Cambridge International AS & A Level Accounting

Giáo trình luyện thi chuyên sâu

Song ngữ Anh–Việt

8020 ENGLISH

5A/2 Trần Phú, P.4, Q.5, TP.HCM · luyenthi8020.com

Thầy Tường 0332 747 169 · Cô Nancy 0983 422 692

Lời mở đầu · Foreword

Cuốn sách này thuộc bộ giáo trình luyện thi chương trình quốc tế của **8020 English (8020 Education)** — trung tâm luyện thi trọng điểm **IELTS · SAT · AP · IB · A-level · IGCSE** và săn học bổng du học. Toàn bộ nội dung được biên soạn bởi đội ngũ **Giáo sư · Tiến sĩ · Thạc sĩ** tốt nghiệp các trường top đầu thế giới, bám sát khung chương trình chính thức, trình bày đầy đủ lý thuyết, ví dụ mẫu, hình minh hoạ và hệ thống bài tập có lời giải chi tiết.

This book is part of the 8020 English international exam-prep series: complete English theory with Vietnamese explanations, worked examples, illustrations and fully-solved practice, aligned to the official framework.

Thành tích 8020 English

9.0 IELTS cao nhất	**1570** SAT cao nhất
5/5 AP — điểm tuyệt đối	**90/100** IB Diploma
100% GV $\geq$ 8.0 IELTS / 1500 SAT	**CMU** Tiến sĩ ĐH #1 Hoa Kỳ về CS

Đội ngũ tiêu biểu: Thầy Châu Cát Tường (Academic Head, ThS Western Sydney, top 1% IELTS 8.5) · TS Nguyễn Anh Huy (Carnegie Mellon, cựu kỹ sư Amazon) · TS Nguyễn Phước Trường (Toán, ĐH Klagenfurt) · cùng đội ngũ giảng viên SAT 1500–1600, IELTS 8.0–8.5.

Kết quả học viên — điểm thi thật: IELTS 8.0–9.0 · SAT 1550 / 1570 / 1590 · AP 5/5 (Calculus BC, Microeconomics) · IB 90/100 (Economics) · Duolingo 110 · PTE 90 · TOEFL 120. **Bảng vàng SAT:** Khánh Đăng 1510 · Thảo Nguyên 1520 · Tâm Anh 1530.

"Cuối cùng đã đậu vào trường top như mong muốn." — Phan Thị Thanh Hằng, IELTS Overall 8.5.

Cách dùng sách hiệu quả: mỗi Unit gồm (1) **Lý thuyết trọng tâm** tiếng Anh kèm **giải thích tiếng Việt**; (2) **Ví dụ mẫu** có lời giải; (3) **Hệ thống bài tập** kèm **lời giải chi tiết**. Hãy tự làm bài trước khi xem lời giải để đạt hiệu quả tối đa.

THÀNH TÍCH THỰC TẾ · 8020 ENGLISH

Điểm thi thật · Bằng & bảng điểm thật của giảng viên và học viên 8020 English — **Điểm thật · Thầy thật · Kết quả thật**

ĐỘI NGŨ

ĐỘI NGŨ GIÁO VIÊN TẬN TÂM

**Tối thiểu 8.0 IELTS Overall*

Gv. Nguyễn Nhật Nam
IELTS 8.5 Overall

Gv. Nguyễn Khanh
IELTS 8.0 Overall

Gv. Nguyễn Đan Vy
IELTS 8.0 Overall

Giảng viên 8020 — IELTS 8.5 & 8.0 Overall (British Council · IDP · Cambridge)

KẾT QUẢ HỌC VIÊN

THÀNH TÍCH HỌC VIÊN

Bảng điểm thi thật – chất lượng được giám sát nghiêm ngặt. Một số học viên chỉ cần 1–2 khóa để đạt kết quả mong muốn.

Học viên 8020 — IELTS 8.0 Overall (bảng điểm thật)

ĐỘI NGŨ

ĐỘI NGŨ GIÁO VIÊN TẬN TÂM

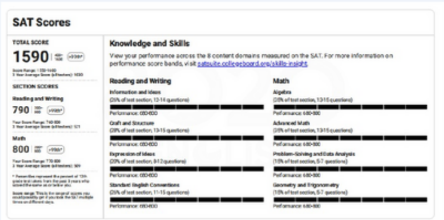
**Tối thiểu 1500 SAT Overall*

8020 ENGLISH

Thầy Quang Minh

Đại học Bách Khoa Hà Nội

SAT 1590 | IELTS 8.0



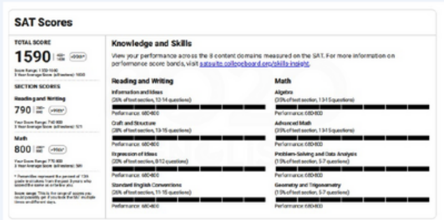
THẾ MẠNH & KINH NGHIỆM

- Học sinh đạt 1450–1560 SAT
- Dạy nhanh band 1400–1550+
- Chiến thuật làm bài & quản lý thời gian

Cô Phương Vy

Đại học Ngoại thương

SAT 1590 | IELTS 8.0



THẾ MẠNH & KINH NGHIỆM

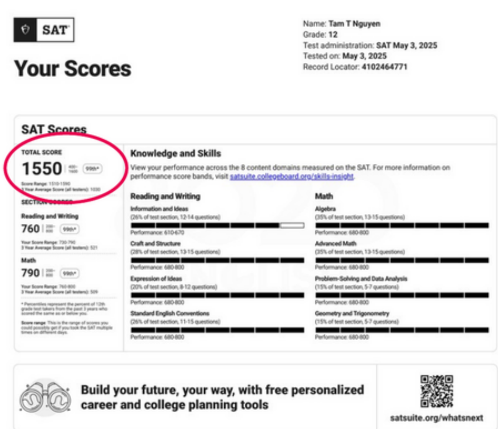
- SAT Verbal Instructor (Springboard, QAS)
- Dạy lớp nhỏ & xây dựng tài liệu riêng
- Chuyên Reading & Writing: Logic – Grammar

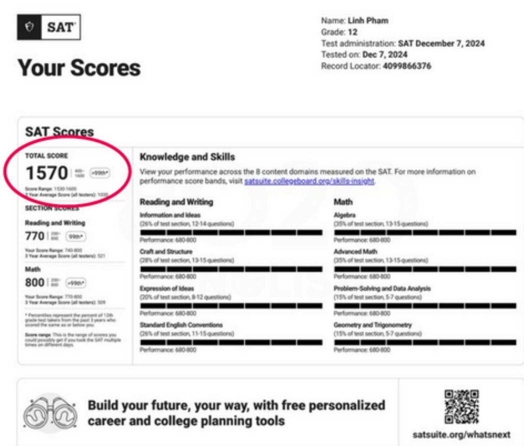
Giảng viên 8020 — SAT 1590 (ĐH Bách Khoa Hà Nội & ĐH Ngoại thương)

KẾT QUẢ HỌC VIÊN

TUTOR 1-1 – ĐIỂM SỐ ẤN TƯỢNG

8020 ENGLISH

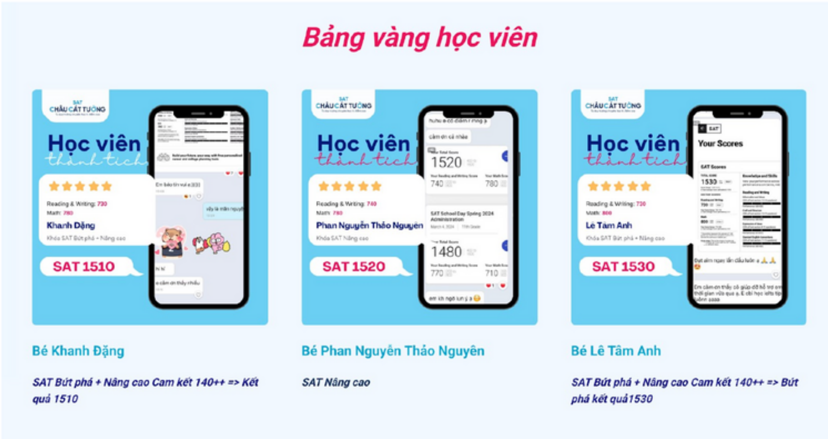




Học viên 8020 — SAT 1550 & 1570 (College Board)

KẾT QUẢ HỌC VIÊN

BẢNG VÀNG HỌC VIÊN



KHÁNH ĐẶNG – SAT 1510
"SAT Bứt phá + Nâng cao cam kết 140++ → 1510"

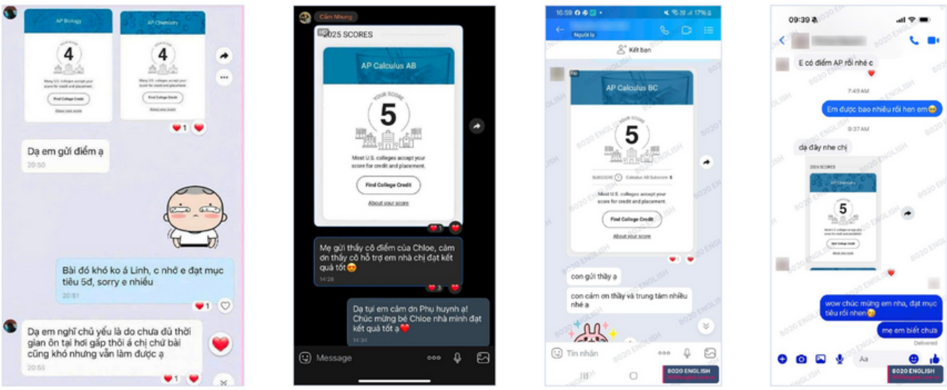
THẢO NGUYÊN – SAT 1520
"SAT Nâng cao → 1520"

TÂM ANH – SAT 1530
"SAT Bứt phá + Nâng cao cam kết 140++ → 1530"

Bảng vàng SAT — Học viên đạt 1510 · 1520 · 1530

KẾT QUẢ HỌC VIÊN

ĐIỂM SỐ AP



AP Biology: 4 · AP Chemistry: 4 | AP Calculus AB: 5 | AP Calculus BC: 5 | AP Chemistry: 5

Bảng điểm AP thật của học viên – nhiều môn đạt điểm 4 & 5

Điểm AP thật — Calculus AB/BC 5/5 · Biology & Chemistry 4–5 (College Board)

Mục lục • Contents

The Accounting Cycle, Double Entry & Books of Prime Entry

Mục tiêu Unit: Toàn bộ chu trình kế toán từ chứng từ gốc (source documents) đến bảng cân đối thử (trial balance); phân biệt chiết khấu thương mại (trade discount) và chiết khấu thanh toán (cash/settlement discount); các sổ nhật ký ban đầu (books of prime entry) – sổ nhật ký bán hàng, mua hàng, hàng bán trả lại, hàng mua trả lại, nhật ký chung, và sổ quỹ; quy tắc ghi sổ kép (double entry); sổ quỹ ba cột (three-column cash book) với các bút toán đối ứng (contra); sổ quỹ tạm ứng định mức (petty cash book – imprest system); ghi sổ cái và lập bảng cân đối thử; và cách phân chia sổ cái (division of the ledger).

1.1 The accounting cycle: an overview

Every financial transaction a business undertakes – buying goods, selling goods, paying an expense, receiving cash from a customer – eventually appears as a single line inside the financial statements. Getting from the moment a transaction happens to that final line involves a fixed sequence of stages, known as the **accounting cycle**. Learning to move fluently through every stage of this cycle, and to reconstruct earlier stages from later ones, is the foundation on which the rest of the syllabus is built.

Khái niệm cốt lõi

The accounting cycle proceeds in five linked stages:

1. **Source documents** – the original paperwork (or electronic record) created at the moment a transaction takes place: invoices, credit notes, receipts, cheque counterfoils, petty cash vouchers, and so on.
2. **Books of prime entry** – also called books of original entry. Each source document is first listed, in date order, in the appropriate book: the sales journal, the purchases journal, the sales returns journal, the purchases returns journal, the cash book, the petty cash book, or the general journal.
3. **Ledger accounts** – the totals and individual entries from the books of prime entry are then **posted** using **double entry** into the correct ledger accounts (an asset account, a liability account, an individual customer's account, and so on).
4. **Trial balance** – once every account has been balanced off, all the debit balances and all the credit balances are listed side by side to check that total debits equal total credits.
5. **Financial statements** – the income statement (statement of profit or loss) and the statement of financial position are then prepared from the trial balance, after any period-end adjustments.

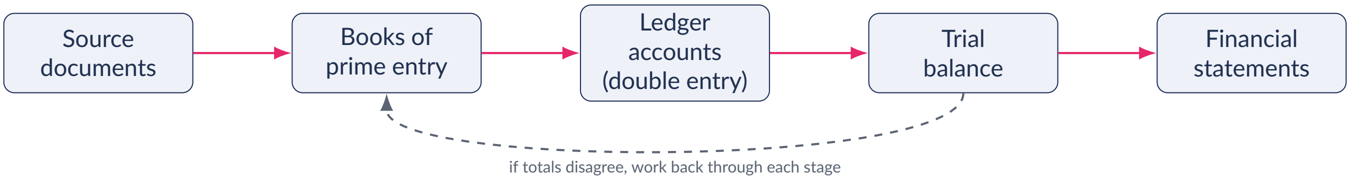


Figure 1.1 – The accounting cycle: source document to financial statements. If the trial balance does not balance, the search for the error works back through the ledger accounts and books of prime entry to the source documents.

GIẢI THÍCH TIẾNG VIỆT

VN

Chu trình kế toán gồm 5 bước nối tiếp nhau: **chứng từ gốc** → **sổ nhật ký ban đầu** (books of prime entry) → **sổ cái** (ghi kép – double entry) → **bảng cân đối thử** (trial balance) → **báo cáo tài chính**. Ở bậc AS & A Level, học sinh cần thao tác thành thạo theo cả hai chiều: đi xuôi từ chứng từ ra báo cáo, và suy ngược lại từ bảng cân đối thử hoặc số dư tài khoản để tìm ra chứng từ hay bút toán gốc, đặc biệt hữu ích khi tìm lỗi hoặc khi sổ sách không đầy đủ (incomplete records).

