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*L/T Strategies for the BAFS Curriculum Series:
(8) Sharing of Good Practices - Accounting Module*

Use of spreadsheet in teaching BAFS

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Illustration

- Use with the blackboard
- Provide visual impacts
- Serve as a quick reference
- Avoid silly mistakes

	A	B	C	D	E	F	G	H	I
7	1	KK set up a company with \$5,000 cash.							
8	2	\$4,000 cash was deposited into the bank account.							
23		Resources in the business				Resources supplied by others		Resources supplied by the owner	
24						(Owings to others)		(Owings to owner)	
25		<u>Assets</u>		=	<u>Liabilities</u>		+	<u>Capital</u>	
26	1	Cash	5000				1	Capital-KK	5000
27									
28									
29									
30									
31									
32									
33									
34									
35									
36									
37		5,000		=	0		+	5,000	
38									

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
4	[Demonstration]																
5																	
6	<u>2012</u>																
7	Jan	1	KK set up a company with \$5,000 cash.														

	Cash				Capital				
	<u>2012</u>		<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>
23	1-Jan	Capital	5000			1-Jan	Cash	5000	
31	<u>2012</u>		<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>
39	<u>2012</u>		<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>	<u>2012</u>	<u>\$</u>

	A	B	C	D	E	F	G	H	I
1		Types of Errors	Definition	RIGHT		WRONG		CORRECTION	
2				DR	CR	DR	CR	DR	CR
3	1	Error of C	is where an entry has been made in a _____ account of the _____ type.	Purchases	San	Purchases	Avery		
4									
5									
6	2	Error of P	is where an entry has been made in a wrong _____ of account.	MV	Bank	Repairs	Bank		
7									
8									
9	3	Error of O	is where _____ has been made for a transaction.	Returns Ins	Katie				
10									
11	4	Error of O	E is where incorrect _____ has been recorded in a book of original entry and therefore posted to the related _____.	Queenie	Sales	Queenie	Sales		
12				1000	1000	800	800		
13				Queenie	Sales	Queenie	Sales		
14				1000	1000	1200	1200		
15									
16	5	C	R is where a double entry has been made on the wrong _____ of accounts.	Salaries	Cash	Cash	Salaries		
17				800	800	800	800		
18									
19	6	C	E are where two or more errors _____ each other so that _____ is not _____.	Purchases	Tao	Purchases	Tao		
20				500	500	600	500		
21				China	Sales	China	Sales		

	A	B	C	D	E	F	G	H	I	J	K	L	M
1		RIGHT		WRONG		CORRECTION		2000 Correction of Error					
2		DR	CR	DR	CR	DR	CR						
3	i	TP-Tony	Bank	TP-Tony	Bank	TP-Tony	Suspense	Profit before adjustment				39426	
4		2600	2600	260	2600	2340	2340	Add					
5	ii												
6													
7	iii												
8													
9								Less					
10													
11	iv							Profit after adjustment					
12													
13	v												
14								Suspense					
15	vi							As per TB	4260	i	TP-Tony	2340	
16													
17													
18													
19													

Question setting

- Set questions of same styles easily for drilling
- Set the most difficult question first
- Eliminate points and items to get the easier questions

6 QUESTION SETTER

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		is a sole trader.	
The trial balance of the business as at		is:	
		<u>Dr.</u>	<u>Cr.</u>
		\$	\$
	Sales		
	Purchases		
	Returns inwards		
	Returns outwards		
	Carriage inwards		
	Carriage outwards		
	Inventory		
	Furniture		
	Machinery		
	Buildings		
	Capital		
	Debtors		
	Cash		
	Petty cash		
	Creditors		
	Bank overdraft		
	Drawings		
	Rental income		
	Discount received		
	Wages and salaries		
	Electricity		
	Entertainment expenses		
	Rent and rates		
	Bad debts		
		0	0
			0.00

	A	B	C	D	E	F	G	H	I
63					0				
64			Income statement for the year ended					0	
65								\$	\$
66		Sales							0
67		<i>Less</i>	Return inwards						0
68									0
69	<i>Less</i>	Cost of goods sold							
70			Opening inventory					0	
71			Purchases					0	
72								0	
73			Carriage inwards					0	
74								0	
75		<i>Less</i>	Return outwards					0	
76								0	
77		<i>Less</i>	Closing inventory					0	0
78		Gross Profit / (Gross loss)							0
79		Revenues							
80			Interest income						0
81			Rental income						0
82			Discount received						0
83									0
84	<i>Less</i>	Expenses							
85			Carriage outwards		0			0	
86			Entertainment expenses		0			0	
87			Bad debts		0	0		0	
88			Rent and rates		0	0	0	0	
89			Wages and salaries		0			0	
90			Electricity		0	0		0	
91			Increase in AFDA						
92			0	0%	0	0	0%	0	0
93		Net profit / (Net loss)							0
94					0				
95			Balance Sheet as at					0	
96							\$	\$	\$
97		Non-current assets					Cost	Acc Den	NRV

