



Worksheet 10: Use of formats for ledger accounts and financial statements answers

- 1 What was the profit on the sale of the motor vehicle?

A \$1875 – This required a Disposal account format.

Disposal Account					
Debit (DR)			Credit (CR)		
Date	Details	Amount \$	Date	Details	Amount \$
01.01.17	Cost	24 000	31.12.20	Accumulated Depreciation	13 875
31.12.20	Profit on disposal/ Statement of profit or loss/Income statement	1875	30.07.20	Sale proceeds/ Bank	12 000
				Loss on disposal/ Statement of profit or loss/income statement	
		2875			2875

- 2 Which entry appeared in the interest received account to make the transfer to the statement of profit or loss?

D \$8950 debit – This required Interest Receivable account (any income such rent receivable, etc.) format.

Disposal Account			
Debit (DR)		Credit (CR)	
Details	Amount \$	Details	Amount \$
Balance b/d (An asset-owed)	700	Balance b/d (A liability-advance)	–
Statement of profit or loss/ Income statement	8950	Bank	8800
Balance c/d (A liability-advance)	–	Balance c/d (An asset-owed)	850
	9650		9650



3 What was the cost of sales for the year?

A \$562 300 – This required a statement of profit or loss/Income statement (summarised) format.

	\$
Revenue	1 500 000
Cost of sales Missing figure (work backwards)	562 300
Gross profit	937 700
Expenses	875 000
Profit/loss for the year	62 700

4 What is the value of total equity?

B \$2 030 000 – This required statement of financial position (total equity section) format.

	\$
Ordinary share capital	1 200 000
Share premium	–
Revaluation reserve	–
General reserve	120 000
Retained earnings	710 000
Total equity (Missing figure)	2 030 000