

SAADAT ULLAH JAN
16627

FINANCIAL ACCOUNTING
MID TERMS
APRIL, 2020

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Question 1:
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Date	A/c Tittle	Debit	Credit
Dec, 31	Bad Debt Expense Account Recievable	1400	1400

ⓑ (1) 1% of Net Sales

Sales Revenue 840,000
Less: Sales Returns Allowances (20,000)
Net Sales 820,000

Date	A/c Tittle	Debit	Credit
Dec, 31	Bad Debt Expense $1\% \times (820,000)$ Allowance for doubtful Account	8200	8200

ⓑ (2) 10% of Account Recievables

Date	A/c Tittle	Debit	Credit
Dec, 31	Bad Debt Expense $(110,000 \times 10\%) = 11000$ Allowance for Debtfull Acc $(11000 - 2100) = 8900$	8900	8900

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© (1) 0.75% of Net Sales

Date	A/c Tittle	Debit	Credit
Dec, 31	Bad Debt Expense Allowance for doubtful Acc ($820,000 \times 0.75\% = 6150$)	6150	6150

© (2) 6% of Account Receivable.

Date	A/c Tittle	Debit	Credit
	Bad Debt Expense Allowance for doubtful Acc ($6\% \times 110,000 = 6600$) ($6600 + 200 = 6800$)	6800	6800

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Question 2:

Date	A/c Title	Debit	Credit
Jan, 1	Accumulated Depreciation - Machinery Machinery	62000	62000
June, 30	Depreciation Expense Accumulated Depreciation - Computer (45000 x 1/5 x 6/12)	45000	45000
June, 30	Cash Accumulated Depreciation - Computer (45000 x 3/5 = 27000) (27000 + 45000 = 31500) Gain on disposal (14000 - (45000 - 31500) = 5000) Computer	14000 31500	5000 45000
Dec, 31	Depreciation Expense Accumulated Expense - Truck (33000 - 3000) x 1/6 = 5000	5000	5000
Dec, 31	Loss on Disposal Accumulated Depreciation - Truck (33000 - 3000) x 4/6 = 20,000 Delivery Truck	13000 20,000	33000