1.2 Source documents

A **source document** is the original piece of paper (or electronic equivalent) generated at the moment a transaction occurs. It is the evidence that a transaction took place, and it supplies every detail – date, parties involved, amount, description – needed to make the first entry in a book of prime entry. Without a source document, no entry should ever be made.

The main source documents

- **Invoice** – issued by a seller to a buyer for goods or services supplied on credit. It states the goods, quantities, list price, any trade discount, and the net amount now owed. The seller's copy feeds the **sales journal**; the buyer's copy feeds the **purchases journal**.
- **Credit note** – issued by a seller to a buyer to *reduce* the amount the buyer owes (for goods returned, an overcharge, or damaged goods). It feeds the **sales returns journal** (seller's books) and the **purchases returns journal** (buyer's books).
- **Debit note** – issued by a buyer to a seller, usually accompanying goods being returned, formally requesting that a credit note be raised; it can also be issued by a seller to a buyer to *increase* the amount owed when an invoice was undercharged. A debit note by itself does not create a ledger entry – the buyer's books are only adjusted once the seller's credit note (or a corrected invoice) is actually received.
- **Statement of account** – sent periodically (usually monthly) by a seller to a buyer, summarising all invoices, credit notes and payments during the period and showing the running balance outstanding. It is used to *check* the personal account already recorded from invoices and credit notes – it is not a book of prime entry and, on its own, triggers no new ledger entry.
- **Receipt** – written evidence that cash or a cheque has been received, most often for a cash sale or from a credit customer settling a debt. It feeds the **cash book**.
- **Cheque counterfoil** – the stub retained in the chequebook when a cheque is written, recording the date, payee and amount of a payment made by cheque. It feeds the **cash book** (bank column, credit side).
- **Petty cash voucher** – a small signed form completed whenever a minor cash payment is made from the petty cash float (postage, stationery, tea and coffee, small travel costs). It

feeds the **petty cash book**.

Source document	What it evidences	Book of prime entry fed
Invoice (issued)	A credit sale of goods/services	Sales journal
Invoice (received)	A credit purchase of goods/services	Purchases journal
Credit note (issued)	An allowance given to a customer	Sales returns journal
Credit note (received)	An allowance received from a supplier	Purchases returns journal
Debit note	Notice of returned goods / an undercharge	No entry alone – awaits the credit note
Statement of account	Running balance owed to/by a party	None – used only to reconcile
Receipt	Cash or cheque received	Cash book
Cheque counterfoil	Payment made by cheque	Cash book
Petty cash voucher	A small cash payment	Petty cash book

Figure 1.2 – Source documents and the book of prime entry each one feeds.

VN GIẢI THÍCH TIẾNG VIỆT

Mỗi **chứng từ gốc** (source document) là bằng chứng đầu tiên của một giao dịch và luôn được ghi vào ĐÚNG một sổ nhật ký ban đầu tương ứng: hoá đơn bán ra → sổ nhật ký bán hàng; hoá đơn mua vào → sổ nhật ký mua hàng; giấy báo có (credit note) → sổ hàng trả lại tương ứng. Riêng **giấy báo nợ (debit note)** và **bảng sao kê (statement of account)** thường KHÔNG tự nó tạo ra bút toán – giấy báo nợ chỉ là yêu cầu gửi tới bên kia để họ phát hành giấy báo có chính thức, còn bảng sao kê chỉ dùng để đối chiếu số dư đã ghi trước đó.

1.3 Trade discount and cash (settlement) discount

Two very different kinds of "discount" appear on the same invoice, and confusing them is one of the most common errors at this level.

Trade discount is a reduction off the *list price*, given because of the type of customer (e.g. a wholesaler buying in bulk) or the trade the buyer is in. It is deducted *before* any entry is made, so it **never appears anywhere in the accounting records** – only the net invoice amount (list price minus trade discount) is recorded, in the sales/purchases journal.

Cash discount (also called **settlement discount**) is a reduction offered for *prompt payment* within a stated number of days. Because it depends on how quickly the customer chooses to pay, it is not known until payment is actually made – so, unlike trade discount, it **is** recorded, through the **discount allowed** account (an expense, for the seller) or the **discount received** account (income, for the buyer).

Trade discount and cash discount together

Coral Traders sells goods with a list price of $5,000 to a credit customer, less a trade discount of 10%. The invoice states that a further 2% cash discount applies if payment is made within 14 days. The customer pays within the 14-day period.

Step 1 – at the point of sale: Trade discount $= 10\% \times \$5{,}000 = \$500$. Net invoice amount $= \$5{,}000 - \$500 = \$4{,}500$. This is the only figure recorded, in the sales journal: Dr the customer $4,500; Cr Sales $4,500. The $500 trade discount is never entered anywhere.

Step 2 – when payment is received within 14 days: Cash discount $= 2\% \times \$4{,}500 = \$90$. Cash actually received $= \$4{,}500 - \$90 = \$4{,}410$. Entry: Dr Bank $4,410; Dr Discount allowed $90; Cr the customer $4,500. Check: $\$4{,}410 + \$90 = \$4{,}500$, exactly clearing the debt.

VN GIẢI THÍCH TIẾNG VIỆT

Chiết khấu thương mại (trade discount) bị trừ ngay từ giá niêm yết TRƯỚC khi ghi sổ, nên không bao giờ xuất hiện trong sổ sách – chỉ số tiền ròng trên hoá đơn mới được ghi (vào sổ nhật ký bán/mua hàng). **Chiết khấu thanh toán (cash/settlement discount)** chỉ phát sinh nếu khách hàng trả tiền sớm, nên được ghi nhận riêng qua tài khoản **discount allowed** (chi phí, bên bán cho phép) hoặc **discount received** (thu nhập, bên mua được hưởng) – đây là hai tài khoản hoàn toàn khác nhau về bản chất, mặc dù cùng gọi là "discount".

(!) Lỗi thường gặp: Học sinh thường ghi nhầm chiết khấu thương mại như một khoản chi phí hoặc thu nhập riêng (ví dụ mở một tài khoản "trade discount" và ghi $500 vào đó). Chiết khấu thương mại KHÔNG BAO GIỜ được ghi sổ – nó chỉ là một bước tính toán để ra số tiền ròng trên hoá đơn. Chỉ có chiết khấu thanh toán (cash discount) mới có tài khoản riêng (*discount allowed* / *discount received*).

1.4 The rules of double entry

Every transaction affects at least two ledger accounts, and every single account obeys one of two mirror-image rules depending on what kind of account it is.

The double-entry rule:

Account type	Increase recorded by	Decrease recorded by
Assets	Debit	Credit
Expenses	Debit	Credit
Drawings	Debit	Credit
Liabilities	Credit	Debit
Capital	Credit	Debit
Income	Credit	Debit

A handy mnemonic: **DEAD** accounts (**D**rawings, **E**xpenses, **A**ssets, **D**rawings/asset-like) increase on the **Debit** side; **CLIC** accounts (**C**apital, **L**iabilities, **I**ncome, **C**redit-natured items) increase on the **Credit** side. In every transaction, total debits recorded must equal total credits recorded.

Applying the double-entry rule to six transactions

State the account debited and the account credited for each transaction below.

Transaction	Debit	Credit
(a) Bought goods for resale, paying cash $600	Purchases	Cash
(b) Received rent income by cheque $250	Bank	Rent income
(c) Owner introduced additional capital in cash $1,000	Cash	Capital
(d) Paid a bank loan instalment by cheque $400	Loan	Bank
(e) Bought machinery on credit $3,000	Machinery	Supplier (payable)
(f) Owner withdrew goods for personal use, cost $80	Drawings	Purchases

Reasoning for the less obvious lines: in (d), the loan is a liability, and a liability *decreases* when it is partly repaid – a decrease in a liability is a debit. In (f), drawings (an asset-reduction/equity-reduction concept) increase with a debit, while the Purchases account – which represents goods bought for resale – is reduced (credited) because those particular goods never reached a customer.

VN GIẢI THÍCH TIẾNG VIỆT

Quy tắc ghi kép: các tài khoản thuộc nhóm **Tài sản, Chi phí, Rút vốn (Assets, Expenses, Drawings)** TĂNG khi ghi **Nợ (Debit)** và GIẢM khi ghi **Có (Credit)**; ngược lại, các tài khoản thuộc nhóm **Nợ phải trả, Vốn chủ sở hữu, Thu nhập (Liabilities, Capital, Income)** TĂNG khi ghi **Có** và GIẢM khi ghi **Nợ**. Ghi nhớ nhanh: **DEAD** tăng bên Nợ, **CLIC** tăng bên Có. Mọi giao dịch luôn ảnh hưởng ít nhất hai tài khoản, và tổng Nợ luôn bằng tổng Có.

1.5 Books of prime entry: the journals

Six books of prime entry channel transactions toward the ledger, each specialising in one category so that similar transactions are grouped, totalled, and posted efficiently rather than one at a time.

The six books of prime entry: sales journal (credit sales); purchases journal (credit purchases); sales returns journal (goods returned by customers); purchases returns journal (goods returned to suppliers); the cash book (all cash and bank receipts/payments, including the petty cash book for very small payments); and the general journal (everything else – opening entries, correction of errors, purchase or sale of non-current assets on credit).

1.5.1 The sales journal and posting to the sales ledger

The **sales journal** lists every credit sale, in date order, at its *net* invoice value (after deducting any trade discount). At the end of the period it is posted in two different ways: each individual amount is posted to the debit of the relevant customer's account in the **sales ledger**, while only the *column total* is posted, once, to the credit of the **Sales account** in the general ledger.

The sales journal, posted to the ledger

Aisha Retail Ltd made the following credit sales during the week commencing 3 June: 3 June, invoice 201 to A. Boateng, list price $2,000 less 10% trade discount; 5 June, invoice 202 to B. Mensah, list price $1,200 less 5% trade discount; 9 June, invoice 203 to C. Owusu, list price $800, no trade discount.

Sales journal

Date	Customer (invoice no.)	Trade discount $	Net $
3 Jun	A. Boateng (201)	200	1,800
5 Jun	B. Mensah (202)	60	1,140
9 Jun	C. Owusu (203)	–	800
	Total		**3,740**

Only the net column ($\$1{,}800 + \$1{,}140 + \$800 = \$3{,}740$) is ever posted; the trade discount column is a memorandum only.

Sales account (general ledger)

Debit (Dr)	Credit (Cr)
	Sales journal (total) 3,740

A. Boateng account (sales ledger)

Debit (Dr)	Credit (Cr)
Sales 1,800	

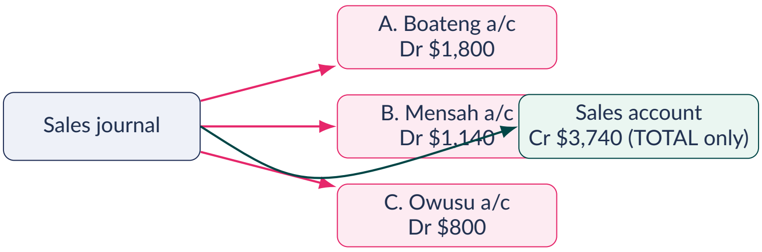


Figure 1.3 – Dual posting from the sales journal: each individual net amount goes to the debit of the customer's account (sales ledger); only the column total is posted, once, to the credit of the Sales account (general ledger).

VN **GIẢI THÍCH TIẾNG VIỆT**

Sổ nhật ký bán hàng ghi mọi giao dịch bán chịu theo giá trị RÒNG (đã trừ chiết khấu thương mại). Cuối kỳ, việc ghi sổ cái diễn ra theo HAI HƯỚNG khác nhau: từng số tiền riêng lẻ được ghi Nợ vào tài khoản của TỪNG khách hàng (sổ cái bán hàng – sales ledger), còn CHỈ tổng cột mới được ghi Có MỘT LẦN vào tài khoản Sales (sổ cái chung – general ledger). Đây là nguyên tắc "ghi kép hai tầng" đặc trưng của các sổ nhật ký chuyên biệt.

1.5.2 The purchases journal and posting to the purchases ledger

The **purchases journal** works identically, but for credit purchases: each individual net amount is posted to the credit of the relevant supplier's account in the **purchases ledger**, while the column total is posted, once, to the debit of the **Purchases account**.

The purchases journal, posted to the ledger

Aisha Retail Ltd made the following credit purchases during the week commencing 6 June: 6 June, from D. Kariuki, list price $1,500 less 20% trade discount; 8 June, from E. Adeyemi, list price $900, no trade discount; 11 June, from F. Nkurunziza, list price $2,400 less 25% trade discount.

Purchases journal

Date	Supplier	Trade discount $	Net $
6 Jun	D. Kariuki	300	1,200
8 Jun	E. Adeyemi	–	900
11 Jun	F. Nkurunziza	600	1,800
	Total		**3,900**

Check: $\$1{,}200 + \$900 + \$1{,}800 = \$3{,}900$.

Purchases account (general ledger)

Debit (Dr)		**Credit (Cr)**
Purchases journal (total)	3,900	

D. Kariuki account (purchases ledger)

Debit (Dr)	**Credit (Cr)**	
	Purchases	1,200

VN GIẢI THÍCH TIẾNG VIỆT

Sổ nhật ký mua hàng hoạt động đối xứng với sổ nhật ký bán hàng: từng số tiền riêng được ghi CÓ vào tài khoản của từng NHÀ CUNG CẤP (sổ cái mua hàng), còn tổng cột được ghi NỢ một lần vào tài khoản Purchases (sổ cái chung). Ghi nhớ: bán hàng → Có Sales; mua hàng → Nợ Purchases – luôn ngược chiều nhau vì một bên là thu nhập/hàng ra, một bên là chi phí/hàng vào.

1.5.3 Returns journals

Goods returned generate exactly the same kind of entry as sales and purchases, but in reverse: a **sales returns journal** records goods returned *by* customers (reducing what they owe); a **purchases returns journal** records goods returned *to* suppliers (reducing what is owed to them). Both are posted at net (post-trade-discount) values, exactly like the sales and purchases journals.

