



**HOLIDAY HOMEWORK  
CLASS X A IGCSE**

**SUMMER BREAK 2018-19  
SUBJECT : ACCOUNTANCY**

- Q1.** Mr Slater purchased a machinery on 1/01/2017 for \$ 30,000. He decides to depreciate machinery by Straight line method @ 10% per annum. Make Machinery A/c, Provision for depreciation A/c for two years ending on 31/12/18. Also show how Depreciation & Machinery will be presented in Income Statement & Statement of Financial Position of two years. Also pass journal entries for both the years
- Q2.** Mr Gilchrist purchased machinery on 1/08/2017 for \$ 50,000. He decides to depreciate machinery by Reducing Balance method @ 20% per annum. Make Machinery A/c, Provision for depreciation A/c for two years ending on 31/7/19. Also show how Depreciation & Machinery will be presented in Income Statement & Statement of Financial Position of two years. Also pass journal entries for both the years
- Q3.** Mr Buttler had office equipment of \$ 5,000 on 1/04/2017. On 1/11/17, he purchased some more office equipment for \$ 1,000. He decides to use Revaluation Method. On 31/3/18 he revalued the Office equipment at \$ 5,500. On 1/2/19, he purchased office equipment for \$ 4,000. On 31/3/19 he revalued the Office equipment at \$ 8,600. Make Office equipment A/c for two years ending on 31/03/19. Also show how Depreciation & Office equipment will be presented in Income Statement & Statement of Financial Position of two years. Also pass journal entries for both the years
- Q4.** Mr Shaun purchased a machinery on 1/4/2017 for \$ 1,00,000. He decides to depreciate machinery by Straight line method. Its residual value is estimated at \$ 20,000 & life is estimated to be 8 years. Calculate depreciation for year ending on 31/12/17 & 31/12/18
- Q5.** Mr Jaques is a trader. On 1/1/17, he purchased a Truck for \$ 50,000 & a building for \$ 60,000. On Truck, Reducing balance method is used for charging depreciation @ 10% per annum & straight line method is used for charging depreciation on building. Scrap value of building at the end of its life of 10 years is estimated at \$ 15,000. On 1/8/19 he sold building for \$ 49,000 on credit to Messi Trders. It is the policy of the business to charge full year depreciation in the year of purchase & not to charge any depreciation on the asset sold in year of sale. Make Building A/c, truck A/c, Provision for depreciation on truck A/c, Provision for depreciation on building A/c & Building disposal A/c for three years ending 31/12/19. Also show how these items will appear in Income statement & Statement of financial position for three years. Also pass journal entries for all the years [Hint: When Asset is sold or purchased on credit, then instead of using “Bank A/c”, use Name of Person to whom asset is sold or from whom asset is purchased]
- Q6.** On 1/1/16, balance in Building A/c was \$ 50,000 (at cost) & balance in Provision for depreciation on building A/c was \$20,000. On 1/6/17, a part of building costing \$ 10,000; having provision for depreciation of \$ 3,000; was sold for \$ 7,500. Business uses Reducing balance method for charging depreciation @ 10% per annum. It is the business policy not to charge depreciation in year of sale. Prepare Building A/c, Provision for depreciation on building & Building disposal A/c for two years ending 31/12/17. Also show how these items will appear in Income statement & Statement of financial position for two years ending 31/12/17. Also pass journal entries for both the years

- Q7.** Following is the trial balance of Mr. Ponting as at 31/12/17. Prepare Income Statement for the year ending 31/12/17 & Statement of financial position at 31/12/17:

	Dr (\$)	Cr (\$)
Capital		1,00,000
Furniture:		
Cost	20,000	
Provision for depreciation		3,000
Account Payables		10,000
Accounts Receivables	25,000	
Inventory as at 31/12/17	15,000	
Salaries	6,000	
Rent	14,000	
Insurance	5,000	
Interest		20,000
Building:		
Cost	50,000	
Provision for depreciation		5,000
Office equipments	15,000	
Drawings	10,000	
Cash at bank	25,000	
Cash in hand	15,000	
Gross profit		62,000
	2,00,000	2,00,000

- (a) Salaries outstanding & Rent prepaid amounted to \$ 4,000 & \$ 2,000  
 (b) Interest accrued/outstanding amounted to \$ 2,000  
 (c) For the purpose of charging depreciation, Mr. Ponting uses Straight line method for Furniture & Reducing balance method for building; respective rates of depreciation are 10% & 20%. For office equipments, revaluation method is being used. Value of Office equipment as at 31/12/17 was 13,000

- Q8.** Following is the trial balance of Mr. Dean as at 31/12/16. Prepare Income Statement for the year ending 31/12/16 & Statement of financial position at 31/12/16:

	Dr (\$)	Cr (\$)
Capital		2,00,000
Furniture:		
Cost	40,000	
Provision for depreciation		6,000
Account Payables		20,000
Accounts Receivables	50,000	
Salaries	12,000	
Rent	28,000	
Insurance	10,000	
Commission		40,000
Building:		
Cost	1,00,000	
Provision for depreciation		10,000
Office equipments	30,000	
Drawings	20,000	
Cash at bank	50,000	
Cash in hand	30,000	
Inventory as at 1/1/16	10,000	
Purchases	1,22,000	
Carriage inward	20,000	
Carriage outward	4,000	
Sales		2,50,000
	5,26,000	5,26,000

