·		

Operational Level 1

Fundamentals of Financial Accounting

Case no		epreciation Charge			
		Line Method			
					
	Depreciation =(Total C	ost - Scrap Value) x	x 1/Life		
Year	Computation	Depreciation Expense	Accumulated Depreciation	Book Value	
				50,000	
2015	(50,000 - 0) x 1/5	10,000	10,000	40,000	
2016	(50,000 - 0) x 1/5	10,000	20,000	30,000	
2017	(50,000 - 0) x 1/5	10,000	30,000	20,000	
2018	(50,000 - 0) x 1/5	10,000	40,000	10,000	
2019	(50,000 - 0) x 1/5=10,000 x 7/12	5,833	45,833	4,167	
Case 1	no 2:				
	Computation	for Gain or Loss on	Discard		
Cost o	f Machine				50,000
Less: A	Accumulated Depreciation				<u>(</u> 45,833
	Book Value	2			4,167
Compa	are: Proceeds from Sale				5,000
	Gain on Disca	ard			833
Case 1					
0		for Gain or Loss on	Discard		FO 000
	f Machine				50,000
Less: A	Accumulated Depreciation				(45,833
~	Book Value				4,167
Compa	are: Proceeds from Sale				1,000
	Loss on Disca	ard			(3,167
		V			

General Journal							
Date	e	Account Titles and Explanation	Post Ref.	Debit	Credit		
		(Case no 1)					
2019 Dec	31	Accumulated Depreciation-Furniture		50,000			
		Furniture			50,000		
		(Discarded furniture)					
		(Case no 2)					
2019 Aug	1	Cash		5,000			
		Accumulated Depreciation-Furniture		45,833			
		Gain on Discard			833		
		Furniture			50,000		
		(Discarded furniture at gain)					
		(Case no 3)					
2019							
Aug	1	Cash		1,000			
		Accumulated Depreciation-Furniture		45,833			
		Loss on Disacrd		3,167			
		Furniture			50,000		
		(Discarded furniture at loss)					

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Disposal: Retirement

Salim & Co purchased a furniture for Rs.50,000 with useful life of 5 years and no salvage value.						
Prepare journal entry for its retirement at 4th year.Use fixed installment method.						
Caseno 1: It is retired without any proceeds.						
Case no.2: It is retired by selling it at Rs.1,000.						
Case no 3.It is retired by selling it at Rs.11,000						
1 0						

Schedule for Depreciation Charge Straight Line Method Depreciation =(Total Cost - Scrap Value) x 1/Life								
Year Computation		Depreciation Expense	Accumulated Depreciation	Book Value				
		. N						
0015	(50.000 0) 1/5		10.000	50,000				
2015	$(50,000 - 0) \ge 1/5$	10,000	10,000	40,000				
2016	(50,000 - 0) x 1/5	10,000	20,000	30,000				
2017	(50,000 - 0) x 1/5	10,000	30,000	20,000				
2018	(50,000 - 0) x 1/5	10,000	40,000	10,000				
			•					

Case no 1:	
Computation for Loss on Retire	ement
Cost of Furniture	50,000
Less: Accumualted Depreciation	(40,000)
Loss on Retirement	10,000
Case no 2:	
Computation for Loss on Retire	ement
Cost of Furniture	50,000
Less: Accumualted Depreciation	(40,000)
Book Value	10,000
Compare: Proceeds from Sale	1,000
Loss on Retirement	(9,000)
Case no 3:	
Computation for Loss on Retire	ement
Cost of Furniture	50,000
Less: Accumualted Depreciation	(40,000)
Book Value	10,000
Compare: Proceeds from Sale	11,000
Gain on Retirement	1,000

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General Journal						
Date		Account Titles and Explanation	Post Ref.	Debit	Credit	
		(Case no 1)				
2018					N	
Dec	31	Accumulated Depreciation-Furniture		40,000		
		Loss on Retirement Furniture		10,000	50,000	
		(Retired furniture at loss)			50,000	
		(Case no 2)				
2018		(0000 10 1)		N		
Dec	31	Cash		1,000		
		Accumulated Depreciation-Furniture		40,000		
		Loss on Retirement		9,000		
		Furniture			50,000	
		(To record retirement of furniture at loss)				
		(Case no 3)				
2018 Dec	31	Cash		11,000		
Dec	31	Accumulated Depreciation-Furniture		40,000		
		Gain on Retirement		+0,000	1,000	
		Furniture			50,000	
		(Retired furniture at gain)				
		Nech				