**Vəliyeva Nəzrin\_Mühasibat uçotu**

1. Difference between Financial and Managerial Accounting
2. Types of business: advantages and disadvantages
3. Describe the sole trader and Limited liability company
4. Describe the users of Financial Accounting
5. Legal responsibilities of directors
6. Identify the difference between directors/managers and shareholders
7. Types of financial statements
8. Elements of Statement of Financial Position
9. Elements of Profit and loss statement
10. Elements of Cash Flow and Changes in Equity Statements
11. Source documents.
12. What is Invoice? Why we need it and what information is shown on it?
13. What is petty cash and imperest system?
14. The meaning of the accounting equation and its elements
15. What is assets? Give examples
16. Jack Nicholson starts a business. The business begins by owning the cash that Jack has put into it, $2,500. Jack purchases in credit a market stall from Louise, who is retiring from his fruit and vegetables business. The cost of the stall is $1,800. He also purchases some flowers and potted plants from a trader in the wholesale market, at a cost of $650. Calculate remaining assets, liabilities and equity.
17. The rules of double entry bookkeeping.
18. Provide transactions of a computer shop in double entry:
* Purchase of computers on credit of $1000
* Payment received from a credit customer $750
* A cash sale (ie a receipt) of $250
1. Provide transactions of a computer shop in T-accounts:
* Purchase of computers on credit of $1000
* Payment received from a credit customer $750
* A cash sale (ie a receipt) of $250
1. Identify the debit and credit entries in the following transactions
* Bought a machine on credit from A, cost $8,000
* Bought goods on credit from B, cost $500
* Sold goods on credit to C, value $1,200
* Paid D (a credit supplier) $300
* Collected $180 from E, a credit customer
1. Identify the consistency from basic transaction to financial reports.
2. The profit earned by a business in 20X7 was $72,500. The proprietor injected new capital of $8,000 during the year and withdrew goods for his private use which had cost $2,200. If net assets at the beginning of 20X7 were $101,700, what were the closing net assets?
3. Jensen purchases $500 worth of cheese from Jared Co. Jensen agrees to pay Jared Co in 30 days' time. What is the double entry to record the purchase in Jared Co's books?
4. A business sells $100 worth of goods to a customer, the customer pays $50 in cash immediately and will pay the remaining $50 in 30 days' time. What is the double entry to record the sale?
5. The net assets of Dean W., a trader, at 1 January 20X8 amounted to $128,000. During the year to 31 December 20X8 Dean W. introduced a further $50,000 of capital and made drawings of $48,000. At 31 December 20X8 his net assets totalled $184,000. What is total profit or loss for the year ended 31 December 20X2?
6. What is the meaning of cost of goods sold? Give the formula and components of cost.
7. Explain the difference of carriage inwards and carriage outwards.
8. What is the inventory? How we can value it?
9. How we determine the purchase cost inventory? Which method is not allowed by IFRS?
10. Types of assets.
11. The distinction between capital and revenue expenditure
12. What is the depreciation and which methods of it can be used?
13. What is the intangible asset?
14. Explain the difference between tangible and intangible assets.
15. A company values its inventory using the first in, first out (FIFO) method. At 1 May 20X8 the company had 800 engines in inventory, valued at $190 each. During the year ended 30 April 20X9 the following transactions took place:

*20X8*

1 July Purchased 500 engines at $220 each

1 November Sold 400 engines for $160,000

*20X9*

1 February Purchased 300 engines at $230 each

15 April Sold 250 engines for $125,000

What is the value of inventory at 30 April 20X9 using the FIFO method?

1. An inventory record card shows the following details.

Feb 1: 50 units in stock at a cost of $40 per unit

Feb 7: 100 units purchased at a cost of $45 per unit

Feb 14: 80 units sold

Feb 21: 50 units purchased at a cost of $50 per unit

Feb 28: 60 units sold

What is the value of inventory at 28 February using the FIFO method?

1. A firm has the following transactions with its product R.

1 January 20X1 Opening inventory: nil

1 February 20X1 Buys 10 units at $300 per unit

11 February 20X1 Buys 12 units at $250 per unit

1 April 20X1 Sells 8 units at $400 per unit

1 August 20X1 Buys 6 units at $200 per unit

1 December 20X1 Sells 12 units at $400 per unit

The firm uses periodic weighted average cost (AVCO) to value its inventory. What is the inventory value at the end of the year?