Sales returns and purchases returns journals

Continuing Aisha Retail Ltd's records: 12 June, A. Boateng returns damaged goods, credit note issued for a net $270; 14 June, C. Owusu returns goods, credit note issued for $50. Separately: 15 June, a credit note is received from D. Kariuki for goods returned, net $160; 17 June, a credit note is received from E. Adeyemi for $45.

Sales returns journal **Purchases returns journal**

Date	Customer	$	Date	Supplier	$
12 Jun	A. Boateng	270	15 Jun	D. Kariuki	160
14 Jun	C. Owusu	50	17 Jun	E. Adeyemi	45
	Total	**320**		**Total**	**205**

Postings: Dr Sales returns $320 (total); Cr A. Boateng $270; Cr C. Owusu $50. Cr Purchases returns $205 (total); Dr D. Kariuki $160; Dr E. Adeyemi $45.

Note the effect on the individual accounts already posted earlier: A. Boateng's account now shows Dr $1,800 (3 June sale) and Cr $270 (12 June return), leaving a balance owing of $1,530.

D. Kariuki's account shows Cr $1,200 (6 June purchase) and Dr $160 (15 June return), leaving $1,040 owed to the supplier.

VN GIẢI THÍCH TIẾNG VIỆT

Sổ hàng bán trả lại (sales returns journal): khách trả hàng → ghi Nợ Sales returns (tổng), ghi Có tài khoản từng khách hàng (giảm nợ của họ). **Sổ hàng mua trả lại (purchases returns journal):** trả hàng cho nhà cung cấp → ghi Có Purchases returns (tổng), ghi Nợ tài khoản từng nhà cung cấp (giảm nợ mình phải trả). Cả hai sổ đều ghi theo giá trị RÒNG, giống hệt nguyên tắc của sổ bán hàng/mua hàng.

1.6 The three-column cash book

The **cash book** is unusual among the books of prime entry: it is *also* part of the double-entry ledger, because its Cash column and Bank column serve directly as the Cash account and the Bank account. A **three-column cash book** adds a third, memorandum column on each side for **discount** – discount allowed on the debit (receipts) side, discount received on the credit (payments) side.

Contra entries. When cash is paid into the bank, or cash is withdrawn from the bank for office use, the transaction never involves an outside party – it simply moves money between the two columns of the *same* cash book. Such an entry, marked **C** (contra), appears once as a receipt in one column and once as a payment in the other column, on the same date. Contra entries are excluded when totalling trade receivables or trade payables, since no customer or supplier is involved.

The **discount columns are memoranda only**: they are never added into the Cash or Bank column totals, and are never themselves balanced off. At the end of the period each discount column is simply totalled and posted once to the discount allowed account (a debit, being an expense) or the discount received account (a credit, being income).

A full three-column cash book for one month

N. Farida Trading's transactions for September were as follows.

1 Sep: Balances brought down – Cash $340, Bank $7,250.
2 Sep: Cash sales $560 (kept in the till).
4 Sep: Bought shop fittings $2,100, paid by cheque.
6 Sep: Received a cheque from T. Boone $1,764 in full settlement of a $1,800 debt (discount allowed $36).
9 Sep: Paid supplier R. Vance $2,850 by cheque in full settlement of a $3,000 debt (discount received $150).
12 Sep: Withdrew $400 cash from the bank for the office till (contra).
15 Sep: Paid wages in cash $260.
18 Sep: Paid $500 cash into the bank (contra).
21 Sep: Paid insurance by cheque $180.
24 Sep: Received a cheque from H. Silva $980 in full settlement of a $1,000 debt (discount allowed $20).
27 Sep: Drawings by cheque $300.
29 Sep: Paid general expenses in cash $95.

Cash book – Debit side (Receipts)

Date	Details	Discount $	Cash $	Bank $
1 Sep	Balance b/d		340	7,250
2 Sep	Sales		560	
6 Sep	T. Boone	36		1,764
12 Sep	Bank (C)		400	
18 Sep	Cash (C)			500
24 Sep	H. Silva	20		980
	Total	**56**	**1,300**	**10,494**

Cash book – Credit side (Payments)

Date	Details	Discount $	Cash $	Bank $
4 Sep	Shop fittings			2,100
9 Sep	R. Vance	150		2,850
12 Sep	Cash (C)			400
15 Sep	Wages		260	
18 Sep	Bank (C)		500	
21 Sep	Insurance			180
27 Sep	Drawings			300
29 Sep	General expenses		95	
	Balance c/d		445	4,664
	Total	**150**	**1,300**	**10,494**

Check the Cash column: receipts $340+$560+$400=$1,300; payments $260+$500+$95=$855; balance c/d = $\$1{,}300 - \$855 = \$445$, and $855+$445=$1,300 – both sides agree.
Check the Bank column: receipts $7,250+$1,764+$500+$980=$10,494; payments $2,100+$2,850+$400+$180+$300=$5,830; balance c/d = $\$10{,}494 - \$5{,}830 = \$4{,}664$, and $5,830+$4,664=$10,494 – both sides agree.
Discount memoranda: discount allowed $36+$20=$56, posted Dr Discount allowed $56 / Cr T. Boone $36, Cr H. Silva $20 (already reflected in their individual accounts). Discount received $150, posted Dr R. Vance $150 / Cr Discount received $150.
The balances c/d (Cash $445, Bank $4,664) become the opening balances b/d on 1 October.

VN **GIẢI THÍCH TIẾNG VIỆT**

Sổ quỹ ba cột có thêm cột "chiết khấu" (discount) ở mỗi bên – đây CHỈ là cột ghi nhớ, KHÔNG được cộng vào tổng Cash/Bank khi cân đối. **Bút toán đối ứng (contra, ký hiệu C)** xảy ra khi tiền được chuyển giữa quỹ tiền mặt và ngân hàng – xuất hiện ở CẢ HAI bên của cùng một sổ quỹ trong cùng một ngày, vì không có bên thứ ba nào tham gia. Trong ví dụ trên, ngày 12/9 và 18/9 là hai bút toán đối ứng ngược chiều nhau.

(!) Lỗi thường gặp: Một lỗi rất phổ biến là cộng cột chiết khấu (discount) vào tổng Cash hoặc Bank khi cân đối sổ quỹ. Cột chiết khấu chỉ mang tính *ghi nhớ* (memorandum) – nó không phải một phần của số dư tiền mặt hay tiền gửi ngân hàng thực tế, và việc cộng nhầm nó vào sẽ khiến sổ quỹ mất cân đối ngay lập tức. Chỉ có cột Cash và cột Bank mới được cân đối (balance off); cột discount chỉ được cộng tổng rồi chuyển thẳng sang tài khoản discount allowed/received.

1.7 The petty cash book and the imprest system

Frequent, small cash payments – postage, stationery, cleaning materials, minor travel, sundry expenses – are handled separately from the main cash book, through a **petty cash book**, almost always operated under the **imprest system**.

The imprest system

The petty cashier begins each period holding a fixed float, the **imprest amount**. Payments are made and recorded (against a signed petty cash voucher for each one) throughout the period, reducing the float. At the end of the period, the petty cashier is reimbursed from the main cash book/bank by exactly the amount spent, restoring the float to the imprest amount ready for the next period. The main advantage is control: because the reimbursement always equals the amount spent, any shortfall is spotted immediately, and the total spent is capped, in the worst case, at the imprest amount.

A full week's petty cash book under the imprest system

The imprest amount is $250. During the week the petty cashier makes the following payments, each supported by a petty cash voucher: Monday, postage $22 and stationery $18; Tuesday, cleaning materials $30; Wednesday, travel expenses $45; Thursday, postage $15 and sundry expenses $12; Friday, stationery $27.

Receipts $	Date & Details	Total $	Postage $	Station. $	Clean. $	Travel $	Sundry $
250	Mon Balance b/d						
	Mon Postage	22	22				
	Mon Stationery	18		18			
	Tue Cleaning materials	30			30		
	Wed Travel expenses	45				45	
	Thu Postage	15	15				
	Thu Sundry expenses	12					12
	Fri Stationery	27		27			
	Total	**169**	**37**	**45**	**30**	**45**	**12**
	Fri Balance c/d	81					
250							
81	Mon Balance b/d						
169	Mon Bank (reimbursement)						
250							

Cross-cast check: the analysis columns must add across to the same total as the Total column: $\$37 + \$45 + \$30 + \$45 + \$12 = \$169$, which matches the Total column of $169. Balance in hand at the end of the week $= \$250 - \$169 = \$81$. The Monday reimbursement of $169 restores the float exactly: $\$81 + \$169 = \$250$.

GIẢI THÍCH TIẾNG VIỆT

VN

Hệ thống tạm ứng định mức (imprest system): thủ quỹ nhỏ bắt đầu mỗi kỳ với một khoản tiền cố định gọi là **imprest amount**. Cuối kỳ, số tiền đã chi được hoàn lại ĐÚNG BẰNG số đã chi, khôi phục quỹ về đúng mức ban đầu cho kỳ sau – nhờ vậy nếu có thiếu hụt sẽ phát hiện ngay. Các cột phân tích (postage, stationery, cleaning...) khi cộng ngang (cross-cast) phải bằng đúng cột "Total" – đây là bước kiểm tra bắt buộc trước khi cân đối sổ.

1.8 The general journal

The **general journal** is the book of prime entry for anything that does not belong in the sales, purchases, returns journals, or the cash book. Its most common uses at this level are: **opening entries** for a brand-new set of books; the **purchase or sale of a non-current asset on credit**; and the **correction of errors**. Every journal entry is written with the account(s) debited first, the account(s) credited indented below, the amounts in separate Dr/Cr columns, and a brief **narration** explaining the entry.

Opening entry for a new set of books

S. Whitfield decides to open a formal set of accounting books for a business that has been trading informally. On 1 January the following are identified: Premises $50,000; Equipment $12,000; Inventory $6,500; Bank $8,200; Cash $300; a bank loan of $10,000; and an amount of $2,300 owed to a supplier, G. Silva.

Step 1: Total assets $= \$50{,}000 + \$12{,}000 + \$6{,}500 + \$8{,}200 + \$300 = \$77{,}000$.
Step 2: Total liabilities $= \$10{,}000 + \$2{,}300 = \$12{,}300$.
Step 3: Capital (the balancing figure) $= \$77{,}000 - \$12{,}300 = \$64{,}700$.

	Dr $	Cr $
Premises	50,000	
Equipment	12,000	
Inventory	6,500	
Bank	8,200	
Cash	300	
Loan		10,000
G. Silva		2,300
Capital		64,700
Total	**77,000**	**77,000**

Narration: being assets and liabilities introduced to open a formal set of books at 1 January.

Correcting an error and recording non-current asset transactions

(a) A cheque payment of $240 for insurance had been debited in error to the Rent account. (b) A delivery van was bought on credit from Zenith Motors for $18,500. (c) Old office equipment, which had cost $3,000 and had not yet been depreciated, was sold on credit to K. Adjei for $3,000.

	Dr $	Cr $
(a) Insurance	240	
Rent		240
Narration: correction of error – insurance payment wrongly posted to the Rent account.		
(b) Delivery van	18,500	
Zenith Motors		18,500
Narration: purchase of delivery van on credit, invoice received from Zenith Motors.		
(c) K. Adjei	3,000	
Office equipment		3,000
Narration: sale of office equipment on credit to K. Adjei, at cost.		

Notice that (b) and (c) are non-current asset transactions on credit – they involve no cash/bank movement at the time, so they cannot go in the cash book, and they are not purchases or sales of goods for resale, so they cannot go in the purchases or sales journals either. The general journal is the only book left for them.

VN GIẢI THÍCH TIẾNG VIỆT

Sổ nhật ký chung (general journal) dùng cho những giao dịch không thuộc bất kỳ sổ chuyên biệt nào: bút toán mở sổ (opening entry) khi bắt đầu ghi sổ chính thức, mua/bán tài sản cố định (non-current asset) BẰNG TÍN DỤNG (không phải tiền mặt/ngân hàng nên không vào sổ quỹ, không phải hàng hoá để bán lại nên không vào sổ mua/bán hàng), và sửa lỗi kế toán. Mỗi bút toán nhật ký chung luôn có phần diễn giải (narration) ngắn gọn giải thích lý do ghi sổ.

1.9 Posting to the ledger and drawing up the trial balance

After every book of prime entry has been posted, every ledger account is **balanced off**, and every resulting balance – debit or credit – is listed in a single two-column statement called the **trial balance**. Its purpose is to check the *arithmetic accuracy* of the double entry: if every transaction has been posted with an equal debit and an equal credit, the two column totals must agree.

A full worked trial balance

The following balances were extracted from the ledger of P. Nabors at 31 October: Capital $42,000 (Cr); Premises $30,000 (Dr); Equipment $10,500 (Dr); Inventory (opening) $4,200 (Dr); Purchases $21,600 (Dr); Sales $34,800 (Cr); Sales returns $800 (Dr); Purchases returns $650 (Cr); Trade receivables $5,300 (Dr); Trade payables $3,900 (Cr); Bank $2,150 (Dr); Cash $380 (Dr); Rent $3,600 (Dr); Wages $8,200 (Dr); Discount allowed $210 (Dr); Discount received $340 (Cr); Drawings $2,750 (Dr); Long-term bank loan $8,000 (Cr).

Account	Debit $	Credit $
Premises	30,000	
Equipment	10,500	
Inventory	4,200	
Purchases	21,600	
Sales returns	800	
Trade receivables	5,300	
Bank	2,150	
Cash	380	
Rent	3,600	
Wages	8,200	
Discount allowed	210	
Drawings	2,750	
Capital		42,000
Sales		34,800
Purchases returns		650
Trade payables		3,900
Discount received		340
Long-term bank loan		8,000
Total	**89,690**	**89,690**

Check: debit column $= \$30{,}000+\$10{,}500+\$4{,}200+\$21{,}600+\$800+\$5{,}300+\$2{,}150+\$380+\$3{,}600+\$8{,}200+\$210+\$2{,}750 = \$89{,}690$. Credit column $= \$42{,}000+\$34{,}800+\$650+\$3{,}900+\$340+\$8{,}000 = \$89{,}690$. The two totals agree, so the double entry is arithmetically consistent.

