

Spring Semester 2009
Advanced Financial Accounting (FIN 611)
Assignment # 01

Total Marks= 10

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

- *Assignment # 01 covers lesson no.01 - 08*
- *Last date for submission of Assignment is **March 30, 2009***
- *You can consult the concerned topics from your handouts.*
- *Use black font colors only.*
- *Show complete working/ calculations to support your answers.*
- *Make sure that you have uploaded the Assignment before due date.*
- *No assignment will be accepted through E-mail after the due date.*
- *Compose your assignment in MS-Office 2003. Any file created in any other version will not be accepted and marked zero.*

***Cheating or copying of assignment from any source is strictly prohibited;
No credit will be awarded to copied assignment.***

Question # 1 (Maximum Marks = 6)

Mr. Qamar keeps his books under single entry system; his position on 31st December 2002 (at the end of financial year) was as follows:

Cash in hand Rs. 59,200; Stock Rs. 63,000; Debtors Rs. 48,400; Furniture Rs. 12,000
Creditors Rs. 50,400; Prepaid Insurance Rs. 200. Machinery Rs. 10,000

INFORMATION:

- Machinery worth Rs. 2,000 was purchased on 30th June 2002 and remaining on 30th December 2001.
- Depreciate Furniture and Machinery @ 10% p.a.
- Written off bad debts Rs. 2,400 and provide 5% for doubtful debts.
- Provide interest on capital @ 10% p.a.

Required:

You are required to prepare Statement of affairs as on 31st December 2002.

Question # 2 (Maximum Marks = 4)

From the following particulars of Fine Club, ascertain the amount to be credited to **Income and Expenditure Account** in respect of subscription for the year 2005.

Subscription received in cash in 2005	10,050
Subscription for 2005 received in advance in 2004	750
Subscription accrued for 2004	900
Subscription accrued for 2005	1050