

Universal Co Ltd.			
GENERAL JOURNAL			
Date	Account Title & Explanation	Post Ref	
Dec 31 2008	Depreciation Expense		
	Accumulated Depreciation - Furniture		
	Accumulated Depreciation - Auto Mobile		
	(To record estimated depreciation expense)		
	02 Rent Expense		
	Prepaid Rent ✓		
	(To record rent Expense)		
	03 Bad Debt Expense		
	Allowance for bad		
	(To record estimated Bad Debt)		
	04 Amortization Preliminary		
	Amortization Preliminary Expense		
	(To record amortization preliminary)		
(W-1) Prepaid Rent			
Bal	100,000	Adj	60,000
Bal = 40,000			
(W-2) Amortization Preliminary Expense			
Bal	110,000	Adj	11,000
99,000			

Universal Co Ltd

Adjusted Trial Balance

SNo	Account Title	Acc No	Debit	Credit	Add:
01	Cash		300,000		Com
02	Bank		200,000		Fee
03	Account Receivable		300,000		
04	Allowance For bad debt			30,000	
05	Supplies		50,000		
06	Prepaid Rent (W-1)		40,000		
07	Furniture		300,000		Less: k
08	Accumulated depreciation			29,000	Salari
09	Auto mobile		400,000		Adver
10	Accumulated depreciation			40,000	Prel
11	Preliminary Expense		99,000		Depre
12	Accounts Payable			200,000	Rent
13	Ordinary share Capital			1,000,000	Bad
14	Ordinary share premium			200,000	
15	Commission revenue			250,000	
16	Fee Income			310,000	
17	Salaries Expense		150,000		
18	Advertising Expense		50,000		
19	Amortization preliminary expense (W-2)		91,000		
20	Depreciation Expense		69,000		
21	Rent Expense		60,000		
22	Bad Debt Expense		30,000		
			2059,000	2059,000	

Universal Co Ltd.
STATEMENT OF PROFIT AND LOSS
 FOR THE PERIOD ENDED : DEC : 31 2008

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Add: Revenue:

Commission Revenue

250,000

Fee Income

310,000

Total Revenue

560,000

000

Less: Operating Expense:

Salaries Expense

150,000

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Advertising Expense

50,000

Preliminary Amortization Expense

11,000

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Depreciation Expense

30,000

Rent Expense

60,000

1,000

Bad Debt Expense

69,000

000

Total Operating Expense

370,000

1,000

Total Income

190,000

1,000

000

000

GENERAL JOURNAL.

Date	Account Title & Explanation	Post Ref	Debit	Credit
2008 Dec 31	(Closing).			
	1 Commission Revenue		250,000	
	Fee Income		310,000	
	Income Summary			560,000
	(To close all revenue accounts)			
	2 Income Summary		370,000	
	Salaries Expense			150,000
	Advertising Expense			50,000
	Preliminary Amortization Expense			11,000
	Depreciation Expense			30,000
	Rent Expense			60,000
	Bad debt Expense			69,000
	(To close all expense accounts)			
	3 Income Summary		190,000	
	Retained Earnings			190,000

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Balance Sheet before Disposal of Net Income:

Universal Co Ltd
Balance Sheet
As on Dec 31, 2008

Rs.

ASSETS				EQUITIES			
Current Assets				Liabilities			
Cash		300,000		Accounts Payable		200,000	
Bank		200,000		Total Liabilities			200,000
Accounts Receivable	300,000						
Les: Allowance for Bad Debts	(30,000)	270,000					
Supplies		50,000					
Prepaid Rent (W-1)		40,000					
Total Current Assets			860,000				
Non-Current Assets				Shareholders' Equity			
Automobiles	400,000			Authorised Capital:			
Less: Accumulated Depreciation	(40,000)	360,000		5000000 ord.shares of Rs.10 each = 50000000			
Furniture	300,000			Issued and Paid-up Capital:			
				Ordinary Share Capital		1,000,000	
				Add:Ord.Share Premium		200,000	
				Total Issued and Paid-up Capital		1,200,000	
				Retained Earning		190,000	
Less:Accumulated Depreciation	(29,000)	271,000		Total Shareholders' Equity			1,390,000
Preliminary Expense (W-2)		99,000					
Total Non-Current Assets			730,000				
Total Assets			1,590,000	Total Equities			1,590,000

