

SEMESTER FALL 2011
Financial Accounting (MGT101)
Assignment No. 02

Due Date: 29 December 2011

Marks: 30

Assignment Number 02

Ittehad Silk Factory is engaged in the production of silk fabric of different types. Mr. Sultan Ghani, one of the directors, bought latest embroidery machines for its newly established embroidery unit for Rs. 2,450,000/- on 1st January 2011. The company depreciates machinery @10% p.a. The machinery will be disposed off at the end of 5th year at Rs. 1,280,000/-. The accounts are closed on 31st December each year.

Required:

1. Prepare the Fixed Asset Schedule regarding machinery showing the columns of Years, Cost, Depreciation charges, Accumulated depreciation and Written down value for five years using the following methods separately:
 - a) Straight line method
 - b) Diminishing balance method
2. Calculate the profit or loss on the disposal of machinery under:
 - a) Straight line method
 - b) Diminishing balance method

Grading Scheme:

- | | |
|---|------------|
| a) Straight line method Calculations | 10 Marks |
| b) Diminishing balance method | 10 Marks |
| c) Calculation of Profit/Loss using a & b | 3 +3 Marks |
| d) Formatting (Use of proper tables and titles) | 4 Marks |

Note:

Only in the case of Assignment, *24 hours extra / grace period* after the due date is usually available to overcome uploading difficulties which may be faced by the students on last date. This extra time should only be used to meet the emergencies and above mentioned due dates should always be treated as final to avoid any inconvenience.

Other Important Instructions:

Deadline:

- Make sure to upload the solution file before the due date on VULMS.
- Any submission made via email after the due date will not be accepted.

Formatting guidelines:

- Use the font style “Times New Roman” or “Arial” and font size “12”.
- It is advised to compose your document in MS-Word format.
- You may also compose your assignment in Open Office format.
- Use black and blue font colors only.

Solution guidelines:

- Use APA style for referencing and citation. For guidance search “APA reference style” in Google and read various website containing information for better understanding or visit <http://linguistics.byu.edu/faculty/henrichsen/apa/APA01.html>
- Every student will work individually and has to write in the form of an analytical assignment.
- Give the answer according to question, there will be negative marking for irrelevant material.
- For acquiring the relevant knowledge do not rely only on handouts but watch the video lectures and use other reference books also.

Rules for Marking

Please note that your assignment will not be graded or graded as Zero (0), if:

- It is submitted after the due date.
- The file you uploaded does not open or is corrupt.
- It is in any format other than MS-Word or Open Office; e.g. Excel, PowerPoint, PDF etc.
- It is cheated or copied from other students, internet, books, journals etc.