1. Letta sells machine B for $50,000 cash on 30 April 20X4. Machine B cost $100,000 when it was purchased and has a carrying amount of $65,000 at the date of disposal. What are the journal entries to record the disposal of machine B?
2. B acquired a lorry on 1 May 20X0 at a cost of $30,000. The lorry has an estimated useful life of four years, and an estimated resale value at the end of that time of $6,000. B charges depreciation on the straight-line basis, with a proportionate charge in the period of acquisition. What will the depreciation charge for the lorry be in B's accounting period to 30 September 20X0?
3. A company draft financial statements for the year to 31 October 20X5 report a loss of $1,486. When he prepared the financial statements, company did not include an accrual of $1,625 and a prepayment of $834. What is the profit or loss for the year to 31 October 20X5 following the inclusion of the accrual and prepayment?
4. A business buys a patent for $60,000. It expects to use the patent for the next ten years, after which it will be valueless. Calculate the amortization and give double entry.
5. A company purchased an asset for $120,000 on 1st Jan 2019. It had an estimated useful life of 5 years and it was depreciated using the reducing balance method at a rate of 40%. Show the depreciation charge for each year (to 31 December) of the asset's life.
6. A company purchased an asset for $120,000 on 1st Jan 2019. It had an estimated useful life of 5 years and it was depreciated using the reducing balance method at a rate of 40%. On 1st January 2021 it was decided to change the method to straight line. Show the depreciation charge for each year (to 31 December) of the asset's life.
7. A company purchased an asset for $120,000 on 1st Jan 2019. It had an estimated useful life of 5 years and it was depreciated using the straight-line method. Show the depreciation charge for each year (to 31 December) of the asset's life.
8. A business which has an accounting year that runs from 1 January to 31 December purchases a new non-current asset on 1 April 20X8, at a cost of $42,000. The expected life of the asset is 4 years, and its residual value is nil. What should the depreciation charge for 20X8 be?
9. Using FIFO, calculate the closing inventory:

Year 2019

Opening inventory: nil

Buys 10 units at $200 per unit

Buys 12 units at $250 per unit

Sells 8 units at $300 per unit

Buys 6 units at $350 per unit

Sells 12 units at $100 per unit

1. Using FIFO, calculate the closing inventory:

Year 2019

Opening inventory: 12 units at 150 per unit

Buys 10 units at $100 per unit

Sells 5 units at $300 per unit

Buys 12 units at $250 per unit

Sells 25 units at $300 per unit

1. Using AVCO, calculate the closing inventory:

Year 2019

Opening inventory: nil

Buys 10 units at $200 per unit

Buys 12 units at $250 per unit

Sells 8 units at $300 per unit

Buys 6 units at $350 per unit

Sells 12 units at $100 per unit

1. Using AVCO, calculate the closing inventory:

Year 2019

Opening inventory: 12 units at 150 per unit

Buys 10 units at $100 per unit

Sells 5 units at $300 per unit

Buys 12 units at $250 per unit

Sells 25 units at $300 per unit

1. The Umbrella Co, trading as the Umbrella Shop, ends his financial year on 30 September each year. On 1 October 20X4 he had no goods in inventory. During the year to 30 September 20X5, he purchased 60,000 umbrellas costing $120,000 from umbrella wholesalers and suppliers. He resold the umbrellas for $8 each, and sales for the year amounted to $160,000 (20,000 umbrellas). What was Umbrella Co’s gross profit for the year? Closing inventory? What is the cost of goods sold and sales?
2. Explain the meaning of accruals and prepayments and their affect in financial statements.
3. The definition of 'provision', 'contingent liability' and 'contingent asset'.
4. What is the difference between provision and accruals.
5. When the provision, contingent liability and assets should be disclosed?
6. Identify the impact of irrecoverable debts on the statement of profit or loss and statement of financial position.
7. What is the irrecoverable debts and what can be done to decrease this risk?
8. How should be recorder: irrecoverable debts written off and subsequently paid?
9. What is the allowances for receivables?
10. Explain the nature of sales tax and how it is collected.
11. What is the sales tax: input and output?
12. Explain how the sales tax can be irrecoverable and how to show it in FS?
13. Events after the reporting period: adjusting and non-adjusting.
14. What are the basic principles of consolidation?
15. What is the intra-group transaction and how it should be eliminated?
16. Local Co pays royalties to writers annually, in February, the payment covering the previous calendar year. As at the end of December 20X9, Local Co had accrued $120,000 in royalties due to writers. However, a check of the royalty calculation performed in January 20X9 established that the actual figure due to be paid by Local Co to writers was $180,000. Before this under-accrual was discovered, Local Co's draft statement of profit or loss for the accounting year ended 31 December 20X9 showed a profit of $145,000 and their draft statement of financial position showed net assets of $425,000. What will Local Co's profit and net asset position be after an entry to correct the under-accrual has been processed?
17. A company has sublet part of its offices and in the year ended 30 November 20X3 the rent receivable was:

Until 30 June 20X3 $8,400 per year

From 1 July 20X3 $12,000 per year

Rent was paid quarterly in advance on 1 January, April, July, and October each year.

