

YEAR 12 UNIT 4 ACCOUNTING AND FINANCE HOLIDAY HOMEWORK

Please complete the following exercise for submission on the first day back of term 3. The following is the trial balance of Raiyan Corporation Ltd as at 30 June 2017:

Raiyan Corporation Ltd Trial Balance As at 30 June 2017

	Debit	Credit
	\$	\$
Cash at bank	180 000	
Accounts receivable (net)	40 000	
Machinery	1 500 000	
Accumulated depreciation on machinery		160 000
Goodwill	10 000	
Land	1 000 000	
Buildings	1 000 000	
Accumulated depreciation on buildings		200 000
Prepayments	4 000	
Inventory	330 000	
Accounts payable		70 000
Mortgage (repayable 2019)		400 000
Shares in Gibson Ltd	300 000	
Dividends Paid	35 000	
Debentures (repayable 2021)		500 000
Income tax liability		70 000
Ordinary share capital		2 400 000
Retained earnings (1 July 2016)		295 000
General reserve		80 000
Asset revaluation reserve		200 000
Accrued expenses		5 000
Accrued income	9 000	
Unearned income		3 000
Profit and loss		45 000
	<u>\$4 408 000</u>	<u>\$4 408 000</u>

Additional information:

- The ordinary share capital consisted of 2 000 000 ordinary shares at an issue price of \$1.20 each.
- Land had been revalued 6 months prior to balance date. The revaluation increased its value by \$200 000.
- Dividends of \$35 000 represent an interim dividend declared and paid in January 2017.
- Opening balance of Retained Earnings is \$295 000. Directors have resolved to transfer \$20 000 from Retained Earnings to General Reserve.
- The directors have resolved to issue a bonus share in lieu of a final dividend. Shareholders will receive 1 share for every 20 held with each share valued at \$0.75

Required:

- Prepare the retained earnings Ledger account
- Prepare the statement of changes in equity for Raiyan Corporation.