

Task IM-4.24b: Trial Balance

On 2.01.20X1, MÜLLN AG is established by a share issue of 100,000 shares at 1.00 EUR/s each. The share issue is par value.

MÜLLN AG is an internet trading business for Bluetooth-connectable speaker systems. At the beginning of the business activities, no speakers are on stock. MÜLLN AG buys 3,000 speakers at 18.00 EUR/u and later during the Accounting period another 3,500 speakers at 19.00 EUR/u. The amounts given are net amounts. MÜLLN AG has to consider VAT at a VAT rate of 20 %. The total income tax rate is 30 %. The first purchase is paid in 20X1, the second one will be paid in the next Accounting period 20X2.

For the shipping of the speaker systems (box and delivery), MÜLLN AG pays 3.90 EUR/u (gross amount). During the Accounting period 20X1, MÜLLN AG sells 4,586 speakers. Every remaining speaker is valued at 19.00 EUR/u.

All speaker systems are sold at 38.40 EUR/u (gross amount) to the customers. All customers pay on cash. The amount paid is the total price; no further charges for delivery are required. No boxes for delivery are stored at MÜLLN AG either. They are bought "on demand" from the delivery service. Boxes and delivery are paid at the time of shipping on cash by MÜLLN AG.

Labour at MÜLLN AG is 36,000.00 EUR/a. Labour is paid one month in advance which requires 13 payments in 20X1. The last payment is a prepayment for January 20X2. You can ignore payroll tax and social security payments for this task.

Required: Prepare a trial balance, a balance sheet and an income statement as at 31.12.20X1 for MÜLLN AG. Apply a Trading account for your profit calculation.

Am 2.01.20X1 wird die MÜLLN AG mit einer Ausgabe von 100.000 Aktien zu jeweils 1,00 EUR/s gegründet. Die Ausgabe der Aktien erfolgt par value.

Die MÜLLN AG ist ein Internethändler für Bluetooth-fähige Lautsprechersysteme. Zu Beginn der Geschäftstätigkeit befinden sich keine Lautsprecher am Lager. Die MÜLLN AG kauft 3.000 Lautsprecher zu 18,00 EUR/Stk. und später in der selben Abrechnungsperiode weitere 3.500 Lautsprecher zu 19,00 EUR/Stk. Die genannten Beträge sind netto. Die MÜLLN AG muss einen Umsatzsteuersatz von 20% berücksichtigen. Der Ertragsteuersatz beträgt 30 %. Der erste Einkauf wird in 20X1 gezahlt, der zweite wird in der nächsten Abrechnungsperiode 20X2 gezahlt.

Für den Versand der Lautsprechersysteme (Verpackung und Versand) zahlt die MÜLLN AG 3,90 EUR/Stk (brutto). Während der Abrechnungsperiode 20X1 verkauft die MÜLLN AG 4.586 Lautsprechersysteme. Alle verbliebenen Lautsprechersysteme werden mit 19,00 EUR/Stk. bewertet.

Die Lautsprechersysteme werden zu 38,40 EUR/Stk. (brutto) an die Kunden verkauft. Alle Käufer zahlen bar. Der Betrag umfasst den Gesamtpreis, es werden keine zusätzlichen Verpackungs- oder Versandkosten in Rechnung gestellt. Bei der MÜLLN AG werden keine Verpackungen gelagert. Diese werden "on demand" von dem Transportunternehmen gekauft. Die Verpackungen und der Versand werden zum Zeitpunkt des Versands bezahlt.

Die Löhne bei der MÜLLN AG betragen 36.000,00 EUR/a. Löhne werden einen Monat im Voraus gezahlt, was 13 Zahlungen in 20X1 bedingt. Die letzte Zahlung ist eine Vorauszahlung für Januar 20X2. Sie können die Lohnsteuer und Sozialabgaben für diese Aufgabe vernachlässigen.