Classroom Exercise

- Start with an empty spreadsheet
- Ask students to suggest an item in the balance sheet one-by-one
 - *Account name / amount / side*
- The last item in the B/S should make the Dr and Cr sides of the T/B equal to each other
- Ask students to provide period-end adjustments as well

Classroom Exercise

- Check students' understanding
- The balance sheet is balanced anyway
- **AVOID ILLOGICAL ITEMS**
 - *Negative cost of goods sold*
- **AMEND THE FIGURES A BIT**
 - *Avoid figures (answer) with decimal places*

Business, Accounting and Financial Studies

Financial Statements

[Question set by 4BAFa 1213 (18 December 2012)]

QUESTION DEMO

Michelle Hung is a sole trader.

The trial balance of the business as at 31 December 2009 is:

	<u>Dr.</u>	<u>Cr.</u>
	\$	\$
Sales		1,000,001
Purchases	101	
Inventory	4,000,000	
Carriage inwards	6,000,000	
Furniture	2,000,000	
Returns inwards	90	
Carriage outwards	2,000	
Capital		10,000,000
Returns outwards		100
Entertainment expenses	10	
Debtors	2,000,000	
Creditors		12,000,000
Bad debts	1,000,000	
Bank overdraft		9,999
Cash	1	
Machinery	9,000,000	
Rent and rates	1,000,000	
Drawings	10,000,000	

Collaboration with ICT / Computer Literacy

- S2 Computer Literacy
 - *Spreadsheet: Exercise on BAFS Balance Sheet Formatting*
- S5 BAFS
 - *Spreadsheet: Exercise on question setting*

S.2 Computer Literacy Spreadsheet

Exercise on BAFS Balance Sheet Formatting

1. Start the Microsoft EXCEL program.
2. Open the file 'balance_sheet.xls'
3. Change the **font** and **font size** to Times New Roman and 10 respectively.
4. Change the **column width** to 6.
5. Change the **row height** to 12.75.
6. Merge cells B3 to K3.
7. Enter 'YWGS Limited' in cell B3.
8. Merge cells B4 to K4.
9. Enter 'Balance Sheet as at 31 December 2010' in cell B4
10. Center the text in cell B3 and B4
11. Enter 'Non-current Assets' in cell C6.
12. Enter 'Current Assets' in cell C10.
13. Enter 'Financed by:' in cell B17.
14. Enter 'Capital' in cell C18.
15. Enter 'Less' in cell C22.
16. Enter 'Non-current Liabilities' in cell C24.
17. Enter 'Current Liabilities' in cell C27.
18. Bold the text in cell C6, C10, B17, C18, C24 and C27.
19. Italic the text in cell C22. Align cell C22 to the right.
20. Enter '\$' in cell J5. Underline the text in J5. Align cell J5 to the right.
21. Copy cell J5 to cell K5.
22. Type the formula '=SUM(K7:K8)' in cell K9.
23. Type the formula '=SUM(J11:J14)' in cell K14.
24. Type the formula '=SUM(K9:K14)' in cell K15.
25. Type the formula '=K19-K20' in cell K21.
26. Type the formula '=SUM(K21:K22)' in cell K23.
27. Type the formula '=SUM(J28:J29)' in cell K29.
28. Type the formula '=SUM(K23:K29)' in cell K30.



	A	B	C	D	E	F	G	H	I	J	K
1											
2											
3											YWGS Limited
4											Balance Sheet as at 31 December 2010
5										\$	\$
6											Non-current Assets
7											Freehold land
8											50,000
9											Motor vehicles
10											32,000
11											82,000
12											Current Assets
13											Inventory
14										1,000	Accounts receivable
15										700	Prepayments
16										900	Bank
17										400	3,000
18											85,000
19											
20											Financed by:
21											Capital
22											As at 1 January 2010
23											70,100
24											Net profit
25											12,400
26											82,500
27											Less Drawing
28											5,000
29											77,500
30											Non-current Liabilities
31											10% loan
32											5,000
33											Current Liabilities
34											Accounts payable
35										1,800	Accruals
36										700	2,500
37											85,000
38											

Originals

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Details

- [redacted].xlsx
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- [redacted].xls
- [redacted].xls
- [redacted].xlsx
- [redacted].pdf
- [redacted].xls
- [redacted].xlsx
- [redacted].xls
- [redacted].xlsx
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- [redacted].xlsx