Universal Co Ltd

General Journal

Date		Account Titles and Explanation	Post Ref.	Debit	Credit
	1	Retained Earnings		10,000	
		Appropriation for Contingencies			10,000
		(Created reserve for contingencies)			
	2	Retained Earnings		30,000	
		Appropriation for Plant Asset Expansion			30,000
		(Created reserve for plant asset expansion)			
	3	Retained Earnings		60,000	
		Cash Dividend Payable			60,000
		(Declared cash dividend)			
	4	Cash Dividend Payable		60,000	
		Bank			60,000
		(Paid cash dividend)			
	5	Retained Earnings		40,000	
		Stock Dividend Payable			40,000
		(Declared stock dividend)			
	3	Stock Dividend Payable		40,000	
		Ord.Share Capital			40,000
		(Allotted 6000 ordinary shares of Rs.10 each in consideration of dividend)			

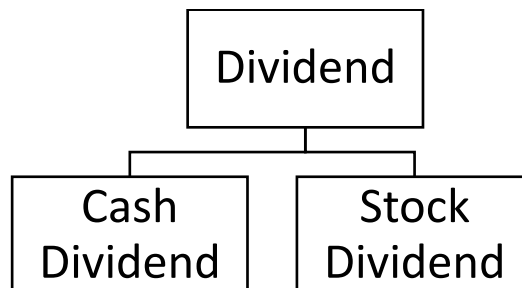
Balance Sheet after Disposal of Net Income:

Universal Co Ltd
Balance Sheet
As on Dec 31, 2008

Rs.

ASSETS				EQUITIES			
<u>Current Assets</u>				<u>Liabilities</u>			
Cash		300,000		Accounts Payable		200,000	
Bank		140,000		Total Liabilities			200,000
Accounts Receivable	300,000						
Les: Allowance for Bad Debts	<u>(30,000)</u>	270,000					
Supplies		50,000		<u>Shareholders' Equity</u>			
Prepaid Rent (W-1)		<u>40,000</u>		Authorised Capital:			
Total Current Assets			800,000	5000000 ord.shares of Rs.10 each = 50000000			
<u>Non-Current Assets</u>				Issued and Paid-up Capital:			
Automobiles	400,000			Ordinary Share Capital		1,040,000	
Less:Accumulated Depreciation	<u>(40,000)</u>	360,000		Add:Ord.Share Premium		<u>200,000</u>	
				Total Issued and Paid-up Capital		1,240,000	
Furniture	300,000			Retained Earning			
				Appropriation for Contingencies	10,000		
				Appropriation for Plant Asset Expansion	30,000		
				Unappropriated Retained Earning	<u>50,000</u>		
				Total Retained Earning		<u>90,000</u>	
Less:Accumulated Depreciation	<u>(29,000)</u>	271,000		Total Shareholders' Equity			1,330,000
Preliminary Expense (W-2)		<u>99,000</u>					
Total Non-Current Assets			730,000				
Total Assets			<u>1,530,000</u>	Total Equities			<u>1,530,000</u>

General Journal					
Date		Account Titles and Explanation	Post Ref.	Debit	Credit
		(Creation of Reserve)			
	1	Retained Earnings		50,000	
		Appropriation for Plant Expansion			50,000
		(Created reserve for plant expansion)			
		(Disposal of Reserve)			
	1	Appropriation for Plant Expansion		50,000	
		Retained Earnings			50,000
		(To record disposal of reserve for plant expansion)			

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Stock Dividend

General Journal

Date	Account Titles and Explanation	Post Ref.	Debit	Credit
	(Declaration)			
1	Retained Earnings		100,000	
	Stock Dividend Payable			100,000
	(Declared stock dividend)			
	(Payment)			
2	Stock Dividend Payable		100,000	
	Ord.Share Capital			100,000
	(Allotted ----)			

1 Recommendation by BOD

2 Declaration of Dividend

4 Payment to Cash Dividend

Amount of Stock Dividend:

Qty of share outstanding x % of dividend x market value