

<b>2004</b>		
<b>Computation for Beginning and Ending Capitals</b>		
	<b>Beginning</b>	<b>Ending</b>
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	<u>(8,000)</u>	<u>(5,000)</u>
<b>Capitals</b>	<b><u>60,000</u></b>	<b><u>100,000</u></b>

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

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>		<u>(70,000)</u>
<b>Unadjusted Profit</b>			36,000
<b>Less: Operating Expenses:</b>			
Depreciation Expense	3,500		
Rent Expense	<u>4,000</u>		
Total Operating Expenses			<u>(7,500)</u>
Net Income			<u>28,500</u>

**Mr.Ali**  
**Statement of Affaris**  
**As on Dec 31, 2003**

ASSETS				EQUITIES			
Current Assets				Liabilities			
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	<b>Owner's Equity</b>			
				Capital-Beg		60,000	
				Add: Net Income	28,500		
<b>Non-Current Assets</b>				Additional Investment	<u>10,000</u>	<u>38,500</u>	
Office Equipment	15,000			Sub Total		98,500	
Less: Accumulated Depreciation	<u>(1,500)</u>	13,500		Less: Drawing		<u>(6,000)</u>	
Office Furniture	20,000			Total Owner's Equity			92,500
Less: Accumulated Depreciation	<u>(2,000)</u>	18,000					
Total Non-Current Assets			31,500				
<b>Total Assets</b>			<u><b>101,500</b></u>	<b>Total Equities</b>			<u><b>101,500</b></u>

<b>2006</b>		
<b>Computation for Beginning and Ending Capitals</b>		
	<b>Beginning</b>	<b>Ending</b>
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	<u>(15,000)</u>	<u>(10,000)</u>
<b>Capitals</b>	<b><u>225,000</u></b>	<b><u>310,000</u></b>

*Mr. Alam*

## *General Journal*

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

**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
<b>Less: Operating Expenses:</b>			
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 Affaris**  
**As on Dec 31, 2005**

<b>ASSETS</b>				<b>EQUITIES</b>			
<b><u>Current Assets</u></b>				<b><u>Liabilities</u></b>			
Cash		60,000		Accounts Payable		10,000	
Accounts Receivable		80,000		Salaries Payable		<u>10,000</u>	
Merchandise Inventory		22,000		Total Liabilities			20,000
Supplies		8,000					
Unexpired Rent		<u>5,000</u>		<b><u>Owner's Equity</u></b>			
Total Current Assets			175,000	Capital-Beg		225,000	
				Add: Net Income	84,000		
<b><u>Non-Current Assets</u></b>				Additional Investment	<u>41,000</u>	<u>125,000</u>	
Furniture		150,000		Sub Total		350,000	
Less: Accumulated Depreciation		<u>(15,000)</u>		Less: Drawing		<u>(60,000)</u>	
Total Non-Current Assets			135,000	Total Owner's Equity			290,000
<b>Total Assets</b>			<b><u>310,000</u></b>	<b>Total Equities</b>			<b><u>310,000</u></b>

## Format

<b>Statement of Profit or Loss</b>			
<b>For the Period ended</b>			
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
<b>Less: Operating Expenses:</b>			
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>

<b>2008</b>	
<b>Computation for Ending Capital</b>	
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>
<b>Ending Capital</b>	<b><u>500,000</u></b>

Mr. Hammad

General Journal

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



**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
<b>Less: Operating Expenses:</b>			
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 Affaris**  
**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	<u>(8,500)</u>	161,500		Salaries Payable		5,000	
Merchandise		150,000		Interest Payable		<u>3,650</u>	
Prepaid Rent		<u>6,000</u>		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		<u>(19,880)</u>		Add:Net Income	22,970		
Total Non-Current Assets			228,620	Additional Investment	<u>30,000</u>	<u>52,970</u>	
				Sub Total		552,970	
				Less: Drawing		<u>(84,000)</u>	
				Total Owner's Equity			468,970
Total Assets			<u>547,620</u>	Total Equities			<u>547,620</u>