Exercise 1

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

a. On January 7, the company purchases goods for € 300 plus VAT. The supplier gives a discount on purchases for an amount of 15% of the purchase price. The settlement is by the bank after 30 days.
b. On February 8, the company sold a plant with a historical value of € 1.000 and an accumulated depreciation of € 400. The sale price is € 800. The settlement is by the bank after 30 days.
c. On March 15, at the maturity of a promissory note receivable of € 600, a 3-month extension for payment is granted through the total renewal of the note, with the payment of the related deferred interest. The interest is set at a rate of 15%, and the settlement is by the bank;
d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

e. Receivable deemed uncollectible: €700;
f. On October 1, a building is rented out to third parties for 6 months, with a total rent of € 4,800. The rent is paid at the beginning of the rental period;
g. Final inventory of goods: €500;
h. A loan of €10,000 is taken out, with deferred interest at 10% paid semi-annually on April 1 and October 1.

SOLUTION

a.

Purchase of goods		Purchase discounts		Input VAT		Accounts payables	
NEC			PEC	PFC			NFC
+COSTS			-COSTS	+CREDITS			+ DEBITS
300,00			45,00	56,10 (22% of 255,00)			311,10

NEGATIVE ECONOMIC CHANGES

POSITIVE ECONOMIC CHANGES

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jan.7			
Others	to	Others		356,10
Purchase of goods			300,00	
Input VAT			56,10	
		Accounts payables	311,10	
		Purchase discounts	45,00	

Bank		Accounts payables	
	NFC	PFC	
	-CASH	- DEBITS	
	311,10	311,10	

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Feb.6			
Accounts payables	to	Bank		311,10

b.

Book value= Historical value – Accumulated Depreciation= 1.000-400=600
Capital Gain= Sale Price -Book Value= 800-600=200

Accounts receivables	
PFC	
+CREDITS	
976,00	

POSITIVE FINANCIAL CHANGES

Capital Gain	
	PEC
	+REVENUES
	200,00

POSITIVE ECONOMIC CHANGES

Output VAT	
	NFC
	+DEBITS
	176,00 (22% of 800,00)

NEGATIVE FINANCIAL CHANGES

Plant	
	PEC
	-COSTS
	600,00

POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Feb.8			
Accounts receivables	to	Others		976,00
		Plant	600,00	
		Capital Gain	200,00	
		Output VAT	176,00	

Accounts receivables	
	NFC
	- CREDITS
	976,00

Bank	
PFC	
+CASH	
976,00	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.10			
Bank	to	Accounts receivables		976,00

c.

I=(600*15*3)/1200=22,50

Accounts receivables	
PFC	
+ CREDITS	
22,50	

Interest income	
	PEC
	+REVENUES
	22,50

POSITIVE FINANCIAL CHANGES POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Mar.15			
Accounts receivables	to	Interest Income		22,50

Accounts receivables	
	NFC -CREDITS 22,50

Previous note receivables	
	NFC -CREDITS 600,00

New note receivables	
PFC +CREDITS 622,50	

NEGATIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.15			
New note receivables	To	Others		622,50
		Previous note receivables	600,00	
		Accounts receivables	22,50	

Bank	
PFC +CASH 622,50	

New note receivables	
	NFC -CREDITS 622,50

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jun.15			
Bank	to	New note receivables		622,50

d.

Treasury account VAT	
PFC +CREDITS 56,10	

Input VAT	
	NFC -CREDITS 56,10

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Input VAT		56,10

Treasury account VAT	
	NFC
	+DEBITS
	176,00

Output VAT	
PFC	
-DEBITS	
176,00	

Left side		Right side	Partial	Total
	May.16			
Output VAT	to	Treasury account VAT		176,00

Treasury account VAT	
56,10	
	176,00
119,90	
PFC	
-DEBITS	

Bank	
	NFC
	-CASH
	119,90

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Bank		119,90

e.

	Dec. 31		
Derecognition of receivables	to	Accounts receivables	700,00
Income Statement	to	Derecognition of receivables	700,00

f.

