

LCCI Level 2 Bookkeeping & Accounting Consolidation Tasks

Statement of Profit or Loss (sole trader)

- 1) You have been provided with the following trial balance and additional information for PTA Services, a sole trader business operated by Peter Adamson for the year ended 31 December 20X2.

Ledger account	Debit	Credit
	\$	\$
Motor vehicles (cost)	32600	
Office equipment (cost)	18750	
Motor vehicles accumulated depreciation (as at 1 January 20X2)		6520
Office equipment accumulated depreciation (as at 1 January 20X2)		10050
Sales revenue		139871
Trade receivables	11340	
Rent	2925	
Trade payables		6486
Opening equity as at 1 January 20X2		20000
Purchases	54683	
Discounts allowed	1683	
Returns inwards	1348	
Discounts received		876
Returns outwards		513
Wages	18976	
Inventory (as at 1 January 20X2)	4268	
Loan interest	600	
Bank	5697	
Motor expenses	8896	
Cash	200	
Loan (repayable 20X7)		12000
Heat and light	2472	
Carriage outwards	4698	
Drawings	27180	
TOTALS	196316	196316

The following information has been provided:

- Closing inventory for the year ending 31 December 20X2 has been valued at \$6394.
- Depreciation for the year has yet to be accounted for using the following rates:
 - Motor vehicles are depreciated at a rate of 20% using the diminishing balance method.

- Office equipment is depreciated over five years assuming a \$2000 residual value.
- c. The rent expense in the trial balance relates to January to September 20X2. Rent for the remaining three months of the year needs to be accrued.
- d. The heat and light expenses include an amount of \$388 paid in advance for the next financial year which is to be accounted for as a prepayment.

Task: Prepare a Statement of Profit or Loss for the year ending 31 December 20X2 using the template provided below.

Instructions for completing the task:

- You must use a minus sign at the front of any values which are to be deducted, for example, closing inventory, cost of sales, and the total of expenses. For example, returns inwards of 1320 should be entered in the cell in the following format -1320. You do not need to enter a minus sign at the front of the individual expenses; however, the total should use a minus sign.
- Do not use any symbols (e.g. \$), full stops or commas in your answer except for the minus sign as indicated in the instructions.
- All descriptions should be entered using the drop-down options available in each box.

PTA Services			
Statement of Profit Loss for the year ending 31 December 20X2			
	\$	\$	\$
Sales revenue		139871 (1)	
Returns inwards		-1348 (1)	
Sales revenue			138523 (0.5)
Less: Cost of sales			
Opening inventory		4268 (1)	
Purchases	54683 (1)		
Returns outwards	-513 (1)		
		54170 (0.5)	
Closing inventory		- 6394 (1)	
Cost of sales			-52044 (0.5)
Gross profit			86479 (0.5)
Add other income			
Discounts received			876 (1)
			87355 (0.5)
Less expenses			
Discounts allowed		1683 (1)	
Rent		3900 (1)	
Wages		18976 (1)	
Loan interest		600 (1)	
Motor expenses		8896 (1)	

Heat and light		2084 (1)	
Carriage outwards		4698 (1)	
Depreciation charge – motor vehicles		5216 (1)	
Depreciation charge – office equipment		3350 (1)	
			-49403 (0.5)
Profit/(loss) for the year			37952 (1)

Total of 20 marks available.

Items shown in orange text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Sales revenue
- Carriage outwards
- Returns outwards
- Trade payables
- Returns inwards
- Drawings
- Purchases

The items also have to be **listed in the order shown** in the answer to get the marks.

Items shown in green text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Opening inventory
- Purchases
- Returns outwards
- Closing inventory
- Drawings
- Returns inwards
- Discounts allowed
- Carriage outwards
- Discounts received

The items also have to be **listed in the order shown** in the answer to get the marks.

