

Aufgabe QR-4.15: Jahresabschluss und Abgrenzung (Preparation of Financial Statements and Adjustments)

MALMESBURY is a sole proprietorship. The business runs a traveling agency and sells flights. When the business was established on 1.01.20X4 the proprietor paid in 45,000.00 EUR into the bank account. He invested in 4 computers 3,000.00 EUR each (net amount, you have to consider VAT). Use straight line method for depreciation. The useful life is 3 years. The office is rented. He has to pay the rent by the 3rd working day of the month for the month the rent is for. Monthly rent is 400.00 EUR, which is free of VAT. MALMESBURY has 2 agents who are paid on the 27th of the month 2,000.00 EUR each. The payday in December is a Thursday. There are no public holidays after 27.12.2012. Consider a month has 21.5 working days. Furthermore the agents earn a bonus which is 15 EUR per flight sold during the last month. The bonus is paid on the 10th of each next month.

MALMESBURY ordered 100 flights from an airline for 420.00 EUR (gross amount) each. The flights were paid immediately by bank transfer once they were sold. During 20X4 the agents sold the amount of flights below for 960.00 EUR (gross amount) each. One customer ordered in November (see: Schulze Brammelkamp's figures) 10 flights for the next year 20X5 and paid for all of them already. The proprietor uses 2 flights for private use. MALMESBURY paid 840.00 EUR to the airline for these flights. (Make sure that there is no VAT refund on a withdrawal, regulation along VAT law states that there is only a VAT refund for expenses linked to the operating activities of the business.)

Month	Agent Schulze-Brammelkamp	Agent Horstkötter
1	4	2
2	8	3
3	7	2
4	5	4
5	9	1
6	1	1
7	5	8
8	0	2
9	4	3
10	3	2
11	10	6
12	2	4
total:	58	38

Exhibit 1: Sales amounts for agents

Required: Make all bookkeeping entries in T-Accounts and set up a trial balance. Prepare a work sheet and set up an adjusted trial balance. Make bookkeeping entries for adjustments also. Determine the net operating profit by the work sheet.

Lösung: (Solution)

Make the following postings:

- (1) Contribution
- (2) Acquisition of computers
- (3) Payment of rent
- (4) Payment for labour (Schulze Brammelkamp)
- (5) Payment for labour (Horstkötter)
- (6) Labour bonus for 20X4: $(58 - 2 + 38 - 4) \cdot 15 = \mathbf{1,350.00 \text{ EUR}}$
- (7) Purchase of 100 flights
- (8) Payment for flights sold and flights used privately $(58 + 38 + 2) \cdot 420 = \mathbf{41,160.00 \text{ EUR}}$
- (9) Posting the flights purchased to the inventory account
- (10) Posting flight expenses for $(58 + 38) 350 = \mathbf{33,600.00 \text{ EUR}}$
- (11) Posting for sales revenue $(58 + 38) \cdot 660 = \mathbf{63,360.00 \text{ EUR}}$
- (12) Posting for withdrawal

DR Withdrawal	840.00 EUR
CR Inventory	700.00 EUR
CR VAT	140.00 EUR

Accounts	Trial Balance		Adjustments		Adj T/B	
	DR	CR	DR	CR	DR	CR
Bank	27.450,00				27.450,00	
Scap		45.000,00				45.000,00
VAT		6.100,00				6.100,00
PPE	12.000,00				12.000,00	
Acc depr. on PPE				4.000,00		4.000,00
Rent	4.800,00				4.800,00	
Labour	48.000,00		372,09		48.372,09	
Labour bonus	1.350,00		90,00		1.440,00	
A/P		840,00				840,00
Inventory	700,00				700,00	
Flight expenses	33.600,00				33.600,00	
Sales revenue		76.800,00				76.800,00
Withdrawal	840,00				840,00	
Depreciation			4.000,00		4.000,00	
Labour/p				462,09		462,09
	128.740,00	128.740,00	4.462,09	4.462,09	133.202,09	133.202,09
Net income						

Exhibit 2: Work Sheet

Adjustments:

(A) Depreciation on computers $4 \cdot 3,000 \cdot (1/3) = \mathbf{4,000.00 \text{ EUR}}$

(B) Adjustment for labour, occurred on 28.12.20X4 and on 31.12.20X4 but not yet paid: $2 \cdot (2,000/21.5) \cdot 2 = \mathbf{372.09 \text{ EUR}}$.

