

# A4 Period-end Adjustments Relating to the Preparation of Financial Statements (I)

## Chapter 9 Accruals and prepayments

項目	定義	帳戶分類	性質	損益表內項目調整
Accrued expense	是指應該招致的費用而尚未支付	Current liabilities	Credit	Increase expenses
Accrued revenues	是指應該賺取的收益而尚未收取	Current assets	Debit	Increase revenues
Prepaid expenses	是指已經支付但未招致的費用	Current assets	Debit	Decrease expenses
Unearned revenues	是指已經收取但未賺取的收益	Current liabilities	Credit	Decrease revenues

應計與預付項目入帳

1. 判斷及計算題目是哪個應計與預付項目及金額

2. 根據項目性質作出相應入帳

=> 應計費用 => 負債 => 入右 => 對應帳戶 => 費用帳戶

=> 應計收益 => 資產 => 入左 => 對應帳戶 => 收益帳戶

=> 預付費用 => 資產 => 入左 => 對應帳戶 => 費用帳戶

=> 未獲收益 => 負債 => 入右 => 對應帳戶 => 收益帳戶

例子: Below is the financial information of Nice Company as at 31 December 2018:

- the company paid an insurance premium of \$36,000 for the year ended 31 March 2019
- An audit fee of \$10,000 for 2018 were to be paid in 2019.
- The 4% debentures were issued on 1 May 2018. Debenture interest is payable half-yearly on 30 April and 31 October.
- Commissions income of \$7,890 for December were not yet received at the year end.
- Starting from November 2013, Nice Company provides maintenance services to customers, who are required to pay a maintenance fee in advance.

Service Plan Commencement Date	2-years Service Plan	3-years Service Plan
1 December 2013	\$72,000	\$144,000

Journal		Dr	Cr
	Details	\$	\$
(i)			
(ii)			
(iii)			
(iv)			
(v)			

在財務報表含內應計及預付項目的調整

例子: Balance of revenues and expenses at 31 December 2018: Rental income \$5,000, Wages \$7,200, Telephone charges \$600 and Interest income \$200.

Additional information:

- Accrued wages amounted to \$450 and Prepaid telephone charges amounted to \$200.
- One month's rental of \$3,000 had been received in advance.
- The interest income of \$100 has not been received at the end of the year.

項目	Statement of Financial Position	Income statement adjustments
Accrued wages		
Prepaid telephone charges		
Unearned rental income		
Accrued interest income		

2. The following information is about Nancy Company for the year ended 31 December 2020:

(i) The summary of receipts for rental income is as follows:

<u>Rental period</u>	<u>Receipt date</u>	\$
1 September 2019 - 29 February 2020	11 November 2019	390,000
1 March 2020 - 31 August 2020	2 April 2020	390,000
1 September 2020 - 28 February 2021	10 January 2021	429,000

(ii) The summary of payments for fixed repair and maintenance expenses is as follows:

<u>Service period</u>	<u>Payment date</u>	
1 November 2019 - 31 January 2020	31 January 2020	} Total amount paid in 2020 was \$65,520
1 February 2020 - 30 April 2020	30 April 2020	
1 May 2020 - 31 July 2020	31 July 2020	
1 August 2020 - 31 October 2020	31 October 2020	
1 November 2020 - 31 January 2021	3 February 2021	

From 1 August 2020, the monthly repair and maintenance expenses increased by 20%.

**REQUIRED:**

(a) Calculate the following for Nancy Company:

- (i) the unearned rental income in 2019
- (ii) the accrued rental income in 2020
- (iii) the accrued repair and maintenance expenses in 2019
- (iv) the accrued repair and maintenance expenses in 2020

(b) Prepare the following accounts for the year ended 31 December 2020:

- (1) Rental income account
- (2) Repair and maintenance expenses account

(a) (i) \_\_\_\_\_

(ii) \_\_\_\_\_

(iii) \_\_\_\_\_

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(iv) \_\_\_\_\_

(b) (1)


(2)