Deferred Income= (4,800*3)/6=2.400

	Dec. 31		
Rental income	To	Deferred Income	2.400,00
Rental income	to	Income Statement	2.400,00

g.

	Dec. 31		
Goods	to	Purchase of Goods	500,00
Purchase of Goods	to	Income Statement	500,00

h.

Interest expense= (10.000*10*6)/1.200= 500
Accrued expense=(500*3)/6=250

	Dec. 31			
Interest expense	to	Accrued expense		250,00
Income Statement	to	Interest expense		250,00

Exercise 2

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

a. On January 5, the company purchases goods for € 400 plus VAT, with transport costs amounting to 15% of the purchase price, also subject to VAT. The settlement is by cash after 30 days;
b. On February 10, the company sells goods for € 900 plus VAT. There are sales allowances for 10%. The settlement is by cash after 30 days;
c. On March 15, at the maturity of a promissory note receivable of € 1,500, a 2-month extension for payment is granted through the total renewal of the note, with the payment of the related interest in advance. The interest is set at a rate of 18%, and the settlement is by the bank;
d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

e. Depreciation expense of equipment: book value of € 4,800; useful life of 8 years;
f. On June 1, a building is rented out to third parties for 12 months, with a total rent of € 9,600. The rent is paid at the end of the rental period;
g. Interest income: €450;
h. A loan of €15,000 is taken out, with interest at 15% paid in advance on September 1.

SOLUTION

a.

Account	Left side	Right side
Purchase of goods	NEC +COSTS 400,00	
Transport costs	NEC +COSTS 60,00	
Input VAT	PFC +CREDITS 101,20 (22% of 460,00)	
Accounts payables		NFC + DEBITS 561,20

Purchase of goods	Transport costs	Input VAT	Accounts payables
NEGATIVE ECONOMIC CHANGES	NEGATIVE ECONOMIC CHANGES	POSITIVE FINANCIAL CHANGES	NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jan.5			
Others	to	Accounts payables		561,20
Purchase of goods			400,00	
Transport costs			60,00	
Input VAT			101,20	

Account	Left side	Right side
Cash		NFC -CASH 561,20
Accounts payables	PFC - DEBITS 561,20	

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Feb.5			
Accounts payables	to	Cash		561,20

b.

Account	Left side	Right side
Accounts receivables	PFC +CREDITS 988,20	
Sales allowances	NEC - REVENUES 90,00	
Output VAT		NFC +DEBITS 178,20
Sale of goods		PEC + REVENUES 900,00

(22% of 810,00)

POSITIVE FINANCIAL CHANGES

NEGATIVE ECONOMIC CHANGES

NEGATIVE FINANCIAL CHANGES

POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Feb. 10			
Others	to	Others		1.078,20
Accounts receivables			988,20	
Sales allowances			90,00	
		Sale of goods	900,00	
		Output VAT	178,20	

Accounts receivables	
	NFC - CREDITS 988,20

Cash	
PFC +CASH 988,20	

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar. 12			
Cash	to	Accounts receivables		988,20

c.

I=(1,500*18*2)/1200=45,00

Accounts receivables	
PFC + CREDITS 45,00	

Interest income	
	PEC +REVENUES 45,00

POSITIVE FINANCIAL CHANGES

POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Mar. 15			
Accounts receivables	to	Interest Income		45,00

Accounts receivables	
	NFC -CREDITS 45,00

Bank	
PFC +CASH 45,00	

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar. 15			
Bank	to	Accounts receivables		45,00

New note receivables	
PFC +CREDITS 1.500,00	

Previous note receivables	
	NFC -CREDITS 1.500,00

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar. 15			
New note receivables	to	Previous note receivables		1.500,00

Bank	
PFC +CASH 1.500,00	

New note receivables	
	NFC -CREDITS 1.500,00

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	May. 15			
Bank	to	New note receivables		1.500,00

d.

