

2. Tabular Statement (cont'd.)

Record on a tabular statement the effect each of the above transactions had on the relevant asset and liability and ascertain the total assets and liabilities on 31/12/2018.

(60)

	01/01/2018	Jan.	Feb.	Apr.	June	July	Sept.	Dec.	31/12/2018
	€	€	€	€	€	€	€	€	€
Goodwill	52,000	W1	W2	W3	W4	W5	W6	W8,9	64,500
Land and Buildings	720,000	180,000 (2)	150,000 (1)						1,050,000
Depreciation: Buildings	(43,200)	43,200 (2)						(18,350)(2)	(18,350)
Equipment	45,000								45,000
Depreciation: Equipment	(5,000)								(5,000)
Delivery Vans	75,000		30,000 (1)						105,000
Depreciation: Delivery Vans	(15,000)								(15,000)
Stock	60,600				5,000(2)		3,000(2)		52,600
Debtors	75,000		11,000 (1)		7,380 (2)	(8,000)(2)			85,380
Provision for Bad Debts	(3,750)								(3,750)
Insurance prepaid	900			3,720 (2)				(3,690)(2)	930 (1)
Bank	13,800			(9,120)(2)		2,000 (2)			6,680 (1)
Total Assets	975,350	223,200	203,500	(5,400)	2,380	(6,000)	(3,000)	(3,690)	1,367,990
Creditors	42,000		31,000 (1)				(3,390)(2)		69,610
VAT	9,500				1,380 (2)		690 (2)		11,570 (1)
Expenses due	12,200			(5,400)(2)				2,700 (2)	9,500 (1)
Ordinary Share Capital	750,000		150,000 (1)						900,000
Share Premium	25,000		22,500 (1)						47,500
Profit and Loss balance	136,650				1,000 (2)	(6,000)(2)	(300)(2)	(3,690)(2)	106,610 (1)
Revaluation Res.		223,200 (2)						(2,700)(2)	223,200
Total Liabilities	975,350	223,200	203,500	(5,400)	2,380	(6,000)	(3,000)	(3,690)	1,367,990

- Allow 1 mark for student's own figure.
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<b>Workings:</b>		€		€
<b>W1</b>	Revaluation on Land & Buildings		<b>W5</b>	Bad Debt
	Revised valuation	900,000 (1)		Net decrease in Debtors (July)
	– Old valuation (01/01/2018)	(720,000) (1)		8,000 (2)
	Net increase in Land & Buildings (Jan.)	180,000		Payment from liquidator [€8,000 × 25/100]
	Accumulated Depreciation (Land & Buildings)			2,000 (2)
	Revaluation Reserve	43,200 (2)		Net increase in Bank (July)
	Revaluation Reserve			2,000
	Increase valuation in Land & Buildings	180,000 (1)		Bad Debt
	+ Accum. Deprec. (Land & Buildings)	43,200 (1)		– Payment from liquidator
	Net increase in Revaluation Reserve (Jan.)	223,200		2,000 (1)
				Net decrease in Profit and Loss (July)
				6,000
<b>W2</b>	Goodwill		<b>W6</b>	Stock
	<u>Assets</u>			Credit Purchases (including VAT)
	Buildings	150,000		3,690
	Delivery Vans	30,000		– VAT on Purchases
	Debtors	11,000		[€3,690 ÷ 123 × 23]
		191,000 (1)		(690) (2)
	<u>Liabilities</u>			Net decrease in Stock (Sept.)
	Creditors	(31,000) (1)		3,000
	Net Worth of new business	160,000		VAT
	<u>Purchase Price</u>			Net increase in VAT (Sept.)
	Ordinary Shares [150,000 @ €1 each]	150,000		690 (2)
	Premium [15% of €150,000]	22,500		Creditors
		172,500 (1)		Net decrease in Creditors (Sept.)
	– Net Worth of new business	160,000		3,390 (2)
	Net increase in Goodwill (Feb.)	12,500		Restocking Charge [€3,690 – €3,390]
	Net increase in Land & Buildings (Feb.)	150,000 (1)		300 (2)
	Net increase in Delivery Vans (Feb.)	30,000 (1)		Net decrease in Profit and Loss (Sept.)
	Net increase in Debtors (Feb.)	11,000 (1)		300
	Net increase in Creditors (Feb.)	31,000 (1)		<b>W7</b>
	Net increase in Share Capital (Feb.)	150,000 (1)		Depreciation: Buildings
	Net increase in Share Premium (Feb.)	22,500 (1)		Depreciation charge for the year
				[2% of (€900,000 – €120,000)] × 12/12
				15,600 (1)
				[2% of €150,000 × 11/12]
				2,750 (1)
				Net increase in Depreciation (Dec.)
				18,350
				Depreciation charge for the year
				18,350 (2)
				Net decrease in Profit and Loss (Dec.)
				18,350
<b>W3</b>	Insurance prepaid		<b>W8</b>	Insurance charge for the year
	Net increase in Insurance prepaid (Apr.)	3,720 (2)		Insurance prepaid 01/01/2018
	Expenses due			900 (1)
	Net increase in Expenses due (Apr.)	5,400 (2)		Insurance for the year [€3,720 × 9/12]
	Bank			2,790 (1)
	Insurance (payment)	3,720 (1)		Net increase in Insurance prepaid (Dec.)
	Security Costs (payment)	5,400 (1)		3,690
	Net decrease in Bank (Apr.)	9,120		Insurance charge for the year
	** Treat all Insurance paid as “Insurance prepaid” and all Security Costs paid as “Expenses due” until December.			Net decrease in Profit and Loss (Dec.)
				3,690 (2)
				** Insurance prepaid 31/12/2018
				[€3,720 × 3/12 = €930]
<b>W4</b>	Stock		<b>W9</b>	Security costs for the year
	Credit Sales (including VAT)	7,380		Payment for the year [€5,400 × 6/12]
	– VAT on Sales [€7,380 ÷ 123 × 23]	(1,380) (1)		2,700 (2)
	Credit Sales (excluding VAT)	6,000		Net decrease in Expenses due (Dec.)
	– Mark-up [€6,000 ÷ 120 × 20]	(1,000) (1)		2,700
	Net decrease in Stock (June)	5,000		Expenses for the year
	Debtors			2,700 (2)
	Net decrease in Debtors (June)	7,380 (2)		Net decrease in Profit and Loss (Dec.)
	VAT			2,700
	Net increase in VAT (June)	1,380 (2)		** Additional €2,700 paid was for Security costs incurred during 2017.
	Profit on Sales [€6,000 – €5,000]	1,000 (2)		
	Net increase in Profit and Loss (June)	1,000		

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