

Assignment 1

Premises (property)	£ 120 000
Motor van. (at cost)	£ 70 000
Provision for depreciation of motor van	£ 10 000
Furniture at cost	£ 30 000
Provision for depreciation of furniture	£ 2 000
Inventory (stock)	£ 17 000
Trade receivables (debtors)	£ 15 000
Cash	£ 10 000
Loan	£ 40 000
Trade payables (creditors)	£ 2 000
Other payables (accruals)	£ 8 000
Capital opening	£ 100 000
Profit for the year (net profit)	£ 150 000
Drawings	£ 50 000

Draw up the Ramy's Statement of Financial Position as at 31
December 2005 using:

I) Horizontal Form

II) Vertical Form

Horizontal Form
Statement of financial position
Ramy's Balance Sheet as of 31 December 2005

<u>Non current assets (fixed)</u>		<u>Capital (Equity)</u>	
Premises (property)	£ 120 000	Capital opening	£ 100 000
Motor van. (at cost)	£ 70 000	Profit for the year (net profit)	£ 150 000
Provision for depreciation of motor van	£ (10 000)	Total Equity	£200,000
Furniture at cost	£ 30 000	<u>Non Current Liability</u>	
Provision for depreciation of furniture	£ (2 000)	Loan	£ 40 000
Total Non current assets (fixed)	£208,000	<u>Current Liability</u>	
<u>Current Assets:</u>		Trade payables (creditors)	£ 2 000
Inventory (stock)	£ 17 000	Other payables (accruals)	£ 8 000
Trade receivables (debtors)	£ 15 000	Total Liabilities	£50,000
Cash	£ 10 000		
	£42,000		
Total Assets	£250,00	Total Capital & Liabilities	£250,000

Vertical Form
Statement of financial position
Ramy's Balance Sheet as of 31 December 2005

<u>Non current assets (fixed)</u>	
Premises (property)	£ 120 000
Motor van. (at cost)	£ 70 000
Provision for depreciation of motor van	£ (10 000)
Furniture at cost	£ 30 000
Provision for depreciation of furniture	£ (2 000)
Total Non current assets (fixed)	£208,000
<u>Current Assets:</u>	
Inventory (stock)	£ 17 000
Trade receivables (debtors)	£ 15 000
Cash	£ 10 000
	£42,000
Total Assets	£250,00
<u>Capital (Equity)</u>	
Capital opening	£ 100 000
Profit for the year (net profit)	£ 150 000
Total Equity	£200,000
<u>Non Current Liability</u>	
Loan	£ 40 000
<u>Current Liability</u>	
Trade payables (creditors)	£ 2 000
Other payables (accruals)	£ 8 000
Total Liabilities	£50,000
	£250,000

