

Semester “Spring 2011”

“ADVANCED FINANCIAL ACCOUNTING (FIN611)”

Assignment No. 02

Marks: 15

ABC Company Ltd. has the following Trial Balance as on 31st December, 2010:

Particulars	Rs.	Particulars	Rs.
Land & Building	150,000	Share Capital (10,000 ordinary shares of Rs.20 each)	200,000
Plant & Machinery	170,000	General Reserve	50,000
Inventory	32,500	Share Premium	20,000
Purchases	165,000	Retained Earning	12,500
Selling Expenses	30,000	Bank Loan (short term)	75,000
General Expenses	3,1500	Accounts Payable	17,500
Wages	1,000	Sales	300,000
Cash	49,000		
Accounts Receivable	46,000		
Total	675,000	Total	675,000

Adjustments

- The inventory at the end of the period is valued at Rs.27,500
- General expenses include prepayments to the amount of Rs.1,500
- A provision for Income tax is necessary to the extent of Rs.7,500
- Directors recommended final dividend @ 5%
- Depreciation should be written of on all fixed assets @ 10% p.a.
- Company has authorized capital of 40,000 shares of Rs.20 each

Require

1. Income Statement for the period ended on 31st December, 2010
2. Statement of Changes in Equity for the period ended on 31st December, 2010
3. Balance Sheet as on 31st December, 2010

Important Tips

1. This Assignment can be best attempted from the knowledge acquired after watching video lecture no. 1 to lecture no. 29 and reading handouts as well as recommended/reference books).
2. Video lectures can be downloaded for free from www.youtube.com/vu.

Schedule

Opening Date and Time	June 09, 2011 At 12:01 A.M. (Mid-Night)
Due Date and Time	June 15, 2011 At 11:59 P.M. (Mid-Night)

Note: Only in the case of Assignment, 24 Hrs extra / grace period after the above mentioned due

date is usually available to overcome uploading difficulties which may be faced by the students on last date. This extra time should only be used to meet the emergencies and above mentioned due dates should always be treated as final to avoid any inconvenience.

Important Instructions:

Please read the following instructions carefully before attempting the assignment solution.

Deadline:

- Make sure that you upload the solution file before the due date. No assignment will be accepted through e-mail once the solution has been uploaded by the instructor.

Formatting guidelines:

- Use the font style "Times New Roman" and font size "12".
- It is advised to compose your document in MS-Word 2003.
- Use black and blue font colors only.

Solution guidelines:

- Every student will work individually and has to write in the form of an analytical assignment.
- Give the answer according to question, there will be negative marking for irrelevant material.
- For acquiring the relevant knowledge don't rely only on handouts but watch the video lectures and use other reference books also.

Rules for Marking

Please note that your assignment will not be graded or graded as Zero (0) if:

- It has been submitted after due date
- The file you uploaded does not open or is corrupt
- It is in any format other than .doc (MS. Word)
- It is cheated or copied from other students, internet, books, journals etc...