

Q.no.1: Following balances have been extracted from the books of Mr. Umer, who started his business on September 1, 2009, with the name of Umer Traders:

Description	Sep. 1, 2009	Dec. 31, 2009
Cash	Rs. 1,20,000	Rs. 2,50,000
Office Supplies	15,000	20,000
Furniture	40,000	85,000
Prepaid Rent		15,000
Accounts Receivable		27,000
Accounts Payable		25,000
Unearned Commission	--	18,000

Additional information on December 31, 2009:

- (i) Accrued Salaries Rs. 5,000
- (ii) Prepaid Rent Rs. 2,500
- (iii) Unearned Commission Rs. 3,000
- (iv) Mr. Umer withdrew cash of Rs. 700 per month at the last date of each month for his personal use.

Required:

- 1. Prepare statement of Profit or loss
- 2. Prepare the Statement of Affairs as on December 31, 2009.

Q.no.2: On March 1, 2021, Mr. Muneeb started a business with an investment of Rs. 100,000 and decided to keep his business accounting records under the single entry system. On June 30, 2021, the following information was available from his records:

Cash in hand	39,000
Cash at Bank	24,000
Accounts Receivable	7,000
Merchandise	20,000
Furniture	416,000
Accounts Payable	12,000
Bank Loan	10,000

Additional information as on June 30, 2021:

- (i) During the period he withdrew cash Rs. 6,000 for his personal use.
- (ii) Additional investment of Rs. 20,000 was also made.
- (iii) Depreciation was charged on Furniture @ 12%.
- (iv) Bad Debts were estimated Rs. 500.
- (v) Rent was prepaid Rs. 6,000.
- (vi) Accrued Commission Income Rs. 7,000.

Required:

- 1. Prepare a statement of Profit & Loss for the period ended on June 30, 2021.
- 2. Prepare the Statement of Affairs as on June 30, 2021.

Q.no.3: Mr. Khan maintains single entry records. The assets and liabilities of the business are as follows:

Description	01-01-2016	31-12-2016
Cash	18,000	15,000
Account Receivable	20,000	30,000
Machinery	Nil	25,000
Account Payable	30,000	40,000
Bank Overdraft	Nil	15,000

Other information on 31-12-2016:

- (i) He made additional investment of Rs. 5,000 during the year.
- (ii) Estimated allowance for bad debts Rs. 1,250.
- (iii) Depreciation on fixed assets estimated at 10%.
- (iv) Accrued interest on bank overdraft Rs. 300.

Required:

- (a) Compute the capital at start and end.
- (b) Prepare statement of profit or loss for the year.
- (c) Prepare statement of affairs.

Q.no.4: Mr. Amjad started business on Aug. 1, 2017, with a cash investment of Rs. 600,000 and keeps the records under single entry basis. On Dec. 31, 2017 following balances were found:

Cash	40,000
Accounts Receivable	80,000
Merchandise Inventory	100,000
Accounts Payable	30,000
Loan Payable	50,000
Land	200,000
Building	400,000
Equipment	60,000

Additional information as on December 31, 2017:

- (i) Mr. Amjad additionally introduced Rs. 30,000 during the period and withdrew Rs. 10,000 monthly.
- (ii) Allowance for Bad Debts was estimated at 5%.
- (iii) Depreciation was charged at 12% of the cost of fixed assets annually.
- (iv) Salaries were unpaid Rs. 5,000 and prepaid Rs. 8,000.
- (v) Commission was unearned Rs. 2,000 and earned but not received Rs. 3,000.

Required:

- 1. Prepare Statement of Profit and Loss for the year ended December 31, 2017.
- 2. Prepare Statement of Affairs as on December 31, 2017.