Treasury account VAT	
PFC	
+CREDITS	
101,20	

Input VAT	
	NFC
	-CREDITS
	101,20

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Input VAT		101,20

Treasury account VAT	
	NFC
	+DEBITS
	178,20

Output VAT	
PFC	
-DEBITS	
178,20	

Left side		Right side	Partial	Total
	May.16			
Output VAT	to	Treasury account VAT		178,20

Treasury account VAT	
101,20	
	178,20
77,00	
PFC	
-DEBITS	

Bank	
	NFC
	-CASH
	77,00

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Bank		77,00

e.

	Dec. 31			
Equipment Depreciation Expense	to	Equipment		600,00
Income Statement	to	Equipment Depreciation Expense		600,00

Depreciation Expense = Book Value / Useful Life=4.800/8=600

f.

9.600:12=x:7 Accrued income=(9.600*7)/12=5.600

	Dec. 31		
Accrued income	to	Rental income	5.600,00
Rental income	to	Income Statement	5.600,00

g.

	Dec. 31		
Bank	a	Interest income	450,00
Interest income	a	Income Statement	450,00

h.

Interest Expense= (15.000*15)/100=2.250

Deferred Expense= (2.250*8)/12=1.500

	Dec. 31		
Deferred Expense	To	Interest Expense	1.500,00
Income Statement	to	Interest Expense	750,00

Exercise 3

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

a. On January 10, the company purchases a plant for € 2,000 plus VAT. The settlement is by the bank after one month;
b. On February 10, the company sales goods for € 1,200 plus VAT. The settlement is fixed on 10 March by the bank. On the date of settlement, there are returns on sales for € 100 because the goods are damaged.
c. On March 12, at the maturity of a promissory note payable of € 900, a 3-month extension for payment is obtained through the total renewal of the note, with the payment of the related deferred interest. The interest is set at a rate of 10% and the settlement is by the bank;
d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

e. Interest expense: €900;
f. On October 1, a building is rented out to third parties for 12 months, with a total rent of € 6,600. The rent is paid at the end of the rental period;
g. Provision for the tax risk: €1,200;
h. On August 1, a building is rented out to third parties for 8 months, with a total rent of € 2,400. The rent is paid at the beginning of the rental period;

SOLUTION

a.

Plant	
NEC	
+COSTS	
2.000,00	

Input VAT	
PFC	
+CREDITS	
440,00	
(22% of	
2.000,00)	

Accounts payables	
	NFC
	+ DEBITS
	2.440,00

NEGATIVE ECONOMIC CHANGES POSITIVE FINANCIAL CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jan.10			
Others	to	Accounts payables		2.440,00
Plant			2.000,00	
Input VAT			440,00	

Bank	
	NFC
	-CASH
	2.440,00

Accounts payables	
PFC	
- DEBITS	
2.440,00	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Feb.10			
Accounts payables	to	Bank		2.440,00

b.

Accounts receivables	
PFC	
+CREDITS	
1.464,00	

Output VAT	
	NFC
	+DEBITS
	264,00
	(22% of
	1.200,00)

Sale of goods	
	PEC
	+
	REVENUES
	1.200,00

POSITIVE FINANCIAL CHANGES NEGATIVE FINANCIAL CHANGES POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Feb.10			
Accounts receivables	to	Others		1.464,00
		Sale of goods	1.200,00	
		Output VAT	264,00	

Accounts receivables		Output VAT		Sales Returns	
	NFC - CREDITS 122,00	PFC -DEBITS 22,00 (22% of 100,00)		NEC - REVENUES 100,00	

NEGATIVE FINANCIAL

CHANGES POSITIVE FINANCIAL CHANGES NEGATIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Mar.10			
Others	to	Accounts receivables		122,00
Sales Returns			100,00	
Output VAT			22,00	

Accounts receivables		Bank	
	NFC -CREDITS 1.342,00	PFC +CASH 1.342,00	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.10			
Bank	To	Accounts receivables		1.342,00

c.

