

and #265 at 31/12/1997

⑤ Depreciation should be provided as follows:

Tennis Courts 10% per annum on cost

Furniture 20% per annum on cost

You are required to prepare for the relevant period:

- ① the bar trading and Profit & Loss Account
- ② the income and expenditure Account and
- ③ the Balance sheet of the club.

Solution

Determination of purchases for the bar trading account through Creditors control account

Creditors Control Account			
Receipts & Payments (paid)	8,464	Bal b/d 1/1/1997	680
		Credit purchases	8,372
bal c/d 31/12/1997	588		
	<u>9,052</u>		<u>9,052</u>
		bal b/d	588

Bar trading and Profit & Loss Account for the year ended 31st December 1997

Opening stock	894	Bar Sales	12,456
add purchases	8,372		
	9,266		
Less closing stock	(1,046)		
Cost of goods sold	8,220		
Gross Profit c/d	4,236		
	12,456		12,456
Bar expenses (624+84-56)	652	Gross Profit b/d	4,236
Bar men's salaries	1,354		
Net Profit c/d	2,230		
	<u>4,236</u>		<u>4,236</u>