

Chapter 13: Interim Reports
Chapter Review Solutions

2. **M. Dewars**

Balance Sheet of M. Dewars as at 30 June		
Current Assets		
Accounts Receivable	10,500	
Inventory	8,800	19,300
Non-Current Assets		
Premises	96,000	
Motor Vehicles	4,800	
Equipment	3,000	
Government Bonds	4,000	107,800
Total Assets		127,100
Current Liabilities		
Bank Overdraft	2,900	
Accounts Payable	1,800	
GST Payable (net)	500	5,200
Non-Current Liabilities		
Mortgage	30,000	
Total Liabilities		35,200
Net Assets		91,900
Owners Equity		
Capital 1 July	85,500	
Net Operating Profit	8,200	
	93,700	
Less: Drawings	- 1,800	
		91,900

4. **M. Lawson**

(a)

Details	Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit
Land & Building	684,000				684,000	
Motor Vehicles	30,540				30,540	
Plant & Machinery	150,000				150,000	
Bank Overdraft		65,400				65,400
Office Furniture Equip	22,800				22,800	
Accounts Receivable	70,000				70,000	
Sales		1,104,000		1,104,000		
Inventory	36,000				36,000	
Cost of Goods Sold	912,000		912,000			
Mortgage		168,000				168,000
Salaries – Office Staff	30,000		30,000			
Accounts Payable		40,000				40,000
GST Collected		29,600				29,600
GST Paid	32,000				32,000	
Capital (opening)		651,000				651,000
Advertising	5,400		5,400			
Office Expenses	11,400		11,400			
Bad Debts	1,860		1,860			
Drawings	18,000				18,000	
Salaries – Sales	54,000		54,000			
Net profit			89,340			89,340
	2,058,000	2,058,000	1,104,000	1,104,000	1,043,340	1,043,340

(b) **Income Statement of M. Lawson for the year ended 30 June**

Sales			\$ 1,104,000
Less Cost of Goods Sold			- 912,000
Gross Profit			<u>192,000</u>
Less Expenses			
Marketing			
Salaries - Sales	54,000		
Advertising	<u>5,400</u>	59,400	
Administrative			
Salaries - Office	30,000		
Office Expenses	<u>11,400</u>	41,400	
Financial			
Bad Debts		<u>1,860</u>	102,660
Net Profit			<u><u>\$89,340</u></u>

(c) **Balance Sheet of M. Lawson as at 30 June**

Current Assets			
Accounts Receivable		\$70,000	
GST Paid (net) (32,000 – 29,600)		2,400	
Inventory		<u>36,000</u>	108,400
Non-Current Assets			
Land & Buildings		684,000	
Motor Vehicles		30,540	
Plant & Machinery		150,000	
Office Furniture & Equipment		<u>22,800</u>	887,340
Total Assets			995,740
Current Liabilities			
Bank Overdraft	65,400		
Accounts Payable	<u>40,000</u>		105,400
Non-Current Liabilities			
Mortgage		<u>168,000</u>	
Total Liabilities			<u>273,400</u>
Net Assets			<u>722,340</u>
Owners Equity			
Capital 1 July		651,000	
Add: Net Profit		<u>89,340</u>	
		740,340	
Less: Drawings		<u>- 18,000</u>	
			<u>722,340</u>

6. **M. Mundi**

(a)

Details	Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit
Accounts Payable		18,000				18,000
Accounts Receivable	40,000				40,000	
Advertising Expenses	12,200		12,200			
Building	132,000				132,000	
Cash at Bank	12,400				12,400	
Cost of Goods Sold	316,600		316,600			
Delivery Expenses	15,600		15,600			
Discount Allowed	7,000		7,000			
Drawings	20,000				20,000	
GST Collected		20,000				20,000
GST Paid	16,000				16,000	
Insurance Expense	4,200		4,200			
Inventory	87,000				87,000	
Land	68,000				68,000	
Office Equipment	32,000				32,000	
Office Salaries Exp	44,600		44,600			
Capital		322,400				322,400
Sales		504,000		504,000		
Sales Salaries Exp	55,200		55,200			
Stationery Expense	1,600		1,600			
Net Profit			47,000			47,000
	864,400	864,400	504,000	504,000	407,400	407,400