I= (900*10*3)/1200=22,50

Interest expense		Accounts payables	
NEC + COSTS 22,50			NFC +DEBITS 22,50

NEGATIVE ECONOMIC CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.12			
Interest expense	to	Accounts payables		22,50

New note payables	
	NFC
	+DEBITS
	922,50

Previous note payables	
PFC	
-DEBITS	
900,00	

Accounts payables	
PFC	
-DEBITS	
22,50	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.12			
Others	to	New note payables		922,50
Previous note payables			900,00	
Accounts payables			22,50	

New note payables	
PFC	
-DEBITS	
922,50	

Bank	
	NFC
	-CASH
	922,50

POSITIVE FINANCIAL CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jun.12			
New note payables	to	Bank		922,50

d.

Treasury account VAT	
PFC	
+CREDITS	
440,00	

Input VAT	
	NFC
	-CREDITS
	440,00

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Input VAT		440,00

Treasury account VAT	
	NFC
	+DEBITS
	242,00

Output VAT	
PFC	
-DEBITS	
242,00	

Left side		Right side	Partial	Total
	May.16			
Output VAT	to	Treasury account VAT		242,00

Treasury account VAT	
440,00	
	242,00
	198,00

e.

	Dec. 31			
Interest expense	to	Bank		900,00
Income Statement	to	Interest expense		900,00

f.

6.600:12=x:3 Accrued income=(6.600*3)/12=1.650

	Dec. 31			
Accrued income	to	Rental income		1.650,00
Rental income	to	Income Statement		1.650,00

g.

	Dec. 31			
Provision for Tax risk	to	Tax Provision		1.200,00
Income Statement	to	Provision for Tax risk		1.200,00

h.

2.400:8=x:3 Deferred Income= (2.400*3)/8=900

	Dec. 31			
Rental income	To	Deferred Income		900,00
Rental income	to	Income Statement		1.500,00

Exercise 4

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

a. On January 20, the company purchases goods for € 800 plus VAT, with transport costs amounting to 10% of the purchase price, also subject to VAT. The settlement is by the bank after 30 days;
b. On February 25, the company sold equipment with a historical value of € 1.500 and accumulated depreciation of € 300. The sale price is € 1.000. The settlement is by the bank after 30 days.
c. On March 30, at the maturity of a promissory note payable of € 550, a 2-month extension for payment is obtained through the total renewal of the note, with the payment of the related interest in advance. The interest is set at a rate of 20% and the settlement is by the bank.
d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

e. Invoice to be issued: €1,150;
f. Provision for the scheduled maintenance: €600;
g. A loan of €12,000 is taken out, with semi-annual interest at 20% paid in advance on May 1 and November 1;
h. On December 1, a building is rented out to third parties for 6 months, with a total rent of € 1,800. The rent is paid at the beginning of the rental period;

SOLUTION

a.

.

Purchase of goods	
NEC +COSTS 800,00	

Transport costs	
NEC +COSTS 80,00	

Input VAT	
PFC +CREDITS 193,60 (22% of 880,00)	

Accounts payables	
	NFC + DEBITS 1.073,60

NEGATIVE ECONOMIC CHANGES — NEGATIVE ECONOMIC CHANGES — POSITIVE FINANCIAL CHANGES — NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jan.20			
Others	to	Accounts payables		1.073,60
Purchase of goods			800,00	
Transport costs			80,00	
Input VAT			193,60	

Bank	
	NFC -CASH 1.073,60

Accounts payables	
PFC - DEBITS 1.073,60	

NEGATIVE FINANCIAL CHANGES — POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Feb.19			
Accounts payables	to	Bank		1.073,60

b.

