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MGT101 Assignment 1 Solution

Fall 2026

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MGT101 — Financial Accounting

Assignment No. 1 — Fall 2026

Required: balances of the given accounts at the end of July 2026, solved strictly in the format of the sample solution given in the assignment, with Add (+) and Less (−) shown in every working.

Sample (given) — Cash at bank

= 500,000 − 70,000 − 330,000

= Rs. 100,000

1. Accounts Receivable

Opening balance Rs. 200,000 Add: Goods sold to JKL Brothers on credit Rs. 250,000 Less: Cash received from JKL Brothers, 50% of outstanding balance Rs. 450,000 (200,000 + 250,000) = Rs. 225,000

= 200,000 + 250,000 − 225,000

= Rs. 225,000

2. Accounts Payable

Opening balance Rs. 150,000 Add: Goods purchased from XYZ Traders on account Rs. 100,000 Less: Cash paid to XYZ Traders, 20% of the July 10 purchase Rs. 100,000 = Rs. 20,000

= 150,000 + 100,000 − 20,000

= Rs. 230,000

3. Total Liabilities

Accounts Payable Rs. 230,000 Add: Short term loan Rs. 50,000 (Capital is owner’s equity, not a liability, so it is not included)

= 230,000 + 50,000

= Rs. 280,000

4. Stock / Inventory

Opening balance Rs. 400,000 Add: Merchandise purchased for cash, net of 10% trade discount (90,000 − 9,000) = Rs. 81,000 Less: Cost of goods sold to JKL Brothers Rs. 200,000 Add: Goods purchased on account Rs. 100,000

= 400,000 + 81,000 − 200,000 + 100,000

= Rs. 381,000