The following trial balance was extracted from the books of KK limited at 31 March 2012:

	₹	₹
500,000 ordinary shares of \$ 1 each, fully paid		500,000
Furniture, at cost	100,000	
Machinery, at cost	350,000	
Provision for depreciation		
Furniture		20,000
Machinery		70,000
General reserve		42,000
Retained profits		10,000
Trade debtors	40,000	
Trade creditors		39,000
Stock	18,000	
Provision for doubtful debts		1,000
Salaries	50,500	
Purchases	200,000	

(iv) The board of directors proposed to transfer \$ 100,000 to general reserve and to declare a final dividend of 5% on ordinary shares.

Required:

(a) the trading, profit and loss and appropriation account of KK limited for the year ended 31 March 2012.

(b) the balance sheet of KK limited as at the same date.

(a) KK limited
Trading, profit and loss and appropriation account of KK limited for the year ended 31 March 2012

₹ ₹

	A	B	C	D	E	F	G	H	I	J
16	Accumulated depreciation: Machinery						30,000			
17	Accounts receivable					350,750				
18	Accounts payable						460,875			
19	Bad debts					11,000				
20	Bank					505,930				
21	Cash					20,700				
22	Loan from Chan (repayable in 2015)						1,130,000			
23	Discounts allowed					7,500				
24	Discounts received						5,250			
25	Sundry expenses					26,790				
26	Electricity					25,000				
27	Rent and rates					28,000				
28	Repairs to machinery					10,050				
29	Rental income						76,625			
30	Capital						400,000			
31	Drawings					29,540				
32						=SUM(F6:F31)	4,483,405			
33										
34	Additional notes:									
35	(1) Inventory as at 31 December 2012 is valued at \$680,650.									
36	(2) It is the company policy to provide depreciation for non-current assets by the following method:									
37	Premises - 10% per annum by straight-line method									
38	Machinery - 5% per annum by reducing balance method									
39	(3) On 1 July 2012, the company purchased a new machine with a trade-in value \$10,000 to replace the one which was									
40	(4) Allowance for doubtful accounts are provided at 2%.									
41	(5) On 31 December 2012, \$2,690 electricity is accrued and \$13,000 rent is prepaid.									
42										

	A	B	C	D	E	F	G	H	I	J	
1	Trial Balance as at 31 December 2012				Income Statement for the year ended 31 December 2012						
2		Dr.	Cr.						\$	\$	
3		\$	\$		Sales					2,887,934	
4	100,000 5% preference shares of \$1 each, fully paid		100,000		Less Cost of Goods sold						
5	50,000 ordinary shares of \$1 each, fully paid		50,000		Opening inventory			65,123			
6	6% debentures (repayable in 2020)		100,000		Add Purchase			1,456,400			
7	Plant and machinery, at cost	450,000			Less Closing inventory			(64,540)		(1,456,983)	
8	Furniture and fixtures, at cost	580,000			Gross profit					1,430,951	
9	Accumulated depreciation:				Add other revenue:						
10	Plant and machinery		240,000		Discount received					2,458	
11	Furniture and fixtures		420,000							1,433,409	
12	General reserve		42,000		Less expenses:						
13	Retained profits		86,450		Wages and Salaries			268,120			
14	Accounts receivable	846,294			Rent and Rates			341,500			
15	Inventory	65,123			Depreciation on Plant and machinery			90,000			
16	Accounts payable		374,165		Depreciation on Furniture and Fixtures			87,000			
17	Debenture interest	6,000			Debenture Interest			6,000			
18	Wages and salaries	264,000			Bad debts			5,980		(798,600)	
19	Purchases	1,456,400			Net profit					634,809	
20	Rent and rates	345,000			Less Appropriation						
21	Discounts received		2,458		Transfer to general reserve			10,000			
22	Cash at bank	279,210			Preference dividends: Interim			2,500			
23	Bad debts	5,980			Preference dividends: Final			2,500			
24	Sales		2,887,934		Ordinary dividends: Interim			2,500			
25	Interim preference dividend	2,500			Ordinary dividends: Final			5,000		(22,500)	
26	Interim ordinary dividend	2,500			Retained profit for the year					612,309	
27		$=B7+B8+B14+B15+B17+B18+B19+B20+B21+B22+B23+B24+B25+B26$	4,303,007								
28											
29	Additional Information:										

Reflections

- School based
- Teacher based
- Applicable to cost accounting
- Spreadsheet is just one of the many tools... make sure that

incremental benefit

>

incremental cost

Thank you 😊