(b) **Income Statement of M. Mundi for the Year ended 30 June**

Sales			\$504,000
Less Cost of Goods Sold			- 316,600
Gross Profit from Trading			<u>187,400</u>
Less Expenses			
Marketing			
Sales Salaries Expenses	55,200		
Delivery Expenses	15,600		
Advertising	<u>12,200</u>	83,000	
Administrative			
Office Salaries Expenses	44,600		
Insurance	4,200		
Stationery	<u>1,600</u>	50,400	
Financial			
Discount Allowed		7,000	140,400
Net Profit			<u>\$47,000</u>

(c) Balance Sheet of M. Mundi as at 30 June		
Current Assets		
Cash at Bank	12,400	
Accounts Receivable	40,000	
Inventory	87,000	139,400
Non-Current Assets		
Land	68,000	
Buildings	132,000	
Office Equipment	32,000	232,000
Total Assets		371,400
Current Liabilities		
Accounts Payable	18,000	
GST Payable (net) (20,000 – 16,000)	4,000	22,000
Total Liabilities		22,000
Net Assets		349,400
Owners Equity		
Capital 1 July	322,400	
Add: Net Profit	47,000	
	369,400	
Less: Drawings	- 20,000	
		349,400

8. **M. Boanne**

(a)

Details	Trial Balance		Income Statement		Balance Sheet	
	Debit	Credit	Debit	Credit	Debit	Credit
Motor Vehicle	19,500				19,500	
Furniture & Fittings	6,000				6,000	
Land & Building	330,000				330,000	
Inventory	15,900				15,900	
Capital (opening)		387,900				387,900
Drawings	18,000				18,000	
Sales		240,000		240,000		
Cost of Goods Sold	150,075		150,075			
Wages	40,000		40,000			
General Expenses	2,000		2,000			
Delivery Expenses	18,000		18,000			
Accounts Receivable	10,600				10,600	
Cash on Hand	750				750	
Accounts Payable		1,400				1,400
GST Paid	1,400				1,400	
GST Collected		1,600				1,600
Discount Allowed	2,100		2,100			
Bad Debts	3,900		3,900			
Advertising	2,550		2,550			
Bank	10,125				10,125	
Net Profit			21,375			21,375
	630,900	630,900	240,000	240,000	412,275	412,275

(b) **Income Statement of M. Boanne for the year ended 30 June**

Sales			240,000
Less Cost of Goods Sold			- 150,075
Gross Profit			<u>89,925</u>
Less Expenses			
Marketing			
Delivery	18,000		
Advertising	<u>2,550</u>	20,550	
Administrative			
General	2,000		
Wages	<u>40,000</u>	42,000	
Financial			
Bad Debts	3,900		
Discount	<u>2,100</u>	6,000	68,550
Net Profit			<u><u>\$ 21,375</u></u>

(c) **Balance Sheet of M. Boanne as at 30 June**

Current Assets			
Cash at Bank	10,125		
Cash on Hand	750		
Accounts Receivable	10,600		
Inventory	15,900		37,375
			<hr/>
Non-Current Assets			
Land & Buildings	330,000		
Motor Vehicle	19,500		
Furniture & Fittings	6,000		355,500
			<hr/>
Total Assets			392,875
Current Liabilities			
Accounts Payable	1,400		
GST Payable (net) (1,600 – 1,400)	200		1,600
			<hr/>
Total Liabilities			1,600
Net Assets			<u>391,275</u>
Owners Equity			
Capital Op/bal	387,900		
Add: Net Profit	21,375		
			<hr/>
			409,275
Less: Drawings	- 18,000		
			<hr/>
			<u>391,275</u>