VN GIẢI THÍCH TIẾNG VIỆT

Bảng cân đối thử (trial balance) liệt kê TẤT CẢ số dư của sổ cái thành hai cột Nợ và Có, kiểm tra xem tổng hai cột có bằng nhau hay không. Nếu bằng nhau, điều đó chỉ chứng minh việc ghi sổ kép *chính xác về mặt số học* (mọi Nợ đều có Có tương ứng) – KHÔNG chứng minh sổ sách hoàn toàn không có sai sót (ví dụ bỏ sót cả hai vế của một giao dịch, hoặc ghi nhầm tài khoản nhưng vẫn đúng số tiền và đúng bên Nợ/Có, vẫn có thể khiến bảng cân đối thử cân bằng dù có lỗi).

(!) Lỗi thường gặp: Một bảng cân đối thử cân bằng (tổng Nợ = tổng Có) KHÔNG có nghĩa là sổ sách hoàn toàn đúng. Sáu loại lỗi vẫn có thể tồn tại dù bảng cân đối thử vẫn cân bằng: lỗi bỏ sót hoàn toàn (omission), lỗi ghi cả hai vế vào sai tài khoản cùng loại (commission), lỗi về nguyên tắc (principle – ví dụ ghi một khoản chi phí như một tài sản), lỗi bù trừ (compensating), lỗi đảo ngược hoàn toàn (complete reversal), và lỗi ghi sai số tiền ở CẢ HAI bên giống nhau (original entry). Đây là lý do vì sao trial balance chỉ là bước kiểm tra số học, không phải bước kiểm tra tính đúng đắn tuyệt đối.

1.10 Division of the ledger

In anything beyond a very small business, keeping every single account in one physical (or digital) ledger quickly becomes unwieldy. The ledger is therefore conventionally split into three sections.

Why the ledger is divided

- **Sales ledger** – holds the personal accounts of individual trade receivables (credit customers). Debited with credit sales (from the sales journal); credited with returns and money received.
- **Purchases ledger** – holds the personal accounts of individual trade payables (credit suppliers). Credited with credit purchases (from the purchases journal); debited with returns and money paid.
- **General (nominal) ledger** – holds every other account: assets, liabilities, capital, income and expenses (Sales, Purchases, Rent, Wages, Equipment, Capital, and so on), including the *totals* posted from the sales and purchases journals.

Dividing the ledger this way allows the work to be shared between several clerks, keeps a very large sales/purchases ledger from cluttering the general ledger, makes it far quicker to look up any one customer's or supplier's balance, and lays the groundwork for the **sales ledger control account** and **purchases ledger control account** used later to check the arithmetic accuracy of each subsidiary ledger independently of the trial balance.

Ledger	Holds	Typical accounts
Sales ledger	Personal accounts of trade receivables	A. Boateng, B. Mensah, C. Owusu
Purchases ledger	Personal accounts of trade payables	D. Kariuki, E. Adeyemi, F. Nkurunziza
General (nominal) ledger	Assets, liabilities, capital, income, expenses	Sales, Purchases, Rent, Equipment, Capital

Figure 1.4 – The three-way division of the ledger.

VN GIẢI THÍCH TIẾNG VIỆT

Sổ cái thường được chia thành ba phần: **sổ cái bán hàng (sales ledger)** chứa tài khoản của từng khách hàng nợ tiền doanh nghiệp; **sổ cái mua hàng (purchases ledger)** chứa tài khoản của từng nhà cung cấp mà doanh nghiệp còn nợ; và **sổ cái chung (general/nominal ledger)** chứa mọi tài khoản còn lại (tài sản, nợ phải trả, vốn, thu nhập, chi phí). Việc phân chia này giúp chia việc cho nhiều nhân viên, tra cứu số dư nhanh hơn, và là nền tảng cho **tài khoản kiểm soát (control account)** sẽ học ở phần sau.

1.11 Problem Bank

Bài tập luyện tập

Which source document is issued by a seller to a buyer to *reduce* the amount the buyer owes, most commonly for goods returned?

(A) Invoice
(B) Debit note
(C) Credit note
(D) Statement of account

Lời giải chi tiết

An invoice creates or increases a debt; a credit note reduces it. Debit notes usually accompany goods being returned but do not themselves create the ledger entry, and a statement of account is merely a summary. **(C)**.

Bài tập luyện tập

A business receives a statement of account from a supplier showing a closing balance of \$1,240, and its own purchases ledger account for that supplier also shows a balance of \$1,240. What entry, if any, should be made as a result of receiving the statement of account?

(A) Dr the supplier \$1,240
(B) Cr the supplier \$1,240
(C) No entry – the statement merely confirms the balance already recorded from invoices, credit notes and payments
(D) Dr Purchases \$1,240

Lời giải chi tiết

A statement of account is not a book of prime entry; it is only used to check (reconcile) the balance already built up from invoices, credit notes and payments actually received/made. Since the two figures agree, no further entry is needed. **(C)**.

Bài tập luyện tập

A supplier's invoice shows a list price of \$3,600, less a trade discount of 20%. At what amount, and in which book of prime entry, is the transaction first recorded in the buyer's books?

(A) Purchases journal, \$3,600
(B) Purchases journal, \$2,880
(C) Cash book, \$2,880
(D) General journal, \$720

Lời giải chi tiết

Trade discount is deducted before any entry is made, so only the net amount is recorded. Trade discount $= 20\% \times \$3{,}600 = \$720$; net amount $= \$3{,}600 - \$720 = \$2{,}880$, recorded in the

purchases journal because it is a credit purchase. **(B)**.

Bài tập luyện tập

Goods with a list price of $4,000 are sold on credit, less a trade discount of 15%. The customer pays within the discount period, entitled to a further 4% cash discount. Calculate (a) the amount recorded in the sales journal, and (b) the amount of cash discount and the cash actually received.

Lời giải chi tiết

(a) Trade discount $= 15\% \times \$4{,}000 = \$600$. Net invoice (recorded in the sales journal) $=$ $\$4{,}000 - \$600 = \$3{,}400$.
(b) Cash discount $= 4\% \times \$3{,}400 = \$136$. Cash received $= \$3{,}400 - \$136 = \boxed{\$3{,}264}$. Check: $3,264 + $136 discount allowed = $3,400, exactly clearing the debt.

Bài tập luyện tập

Which of the following correctly explains why trade discount is never recorded in the accounting records, while cash discount is?

(A) Trade discount is always a larger amount than cash discount

(B) Trade discount is deducted before the transaction is recorded, so only the net figure ever exists in the books; cash discount depends on how the customer chooses to pay, so it is recorded only when payment is actually received

(C) Cash discount is illegal to omit, but trade discount is optional

(D) Both are recorded, but in different journals

Lời giải chi tiết

Trade discount is subtracted from the list price at the point the invoice is drawn up – the ledger never "knows" the list price existed. Cash discount is conditional on prompt payment, so it can only be recorded once that payment is received, through the discount allowed/received accounts. **(B)**.

Bài tập luyện tập

State whether each of the following increases with a debit or a credit entry: (a) Inventory; (b) Trade payables; (c) Rent expense; (d) Capital; (e) Commission received; (f) Drawings.

Lời giải chi tiết

(a) Inventory is an asset – debit. (b) Trade payables is a liability – credit. (c) Rent is an expense – debit. (d) Capital – credit. (e) Commission received is income – credit. (f) Drawings – debit. (Mnemonic: DEAD accounts – Drawings, Expenses, Assets – increase on the debit side; CLIC accounts – Capital, Liabilities, Income – increase on the credit side.)

Bài tập luyện tập

A business buys a photocopier on credit for $2,400 from an office supplies company. Which book of prime entry records this transaction, and why not the purchases journal?

(A) Purchases journal, because it was bought on credit

(B) Cash book, because a cheque will eventually be issued

(C) General journal, because the photocopier is a non-current asset, not goods bought for resale

(D) Sales journal

Lời giải chi tiết

The purchases journal is reserved for goods bought *for resale*. A photocopier is a non-current asset for use within the business, so on credit it is recorded in the **general journal**: Dr Office equipment $2,400, Cr the supplier $2,400. **(C)**.

Bài tập luyện tập

Halima Wholesale's credit sales for the week commencing 2 October were: 2 Oct, invoice to J. Osei, list price $1,600 less 10% trade discount; 4 Oct, invoice to K. Danso, list price $2,500 less 8% trade discount; 7 Oct, invoice to L. Boakye, list price $900, no trade discount. Prepare the sales journal, showing the total, and state the double entry required to post the total.

Lời giải chi tiết

J. Osei: $\$1{,}600 - 10\% \times \$1{,}600 = \$1{,}600 - \$160 = \$1{,}440$. K. Danso: $\$2{,}500 - 8\% \times \$2{,}500 = \$2{,}500 - \$200 = \$2{,}300$. L. Boakye: $900 (no discount).
Sales journal total $= \$1{,}440 + \$2{,}300 + \$900 = \boxed{\$4{,}640}$.
Double entry to post the total: Dr Sales ledger, individually – J. Osei $1,440; K. Danso $2,300; L. Boakye $900. Cr Sales account (general ledger) with the total, $4,640, in one single posting.

Bài tập luyện tập

Using the same figures as the previous question, if J. Osei later returns goods with a net value (after trade discount) of $180, in which book of prime entry is this recorded, and what is the double entry?

Lời giải chi tiết

Recorded in the **sales returns journal**. Double entry: Dr Sales returns $180; Cr J. Osei $180. This reduces J. Osei's outstanding balance from $1,440 to $\$1{,}440 - \$180 = \boxed{\$1{,}260}$.

Bài tập luyện tập

A business purchased goods on credit as follows during a week: from Kanu Ltd, list price $2,200 less 15% trade discount; from Deng & Co, list price $1,050, no trade discount. Prepare the purchases journal, showing individual net amounts and the total, and state the balance owing to each supplier assuming no payments have yet been made.

Lời giải chi tiết

Kanu Ltd: $\$2{,}200 - 15\% \times \$2{,}200 = \$2{,}200 - \$330 = \$1{,}870$. Deng & Co: $1,050 (no discount). Purchases journal total $= \$1{,}870 + \$1{,}050 = \boxed{\$2{,}920}$.
With no payments made, the balance owing to Kanu Ltd is $1,870 (Cr) and to Deng & Co is $1,050 (Cr) – these are the individual credit balances in the purchases ledger; the $2,920 total is posted once as a debit to the Purchases account.

Bài tập luyện tập

Which statement about contra entries in the three-column cash book is correct?

(A) A contra entry always increases both the Cash and Bank columns

(B) A contra entry appears once as a receipt and once as a payment within the same cash book, because money is simply moved between cash and bank

(C) A contra entry is only used when a cheque is dishonoured

(D) A contra entry must always be posted to a customer's or supplier's personal account

Lời giải chi tiết

Cash paid into the bank, or cash withdrawn from the bank for office use, involves no outside party – the same amount is a receipt in one column and a payment in the other column of the same cash book, marked (C). **(B)**.

Bài tập luyện tập

V. Oduya's transactions for November: 1 Nov balances b/d, Cash $210, Bank $3,850. 3 Nov cash sales $740, kept in the till. 5 Nov paid rates by cheque $260. 8 Nov withdrew $300 cash from the bank for office use (contra). 12 Nov received a cheque from B. Antwi $1,470, in full settlement of a $1,500 debt (discount allowed $30). 16 Nov paid supplier C. Frimpong $1,880 by cheque, in full settlement of a $2,000 debt (discount received $120). 20 Nov paid $250 cash into the bank (contra). 24 Nov drawings by cheque $400. Prepare the three-column cash book and balance it at 30 November.

Lời giải chi tiết

Cash column: receipts $= \$210 + \$740 + \$300 = \$1{,}250$. Payments $= \$250$ (cash banked, contra). Balance c/d $= \$1{,}250 - \$250 = \boxed{\$1{,}000}$ (Dr).
Bank column: receipts $= \$3{,}850 + \$1{,}470 + \$250 = \$5{,}570$. Payments $= \$260 + \$300 + \$1{,}880 + \$400 = \$2{,}840$. Balance c/d $= \$5{,}570 - \$2{,}840 = \boxed{\$2{,}730}$ (Dr).
Discount memoranda: allowed $30 (Dr Discount allowed / Cr B. Antwi); received $120 (Dr C. Frimpong / Cr Discount received).

Bài tập luyện tập

In a three-column cash book, the discount column on the debit (receipts) side represents which of the following?

(A) Discount received from suppliers

(B) Discount allowed to customers

(C) An asset carried forward to next period

(D) Part of the Bank column total

Lời giải chi tiết

The debit (receipts) side of the cash book records money coming in, typically from customers – so its discount memorandum column is discount *allowed* to those customers for prompt payment. **(B)**.

Bài tập luyện tập

The petty cashier holds an imprest of $180 and spends $153 during the period, analysed as Postage $40, Stationery $61, Travel $52. Calculate (a) the balance carried down, and (b) the reimbursement needed to restore the imprest, and (c) confirm the analysis columns cross-cast correctly.

Lời giải chi tiết

(a) Balance c/d $= \$180 - \$153 = \boxed{\$27}$.

(b) Reimbursement = amount spent $= \boxed{\$153}$, since $\$27 + \$153 = \$180$ restores the float.

(c) Cross-cast: $\$40 + \$61 + \$52 = \$153$, which matches the Total column. The analysis columns are consistent.

Bài tập luyện tập

A petty cash float, imprest amount $220, has payments during a fortnight of: Postage $34, Stationery $48, Cleaning $55, Sundry expenses $19. A cash purchase of stationery for resale, $60, was mistakenly paid out of petty cash and recorded in the Stationery analysis column. Explain why this is incorrect, and state where it should have been recorded instead.

Lời giải chi tiết

The $60 payment is for goods bought *for resale* (inventory), not office stationery consumed by the business – it is a trading purchase, not an administrative expense, so it belongs in the **Purchases** account (and, being paid in cash, in the Cash column of the main cash book or an appropriately labelled column, not the office-stationery analysis column of the petty cash book). Analysis columns must reflect the true nature of each expense: mixing a resale purchase into "Stationery" would understate Purchases and overstate office stationery expense in the final accounts.

