

2004		
Computation for Beginning and Ending Capitals		
	Beginning	Ending
Cash	3,000	5,000
	10,000	15,000
Accounts Receivable		
Merchandise Inventory	20,000	50,000
	15,000	15,000
Office Equipment		
	<u>20,000</u>	<u>20,000</u>
Office Furniture		
Total Assets	68,000	105,000
Less: Accounts Payable	(8,000)	(5,000)
Capitals	<u>60,000</u>	<u>100,000</u>

Mr. Ali

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2003 Dec 31	1 Depreciation Expense		3,500	
	Accumulated Depreciation-Equipment (Rs.15,000 x 10%)			1,500
	Accumulated Depreciation-Furniture (Rs.20,000 x 10%)			2000
	(To record estimated depreciation)			
	2 Rent Expense		4,000	
	Rent Payable(Rs.2,000 x 2)			4000
	(To record rent payable)			

Mr.Ali	
Statement of Profit or Loss	
For the Period ended Dec 31, 2003	
Capital-Ending	100,000
Add: Drawing(Rs.500 x 12)	<u>6,000</u>
Sub Total	106,000
Less: Additional Investment	10,000
Capital-Beginning	<u>60,000</u>
Unadjusted Profit	36,000
Less: Operating Expenses:	
Depreciation Expense	3,500
Rent Expense	<u>4,000</u>
Total Operating Expenses	<u>(7,500)</u>
Net Income	28,500

Mr.Ali
Statement of Affairs
As on Dec 31, 2003

ASSETS		EQUITIES	
<u>Current Assets</u>		<u>Liabilities</u>	
Cash	5,000	Accounts Payable	5,000
Accounts Receivable	15,000	Rent Payable	<u>4,000</u>
Merchandise Inventory	50,000	Total Liabilities	9,000
Total Current Assets	70,000	<u>Owner's Equity</u>	
		Capital-Beg	60,000
		Add: Net Income	28,500
		Additional Investment	<u>10,000</u>
Office Equipment	15,000	Sub Total	38,500
Less: Accumulated Depreciation	<u>(1,500)</u>		98,500
Office Furniture	20,000	Less:Drawing	<u>(6,000)</u>
Less: Accumulated Depreciation	<u>(2,000)</u>	Total Owner's Equity	92,500
Total Non-Current Assets	31,500		
Total Assets	<u>101,500</u>	Total Equities	<u>101,500</u>

2006		
Computation for Beginning and Ending Capitals		
	Beginning	Ending
Cash	50,000	60,000
Accounts Receivable	60,000	80,000
Merchandise Inventory	25,000	22,000
Supplies	5,000	8,000
Furniture	<u>100,000</u>	<u>150,000</u>
Total Assets	240,000	320,000
Less: Accounts Payable	(15,000)	(10,000)
Capitals	<u>225,000</u>	<u>310,000</u>

Mr. Alam

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2005 Dec 31	1 Depreciation Expense Accumulated Depreciation-Furniture (Rs.150,000 x 10%) (To record estimated depreciation)		15,000	
				15,000
	2 Salaries Expense Salaries Payable (To record salaries payable)		10,000	
				10,000

Mr.Alam

Statement of Profit or Loss

For the Period ended Dec 31, 2005

Capital-Ending		310,000
Add: Drawing (Rs.5,000 x 12)		<u>60,000</u>
Sub Total		370,000
Less: Additional Investment	41,000	
Capital-Beginning	<u>225,000</u>	<u>(266,000)</u>
Unadjusted Profit		104,000
Less: Operating Expenses:		
Depreciation Expense	15,000	
Salaries Expense	<u>10,000</u>	
Total Operating Expenses		<u>(25,000)</u>
Income before unexpired rent		79,000
Add: Unexpired Rent		<u>5,000</u>
Net Income		<u>84,000</u>