(C) Adjustment for December bonus: $(2 + 4) \cdot 15 = \mathbf{90.00 \text{ EUR}}$.

D		Bank	C
(1)	45.000,00	(2)	14.400,00
(11)	92.160,00	(3)	4.800,00
(13)		(4)	24.000,00
		(5)	24.000,00
		(6)	1.350,00
		(8)	41.160,00
		c/d	27.450,00
	<u>137.160,00</u>		<u>137.160,00</u>
b/d	27.450,00		

D		MB Capital	C
c/d	45.000,00	(1)	45.000,00
		b/d	45.000,00

D		VAT	C
(2)	2.400,00	(11)	15.360,00
(7)	7.000,00	(12)	140,00
c/d	6.100,00		
	<u>15.500,00</u>		<u>15.500,00</u>
		b/d	6.100,00

D		PPE	C
(2)	12.000,00	c/d	12.000,00
b/d	12.000,00		

D		Rent	C
(3)	4.800,00	c/d	4.800,00
b/d	4.800,00		

D		Labour	C
(4)	24.000,00	c/d	48.000,00
(5)	24.000,00		
	<u>48.000,00</u>		<u>48.000,00</u>
b/d	48.000,00	c/d	48.372,09
(B)	372,09		
	<u>48.372,09</u>		<u>48.372,09</u>
b/d	48.372,09		

D		Labour bonus	C
(6)	1.350,00	c/d	1.350,00
b/d	1.350,00		1.440,00
(C)	90,00		
	<u>1.440,00</u>		<u>1.440,00</u>
b/d	1.440,00		

D		Purchase	C
(7)	35.000,00	(9)	35.000,00

D		A/P	C
(8)	41.160,00	(7)	42.000,00
c/d	840,00		
	<u>42.000,00</u>		<u>42.000,00</u>
		b/d	840,00

D		Inventory	C
(9)	35.000,00	(10)	33.600,00
		(12)	700,00
		c/d	700,00
	<u>35.000,00</u>		<u>35.000,00</u>
b/d	700,00		

D		Flight expenses	C
(10)	33.600,00	c/d	33.600,00
b/d	33.600,00		

D		Sales Revenue	C
c/d	76.800,00	(11)	76.800,00
		b/d	76.800,00

D		Withdrawal	C
(12)	840,00	c/d	840,00
b/d	840,00		

D		Labour/P	C
c/d	462,09	(B)	372,09
	<u>462,09</u>	(C)	90,00
			<u>462,09</u>
		b/d	462,09

D		Depr	C
(A)	4.000,00	c/d	4.000,00
b/d	4.000,00		

D		Acc Depr	C
c/d	4.000,00	(A)	4.000,00
		b/d	4.000,00

Exhibit 3: Accounts

Accounts	I/S		B/S	
	DR	CR	DR	CR
Bank			27.450,00	
Scap				45.000,00
VAT				6.100,00
PPE			12.000,00	
Acc depr. on PPE				4.000,00
Rent	4.800,00			
Labour	48.372,09			
Labour bonus	1.440,00			
A/P				840,00
Inventory			700,00	
Flight expenses	33.600,00			
Sales revenue		76.800,00		
Withdrawal			840,00	
Depreciation	4.000,00			
Labour/p				462,09
	92.212,09	76.800,00	40.990,00	56.402,09
Net income	-15.412,09			-15.412,09
	76.800,00	76.800,00	40.990,00	40.990,00

Exhibit 4: Work Sheet

MALMESBURY made a loss 15,412.09 EUR.