Bài tập luyện tập

Prepare the general journal entry (with narration) to record: a sole trader starts a new set of books on 1 April, introducing a motor vehicle valued at $11,000, inventory $4,300, and cash $1,200; the business also takes over a supplier balance already owed of $1,900 to D. Chege.

Lời giải chi tiết

Total assets introduced $= \$11{,}000 + \$4{,}300 + \$1{,}200 = \$16{,}500$. Liability taken over $= \$1{,}900$.
Capital (balancing figure) $= \$16{,}500 - \$1{,}900 = \boxed{\$14{,}600}$.

Journal: Dr Motor vehicle $11,000; Dr Inventory $4,300; Dr Cash $1,200; Cr D. Chege $1,900; Cr Capital $14,600. Total Dr = Total Cr $= \$16{,}500$. Narration: assets and a liability introduced to open a formal set of books at 1 April.

Bài tập luyện tập

A bookkeeper posted a cheque payment for motor repairs, $310, in error to the Motor vehicles (asset) account instead of the Motor repairs (expense) account. Prepare the journal entry to correct the error, with narration.

Lời giải chi tiết

Journal: Dr Motor repairs $310; Cr Motor vehicles $310. Narration: correction of error – motor repairs payment wrongly debited to the Motor vehicles account instead of the Motor repairs account. This removes the $310 wrongly capitalised as an asset and correctly charges it as an expense.

Bài tập luyện tập

Office furniture, which had originally cost $4,500, is sold on credit to a former employee, R. Sarpong, for $4,500 (no profit or loss, and depreciation is not yet covered at this stage). State the general journal entry, and explain why this cannot be recorded in the sales journal.

Lời giải chi tiết

Journal: Dr R. Sarpong $4,500; Cr Office furniture $4,500. The sales journal is reserved for credit sales of **goods normally sold by the business in the course of trade**. Office furniture is a non-current asset being disposed of, not inventory being sold to a customer, so despite being "sold on credit" it belongs in the general journal, not the sales journal.

Bài tập luyện tập

The following balances remain in the ledger of T. Owiredu at 31 December, but the balance on the Equipment account (a debit balance) has been left off the list by mistake: Capital $28,500 (Cr); Motor vehicle $14,000 (Dr); Inventory $3,100 (Dr); Trade receivables $4,650 (Dr); Trade payables $2,980 (Cr); Bank overdraft $1,240 (Cr); Cash $260 (Dr); Purchases $16,400 (Dr); Sales $27,900 (Cr); Rent $4,200 (Dr); Wages $9,600 (Dr); Discount allowed $180 (Dr); Discount received $260 (Cr); Drawings $2,900 (Dr); Purchases returns $410 (Cr). Calculate the missing Equipment balance needed for the trial balance to balance, then present the completed trial balance at 31 December.

Lời giải chi tiết

Known debit balances: $\$14{,}000 + \$3{,}100 + \$4{,}650 + \$260 + \$16{,}400 + \$4{,}200 + \$9{,}600 + \$180 + \$2{,}900 = \$55{,}290$.
Credit column: $\$28{,}500 + \$2{,}980 + \$1{,}240 + \$27{,}900 + \$260 + \$410 = \$61{,}290$.
For the trial balance to balance, the missing Equipment (Dr) balance must be $\$61{,}290 - \$55{,}290 = \boxed{\$6{,}000}$.
The completed trial balance then totals $\$55{,}290 + \$6{,}000 = \$61{,}290$ on the debit side, exactly matching the $61,290 credit side.

Bài tập luyện tập

A trial balance balances (debits equal credits). Which of the following errors could *still* be present in the ledger, undetected by the trial balance?

(A) A cash sale posted as Dr Cash $400, Cr Sales $40

(B) A payment for insurance completely omitted from both the cash book and the Insurance account

(C) A payment for rent posted as Dr Rent $150, Cr Bank $250

(D) A receipt from a customer posted as Dr Bank $600, Cr the customer $60

Lời giải chi tiết

Options (A), (C) and (D) all create an imbalance between the two sides recorded, so the trial balance would fail to agree. Option (B) – a transaction omitted entirely from *both* sides – leaves total debits and total credits equally unaffected, so the trial balance still balances despite the error. **(B)**.

Bài tập luyện tập

A trainee accountant argues: "As long as my trial balance balances, I know my ledger has no errors at all." Explain, with one example, why this statement is incorrect.

Lời giải chi tiết

This is incorrect because a balanced trial balance only confirms that total debits equal total credits – it does not confirm that every posting went to the *correct* account. For example, if a cash payment of $500 for electricity was correctly credited to Bank $500 but mistakenly debited to the Insurance account instead of Electricity, both sides of the trial balance still balance (Bank still shows a credit of $500 matched by a debit of $500 somewhere), yet the ledger is wrong: Insurance is overstated and Electricity is understated. This is a compensating "error of principle/commission" that a trial balance cannot reveal.

Bài tập luyện tập

Explain two practical benefits to a growing business of dividing its ledger into a sales ledger, a purchases ledger and a general ledger, rather than keeping every account together in one book.

Lời giải chi tiết

Any two of: (1) the work can be shared among several clerks, each responsible for one section, speeding up record-keeping; (2) locating any one customer's or supplier's balance is much faster when personal accounts are grouped together separately from impersonal accounts; (3) the general ledger is kept uncluttered by potentially hundreds of individual customer/supplier accounts, making it easier to extract the balances needed for the trial balance and financial statements; (4) dividing the ledger this way is the necessary first step toward operating sales ledger and purchases ledger **control accounts**, which check the arithmetic accuracy of each subsidiary ledger independently.

Bài tập luyện tập

A cheque for $640 received earlier from a credit customer and originally recorded as a normal receipt is later dishonoured (bounced) by the bank. In which book of prime entry is the reinstatement of the customer's debt recorded, and what is the double entry?

(A) Sales journal; Dr the customer, Cr Sales

(B) General journal; Dr Bank, Cr the customer

(C) Cash book; Dr the customer, Cr Bank

(D) Purchases journal; Dr Bank, Cr the customer

Lời giải chi tiết

A dishonoured cheque reverses what had looked like a bank receipt, so it is entered as a *payment* out of the bank column of the **cash book**: Dr the customer's account (reinstating the debt), Cr Bank (removing the receipt that never actually cleared). **(C)**.

Bài tập luyện tập

A business's Sales account for the year shows total credit entries of \$142,600, made up of the totals posted monthly from the sales journal. A separate schedule of individual balances on customer accounts in the sales ledger totals \$18,300 at the year end. Explain the relationship (or lack of one) between these two figures.

Lời giải chi tiết

The two figures measure different things and are not expected to be equal. The Sales account (\$142,600) is the cumulative *total income* earned from credit sales made during the whole year. The \$18,300 schedule of customer balances is a snapshot, at one date (the year end), of how much customers still *owe* – it reflects only unpaid sales, after deducting all amounts customers have already paid and any returns, regardless of which month those sales happened in. A business can easily have made \$142,600 of sales over the year while still being owed only \$18,300 at the end of it, because most of that revenue will already have been collected in cash or by cheque during the year.

Bài tập luyện tập

Goods with a list price of \$7,500 are purchased on credit, subject to a trade discount of 12%. Within the settlement period the buyer pays by cheque and receives a further 3% cash discount. Calculate: (a) the amount recorded in the purchases journal; (b) the cash discount received; (c) the amount actually paid by cheque; and (d) the full double entry for the payment.

Lời giải chi tiết

(a) Trade discount $= 12\% \times \$7{,}500 = \$900$. Net invoice (purchases journal) $= \$7{,}500 - \$900 = \boxed{\$6{,}600}$.

(b) Cash discount $= 3\% \times \$6{,}600 = \boxed{\$198}$.

(c) Cheque paid $= \$6{,}600 - \$198 = \boxed{\$6{,}402}$.

(d) Double entry: Dr the supplier \$6,600; Cr Bank \$6,402; Cr Discount received \$198. Check: $\$6{,}402 + \$198 = \$6{,}600$, exactly clearing the debt.

Bài tập luyện tập

A cash book shows an opening cash balance of \$95 (Dr). During the day, cash sales of \$320 are recorded, wages of \$180 are paid in cash, and \$150 cash is banked (contra). No other cash transactions occur. Calculate the closing cash balance, and state which side of the cash book the contra entry for \$150 appears on.

Lời giải chi tiết

Cash receipts: $\$95 + \$320 = \$415$. Cash payments: $\$180 + \$150 = \$330$ (wages plus the $150 banked). Closing cash balance $= \$415 - \$330 = \boxed{\$85}$ (Dr).
The $150 cash banked is a contra entry: it appears as a **payment** (credit) in the Cash column, labelled "Bank (C)", and simultaneously as a **receipt** (debit) of $150 in the Bank column, labelled "Cash (C)".

Bài tập luyện tập

State, giving a reason, the single book of prime entry in which each of the following would be recorded: (a) a credit note received from a supplier for goods returned; (b) a cheque counterfoil for wages paid; (c) an invoice sent to a credit customer; (d) the purchase of a delivery van on credit; (e) a petty cash voucher for taxi fares.

Lời giải chi tiết

(a) Purchases returns journal (a credit note received reduces what is owed to a supplier). (b) Cash book (a cheque payment, whatever its purpose, is a bank-column entry). (c) Sales journal (a credit sale of goods to a customer). (d) General journal (a non-current asset bought on credit, not goods for resale). (e) Petty cash book (a small cash payment analysed in the Travel column).

Bài tập luyện tập

A business operates the imprest system with a float of $300. At the end of a four-week period, vouchers total $268, but only $260 of vouchers can be physically found and matched to entries in the petty cash book; the remaining $8 is unaccounted for. Explain what this means for the imprest reimbursement, and what control weakness it reveals.

Lời giải chi tiết

The petty cash book itself should show total recorded payments of $268 (matching the vouchers total, since $268 was actually taken out of the float), giving a balance in hand of $\$300 - \$268 = \$32$ and a reimbursement of $268 to restore the $300 imprest. The fact that only $260 of vouchers can be physically matched, with $8 unaccounted for, reveals a control weakness: either a voucher is missing/unsigned for one payment, or cash has gone missing without proper authorisation. This is precisely the kind of discrepancy the imprest system is designed to surface quickly – because the float is checked and topped up every period, a shortfall of just $8 is caught immediately, rather than accumulating unnoticed over a much longer period.

Bài tập luyện tập

A company's trial balance at year end shows Discount allowed $430 (Dr) and Discount received $590 (Cr). Explain what these two balances represent, and why they are not required to be equal to one another.

Lời giải chi tiết

Discount allowed ($430, an expense) is the total cash discount the business has given to its *own* customers for paying promptly during the year – it reduces profit, hence its debit balance. Discount received ($590, income) is the total cash discount the business itself was given by its *suppliers* for paying them promptly – it increases profit, hence its credit balance. These arise from entirely separate sets of transactions (sales to customers versus purchases from suppliers) with no arithmetic relationship between them, so there is no reason to expect the two figures to match; each is simply carried to the income statement on its own side.

Bài tập luyện tập

Explain why the cash book is described as being both a book of prime entry and part of the double-entry ledger system, whereas the sales journal is only a book of prime entry.

Lời giải chi tiết

The sales journal is purely a *listing* device: it records credit sales in date order at net value, but the actual double-entry ledger accounts affected (the individual customer accounts and the Sales account) are separate accounts that the journal's figures are later posted into. The Cash and Bank columns of the cash book, by contrast, are not just a list awaiting posting – they directly *are* the Cash account and the Bank account. Once a cash book entry is made and the column is balanced off, no further "posting" of that column to a separate Cash/Bank ledger account is needed, because the cash book columns already perform that role. This dual nature is exactly why the cash book, unlike the other books of prime entry, is itself balanced off and produces the Cash and Bank balances used directly in the trial balance.

Ôn tập nhanh: (1) Chứng từ gốc → sổ nhật ký ban đầu → sổ cái (ghi kép) → bảng cân đối thử → báo cáo tài chính. (2) Chiết khấu thương mại KHÔNG BAO GIỜ ghi sổ; chiết khấu thanh toán LUÔN ghi qua discount allowed/received. (3) DEAD tăng bên Nợ (Drawings, Expenses, Assets); CLIC tăng bên Có (Capital, Liabilities, Income). (4) Cột chiết khấu trong sổ quỹ chỉ là ghi nhớ – không cộng vào Cash/Bank. (5) Bút toán đối ứng (contra) xuất hiện ở cả hai bên cùng một sổ quỹ, không liên quan bên ngoài. (6) Hệ thống tạm ứng định mức: hoàn lại đúng số đã chi để khôi phục quỹ về mức ban đầu. (7) Sổ nhật ký chung dùng cho bút toán mở sổ, tài sản cố định mua/bán chịu, và sửa lỗi. (8) Bảng cân đối thử cân bằng chỉ chứng minh tính chính xác về số học, không chứng minh không có sai sót. (9) Sổ cái chia ba phần: sales ledger, purchases ledger, general ledger.

Accounting Concepts, Depreciation, Disposal of Non-Current Assets & Inventory Valuation

Mục tiêu Unit: Mười khái niệm/nguyên tắc kế toán nền tảng và cách áp dụng; phân biệt chi tiêu vốn và chi tiêu doanh thu; khấu hao theo phương pháp đường thẳng và số dư giảm dần; thanh lý tài sản cố định (có và không có đổi hàng cũ – part-exchange); nợ khó đòi xoá sổ và thu hồi lại; dự phòng nợ khó đòi theo tỷ lệ chung và theo tuổi nợ; định giá hàng tồn kho FIFO và AVCO; nguyên tắc giá thấp hơn giữa giá gốc và giá trị thuần có thể thực hiện được (IAS 2).

2.1 Accounting Concepts and Conventions

2.1.1 The ten fundamental concepts

Financial statements are prepared according to a shared set of conventions (concepts) so that they are reliable, comparable between periods, and comparable between different businesses. Cambridge 9706 requires precise definitions of ten core concepts.