Items shown in purple text (name and corresponding value must match) – The drop-down options to be available here are:

- Carriage outwards
- Discounts allowed
- Drawings
- Discounts received
- Rent

Items shown in blue text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Depreciation charge – motor vehicles
- Heat and light
- Trade payables
- Loan interest
- Rent
- Office equipment (carrying value)
- Carriage outwards
- Wages
- Depreciation charge – office equipment
- Motor expenses
- Trade receivables
- Motor vehicles (carrying value)
- Discounts allowed

These can be entered by the student in **any order**, but they must get the right value against the right description.

- 2) You have been provided with the following trial balance and additional information for JT Services, a sole trader business operated by Jamie Taylor for the year ended 31 December 20X3.

Ledger account	Debit	Credit
	\$	\$
Motor vehicles (carrying value)	16000	
Office equipment (carrying value)	21432	
Wages	24381	
Inventory (as at 1 January 20X3)	3750	
Bank	6263	
Motor expenses	4686	
Cash	150	
Trade receivables	12865	
Rent	3500	
Trade payables		3495
Opening equity as at 1 January 20X3		30000
Loan (repayable 20X6)		15000
Sales revenue		120340
Purchases	34250	
Discounts received		230
Returns inwards	1320	
Returns outwards		605
Discounts allowed	2418	
Heat and light	1982	
Carriage outwards	3967	

Depreciation charge – motor vehicles	3200	
Depreciation charge – office equipment	3540	
Drawings	25966	
TOTALS	169670	169670

Closing inventory for the year ending 31 December 20X3 has been valued at \$1800.

Task: Prepare a Statement of Profit or Loss for the year ending 31 December 20X3 using the template provided below.

Instructions for completing the task:

- You must use a minus sign at the front of any values which are to be deducted, for example, closing inventory, cost of sales, and the total of expenses. For example, returns inwards of 1320 should be entered in the cell in the following format -1320. You do not need to enter a minus sign at the front of the individual expenses; however, the total should use a minus sign.
- Do not use any symbols (e.g. \$), full stops or commas in your answer except for the minus sign as indicated in the instructions.
- All descriptions should be entered using the drop-down options available in each box.

JT Services			
Statement of Profit Loss for the year ending 31 December 20X3			
	\$	\$	\$
Sales revenue		120340 (1)	
Returns inwards		-1320 (1)	
Sales revenue			119020 (0.5)
Less: Cost of sales			
Opening inventory		3750 (1)	
Purchases	34250 (1)		
Returns outwards	-605 (1)		
		33645 (0.5)	
Closing inventory		-1800 (1)	
Cost of sales			-35595 (0.5)
Gross profit			83425 (0.5)
Add other income			
Discounts received			230 (1)
			83655 (1)
Less expenses			
Wages		24381 (1)	
Motor expenses		4686 (1)	
Rent		3500 (1)	
Discounts allowed		2418 (1)	

Heat and light		1982 (1)	
Carriage outwards		3967 (1)	
Depreciation charge – motor vehicles		3200 (1)	
Depreciation charge – office equipment		3540 (1)	
			-47674 (1)
Profit/(loss) for the year			35981 (1)

Total of 20 marks available.

Items shown in orange text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Sales revenue
- Carriage outwards
- Opening equity
- Trade payables
- Returns inwards
- Drawings
- Purchases

The items also have to be **listed in the order shown** in the answer to get the marks.

Items shown in green text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Opening inventory
- Purchases
- Returns outwards
- Closing inventory
- Drawings
- Discounts allowed
- Carriage outwards
- Bank
- Cash
- Discounts received

The items also have to be **listed in the order shown** in the answer to get the marks.

Items shown in purple text (name and corresponding value must match) – The drop-down options to be available here are:

- Carriage outwards
- Discounts allowed
- Drawings
- Discounts received
- Cash

Items shown in blue text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Depreciation charge – motor vehicles
- Heat and light
- Trade payables
- Loan
- Rent
- Office equipment (carrying value)
- Carriage outwards
- Wages
- Depreciation charge – office equipment
- Motor expenses
- Trade receivables
- Motor vehicles (carrying value)
- Discounts allowed

These can be entered by the student in **any order**, but they must get the right value against the right description.