Book value= Historical value – Accumulated Depreciation= 1,500-300=1,200

Capital Loss= Book Value – Sale Price= 1,200-1,000=200

Accounts receivables	
PFC +CREDITS 244,00	

POSITIVE FINANCIAL CHANGES

Capital Loss	
NEC - REVENUES 200,00	

NEGATIVE ECONOMIC CHANGES

Output VAT	
	NFC +DEBITS 220,00 (22% of 1,000,00)

NEGATIVE FINANCIAL CHANGES

Equipment	
	PEC -COSTS 1,200,00

POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Feb.25			
Others	to	Others		1.420,00
Accounts receivables			1.220,00	
Capital Loss			200,00	
		Equipment	1,200,00	
		Output VAT	220,00	

Accounts receivables	
	NFC - CREDITS 1.220,00

Bank	
PFC +CASH 1.220,00	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.27			
Bank	to	Accounts receivables		1.220,00

c.

I=(550*20*2)/1200=18,33

Interest expense	
NEC + COSTS 18,33	

Accounts payables	
	NFC +DEBITS 18,33

NEGATIVE ECONOMIC CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.30			
Interest expense	to	Accounts payables		18,33

Bank	
	NFC
	-CASH
	18,33

Accounts payables	
PFC	
-DEBITS	
18,33	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.30			
Accounts payables	to	Bank		18,33

Previous note payables	
PFC	
-DEBITS	
5500,00	

New note payables	
	NFC
	+DEBITS
	550,00

POSITIVE FINANCIAL CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.30			
Previous note payables	to	New note payables		550,00

New note payables	
PFC	
-DEBITS	
550,00	

Bank	
	NFC
	-CASH
	550,00

POSITIVE FINANCIAL CHANGES NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	May.30			
New note payables	to	Bank		550,00

d.

Treasury account VAT	
PFC +CREDITS 193,60	

Input VAT	
	NFC -CREDITS 193,60

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Input VAT		193,60

Treasury account VAT	
	NFC +DEBITS 220,00

Output VAT	
PFC -DEBITS 220,00	

Left side		Right side	Partial	Total
	May.16			
Output VAT	to	Treasury account VAT		220,00

Treasury account VAT	
193,60	
	220,00
26,40 PFC -DEBITS	

Bank	
	NFC -CASH 26,40

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Bank		26,40

e.

	Dec. 31			
Invoice to be issued	to	Sale of goods		1.150,00
Sale of goods	to	Income Statement		1.150,00

f.

	Dec. 31			

Provision for future expenses	to	Scheduled maintenance provision	600,00
Income Statement	to	Provision for future expenses	600,00

g.

Interest Expense= (12.000*6*20)/1.200=1.200

Deferred Expense= (1.200*4)/6=

	Dec. 31		
Deferred Expense	To	Interest Expense	800,00
Income Statement	to	Interest Expense	400,00

h.

1,800:6=x:5 Deferred Income= (1.800*5)/6=1.500

	Dec. 31		
Rental income	To	Deferred Income	1,500,00
Rental income	to	Income Statement	300,00

Exercise 5

It is required to perform the recording of the following business operations in double-entry accounting system through:

- the financial and economic changes;
- the ledger accounts, and;
- the corresponding entries in the journal.

The operations are reported below:

a. On January 8, the company purchases goods for € 500 plus VAT. The supplier gives a discount on purchases for an amount of 12% of the purchase price. The settlement is by the bank after 30 days;
b. On February 11, the company sells goods for € 850 plus VAT. There are sales allowances for 10%. The settlement is by cash after 30 days;
c. On March 15, at the maturity of a promissory note receivable of € 700, a 2-month extension for payment is granted through the total renewal of the note, with the payment of the related deferred interest. The interest is set at a rate of 15%, and the settlement is by the bank;
d. The periodic VAT settlement is recorded on May 16 (including transactions by January – February – March). The settlement is by bank.

It is required to perform the recording of the following depreciation, integrative, adjusting and closing entries in the double-entry accounting system:

e. A loan of € 22,000 is taken out, with deferred interest at 10% paid semi-annually on May 1 and November 1;
f. Annual provision for Employee Severance Indemnity: €1,800;
g. Invoice to be received: € 900;
h. On September 1, a building is rented out to third parties for 9 months, with a total rent of € 3,150. The rent is paid at the end of the rental period.