Mr.Alam
Statement of Affairs
As on Dec 31, 2005

ASSETS		EQUITIES		
<u>Current Assets</u>		<u>Liabilities</u>		
Cash	60,000		Accounts Payable	10,000
Accounts Receivable	80,000		Salaries Payable	10,000
Merchandise Inventory	22,000		Total Liabilities	20,000
Supplies	8,000			
Unexpired Rent	5,000			
Total Current Assets		175,000	<u>Owner's Equity</u>	
			Capital-Beg	225,000
			Add: Net Income	84,000
			Additional Investment	41,000
			Sub Total	350,000
Furniture	150,000		Less: Drawing	(60,000)
Less: Accumulated Depreciation	(15,000)			
Total Non-Current Assets		135,000	Total Owner's Equity	
Total Assets		<u>310,000</u>	Total Equities	
				<u>310,000</u>

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Statement of Profit or Loss		
For the Period ended		
Capital-Ending		310,000
Add: Drawing		<u>60,000</u>
	Sub Total	370,000
Less: Additional Investment	41,000	
Capital-Beginning	<u>225,000</u>	<u>(266,000)</u>
Unadjusted Profit		104,000
Less: Operating Expenses:		
Depreciation Expense	15,000	
Salaries Expense	<u>10,000</u>	
	Total Operating Expenses	<u>(25,000)</u>
Income before prepaid and other income		79,000
Add: Prepaid---		5,000
	Commission Income	<u>3,000</u>
Income before interest and taxes		87,000
Less: Interest Expense		<u>(7,000)</u>
	Income before tax	80,000
Less: Tax Expense		<u>(4,000)</u>
	Net Income	<u>76,000</u>

2008	
Computation for Ending Capital	
Cash	1,500
Plant Assets	248,500
Merchandise	150,000
Accounts Receivable	<u>170,000</u>
Total Assets	570,000
Less: Accounts Payable	(20,000)
Bank Loan	<u>(50,000)</u>
Ending Capital	<u>500,000</u>

Mr. Hammad

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
2008 April 30	1 Depreciation Expense Accumulated Depreciation-Plant Assets(Rs.248,500 x 8%) (To record estimated depreciation)		19,880	
				19,880
	2 Salaries Expense Salaries Payable (To record salaries payable)		5,000	
				5,000
	3 Bad Debts Expense (Rs.170,000 x 5%) Allowance for Bad Debts (To record salaries payable)		8,500	
				8,500
	4 Interest Expense Interest Payable (To record interest payable)		3,650	
				3,650

Mr.Hammad

Statement of Profit or Loss

For the Period ended April 30, 2008

Capital-Ending		500,000
Add: Drawing (Rs.7,000 x 12)		<u>84,000</u>
Sub Total		584,000
Less: Additional Investment	30,000	
Capital-Beginning	<u>500,000</u>	<u>(530,000)</u>
Unadjusted Profit		54,000
Less: Operating Expenses:		
Depreciation Expense	19,880	
Salaries Expense	5,000	
Bad Debts Expense	<u>8,500</u>	
Total Operating Expenses		<u>(33,380)</u>
Income before Prepaid Rent		20,620
Add: Prepaid Rent		<u>6,000</u>
Income before Interest Expense		26,620
Less: Interest Expense		<u>(3,650)</u>
Net Income		<u>22,970</u>

Mr.Hammad
Statement of Affairs
As on April 30, 2008

ASSETS			EQUITIES		
Current Assets			Liabilities		
Cash		1,500	Accounts Payable		20,000
Accounts Receivable	170,000		Bank Loan		50,000
Less: Allowance for Bad Debts	(8,500)	161,500	Salaries Payable		5,000
Merchandise		150,000	Interest Payable		3,650
Prepaid Rent		6,000	Total Liabilities		78,650
Total Current Assets		319,000			
Non-Current Assets			Owner's Equity		
Plant Assets		248,500	Capital-Beginning		500,000
Less: Accumulated Depreciation		(19,880)	Add:Net Income	22,970	
Total Non-Current Assets		228,620	Additional Investment	30,000	52,970
			Sub Total		552,970
			Less: Drawing		(84,000)
			Total Owner's Equity		468,970
Total Assets		<u>547,620</u>	Total Equities		<u>547,620</u>