Q.no.5: Mr. Saad maintains his accounting records on a single entry basis. The information given below has been extracted from his books of accounts:

Particulars	Jan 1, 2006	Dec 31, 2006
Cash	15,000	10,000
Accounts Receivable	25,000	40,000
Merchandise Inventory	30,000	50,000
Supplies	1,000	3,000
Equipment	40,000	1,20,000
Accounts Payable	11,000	23,000

Additional Information on December 31, 2006:

- (i) Mr. Saad made an additional investment of Rs.60,000.
- (ii) Depreciation on equipment Rs.10,000.
- (iii) Mr. Saad withdrew Rs.1,000 per month during the year from the business.
- (iv) Prepaid advertising Rs.4,000.
- (v) Accrued commission income Rs.15,000.
- (vi) Outstanding utility bills Rs.9,000.
- (vii) Taxes Payable Rs.2,000.

Required:

- (i) Compute Capital at start and at end.
- (ii) Prepare Statement of Profit and Loss for the year ended December 31, 2006.
- (iii) Prepare Statement of Affairs as on December 31, 2006.

Q.no.6: Mrs. Shireen keeps her books under the single entry system. Her financial position was as under:

Particulars	Jan 1, 2001	Dec 31, 2001
Cash	500,000	700,000
Account Receivable	200,000	300,000
Merchandise Inventory	300,000	400,000
Furniture/Fixture	250,000	250,000
Accounts Payable	250,000	100,000
Bank Loan		50,000

Notes:

During the year, she withdrew cash Rs. 100,000 and merchandise Rs. 50,000 for her personal use and invested in the business an additional amount of Rs. 250,000 in cash.

The following were the year-end adjustments on Dec. 31, 2001:

- Accrued Salary: Rs. 15,000
- Accrued Interest on Bank Loan: Rs. 6,000
- Accrued Income: Rs. 25,000
- Depreciate Non-Current Assets: @ 4% per annum.
- Provide Allowance for Uncollectible Accounts: @ 2.5% of Account Receivable.

Required:

- (a) Compute capital at the start and at the end by using the Balance Sheet Equation.
- (b) Prepare Statement of Profit & Loss for the year ended December 31, 2001.
- (c) Prepare Statement of Affairs as on Dec. 31, 2001.

Q.no.7: Mr. Wasim started business with cash investment of Rs. 100,000 on January 1, 2001. He keeps his accounting records on a Single Entry basis. On December 31, 2001, the following information was obtained from his accounting records:

- Cash at Bank: Rs. 25,000
- Accounts Receivable: Rs. 55,000
- Merchandise Inventory: Rs. 40,000
- Office Equipment: Rs. 60,000
- Furniture: Rs. 30,000
- Unexpired Insurance: Rs. 2,500
- Accounts Payable: Rs. 39,000

Additional Information on December 31, 2001:

- (i) Mr. Waseem had withdrawn Rs. 2,500 per month during the year for his personal use.
- (ii) He invested additional capital of Rs. 25,000 during the year.
- (iii) The bank statement showed a debit of Rs. 750 for Zakat deduction, and credit of Rs. 1,500 had expired.
- (iv) Depreciation on furniture was estimated at 20% and on office equipment at 10%.

Required:

- (a) Prepare a statement showing the calculation of capital on December 31, 2001.
- (b) Prepare the statement of profit/loss for the year ending December 31, 2001.
- (c) Prepare the Statement of Affairs as on December 31, 2001, in classified accounts form.

Q.no.8: Considering each case separately:

1. Find Profit or Loss, where:

- Capital at start Rs. 43,000
- Capital at end Rs. 45,000
- Drawings Rs. 14,000
- Capital introduced during the year Rs. 20,000

2. Find Capital at start, where:

- Capital at end is Rs. 87,000
- Drawings Rs. 13,000
- Capital introduced during the year Rs. 21,000
- Profit for the year Rs. 23,000

3. Find Drawing, where:

- Capital at start Rs. 20,000

- Additional investment Rs. 8,000
- Profit for the year Rs. 12,000
- Capital at end Rs. 25,000

4. Find Capital at end, where:

- Capital at start Rs. 50,000
- Drawings Rs. 18,000
- Additional investment Rs. 10,000
- Loss during the year Rs. 18,000

Jaweed Hassan Batooq