

Name: Sharjeel Shah

Roll # 16682

Financial Accounting

Mid-Term

Sir Naveed Azam

Q #1

(a)

Date	A/c Title	Debit	Credit
Dec. 31	Bad Debt Expense	1400	
	Account Receivable		1400

(b) (1) 1% of Net Sales

Sales Revenue	840000
Less: Sales Returns & Allowances	<u>(20000)</u>
Net Sales	<u><u>820000</u></u>

Dec 31	Bad Debt Expense 1% x (820000)	8200	
	Allowance for doubtful account		8200

(b) (2) 10% of A/c Receivables

Dec 31	Bad Debt Expense (110000 x 10%) = 11000	8900	
	Allowance for doubtful account		
	(11000 - 2100) = 8900		8900

(C) (1) 0.75% of Net Sales

Date	Acc Title	Debit	Credit
Dec 31	Bad debt Expense	6150	
	Allowance for doubtful account		
	(820000 X 0.75%) = 6150		6150

(C) (2) 6% of Account Receivable

Dec 31	Bad Debt Expense	6800	
	Allowance for doubtful accounts		
	(110,000 X 6%) = 6600		
	6600 + 200 = 6800		6800

Q #2

Date	A/c Title	Debit	Credit
Jan 1	Accumulated Depreciation - Machinery Machinery	62000	62000
June 30	Depreciation Expense Accumulated Depreciation - Computer (45000 × 1/5 × 6/12)	4500	4500
June 30	Cash Accumulated Depreciation - Computer (45000 × 3/5) = 27000 ; 27000 + 45000 = 31500 Gain on disposal [14000 - (45000 - 31500)] Computer	14000 31500	500 45000
Dec 31	Depreciation Expense Accumulated Depreciation - Truck (33000 - 3000) × 1/6	5000	5000

Date	A/c Title	Debit	Credit
Dec 31	Loss on disposal (33000-25000)	8000	
	Accumulated depreciation - Truck	25000	
	(33000-3000) \times 4/6 = 20000 + 5000		
	Delivery Truck		33000