

Aufgabe QR-4.13: Erstellen eines hdl. Jahresabschlusses/Jahresabschlußarbeiten
(Preparing Financial Statements/Adjustments)

WESTERBERG is a sole proprietorship. WESTERBERG was established by his founder by putting 50,000.00 EUR into the bank account. WESTERBERG is a production firm for dolls (Barbie like). For the production process WESTERBERG has to invest in machinery. The machine is a one that makes the plastic parts out of grains/powder. The total investment in machines is 240,000.00 EUR (gross amount) and is paid on the 2.01.20X2. Useful life of the machines is 10 years, use straight line method for depreciation. There is no residual value to be considered. For financing the business WESTERBERG takes a bank loan 300,000.00 EUR. Interest rate is 5.00 %, and pay-off is 25,000.00 EUR per year – paid at year end. The company purchases materials 50,000.00 EUR (net amount). At the end of the fiscal year 20X2 there is still 8,400.00 EUR materials on stock. WESTERBERG pays salaries on the 25th of a month. The 25.12.20X2 is a Friday. Monthly payment for employees will be 8,000.00 EUR. Consider a month has 21.5 working days. During the fiscal year 20X2 WESTERBERG sells 12,000 dolls 18.00 EUR each (net amount). WESTERBERG pays rent arrays, which is 1,000.00 EUR (no VAT to be considered) per month. The payment is for a quarter in advance and is to be paid on the 20th of the previous month except of the very first payment which is on the 1.01.20X2. During the fiscal year WESTERBERG produces 15,000 dolls. During 20X2 WESTERBERG's proprietor took 21,400.00 EUR out of the bank account for private use. (withdrawal).

Required: Make all bookkeeping entries for fiscal year 20X2. Prepare a worksheet for WESTERBERG company under consideration of adjustments. Prepare the statement of comprehensive income, the statement of financial position, and the statement of cash flows for fiscal year 20X2. Consider VAT; the VAT rate is 20% here.)

Lösung (Solution)

See the T-Accounts below:

- (1) Contribution of the proprietor
- (2) Acquisition of the machine
- (3) Taking the bank loan
- (4) Interest payment
- (5) Pay-off with regard to the bank loan
- (6) Purchase
- (7) ... (18) Payment for labour
- (19) Posting revenue for dolls
- (20) ... (24) Payment for rent
- (25) Withdrawal

In order to make the adjustments consider the facts below:

- (A1) Depreciation charge is $200,000/10 = 20,000.00$ EUR
(A2) Adjustment for rent, prepaid amount is 3,000.00 EUR
(A3) Adjustment for labour occurred but not paid yet: $(8,000/21.5) \cdot 4 = 1,488.36$ EUR

(A4) Adjustment for materials: $50,000 - 8,400 = 41,600.00 \text{ EUR}$.

(A5) Adjustment for the valuation of FG inventory: cost of conversion per unit = $(20,000 + 12,000 + 97,488.36 + 41,600 + 15,000)/15,000 = 12.41 \text{ EUR}$. The value of closing stock amounts to $12.41 \cdot 3,000 = 37,230.00 \text{ EUR}$.

See the work sheet for adjustments below:

Accounts	Trial Balance		Adjustments		Adj T/B		I/S		B/S	
	DR	CR	DR	CR	DR	CR	DR	CR	DR	CR
Bank	136.800,00				136.800,00				136.800,00	
WESTERBERG's capital		50.000,00				50.000,00				50.000,00
PPE	200.000,00				200.000,00				200.000,00	
Acc. Depreciation on PPE				20.000,00		20.000,00				20.000,00
VAT	6.800,00				6.800,00				6.800,00	
Bank loan		275.000,00				275.000,00				275.000,00
Interest	15.000,00				15.000,00		15.000,00			
Purchase	50.000,00			50.000,00						
Labour	96.000,00		1.488,36		97.488,36		97.488,36			
Sales revenue		216.000,00				216.000,00		216.000,00		
Rent	15.000,00			3.000,00	12.000,00		12.000,00			
Withdrawal	21.400,00				21.400,00				21.400,00	
Depreciation			20.000,00		20.000,00		20.000,00			
Prepaid rent			3.000,00		3.000,00				3.000,00	
Cl. Stock Mat			8.400,00		8.400,00				8.400,00	
Cl. Stock FG			37.230,00		37.230,00				37.230,00	
Labour/P				1.488,36		1.488,36				1.488,36
Mat expenses			41.600,00		41.600,00		41.600,00			
Changes in FG-Inventory				37.230,00		37.230,00		37.230,00		
	541.000,00	541.000,00	111.718,36	111.718,36	599.718,36	599.718,36	186.088,36	253.230,00	413.630,00	346.488,36
Net income							67.141,64			67.141,64
							253.230,00	253.230,00	413.630,00	413.630,00

Exhibit 1: WESTERBERG's work sheet for 20X2

See adjusted accounts for WESTERBERG:

D Bank C		D WESTERBERG's Cap C		D PPE C	
(1) 50.000,00	(2) 240.000,00	c/d 50.000,00	(1) 50.000,00	(2) 200.000,00	c/d 200.000,00
(3) 300.000,00	(4) 15.000,00		b/d 50.000,00	b/d 200.000,00	
(19) 259.200,00	(5) 25.000,00				
	(6) 60.000,00				
	(7) 8.000,00				
	(8) 8.000,00				
	(9) 8.000,00				
	(10) 8.000,00				
	(11) 8.000,00				
	(12) 8.000,00				
	(13) 8.000,00				
	(14) 8.000,00				
	(15) 8.000,00				
	(16) 8.000,00				
	(17) 8.000,00				
	(18) 8.000,00				
	(20) 3.000,00				
	(21) 3.000,00				
	(22) 3.000,00				
	(23) 3.000,00				
	(24) 3.000,00				
	(25) 21.400,00				
	c/d 136.800,00				
	<u>609.200,00</u>				
b/d 136.800,00	<u>609.200,00</u>				
D VAT C		D Bank Loan C		D Interest C	
(2) 40.000,00	(19) 43.200,00	(5) 25.000,00	(3) 300.000,00	(4) 15.000,00	c/d 15.000,00
(6) 10.000,00	c/d 6.800,00	c/d 275.000,00		b/d 15.000,00	
	<u>50.000,00</u>	<u>300.000,00</u>	<u>300.000,00</u>		
b/d 6.800,00	<u>50.000,00</u>	b/d 275.000,00			
D Purchase C		D Labour C		D Sales Revenue C	
(6) 50.000,00	c/d 50.000,00	(7) 8.000,00	c/d 96.000,00	c/d 216.000,00	(19) 216.000,00
b/d 50.000,00	(A4) 50.000,00	(8) 8.000,00		b/d 216.000,00	
		(9) 8.000,00			
		(10) 8.000,00			
		(11) 8.000,00			
		(12) 8.000,00			
		(13) 8.000,00			
		(14) 8.000,00			
		(15) 8.000,00			
		(16) 8.000,00			
		(17) 8.000,00			
		(18) 8.000,00			
		<u>96.000,00</u>	<u>96.000,00</u>		
		b/d 96.000,00			
		(A3) 1.488,36	c/d 97.488,36		
		<u>97.488,36</u>	<u>97.488,36</u>		
		b/d 97.488,36			
D Rent C		D Withdrawal C		D Depreciation C	
(20) 3.000,00	c/d 15.000,00	(25) 21.400,00	c/d 21.400,00	(A1) 20.000,00	
(21) 3.000,00		b/d 21.400,00			
(22) 3.000,00					
(23) 3.000,00					
(24) 3.000,00					
<u>15.000,00</u>	<u>15.000,00</u>				
b/d 15.000,00	(A2) 3.000,00				
	c/d 12.000,00				
<u>15.000,00</u>	<u>15.000,00</u>				
b/d 12.000,00					

Exhibit 2: Accounts

D	Acc Depr		C	D	Prepaid rent		C	D	Inventory Mat		C
c/d	20.000,00	(A1)	20.000,00	(A2)	3.000,00	c/d	3.000,00	(A4)	8.400,00	c/d	8.400,00
		b/d	20.000,00	b/d	3.000,00			b/d	8.400,00		
D	Labour/P		C	D	Mat expenses		C	D	FG-Inventory		C
c/d	1.488,36	(A3)	1.488,36	(A4)	41.600,00	c/d	41.600,00	(A5)	37.230,00	c/d	37.230,00
		b/d	1.488,36	b/d	41.600,00			b/d	37.230,00		
D	Changes in inventory		C								
c/d	37.230,00	(A5)	37.230,00								
		b/d	37.230,00								

Exhibit 3: Accounts

Westerberg's
STATEMENT of FINANCIAL POSITION
as at eoy 20X2

A		C, L	
<i>Non-c. assets</i>	20X2	<i>SHs' capital</i>	20X2
P,P,E	180.000	Issued capital	50.000
Int. assets		Other reserves	
Financial assets		Retained ear.	45.742
<i>Current assets</i>		<i>Liabilities</i>	
Inventory	45.630	Int. bear. liab.	275.000
A/R	6.800	A/P	1.488
Perpaid exp.	3.000	Provisions	
Cash	136.800	Def. income	
		Tax liabilities	
	<u>372.230</u>		<u>372.230</u>

Exhibit 4: Statement of Financial Position

**Westerberg's
STATEMENT of COMPREHENSIVE
INCOME
for 20X2**

	20X2
Revenue	216.000,00
Changes FG-inv	37.230,00
less Depreciation	(20.000,00)
less Labour	(97.488,36)
less Materials	(41.600,00)
less Interest	(15.000,00)
less Other expenses	(12.000,00)
EBT	67.141,64

Exhibit 5: Statement of Comprehensive Income

**Westerberg's
CFS for 20X2**

	20X2
CF from operating activities	
Revenue	259.200,00
Purchases	(60.000,00)
Salaries	(96.000,00)
Rent	<u>(15.000,00)</u>
	88.200,00
CF from investing activities	
Investment	<u>(240.000,00)</u>
	(240.000,00)
CF from financing activities	
Share capital	50.000,00
Interest and pay-off	(40.000,00)
Withdrawal	(21.400,00)
Bank loan	<u>300.000,00</u>
	288.600,00
Total cash flow:	<u>136.800,00</u>

Exhibit 6: Statement of Cash Flows