

# Semester ‘Fall 2011’

## ‘Financial Accounting (MGT101)’

Assignment No. 01

Marks: 15

### Question Number 01:

Recall the accounting equation and answer the following:

1. Total Assets of a business are Rs. 100,000/- and Total Liabilities are Rs. 40,000/-. What will be the amount of Owners’ Equity? (1 mark)
2. Total Assets of a business are Rs. 500,000/- and Owners’ Equity is Rs. 300,000/-. What will be the amount of Total Liabilities? (1 mark)
3. Total Liabilities of a business are Rs. 400,000/- and Owners’ Equity is Rs. 500,000/-. What will be the amount of Total Assets? (1 mark)

### Question Number 02:

‘Waqas Rentals started a business on January 01 2011; the selected transactions related to the organization were as follows:

- 1- Waqas invested total capital of Rs. 1,200,000/- in the business on January 01, 2011 out of which he deposited Rs. 600,000/- in the bank account of the business
- 2- Purchased two cars worth Rs. 100,000/- on cash on February 01, 2011
- 3- Bought office furniture costing Rs.70,000/- on February 01, 2011 and made payment through cheque
- 4- Collected Rs. 4,000/- on accounts receivable on June 05, 2011
- 5- Paid accounts payable of Rs 3,200/- on July 11, 2011 by issuing cheque
- 6- Borrowed Rs. 10,000/- from Mr. Ali on August 01, 2011 and signed a note payable for the amount.

### Required:

- 1- Record the Journal entries for the above transactions. (6 marks)
- 2- Prepare the cash account and bank account for the above given transactions (3+3)

## Important Tips

1. This Assignment can be best attempted from the knowledge acquired after watching video lecture no. 1 to lecture no 13 and reading handouts as well as recommended text book).
2. Video lectures can be downloaded for free from [www.youtube.com/vu](http://www.youtube.com/vu).

## Schedule

Opening Date

Oct. 21, 2011

Due Date

Oct. 28, 2011

**Note:** Only in the case of Assignment, 24 Hrs extra / grace period after the above mentioned 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.

## **Important Instructions:**

Please read the following instructions carefully before attempting the assignment solution.

### **Deadline:**

- Make sure that you upload the solution file before the due date. No assignment will be accepted through e-mail after the due date.

### **Formatting guidelines:**

- Use the font style "Times New Roman" and font size "12".
- It is advised to compose your document in MS-Word 2003.
- Use black and blue font colors only.

### **Solution guidelines:**

- 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 don't 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 has been submitted after due date.
- The file you uploaded does not open or is corrupt.
- It is in any format other than .doc (MS. Word)
- It is cheated or copied from other students, internet, books, journals etc...