

Aufgabe QR-2.1: Aufstellen eines Jahresabschlusses

(Exercise on Preparation of Financial Statements)

(This task refers to the example KIELING in the textbook.)

FRESEMANN Ltd. is a copy shop established on 1.01.20X8. The proprietors contribute in total 30,000.00 EUR into the bank account. The business bought 4 copy machines 5,000.00 EUR each (net value) on cash. They bought another more expensive special copy machine 8,000.00 EUR (net amount) on credit. Use straight line method under consideration of an useful life to be 4 years. The company bought paper and toner 6,600.00 EUR (gross amount for one delivery) in January, in April, in July and in October 20X8. At end of year there is a closing stock of materials 4,000.00 EUR.

The business earned a cash revenue 78,000.00 EUR in 20X8. For labour FRESEMANN Ltd. paid 25,000.00 EUR/a. The rent for the shop was 12,000.00 EUR/year (no VAT to be considered). For financing FRESEMANN took a bank loan 40,000.00 EUR, interest rate is 5.5%/a. No pay-off was required in 20X8.

Notes receivables or payables resulting from VAT are to be paid in 20X9, show VAT as A/R or A/P for that reason.

At the end of year the management decided to declare a dividend 60% of retained earnings. The remaining amount is to be carried forward to 20X9.

Required: Set up accounts and make entries for all activities. Prepare the cash flow statement, income statement, balance sheet and statement of changes in equity. No formal requirements are to be fulfilled by this task.

Lösung (Solution)

Bookkeeping entries are as below:

(1) Contribution of shareholders

DR Bank	.....	30,000.00 EUR
CR Issued Capital	.....	30,000.00 EUR

(2) Acquisition of 4 copy machines

DR P, P, E	.....	20,000.00 EUR
DR VAT	.....	4,000.00 EUR
CR Bank	.....	24,000.00 EUR

(3) Acquisition of special copy machine

DR P, P, E	8,000.00 EUR
DR VAT	1,600.00 EUR
CR Accounts payables	9,600.00 EUR

(4) Depreciation (all together)

DR Depr.	7,000.00 EUR
CR Acc. depr	7,000.00 EUR

(5) Purchase of materials

DR Purchases	22,000.00 EUR
DR VAT	4,400.00 EUR
CR Bank	26,400.00 EUR

(6) Revenue

DR Bank	78,000.00 EUR
CR VAT	13,000.00 EUR
CR Revenue	65,000.00 EUR

(7) Labour

DR Labour	25,000.00 EUR
CR Bank	25,000.00 EUR

(8) Rent

DR Rent	12,000.00 EUR
CR Bank	12,000.00 EUR

(9) Taking bank loan:

DR Bank	40,000.00 EUR
CR Interest bearing liabilities	40,000.00 EUR

(10) Interest for bank loan

DR Interest	2,200.00 EUR
CR Bank	2,200.00 EUR

See next exhibits for all accounts and the full set of financial statements:

Bank		Iss cap		PPE	
D	C	D	C	D	C
(1) 30.000,00	(2) 24.000,00	c/d 30.000,00	(1) 30.000,00	(2) 20.000,00	
(6) 78.000,00	(5) 26.400,00		b/d 30.000,00	(3) 8.000,00	c/d 28.000,00
(9) 40.000,00	(7) 25.000,00				28.000,00
	(8) 12.000,00			b/d 28.000,00	28.000,00
	(10) 2.200,00				
	c/d 58.400,00				
	148.000,00				
b/d 58.400,00	148.000,00				
VAT		Depr			
D	C	D	C		
(2) 4.000,00	(6) 13.000,00	(4) 7.000,00	P&L 7.000,00		
(3) 1.600,00					
(5) 4.400,00					
c/d 3.000,00					
	13.000,00				
	b/d 3.000,00				
Acc depr		Purch		Rev	
D	C	D	C	D	C
c/d 7.000,00	(4) 7.000,00	(5) 22.000,00	P&L 22.000,00	P&L 65.000,00	(6) 65.000,00
	b/d 7.000,00				
Labour		Rent		Intest	
D	C	D	C	D	C
(7) 25.000,00	P&L 25.000,00	(8) 12.000,00	P&L 12.000,00	(10) 2.200,00	P&L 2.200,00
I b liabilities		Inv RM		A/P	
D	C	D	C	D	C
c/d 40.000,00	(9) 40.000,00	P&L 4.000,00	c/d 4.000,00	c/d 9.600,00	(3) 9.600,00
	b/d 40.000,00	b/d 4.000,00			b7d 9.600,00
P&L					
D	C				
Purch 22.000,00	Rev 65.000,00				
Labour 25.000,00	Inv RM 4.000,00				
Rent 12.000,00					
Depr 7.000,00					
Int 2.200,00					
NP 800,00					
	69.000,00				
	NP 800,00				

Exhibit 1: Accounts

STATEMENT of CASH FLOWS for 20X8

Capital Input	30.000,00
add Bank loan	40.000,00
add Revenue	78.000,00
	<u>148.000,00</u>
less Acquisition	(24.000,00)
less Purchase	(26.400,00)
less Labour	(25.000,00)
less Rent	(12.000,00)
less Interest	(2.200,00)
Cash flow	<u>58.400,00</u>

Exhibit 2: Informal cash flow statement

**STATEMENT of
COMPREHENSIVE INCOME for
20X8**

Revenue	65.000,00
less Materials	(18.000,00)
less Rent	(12.000,00)
less Labour	(25.000,00)
less Depreciation	(7.000,00)
less Interest	(2.200,00)
EBT	800,00
less Taxes	(240,00)
EAT	560,00
less Dividend	(336,00)
to R/E	224,00

Exhibit 3: Informal income statement for 20X8

**Fresemann's
STATEMENT of FINANCIAL POSITION
as at eoy 20X8**

A		C,L	
<i>Non-current Assets</i>	[EUR]	<i>SH's capital</i>	[EUR]
P,P,E	21.000	Issued capital	30.000
Int. assets		Other reserves	
Financial assets		Retained ear.	224
<i>Current Assets</i>		<i>Liabilities</i>	
Inventory	4.000	Int. bear. liab.	40.000
A/R		A/P	12.936
Perpaid exp.		Provisions	
Cash	58.400	Def. income	
		Tax liabilities	240
	<u>83.400</u>		<u>83.400</u>

Exhibit 4: Informal balance sheet as end of year 20X8

STATEMENT OF CHANGES IN EQUITY for 20X8

	Issued Capital	Retained Earnings	Reserves	Total
as at 1.01.20X8	30.000	0	0	30.000
Profit for 20X8		560		560
Appropriation		(336)		(336)
as at 31.12.20X8	30.000	224	0	30.224

Exhibit 5: Informal statement of changes in equity for 20X8