SOLUTION

a.

Purchase of goods		Purchase discounts		Input VAT		Accounts payables	
NEC			PEC	PFC			NFC
+COSTS			-COSTS	+CREDITS			+ DEBITS
500,00			60,00	96,80 (22% of 440,00)			536,80

NEGATIVE ECONOMIC CHANGES

POSITIVE ECONOMIC CHANGES

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Jan.8			
Others	to	Others		596,80
Purchase of goods			500,00	
Input VAT			96,80	
		Accounts payables	536,80	
		Purchase discounts	60,00	

Bank		Accounts payables	
	NFC	PFC	
	-CASH	- DEBITS	
	536,80	536,80	

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Feb.7			
Accounts payables	to	Bank		536,80

b.

Accounts receivables		Sales allowances		Output VAT		Sale of goods	
PFC		NEC			NFC		PEC
+CREDITS		- REVENUES			+DEBITS		+ REVENUES
933,30		85,00			168,30		850,00

		(22% of 765,00)	
POSITIVE FINANCIAL CHANGES	NEGATIVE ECONOMIC CHANGES	NEGATIVE FINANCIAL CHANGES	POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Feb. 11			
Others	to	Others		1.018,30
Accounts receivables			933,30	
Sales allowances			85,00	
		Sale of goods	850,00	
		Output VAT	168,30	

Accounts receivables		Cash	
	NFC - CREDITS 933,30	PFC +CASH 933,30	

NEGATIVE FINANCIAL CHANGES POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar. 13			
Cash	to	Accounts receivables		933,30

c.

I=(700*15*2)/1200=17,50

Accounts receivables		Interest income	
PFC + CREDITS 17,50			PEC +REVENUES 17,50

POSITIVE FINANCIAL CHANGES POSITIVE ECONOMIC CHANGES

Left side		Right side	Partial	Total
	Mar.15			
Accounts receivables	to	Interest Income		17,50

Accounts receivables	
	NFC -CREDITS 17,50

Previous note receivables	
	NFC -CREDITS 700,00

New note receivables	
PFC +CREDITS 717,50	

NEGATIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

POSITIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	Mar.15			
New note receivables	To	Others		717,50
		Previous note receivables	700,00	
		Accounts receivables	17,50	

Bank	
PFC +CASH 717,50	

New note receivables	
	NFC -CREDITS 717,50

POSITIVE FINANCIAL CHANGES

NEGATIVE FINANCIAL CHANGES

Left side		Right side	Partial	Total
	May.15			
Bank	to	New note receivables		717,50

d.

Treasury account VAT	
PFC +CREDITS 96,80	

Input VAT	
	NFC -CREDITS 96,80

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Input VAT		96,80

Treasury account VAT	
	NFC
	+DEBITS
	168,30

Output VAT	
PFC	
-DEBITS	
168,30	

Left side		Right side	Partial	Total
	May.16			
Output VAT	to	Treasury account VAT		168,30

Treasury account VAT	
96,80	
	168,30
71,50	
PFC	
-DEBITS	

Bank	
	NFC
	-CASH
	71,50

Left side		Right side	Partial	Total
	May.16			
Treasury account VAT	to	Bank		71,50

e.

Interest expense= (22.000*10*6)/1.200= 1.100
Accrued expense=(1.100*2)/6=366,67

	Dec. 31			
Interest expense	to	Accrued expense		366,67
Income Statement	to	Interest expense		366,67

f.

	Dec. 31			
Provision for Employee severance indemnity	to	Employee severance indemnity		1.800,00
Income Statement	to	Provision for Employee severance indemnity		1.800,00

g.

	Dec. 31			
Purchase of goods	to	Invoice to be received		900,00
Income Statement	to	Purchase of goods		900,00

h.

3.150:9=x:4 Accrued income=(3.150*4)/9=1.400

	Dec. 31			
Accrued income	to	Rental income		1.400,00
Rental income	to	Income Statement		1.400,00