Gefragt. Erstellen Sie eine Trial Balance, eine Bilanz und eine Gewinn- und Verlustrechnung zum 31.12.20X1 für die MÜLLN AG. Wenden Sie ein Trading Account für die Bestimmung des Jahresergebnisses an.

Solution:

(1) Recording of the paid-in contribution of owners

DR Cash/Bank	100,000.00 EUR
CR Issued Capital	100,000.00 EUR

(2) Purchase of 3,000 speaker systems at a gross amount of: $3,000 \times 18 \times 120\% = 64,800.00$ EUR.

DR Purchase	54,000.00 EUR
DR VAT	10,800.00 EUR
CR Cash/Bank	64,800.00 EUR

(3) Purchase of 3,500 speaker systems at a gross amount of: $3,500 \times 19 \times 120\% = 79,800.00$ EUR.

DR Purchase	66,500.00 EUR
DR VAT	13,300.00 EUR
CR Accounts Payables	79,800.00 EUR

(4) Recording packages and delivery fees for 4,586 speaker systems. The payment with regard to shipping equals to: $3.90 \times 4,586 = 17,885.40$ EUR. Its net amount equals to 14,904.50 EUR.

DR Shipping	14,904.50 EUR
DR VAT	2,980.90 EUR
CR Cash/Bank	17,885.40 EUR

(5) Labour equals to 36,000.00 EUR. As there is a payment one month in advance, there are 13 payments to be considered.

DR Labour	39,000.00 EUR
CR Cash/Bank	39,000.00 EUR

(6) Accrual of labour:

DR Prepaid Expenses	3,000.00 EUR
CR Labour	3,000.00 EUR

(7) Revenue recognition: $4,586 \times 38.40/120\% = 146,752.00$ EUR.

DR Cash/Bank	176,102.40 EUR
CR VAT	29,350.40 EUR
CR Revenue	146,752.00 EUR

Observe the accounts and the trial balance below.

D		Cash/Bank	C	D		Issued Shares	C
(1)	100,000.00	(2)	64,800.00	c/d	100,000.00	(1)	100,000.00
(7)	176,102.40	(4)	17,885.40			b/d	100,000.00
		(5)	39,000.00				
		c/d	154,417.00				
	<u>276,102.40</u>		<u>276,102.40</u>				
b/d	154,417.00						

D		Purchase	C	D		VAT	C
(2)	54,000.00	(2)	10,800.00	(2)	10,800.00	(7)	29,350.40
(3)	66,500.00	c/d	120,500.00	(3)	13,300.00		
	<u>120,500.00</u>		<u>120,500.00</u>	(4)	2,980.90		
b/d	120,500.00			c/d	2,269.50		
					<u>27,080.90</u>		<u>29,350.40</u>
						b/d	2,269.50

Exhibit 1: Accounts

D		A/P	C	D		Shipping	C
c/d	79,800.00	(3)	79,800.00	(4)	14,904.50	c/d	14,904.50
		b/d	79,800.00	b/d	14,904.50		

D		Labour	C	D		Prepaid expenses	C
(5)	39,000.00	(6)	3,000.00	(6)	3,000.00	c/d	3,000.00
		c/d	36,000.00	b/d	3,000.00		
	<u>39,000.00</u>		<u>39,000.00</u>				
b/d	36,000.00						

D		Revenue	C	D		name	C
c/d	146,752.00	(7)	146,752.00				
		b/d	146,752.00				

Exhibit 1: Accounts (continued)

**Mülln AG's
TRIAL BALANCE
as at 31.12.20X1**

Account	Debit entries	Credit entries
Cash/Bank	154,417.00	
Issued Capital		100,000.00
Purchase	120,500.00	
Value Added Tax		2,269.50
Accounts Payables		79,800.00
Shipping	14,904.50	
Labour	36,000.00	
Prepaid Expenses	3,000.00	
Revenue		146,752.00
Total:	328,821.50	328,821.50

Exhibit 2: Trial Balance (non-adjusted)

The preparation of the Trading account requires to take stock. The amount equals to $(3,000 + 3,500 - 4,586) \times 19 = \mathbf{36,366.00 \text{ EUR}}$.