Concept	Precise definition
Business entity	The business is a separate accounting unit from its owner(s); only the transactions of the business itself are recorded in its books, never the owner's private transactions.
Money measurement	Only transactions and events that can be reliably expressed in monetary terms are recorded; non-financial facts (staff morale, brand reputation) are excluded from the accounts.
Historical cost	Assets are recorded initially, and normally continue to be shown, at their original purchase cost, not at current replacement or market value.
Going concern	The business is assumed to continue trading for the foreseeable future, so assets are valued on the basis of continued use rather than forced sale/liquidation.
Accruals (matching)	Income and expenses are recognised in the accounting period to which they relate (i.e., when earned/incurred), not necessarily when the related cash is received or paid.
Consistency	The same accounting treatment/method is applied to similar items from one period to the next, so that results are comparable over time.
Prudence	Revenue and profits are not anticipated or overstated, and expenses/losses are not understated; anticipated losses are provided for as soon as they are foreseen, but anticipated gains are not recognised until realised.
Materiality	Strict, formal accounting treatment is reserved for items large enough, in amount or nature, to influence the economic decisions of users; trivial items may be treated in the most convenient way.
Realisation	Revenue is recognised at the point goods or services are supplied to the customer (and the obligation to pay arises), not necessarily when the cash is actually received.
Dual aspect	Every transaction has two equal and opposite effects on the accounting equation (Assets = Capital + Liabilities); this is the foundation of double-entry bookkeeping.

VN GIẢI THÍCH TIẾNG VIỆT

Mười khái niệm kế toán nền tảng: (1) **Thực thể kinh doanh** – tách bạch DN với chủ sở hữu; (2) **Đo lường bằng tiền** – chỉ ghi nhận những gì quy đổi được ra tiền; (3) **Giá gốc** – ghi theo giá mua ban đầu, không theo giá thị trường hiện tại; (4) **Hoạt động liên tục** – giả định DN tiếp tục hoạt động trong tương lai gần; (5) **Dồn tích/phù hợp** – ghi nhận doanh thu/chi phí theo kỳ phát sinh, không theo dòng tiền; (6) **Nhất quán** – áp dụng cùng một phương pháp qua các kỳ để so sánh được; (7) **Thận trọng** – không thổi phồng tài sản/lợi nhuận, ghi nhận sớm các khoản lỗ dự kiến nhưng không ghi nhận lãi chưa chắc chắn; (8) **Trọng yếu** – chỉ áp dụng quy tắc chặt chẽ cho các khoản mục đủ lớn để ảnh hưởng quyết định của người đọc báo cáo; (9) **Ghi nhận doanh thu (thực hiện)** – ghi nhận khi giao hàng/dịch vụ, không phải khi thu tiền; (10) **Ghi kép** – mọi giao dịch đều có hai ảnh hưởng cân bằng, là nền tảng của hạch toán kép.

Applying the concepts: illustrative scenarios

- **Business entity:** the owner of a sole trader business withdraws $500 cash for personal shopping. This must be recorded as *drawings* (reducing capital), never as a business expense.
- **Money measurement:** a well-trained, loyal workforce is valuable to the business but is never shown as an asset in the statement of financial position, because it cannot be reliably measured in dollars.
- **Historical cost:** a warehouse bought for $200,000 twelve years ago is now worth $480,000

on the open market, but continues to be shown at cost less accumulated depreciation, not at $480,000.

- **Going concern:** a company continuing to trade normally depreciates a machine over its 10-year useful life; if the company were about to be liquidated, the machine would instead be revalued at its likely break-up (net realisable) value.
- **Accruals:** electricity used in December but invoiced (and paid) in January is still charged as a December expense, with the amount owing shown as an accrual (current liability) at 31 December.
- **Consistency:** a business that values inventory using AVCO must continue using AVCO in future years rather than switching between FIFO and AVCO to manage reported profit.
- **Prudence:** a business facing a probable lawsuit creates a provision for the estimated damages as soon as the loss becomes probable and measurable, even though the case has not yet been decided.
- **Materiality:** a $12 waste-paper bin is expensed in full in the year of purchase rather than being depreciated over several years like a genuine non-current asset.
- **Realisation:** goods are dispatched to a customer on credit on 28 December; the sale (and the resulting trade receivable) is recognised in December even though cash will only be received in February.
- **Dual aspect:** purchasing inventory for cash increases one asset (inventory) and decreases another (cash) by the same amount – total assets, and the accounting equation, remain in balance.

(!) Lỗi thường gặp: Prudence does **not** mean deliberately understating profit or assets – it means not *overstating* them and providing for probable losses. Excessive, deliberate understatement (a "secret reserve") breaches both prudence and the requirement that accounts give a true and fair view.

2.1.2 Capital and revenue expenditure, capital and revenue receipts

Capital expenditure is spending that acquires, improves, or extends the earning capacity or useful life of a non-current asset; it is capitalised (added to the asset's cost in the statement of financial position) and depreciated over the asset's life, rather than charged in full to the period in which it is incurred. It includes the purchase price of the asset plus all costs necessarily incurred in bringing it to its location and condition ready for use (delivery/carriage inwards, installation, legal fees on acquisition of property, and initial modifications needed for the asset to function).

Revenue expenditure is spending on the day-to-day running of the business that maintains (rather than improves) earning capacity; it is charged in full against profit in the income statement of the period in which it is incurred (repairs, fuel, insurance, wages, redecoration that restores rather than improves).

Capital receipts arise from the disposal of non-current assets or from raising long-term finance (issuing shares, raising a loan); **revenue receipts** arise from the ordinary trading activities of the business (cash sales, rent received, commission received).

A useful test: does the expenditure add a *new* non-current asset, or *improve/extend the capacity or life* of an existing one (capital)? Or does it simply keep an existing asset in its normal working condition, or cover routine running costs (revenue)?

Ví dụ mẫu · Classifying capital and revenue expenditure

A delivery business incurs the following costs during the year. Classify each as capital or revenue expenditure.

Item	$	Classification & reason
Purchase of new delivery van	32,000	**Capital** – acquisition of a non-current asset
Number plates, registration & signage to ready the van for use	600	**Capital** – necessary cost of bringing the asset into use
Diesel fuel for the van	4,200	**Revenue** – routine running cost
Annual insurance for the van	1,100	**Revenue** – routine running cost
Extension built onto the factory, adding storage capacity	58,000	**Capital** – improves/extends the asset
Repairs to factory roof after storm damage	3,400	**Revenue** – restores, does not improve, the asset
Legal fees on the purchase of new factory premises	2,500	**Capital** – incidental cost of acquiring the asset
Cost of installing a new production machine	1,800	**Capital** – necessary to bring the asset into use
Carriage inwards on the new machine	650	**Capital** – necessary to bring the asset into use
Redecoration of the existing administration office	900	**Revenue** – maintenance, no improvement

VN GIẢI THÍCH TIẾNG VIỆT

Chi tiêu vốn (capital expenditure): mua sắm/mở rộng/cải thiện tài sản cố định – được vốn hoá (cộng vào nguyên giá) và khấu hao dần, gồm cả các chi phí cần thiết để đưa tài sản vào sử dụng (vận chuyển, lắp đặt, phí pháp lý khi mua bất động sản). **Chi tiêu doanh thu (revenue expenditure):** chi phí vận hành hàng ngày, duy trì (không cải thiện) tài sản – ghi nhận toàn bộ vào báo cáo thu nhập của kỳ phát sinh. Mẹo phân biệt: chi phí có tạo ra/nâng cấp tài sản mới hay chỉ đơn thuần duy trì tình trạng hoạt động bình thường?

(!) Lỗi thường gặp: A repair that merely restores an asset to its original working condition (e.g., replacing a broken window, patching a roof) is **revenue** expenditure, even if it is a large one-off amount. Only expenditure that adds a genuinely new capability, capacity, or extends useful life beyond the original estimate is **capital** expenditure. Exam answers that classify by amount alone ("big cost = capital") are wrong.

2.2 Depreciation of Non-Current Assets

2.2.1 Causes of depreciation

Depreciation is the systematic allocation of the depreciable amount of a non-current asset (cost less estimated residual value) over its estimated useful life, matching the cost of using the asset against the revenue it helps generate (the accruals concept). Its main causes are:

- **Physical deterioration** – wear and tear from usage, and erosion/rust/rot from exposure to the elements.
- **Economic (functional) factors** – *obsolescence*, where an asset becomes outdated due to new technology or changing methods of production, even though it may still work physically; and *inade-*

quacy, where an asset can no longer cope with the scale of the business's operations.

- **Passage of time** – assets such as leases with a fixed legal term lose value simply as time passes.
- **Depletion** – assets such as mines or quarries are physically used up/exhausted as the natural resource is extracted.

VN GIẢI THÍCH TIẾNG VIỆT

Khấu hao là việc phân bổ có hệ thống phần giá trị hao mòn của tài sản (nguyên giá trừ giá trị thanh lý ước tính) qua suốt vòng đời hữu ích, theo nguyên tắc dồn tích/phù hợp. Nguyên nhân: hao mòn vật lý (sử dụng, thời tiết); hao mòn kinh tế (lỗi thời do công nghệ mới – obsolescence; hoặc không đủ công suất – inadequacy); yếu tố thời gian (hợp đồng thuê có thời hạn); và cạn kiệt tài nguyên (mỏ, mỏ đá).

2.2.2 The straight-line method

$$\text{Annual depreciation charge} = \frac{\text{Cost} - \text{Estimated residual value}}{\text{Estimated useful life (years)}}$$

The charge is the **same fixed amount** every year, so net book value (NBV) falls in equal steps until it reaches the residual value at the end of the asset's useful life.

2.2.3 The reducing balance method

$$\text{Annual depreciation charge} = \text{Net book value at start of year} \times \text{Depreciation rate (\%)}$$

The charge is calculated on the **NBV brought forward**, not on original cost, so it is largest in the asset's first year and becomes progressively smaller – NBV falls quickly at first and then more slowly, approaching (but never mathematically reaching) zero.

2.2.4 Comparing the two methods

Ví dụ mẫu · Straight-line vs. reducing balance over five years

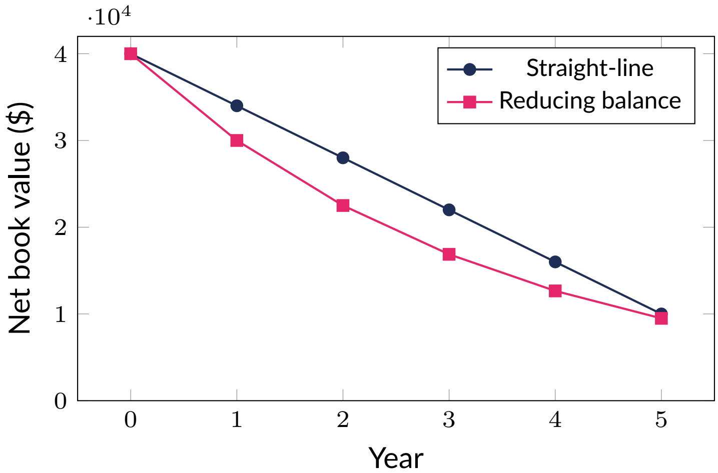
A delivery truck costs $40,000 on 1 January Year 1. Under the **straight-line** method, it has an estimated residual value of $4,000 and a useful life of 6 years. Under the **reducing balance** method, the business instead depreciates the same truck at **25% per annum**. Calculate the annual depreciation charge and NBV under each method for Years 1–5.

Straight-line: depreciation $= \dfrac{40{,}000 - 4{,}000}{6} = \$6{,}000$ per year (constant).

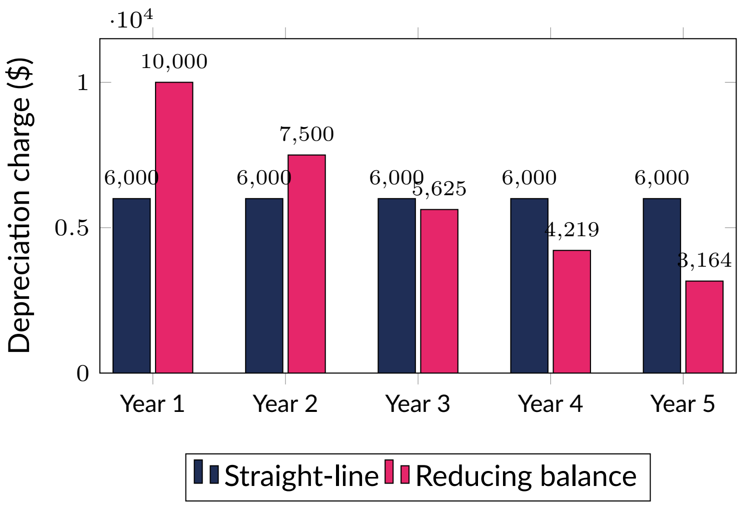
Reducing balance (25%): Year 1: $40{,}000 \times 25\% = 10{,}000$, NBV $= 30{,}000$. Year 2: $30{,}000 \times 25\% = 7{,}500$, NBV $= 22{,}500$. Year 3: $22{,}500 \times 25\% = 5{,}625$, NBV $= 16{,}875$. Year 4: $16{,}875 \times 25\% = 4{,}219$ (rounded), NBV $= 12{,}656$. Year 5: $12{,}656 \times 25\% = 3{,}164$ (rounded), NBV $= 9{,}492$.

Year	Straight-line Charge $	Straight-line NBV $	Reducing balance (25%) Charge $	Reducing balance (25%) NBV $
0 (cost)	–	40,000	–	40,000
1	6,000	34,000	10,000	30,000
2	6,000	28,000	7,500	22,500
3	6,000	22,000	5,625	16,875
4	6,000	16,000	4,219	12,656
5	6,000	10,000	3,164	9,492

Reducing balance charges more depreciation in the early years ($10,000 vs. $6,000 in Year 1) and less in later years; straight-line spreads the cost evenly and reaches the residual value exactly at the end of the useful life.



Net book value of the same $40,000 truck over five years under straight-line (6-year life, $4,000 residual) vs. reducing balance (25% p.a.). Reducing balance falls faster at first, then more slowly.



Annual depreciation charge for the same asset: straight line is constant at $6,000; reducing balance starts higher and declines each year.