- (a) Cost of inventory on 31/12/16 was \$ 30,000. Its net realisable value is \$ 25,000  
 (b) Insurance prepaid amounted to □ 2,000

- (c) Commission outstanding/Accrued/receivable amounted to \$ 3,000
- (d) For the purpose of charging depreciation, Mr. Dean uses Straight line method for Furniture & Reducing balance method for building; respective rates of depreciation are 15% & 30%. For office equipments, revaluation method is being used. Value of Office equipment as at 31/12/17 was 27,000
- (e) Building costing \$ 20,000, having provision for depreciation of \$ 3,000 was sold for \$ 18,000. It is the policy of business not to charge depreciation in the year of sale on that asset which is sold during year of sale

**Q9.** The following Account appear in books of accounts of Mr. Johnson who is a sole trader & his accounting year ends on 31 December every year:

**Furniture Disposal A/c**

Details	Amount (\$)	Details	Amount (\$)
2017		2017	
Jan 15 Furniture A/c	50,000	Jan 15 Provision for depreciation A/c	45,000
Dec 31 Income Statement	3,000	Jan 15 Bank A/c	8,000

Explain each entry in the Furniture Disposal A/c:

- Jan 15 Furniture A/c  
 Jan 15 Provision for depreciation A/c  
 Jan 15 Bank A/c  
 Dec 31 Income Statement

## BANK RECONCILIATION STATEMENT

**Q1.** Following information is available about the bank statement of Mr. Apple for the month of May 2017:

Date 2017	Transaction details	Amount (\$)
May 1	Balance of cash at bank	20,000
May 5	Payment of expenses (cheque number 25201)	15,000
May 7	Bank made direct debit payment for rent	400
May 10	Payment made to John, cheque number 25202	250
May 15	Cash & Cheques deposited into bank	6,000
May 19	Cheque no. 58305 got dishonoured	
May 20	Bank made standing order payment for water bill	600
May 28	Credit transfer made by customer	1,600
May 29	Bank charges	200
May 31	Interest allowed by bank	150

**Books of Mr. Apple**

**Cash Book (bank column only)**

Date 2017	Details	\$	Date 2017	Details	\$
May 1	Balance b/d	20,200	May 3	General Expenses	15,000
May 12	Sales	6,000	May 8	John (cheque 25202)	250
May 15	Cheque no. 58305 received from Batista	2,600	May 27	Chris (Cheque 25203)	400
May 30	Sales	2,000	May 31	Balance c/d	15,150
		30,800			30,800
June 1	Balance b/d	15,150			

It is found that in cash book, balance on 30/4/17 of \$ 20,000 is carried forward as \$ 20,200. One debit entry of bank column of cash book was wrongly posted in cash column of cash book. On the basis of above information, make a bank statement, updated cash book & Bank Reconciliation statement as on 31/05/2017 [Hint: 'Dishonour of cheque' means cheque is deposited into bank but it is not cleared because of some fault in cheque like wrong signature etc. So no entry is made by bank in bank statement but while depositing it is entered by businessman in cash book]

- Q2.** Prepare an updated cash book & a BRS as on 31/3/17 of Mr. Gayle, a cloth merchant, from the following information:
- (a) Balance as per bank statement as on 31/3/17 was \$ 10,000
  - (b) Balance as per cash book (bank column) before updating the cash book as on 31/3/17 was 8,500
  - (c) A customer, Mr. James, deposited directly into business bank A/c \$ 1,000
  - (d) Two cheques of \$ 5,000 & \$ 2,000 were deposited into bank by Mr. Gayle on 28/3/17. Out of these cheques, one cheque of \$ 5,000 was cleared before 31/3/17 but another was not cleared till 3/4/17
  - (e) Cheques issued but not presented for payment amounted to \$ 3,000
  - (f) Bank charges \$ 300 were not entered in cash book
  - (g) Interest allowed by bank \$ 100
  - (h) Direct debit payment made by bank for rent \$ 650
  - (i) A credit item of \$ 450 was wrongly entered as \$ 540 in cash book
  - (j) There is a wrong debit in bank statement of \$ 50
- Q3.** Prepare an updated cash book & a BRS as on 31/3/16 of Mr. Jordan, a food supplier, from the following information:
- (a) Balance as per bank statement as on 31/3/16 was \$ 9,000
  - (b) Balance as per cash book (bank column) before updating the cash book as on 31/3/16 was 7,000
  - (c) A customer, Mr. James, deposited directly into business bank A/c \$ 1,500
  - (d) Cheques deposited but not credited \$ 800
  - (e) Cheques issued but not presented for payment amounted to \$ 1,200
  - (f) Bank charges \$ 300 & Interest allowed by bank \$ 100 were not entered in cash book
  - (g) Direct debit payment made by bank for rent \$ 650