Observe the accounts below after profit calculation:

D		Cash/Bank	C
(1)	100,000.00	(2)	64,800.00
(7)	176,102.40	(4)	17,885.40
		(5)	39,000.00
		c/d	154,417.00
	<u>276,102.40</u>		<u>276,102.40</u>
b/d	154,417.00		

D		Issued Shares	C
c/d	100,000.00	(1)	100,000.00
		b/d	100,000.00

D		Purchase	C
(2)	54,000.00		
(3)	66,500.00	c/d	120,500.00
	<u>120,500.00</u>		<u>120,500.00</u>
b/d	120,500.00	T/A	120,500.00

D		VAT	C
(2)	10,800.00	(7)	29,350.40
(3)	13,300.00		
(4)	2,980.90		
c/d	2,269.50		
	<u>27,080.90</u>		<u>29,350.40</u>
		b/d	2,269.50

D		A/P	C
c/d	79,800.00	(3)	79,800.00
		b/d	79,800.00

D		Shipping	C
(4)	14,904.50	c/d	14,904.50
b/d	14,904.50	P&L	14,904.50

D		Labour	C
(5)	39,000.00	(6)	3,000.00
		c/d	36,000.00
	<u>39,000.00</u>		<u>39,000.00</u>
b/d	36,000.00	P&L	36,000.00

D		Prepaid expenses	C
(6)	3,000.00	c/d	3,000.00
b/d	3,000.00		

D		Revenue	C
c/d	146,752.00	(7)	146,752.00
T/A	146,752.00	b/d	146,752.00

D		Trading account T/A	C
Prh	120,500.00	Rev	146,752.00
GP	62,618.00	Inv	36,366.00
	<u>183,118.00</u>		<u>183,118.00</u>
P&L	62,618.00	b/d	62,618.00

Exhibit 3: Accounts

Inventory		Profit and Loss P&L	
D	C	D	C
T/A 36,366.00	c/d 36,366.00	Lab 36,000.00	T/A 62,618.00
b/d 36,366.00		Shp 14,904.50	
		EBT 11,713.50	
		62,618.00	62,618.00
		ITL 3,514.05	b/d 11,713.50
		R/E 8,199.45	
		11,713.50	11,713.50

Income tax liabilities		Retained earnings	
D	C	D	C
c/d 3,514.05	P&L 3,514.05	c/d 8,199.45	P&L 8,199.45
	b/d 3,514.05		b/d 8,199.45

Exhibit 3: Accounts (continued)

Mülln AG's
STATEMENT of PROFIT & LOSS
and OTHER COMPREHENSIVE INCOME
for the year ended 31.12.20X1

	[EUR]
Revenue	146,752.00
Other income	
	146,752.00
Materials	(84,134.00)
Labour	(36,000.00)
Depreciation	
Other expenses	(14,904.50)
Earnings before int. & taxes (EBIT)	11,713.50
Interest	
Earnings before taxes (EBT)	11,713.50
Income tax expenses	(3,514.05)
Deferred taxes	
Earnings after taxes (EAT)	8,199.45

Exhibit 4: Income statement

**Mülln AG's
STATEMENT of FINANCIAL POSITION**

A		as at 31.12.20X1		C, L
<i>Non-current assets</i>	[EUR]		<i>Equity</i>	[EUR]
P, P, E			Share capital	100,000.00
Intangibles			Reserves	
Financial assets			Retained earnings	8,199.45
<i>Current assets</i>			<i>Liabilities</i>	
Inventory	36,366.00		Interest bear liab	
Accounts receivables			Accounts payables	82,069.50
Prepaid expenses	3,000.00		Provisions	
Cash/Bank	154,417.00		Tax liabilities	3,514.05
Total assets	193,783.00		Total equity and liab.	193,783.00

Exhibit 5: Balance sheet