VN GIẢI THÍCH TIẾNG VIỆT

Đường thẳng (straight-line): khấu hao = (Nguyên giá − Giá trị thanh lý)/Số năm sử dụng – số tiền khấu hao CỐ ĐỊNH mỗi năm. **Số dư giảm dần (reducing balance):** khấu hao = Giá trị còn lại đầu năm × tỷ lệ % – khấu hao GIẢM DẦN qua từng năm vì tính trên giá trị còn lại chứ không phải nguyên giá. Số dư giảm dần khấu hao nhiều hơn ở những năm đầu (phù hợp với tài sản mất giá trị nhanh lúc mới như xe cộ, máy móc công nghệ), trong khi đường thẳng phân bổ đều.

2.3 Disposal of Non-Current Assets

When a non-current asset is sold, scrapped, or exchanged, its cost and accumulated depreciation must be removed from the ledger accounts, and any profit or loss on disposal calculated and transferred to the income statement. This is done through a **disposal account**: the asset's cost is debited to the disposal account (removing it from the asset account), the accumulated depreciation is credited to the disposal account (removing it from the provision for depreciation account), and the disposal proceeds are credited. Any balancing figure needed on the **debit** side represents a **profit** on disposal (income); any balancing figure needed on the **credit** side represents a **loss** on disposal (expense).

2.3.1 Disposal without part-exchange

Ví dụ mẫu · Disposal for cash, no part-exchange

Office equipment cost $15,000 on 1 January 2021, depreciated at 20% per annum straight line (no residual value). It is sold for cash of $5,800 on 31 December 2023, after 3 full years of depreciation.

Annual depreciation $= 15{,}000 \times 20\% = \$3{,}000$. Accumulated depreciation after 3 years $= 3 \times 3{,}000 = \$9{,}000$. NBV at disposal $= 15{,}000 - 9{,}000 = \$6{,}000$.

Disposal account – Dr		Cr	
Office equipment (cost)	15,000	Provision for depreciation	9,000
		Bank (proceeds)	5,800
		Income statement (loss on disposal)	200
Total	**15,000**	**Total**	**15,000**

Proceeds $5,800 $<$ NBV $6,000, so there is a **loss on disposal of $200**, charged as an expense in the income statement.

2.3.2 Disposal with part-exchange

If a new asset is acquired at the same time as an old one is disposed of, and the supplier grants a **part-exchange allowance** against the old asset (reducing the amount payable in cash for the new one), that allowance is *not* cash – it is treated as part of the sale proceeds of the old asset in the disposal account, and simultaneously as part of the cost of the new asset.

Ví dụ mẫu · Disposal with part-exchange

Machine X cost $50,000 on 1 January 2021, depreciated at 20% per annum reducing balance. On 1 January 2024 (after 3 full years of depreciation) it is part-exchanged for new Machine Y costing $70,000; the supplier allows $23,000 against Machine X, with the $47,000 balance paid by cheque.

Year 1: $50{,}000 \times 20\% = 10{,}000$, NBV $= 40{,}000$. Year 2: $40{,}000 \times 20\% = 8{,}000$, NBV $= 32{,}000$. Year 3: $32{,}000 \times 20\% = 6{,}400$, NBV $= 25{,}600$.
Accumulated depreciation $= 10{,}000 + 8{,}000 + 6{,}400 = \$24{,}400$. NBV at disposal $= 50{,}000 -$

$24{,}400 = \$25{,}600$.

Disposal account – Dr		Cr	
Machine X (cost)	50,000	Provision for depreciation	24,400
		Machine Y (part-exchange allowance)	23,000
		Income statement (loss on disposal)	2,600
Total	**50,000**	**Total**	**50,000**

Part-exchange allowance \$23,000 $<$ NBV \$25,600, so there is a **loss on disposal of \$2,600**. Machine Y is recorded at cost $= 23{,}000$ (allowance) $+ 47{,}000$ (cheque) $= \$70{,}000$.

VN GIẢI THÍCH TIẾNG VIỆT

Tài khoản thanh lý (disposal account): Nợ ghi nguyên giá tài sản; Có ghi khấu hao luỹ kế và số tiền/giá trị thu được (tiền mặt hoặc allowance đổi hàng cũ). Nếu bên Có thiếu (Nợ $>$ Có đã biết) thì phần chênh lệch được cộng thêm vào bên Có với tên "Lỗ thanh lý" (loss) – đây là chi phí trên báo cáo thu nhập. Nếu bên Nợ thiếu (Có $>$ Nợ đã biết) thì phần chênh lệch được cộng vào bên Nợ với tên "Lãi thanh lý" (profit) – đây là thu nhập. Khi đổi hàng cũ (part-exchange), allowance được trừ giá không phải là tiền mặt, nhưng vẫn được coi là "tiền bán" tài sản cũ và đồng thời là một phần nguyên giá tài sản mới.

(!) Lỗi thường gặp: Depreciation is **not** a cash flow – no money leaves the business when the annual depreciation charge is recorded; it is simply an allocation of a cost already paid for the asset. Likewise, a part-exchange allowance is *not* cash received – it is a non-cash component of both the old asset's disposal proceeds and the new asset's cost. Do not include depreciation, or the part-exchange allowance, in a cash flow statement as if cash had moved.

2.4 Irrecoverable Debts and the Allowance for Doubtful Debts

2.4.1 Irrecoverable debts written off and recovered

When a customer is genuinely unable to pay (e.g., insolvency), the debt is written off: Dr Irrecoverable debts (expense); Cr Trade receivables (removing the specific customer balance). If a debt previously written off is later unexpectedly recovered, best practice is a **two-step method**: first *reinstate* the customer's account (reversing the write-off and recognising income), then record the cash receipt in the normal way. This preserves a clear audit trail of exactly what happened to each customer balance.

Ví dụ mẫu · Writing off and later recovering a debt

On 1 April 2023, a debt of \$540 owed by M. Adeyemi was written off as irrecoverable following her insolvency. On 12 January 2024, Adeyemi's administrators unexpectedly paid the full \$540 by bank transfer.

(i) Original write-off, 1 April 2023: Dr Irrecoverable debts (expense) \$540; Cr Trade receivables (Adeyemi) \$540.

(ii) Recovery, 12 January 2024 – Step 1 (reinstate): Dr Trade receivables (Adeyemi) \$540; Cr Irrecoverable debts recovered (income) \$540.
Step 2 (receive cash): Dr Bank \$540; Cr Trade receivables (Adeyemi) \$540.

"Irrecoverable debts recovered" is reported as **income** in the 2024 income statement – the

2023 financial statements are not reopened or restated.

Original write-off		Step 1: reinstate		Step 2: receive cash
Dr Irrecoverable debts (expense) Cr Trade receivables	→	Dr Trade receivables Cr Irrecoverable debts recovered (income)	→	Dr Bank Cr Trade receivables

The two-step method for recovering a previously written-off debt: reinstate the receivable (recognising income), then record the cash receipt against the reinstated balance.

VN **GIẢI THÍCH TIẾNG VIỆT**

Khi khách hàng thực sự mất khả năng thanh toán, khoản nợ được xoá sổ: Nợ Chi phí nợ khó đòi; Có Phải thu khách hàng. Nếu sau đó khách hàng bất ngờ trả được nợ đã xoá, kế toán dùng **phương pháp hai bước**: (1) ghi nhận lại khoản phải thu và thu nhập "nợ khó đòi thu hồi được" (Nợ Phải thu / Có Thu nhập); (2) ghi nhận việc thu tiền như bình thường (Nợ Tiền / Có Phải thu). Khoản thu hồi được ghi nhận là THU NHẬP của kỳ hiện tại, không sửa lại báo cáo của kỳ trước.

2.4.2 Allowance for doubtful debts: the general percentage method

Not every remaining trade receivable will necessarily be collected in full, even though no specific customer has yet been identified as unable to pay. Prudence requires a business to estimate this expected loss by creating an **allowance for doubtful debts**, most simply as a fixed percentage of total trade receivables (after specific write-offs).

Ví dụ mẫu · General percentage allowance

At 31 December, trade receivables (after specific write-offs) total $48,000. The business maintains an allowance for doubtful debts of 3% of trade receivables. The allowance brought forward from the previous year was $1,150.

Allowance required $= 48{,}000 \times 3\% = \$1{,}440$. Increase in allowance $= 1{,}440 - 1{,}150 = \$290$, charged as an **expense** in the income statement (Dr Income statement; Cr Allowance for doubtful debts). Net trade receivables in the statement of financial position $= 48{,}000 - 1{,}440 = \$46{,}560$.

2.4.3 Allowance for doubtful debts: the aged debt analysis method

A more refined approach applies a **higher** percentage allowance to **older** debts, since the longer a debt remains outstanding, the less likely it is to be collected.

Ví dụ mẫu · Aged debt analysis

At 31 December, trade receivables (after specific write-offs) are analysed by age:

Age	Balance $	Allowance %	Allowance $
0–30 days	34,000	1%	340
31–60 days	9,000	5%	450
61–90 days	3,000	20%	600
Over 90 days	1,200	75%	900
Total	**47,200**		**2,290**

Allowance brought forward was $1,800. Increase in allowance $= 2{,}290 - 1{,}800 = \$490$, charged as an expense in the income statement. Net trade receivables $= 47{,}200 - 2{,}290 = \$44{,}910$.

VN **GIẢI THÍCH TIẾNG VIỆT**

Dự phòng nợ khó đòi (allowance for doubtful debts) ước tính phần phải thu có khả năng KHÔNG thu hồi được, dù chưa xác định cụ thể khách hàng nào. **Phương pháp tỷ lệ chung**: áp dụng một % cố định trên tổng phải thu. **Phương pháp theo tuổi nợ (aged analysis)**: nợ càng lâu thì tỷ lệ trích lập càng cao vì khả năng thu hồi càng thấp. Cả hai phương pháp đều ảnh hưởng: (i) báo cáo thu nhập – phần *tăng thêm* của dự phòng là chi phí; (ii) báo cáo tình hình tài chính – phải thu khách hàng thuần = tổng phải thu − dự phòng.

2.4.4 Increases and decreases in the allowance

Only the *change* in the allowance (not its full balance) passes through the income statement each year: an **increase** in the allowance is charged as an additional expense (Dr Income statement; Cr Allowance for doubtful debts); a **decrease** is credited as income, since less doubtful debt expense is now considered necessary (Dr Allowance for doubtful debts; Cr Income statement).

Ví dụ mẫu · A decrease in the allowance

At the following year end, the aged analysis of trade receivables gives a total allowance required of $1,750, following improved collection performance. The allowance brought forward (the closing balance from the previous example) was $2,290. Trade receivables (after write-offs) at this year end total $52,000.

Decrease in allowance $= 2{,}290 - 1{,}750 = \$540$. Journal: Dr Allowance for doubtful debts $540; Cr Income statement (decrease in allowance – income) $540. Net trade receivables $= 52{,}000 - 1{,}750 = \$50{,}250$.

(!) Lỗi thường gặp: Do not confuse the direction of the double entry: an **increase** in the allowance is a **debit** to the income statement (an expense); a **decrease** is a **credit** to the income statement (income). Also remember that only the *movement* (increase or decrease) affects profit each year – the full allowance balance itself is only ever shown as a deduction from trade receivables in the statement of financial position, never charged in full to the income statement every year.

2.5 Inventory Valuation: FIFO, AVCO, and IAS 2

2.5.1 FIFO and AVCO under rising prices

Under **FIFO** (first in, first out), the earliest-purchased units are assumed to be issued/sold first, so closing inventory is valued at the *most recent* purchase prices. Under **AVCO** (weighted average cost), a single average cost per unit is recalculated using all units available for sale, and both issues and closing inventory are valued at that average.

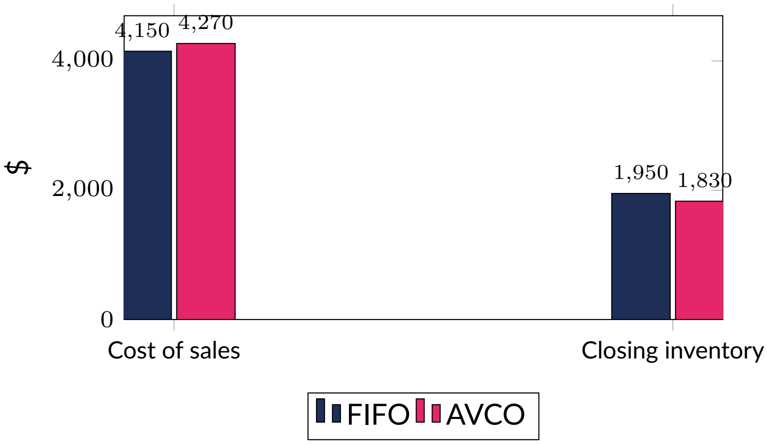
Ví dụ mẫu · FIFO vs. AVCO, rising prices

Opening inventory: 50 units @ $10.00 = $500. Purchases during the month: 250 units @ $12.00 = $3,000; 200 units @ $13.00 = $2,600. Total available: 500 units, $6,100. Issues during the month: 350 units, leaving 150 units in closing inventory.

FIFO: cost of sales = 50 units @$10 + 250 units @$12 + 50 units @$13 = $500+3{,}000+650 = \$4{,}150$. Closing inventory = 150 units (all from the last batch) @$13 = $\boxed{\$1{,}950}$.

AVCO: weighted average = $6{,}100/500 = \$12.20$ per unit. Cost of sales = $350 \times 12.20 = \$4{,}270$. Closing inventory = $150 \times 12.20 = \boxed{\$1{,}830}$.

Both methods reconcile to total goods available: FIFO $4{,}150 + 1{,}950 = 6{,}100$; AVCO $4{,}270 + 1{,}830 = 6{,}100$. With rising prices, FIFO gives a **higher** closing inventory and **lower** cost of sales (hence higher reported gross profit) than AVCO.



Same purchase data, rising prices: FIFO gives a higher closing inventory value and lower cost of sales than AVCO.

2.5.2 FIFO and AVCO under falling prices

When purchase prices are **falling**, the relationship reverses: FIFO issues the earliest (higher-priced) units first, leaving closing inventory valued at the most recent, lower prices.

