

Accountancy and Finance

1. A. Scholes, a sole trader, extracted the following Trial Balance from his books at the close of business on February 28, 2022.

	Dr (ZMW)	Cr (ZMW)
Purchases and sales	11,280	19,740
Cash at the bank	1,140	
Cash in hand	210	7,200
Capital account March 1, 2021		9,900
Drawings	2,850	
Office furniture	1,440	930
Rent	1,020	
Wages and salaries	2,580	
Discounts	690	360
Debtors and creditors	4,920	2,490
Stock 1 March, 2021	2,970	
Provision for bad and doubtful debts March 1, 2021		270
Delivery van	2,400	
Van running costs	450	
Bad debts written off	810	
	<u>32,760</u>	<u>32,760</u>

Notes:

- a) Stock February 28, 2022 K3,510
- b) Wages and salaries accrued at February 28, 2022 – K90;
- c) Rent prepaid February 28, 2022 K60
- d) Van running costs owing at February 28, 2022 K60
- e) Increase in provision for bad and doubtful debts by K60
- f) Provide for depreciation as follows: Fixtures and fittings K180, Delivery van K480

Required:

Prepare the trading, and profit and Loss Accounts for the year ended February, 2022 together with the statement of financial position as at that date.

2. What is the purpose and benefits of project accounting?