- 3) You have been provided with the following trial balance and additional information for PTA Services, a sole trader business operated by Peter Adamson for the year ended 31 December 20X2.

Ledger account	Debit	Credit
	\$	\$
Motor vehicles (cost)	32600	
Office equipment (cost)	18750	
Motor vehicles accumulated depreciation (as at 1 January 20X2)		6520
Office equipment accumulated depreciation (as at 1 January 20X2)		10050
Sales revenue		139871
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The following information has been provided:

- Closing inventory for the year ending 31 December 20X2 has been valued at \$6394.
- Depreciation for the year has yet to be accounted for using the following rates:
 - Motor vehicles are depreciated at a rate of 20% using the diminishing balance method.
 - Office equipment is depreciated over five years assuming a \$2000 residual value.
- The rent expense in the trial balance relates to January to September 20X2. Rent for the remaining three months of the year needs to be accrued.
- The heat and light expenses include an amount of \$388 paid in advance for the next financial year which is to be accounted for as a prepayment.
- The profit for the year has been calculated as \$37952

Task: Prepare a Statement of Financial Position for the year ended 31 December 20X2 using the template provided below.

Instructions for completing the task:

- Do not use any symbols (e.g. \$ or -), full stops or commas in your answer except for using a minus sign to indicate a value to be deducted in the calculation of closing equity.
- All descriptions should be entered using the drop-down options available in each box.

PTA Services			
Statement of Financial Position for the year ended 31 December 20X2			
	\$	\$	\$
	Cost	Accumulated depreciation	Carrying amount
Non-current assets			
Motor vehicles	32600 (0.5)	11736 (0.5)	20864 (0.5)
Office equipment	18750 (0.5)	13400 (0.5)	5350 (0.5)
	51350 (0.5)	25136 (0.5)	26214 (0.5)
Current assets			
Inventory		6394 (1)	
Trade receivables		11340 (1)	
Prepayments		388 (1)	
Bank		5697 (1)	

Cash		200 (1)	
			24019 (0.5)
TOTAL ASSETS			50233 (0.5)
Equity and liabilities			
Equity			
Opening equity			20000 (1)
Profit/(loss) for the year			37952 (1)
Drawings			-27180 (1)
Total equity			30772 (0.5)
Liabilities			
Non-current liabilities			
Loan			12000 (1)
Current liabilities			
Trade payables		6486 (1)	
Accruals		975 (1)	
			7461 (1)
Total liabilities			19461 (1)
TOTAL EQUITY AND LIABILITIES			50233 (1)

Total of 20 marks available.

Items shown in orange text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Opening equity
- Motor vehicles
- Drawings
- Office equipment
- Bank
- Cash

These can be entered by the student in **any order**, but they must get the right value against the right description.

Items shown in green text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Inventory
- Trade payables
- Bank
- Trade receivables
- Office equipment
- Cash
- Prepayments
- Opening equity
- Drawings
- Accruals

The items also have to be **listed in the order shown** in the answer to get the marks.

Items shown in purple text (name and corresponding value must match) – The drop-down options to be available here are:

- Prepayments
- Accruals
- Trade receivables
- Loan
- Trade payables

These can be entered by the student in **any order**, but they must get the right value against the right description.

Items shown in blue text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Prepayments
- Accruals
- Trade receivables
- Loan
- Trade payables

These can be entered by the student in **any order**, but they must get the right value against the right description.

Items shown in grey text (name and corresponding value must match) – The drop-down options to be available in these boxes are:

- Drawings
- Loan
- Office equipment
- Opening equity
- Motor vehicles
- Net profit/(loss) for the year

These can be entered by the student in **any order**, but they must get the right value against the right description.