What amounts should appear in the company's financial statements for the year ended 30 November 20X3?

1. P is a sole trader who does not keep full accounting records. The following details relate to her transactions with credit customers and suppliers for the year ended 30 November 20X9.

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Trade receivables, 1 December 20X9 150,000

Trade payables, 1 December 20X9 80,000

Cash received from customers 690,400

Cash paid to suppliers 305,800

Discounts allowed 1,500

Discounts received 2,980

Irrecoverable debts 4,180

Amount due from a customer who is also a supplier offset against an amount due

for goods supplied by him 3,000

Trade receivables, 30 November 20X9 183,000

Trade payables, 30 November 20X9 86,000

Based on the above information, what figure should appear in P's statement of profit or loss for the year ended 30 November 20X9 for sales revenue and purchases?

1. Bread Co has a tax liability relating to 20X8 brought forward in 20X9 of $16,000. This liability is finally agreed at $18,500, which is paid in 20X9. Bread Co accountant estimates their tax liability for profits earned in 20X9 will be $20,000. What should the charge for taxation be in Bread statement of profit or loss (SPL) for the year ended 31 December 20X9?
2. At 30 June 20X7 a company's allowance for receivables was $39,000. At 30 June 20X8 trade receivables totalled $517,000. It was decided to write off debts totalling $37,000. The allowance for receivables was to be adjusted to the equivalent of 5 per cent of the trade receivables. What figure should appear in the statement of profit or loss for these items?
3. A company's draft financial statements for 20X5 showed a profit of $630,000. However, the trial balance did not agree, and a suspense account appeared in the company's draft statement of financial position. Subsequent checking revealed the following errors:

(1) The cost of an item of plant $48,000 had been entered in the cash book and in the plant register as $4,800. Depreciation at the rate of 10% per year ($480) had been charged.

(2) Bank charges of $440 appeared in the bank statement in December 20X5 but had not been entered in the company's records.

(3) One of the directors of the company paid $800 due to a supplier in the company's payables ledger by a personal cheque. The bookkeeper recorded a debit in the supplier's ledger account but did not complete the double entry for the transaction. (The company does not maintain a payables ledger controlaccount).

What would the company's profit become after the correction of the above errors?

1. The following payables ledger control account contains some errors. All goods are purchased on credit.

|  |
| --- |
| PAYABLES LEDGER CONTROL ACCOUNT |
| Purchases 963,200Discounts received 12,600Contras with amountsreceivable in receivables ledger 4,200**Closing balance 410,400** | **Opening balance 384,600**Purchases returns 17,400Cash paid to suppliers 988,400 |
| 1,390,400 | 1,390,400 |

What should the closing balance be when the errors have been corrected?

1. A company's telephone bill consists of two elements. One is a quarterly rental charge, payable in advance; the other is a quarterly charge for calls made, payable in arrears. At 1 April 20X9, the previous bill dated 1 March 20X9 had included line rental of $90. Estimated call charges during March 20X9 were $80. During the following 12 months, bills totalling $2,145 were received on 1 June, 1 September, 1 December 20X9 and 1 March 20Y0, each containing rental of $90 as well as call charges. Estimated call charges for March 20Y0 were $120. What is the amount to be charged to the statement of profit or loss for the year ended 31 March 20Y0?
2. On 30 September 20X1 part of the inventory of a company was completely destroyed by fire. The following information is available:

– Inventory at 1 September 20X1 at cost $49,800

– Purchases for September 20X1 $88,600

– Sales for September 20X1 $130,000

– Inventory at 30 September 20X1 – undamaged items $32,000

– Standard gross profit percentage on sales 30%

Based on this information, what is the cost of the inventory destroyed?

1. The following control account has been prepared by a trainee accountant:

|  |
| --- |
| RECEIVABLES LEDGER CONTROL ACCOUNT |
| Opening balance 308,600Cash sales 88,100Contras 4,600 Credit sales 154,200 | Cash 147,200Irrecoverable debts 4,900Interest charged on overdueaccounts2,400Discounts allowed 1,400Allowance for receivables 2,800**Closing balance 396,800** |
| 555,500 | 555,500 |

What should the closing balance be when all the errors made in preparing the receivables ledger control account have been corrected?

1. A company receives rent from a large number of properties. The total received in the year ended 30 June 20X2 was $1,203,000. The following were the amounts of rent in advance and in arrears at 30 June 20X1 and 20X2.

30 June 20X1 30 June 20X2

Rent received in advance 71,750 78,000

Rent in arrears

(all subsequently received) 53,000 46,000

What amount of rental income should appear in the company's statement of profit or loss forthe year ended 30 June 20X2?