Ví dụ mẫu · FIFO vs. AVCO, falling prices

Opening inventory: 50 units @ $15.00 = $750. Purchases during the month: 250 units @ $13.00 = $3,250; 200 units @ $12.00 = $2,400. Total available: 500 units, $6,400. Issues during the month: 350 units, leaving 150 units in closing inventory.

FIFO: cost of sales = 50 units @$15 + 250 units @$13 + 50 units @$12 = $750+3{,}250+600 = \$4{,}600$. Closing inventory = 150 units @$12 = $\boxed{\$1{,}800}$.

AVCO: weighted average = $6{,}400/500 = \$12.80$ per unit. Cost of sales = $350 \times 12.80 = \$4{,}480$. Closing inventory = $150 \times 12.80 = \boxed{\$1{,}920}$.

Reconciliation: FIFO $4{,}600 + 1{,}800 = 6{,}400$; AVCO $4{,}480 + 1{,}920 = 6{,}400$. With **falling** prices, FIFO now gives a **lower** closing inventory and **higher** cost of sales (lower reported profit) than AVCO – the opposite of the rising-price case.

VN **GIẢI THÍCH TIẾNG VIỆT**

FIFO: hàng nhập trước được coi là xuất trước, hàng tồn cuối kỳ định giá theo giá nhập GẦN NHẤT. AVCO: tính một đơn giá bình quân gia quyền cho toàn bộ hàng có sẵn, áp dụng cho cả hàng xuất và hàng tồn. Trong thời kỳ **giá tăng**: FIFO cho hàng tồn kho cuối kỳ CAO hơn, giá vốn hàng bán THẤP hơn, lợi nhuận báo cáo CAO hơn so với AVCO. Trong thời kỳ **giá giảm**: chiều hướng đảo ngược – FIFO cho hàng tồn kho THẤP hơn, giá vốn CAO hơn, lợi nhuận THẤP hơn so với AVCO. Cả hai phương pháp luôn phải đối chiếu khớp với tổng giá trị hàng có sẵn để bán.

2.5.3 IAS 2: lower of cost and net realisable value

International accounting standard **IAS 2** requires inventory to be valued, item by item (or group by group), at the **lower of cost and net realisable value (NRV)** – an application of the prudence concept. **Net realisable value** = expected selling price, less any further costs to complete the item and less any costs necessary to make the sale (selling/distribution costs).

Ví dụ mẫu · Lower of cost and net realisable value

At the year end, a business holds three items of inventory:

Item	Cost $	Selling price $	Costs to complete/sell $	NRV $	Lower of cost/NRV $
A	4,200	5,000	300	4,700	4,200
B	6,800	6,000	400	5,600	5,600
C	2,500	2,300	250 (150 completion + 100 selling)	2,050	2,050
Total	**13,500**				**11,850**

Item A: NRV \$4,700 > cost \$4,200, so it remains at **cost** \$4,200 (no write-down). Item B: NRV \$5,600 < cost \$6,800, written down by \$1,200 to \$5,600. Item C: NRV \$2,050 < cost \$2,500, written down by \$450 to \$2,050.

Total inventory value $= 4{,}200 + 5{,}600 + 2{,}050 = \$11{,}850$. Total write-down $= 13{,}500 - 11{,}850 = \$1{,}650$ ($= 1{,}200 + 450$), charged as an additional cost of sales/expense in the income statement.

VN **GIẢI THÍCH TIẾNG VIỆT**

IAS 2 yêu cầu hàng tồn kho được ghi nhận theo giá THẤP HƠN giữa giá gốc (cost) và giá trị thuần có thể thực hiện được (NRV = giá bán ước tính trừ chi phí hoàn thiện và chi phí bán hàng còn lại) – đây là một ứng dụng của nguyên tắc thận trọng. Nếu NRV thấp hơn giá gốc, hàng tồn kho phải được ghi giảm (write-down) xuống bằng NRV, và phần chênh lệch được ghi nhận là chi phí trong kỳ. Nếu NRV cao hơn giá gốc, hàng tồn kho vẫn giữ nguyên ở giá gốc (không được ghi tăng lên theo giá thị trường).

2.6 Practice Questions

Bài tập luyện tập

A business owner takes goods costing \$300 from inventory for personal use, but no entry is made in the accounts. Which concept has been violated?

(A) Going concern
(B) Business entity
(C) Materiality
(D) Prudence

Lời giải chi tiết

Transactions of the owner must be kept separate from those of the business; the goods taken should have been recorded as **drawings**. This is an application of the **business entity** concept. **(B)**.

Bài tập luyện tập

A business changes its method of inventory valuation from FIFO to AVCO every year, whichever gives the higher reported profit. Which concept is being breached?

(A) Consistency
(B) Prudence
(C) Realisation
(D) Money measurement

Lời giải chi tiết

Switching methods purely to manage reported profit breaches **consistency**, which requires the same method to be applied period to period for genuine comparability. **(A)**.

Bài tập luyện tập

A business writes off the full cost of a $15 stapler as an expense in the year of purchase rather than depreciating it over its useful life. This is acceptable because of:

(A) Prudence
(B) Materiality
(C) Going concern
(D) Accruals

Lời giải chi tiết

The amount is too small to affect the decisions of users of the accounts, so strict, formal (capitalise-and-depreciate) treatment is not required. This is the **materiality** concept. **(B)**.

Bài tập luyện tập

The directors of a company have decided, and publicly announced, that the company will be liquidated within two months. Under which concept should its assets now be valued?

(A) Historical cost, as usual
(B) Net realisable/liquidation values, since the going concern assumption no longer applies
(C) Replacement cost
(D) Fair value less selling costs of the previous year

Lời giải chi tiết

Once continued trading can no longer be assumed, the **going concern** basis no longer applies, and assets should instead be valued at what they would realise on a forced/liquidation sale. **(B)**.

Bài tập luyện tập

A business receives a customer's order and a 50% deposit in December, but ships the goods in January. In which month should the full revenue be recognised, and under which concept?

(A) December, dual aspect
(B) January, realisation – when goods are supplied
(C) December, prudence
(D) Split 50/50 between the two months

Lời giải chi tiết

Revenue is recognised when goods/services are actually supplied to the customer, not when a deposit is received. Since the goods are shipped in January, the sale is recognised in **January** under the **realisation** concept. **(B)**.

Bài tập luyện tập

Classify each of the following as capital expenditure, revenue expenditure, a capital receipt, or a revenue receipt: (a) purchase of a second-hand delivery motorbike $3,200; (b) cost of repainting the motorbike after a minor accident, restoring it to its original condition, $450; (c) cost of fitting a refrigerated unit to the motorbike, enabling it to carry perishable goods for the first time, $1,100; (d) annual road tax and insurance on the motorbike $380; (e) proceeds from selling an old delivery van $2,600; (f) rent received from subletting part of the warehouse $900.

Lời giải chi tiết

(a) **Capital expenditure** – acquisition of a non-current asset.
(b) **Revenue expenditure** – a repair restoring the asset to its original condition, not an improvement.
(c) **Capital expenditure** – adds a new capability/function to the asset, extending its earning capacity.
(d) **Revenue expenditure** – routine running cost of the period.
(e) **Capital receipt** – proceeds from disposing of a non-current asset.
(f) **Revenue receipt** – income arising from ordinary trading/letting activity.

Bài tập luyện tập

Legal fees incurred in the successful purchase of a new office building are:

(A) Revenue expenditure, charged to the income statement

(B) Capital expenditure, added to the cost of the building

(C) A capital receipt

(D) Deducted directly from equity

Lời giải chi tiết

Costs necessarily incurred in acquiring a non-current asset (including legal fees on a successful purchase) are capitalised as part of the asset's cost. **(B)**.

Bài tập luyện tập

Equipment costs $28,000 on 1 January Year 1, with an estimated residual value of $4,000 and a useful life of 4 years, depreciated on the straight-line basis. Calculate the annual depreciation charge and the net book value at the end of each of the 4 years.

Lời giải chi tiết

Annual depreciation $= (28{,}000 - 4{,}000)/4 = \boxed{\$6{,}000}$ per year.
NBV: end of Year 1 $= 28{,}000 - 6{,}000 = 22{,}000$; Year 2 $= 16{,}000$; Year 3 $= 10{,}000$; Year 4 $= 4{,}000$ (equals the residual value, as expected).

Bài tập luyện tập

A machine costs $60,000 on 1 January Year 1 and is depreciated at 20% per annum reducing balance. Calculate the depreciation charge and net book value for each of the first 4 years.

Lời giải chi tiết

Year 1: $60{,}000 \times 20\% = 12{,}000$, NBV $= 48{,}000$.
Year 2: $48{,}000 \times 20\% = 9{,}600$, NBV $= 38{,}400$.
Year 3: $38{,}400 \times 20\% = 7{,}680$, NBV $= 30{,}720$.
Year 4: $30{,}720 \times 20\% = 6{,}144$, NBV $= \boxed{\$24{,}576}$.

Bài tập luyện tập

A computer server becomes technologically outdated and is replaced well before it physically wears out. This is best described as a case of:

(A) Wear and tear
(B) Obsolescence
(C) Depletion
(D) Passage of time

Lời giải chi tiết

The asset is still physically functional but no longer economically suitable due to newer technology – this is **obsolescence**. **(B)**.

Bài tập luyện tập

A delivery van cost $22,000 on 1 January 2021, depreciated at 25% per annum straight line (no residual value). It is sold for cash of $6,300 on 31 December 2023, after 3 full years of depreciation. Prepare the disposal account and state the profit or loss on disposal.

Lời giải chi tiết

Annual depreciation $= 22{,}000 \times 25\% = \$5{,}500$. Accumulated depreciation over 3 years $= 3 \times 5{,}500 = \$16{,}500$. NBV at disposal $= 22{,}000 - 16{,}500 = \$5{,}500$.

Disposal account – Dr		Cr	
Van (cost)	22,000	Provision for depreciation	16,500
Income statement (profit on disposal)	800	Bank (proceeds)	6,300
Total	**22,800**	**Total**	**22,800**

Proceeds $6,300 $>$ NBV $5,500, so there is a **profit on disposal of $800**, credited as income in the income statement.

Bài tập luyện tập

Machine D cost $36,000 on 1 January 2021, depreciated at 20% per annum reducing balance. On 1 January 2024 (after 3 full years of depreciation) it is part-exchanged for new Machine E costing $48,000; the supplier allows $20,000 against Machine D, with the balance paid by cheque. Prepare the disposal account, calculate the profit or loss on disposal, and state the cheque amount paid.

Lời giải chi tiết

Year 1: $36{,}000 \times 20\% = 7{,}200$, NBV $= 28{,}800$. Year 2: $28{,}800 \times 20\% = 5{,}760$, NBV $= 23{,}040$. Year 3: $23{,}040 \times 20\% = 4{,}608$, NBV $= 18{,}432$.
Accumulated depreciation $= 7{,}200 + 5{,}760 + 4{,}608 = \$17{,}568$. NBV at disposal $= 36{,}000 - 17{,}568 = \$18{,}432$.

Disposal account – Dr		Cr	
Machine D (cost)	36,000	Provision for depreciation	17,568
Income statement (profit on disposal)	1,568	Machine E (allowance)	20,000
Total	**37,568**	**Total**	**37,568**

Allowance \$20,000 > NBV \$18,432, so there is a **profit on disposal of \$1,568**. Cheque paid $= 48{,}000 - 20{,}000 = \boxed{\$28{,}000}$.

Bài tập luyện tập

Which of the following best describes the effect of an **increase** in the allowance for doubtful debts on the financial statements?

(A) Increases profit and increases net trade receivables

(B) Decreases profit (as an expense) and decreases net trade receivables in the statement of financial position

(C) Has no effect on profit but decreases gross trade receivables

(D) Increases profit and decreases net trade receivables

Lời giải chi tiết

An increase in the allowance is charged as an expense (reducing profit), and increases the total deducted from gross trade receivables (reducing the net trade receivables figure in the statement of financial position). **(B)**.

Bài tập luyện tập

At 31 December, trade receivables (after specific write-offs) total \$65,000. The business maintains an allowance for doubtful debts of 4% of trade receivables. The allowance brought forward was \$2,900. Calculate the allowance required, state whether this is an increase or decrease and give the journal entry, and state net trade receivables at the year end.

Lời giải chi tiết

Allowance required $= 65{,}000 \times 4\% = \$2{,}600$. Compared with \$2,900 brought forward, this is a **decrease** of $2{,}900 - 2{,}600 = \$300$.
Journal: Dr Allowance for doubtful debts \$300; Cr Income statement (decrease in allowance – income) \$300.
Net trade receivables $= 65{,}000 - 2{,}600 = \boxed{\$62{,}400}$.

Bài tập luyện tập

At 30 June, trade receivables (after specific write-offs) are analysed by age: 0–30 days \$40,000 (allowance 1%); 31–60 days \$12,000 (allowance 6%); 61–90 days \$5,000 (allowance 25%);

over 90 days $2,000 (allowance 80%). The allowance brought forward was $1,300. Calculate the allowance required at the year end, the resulting adjustment (and its treatment), and net trade receivables.

Lời giải chi tiết

Allowance: $40{,}000 \times 1\% = 400$; $12{,}000 \times 6\% = 720$; $5{,}000 \times 25\% = 1{,}250$; $2{,}000 \times 80\% = 1{,}600$.
Total allowance required $= 400 + 720 + 1{,}250 + 1{,}600 = \boxed{\$3{,}970}$.
Total trade receivables $= 40{,}000 + 12{,}000 + 5{,}000 + 2{,}000 = \$59{,}000$.
Increase in allowance $= 3{,}970 - 1{,}300 = \boxed{\$2{,}670}$, charged as an expense in the income statement.
Net trade receivables $= 59{,}000 - 3{,}970 = \boxed{\$55{,}030}$.

Bài tập luyện tập

A debt written off in a previous year is unexpectedly recovered in the current year. The correct accounting treatment is to:

(A) Amend the previous year's financial statements

(B) Credit trade receivables and debit cash directly, with no other entry

(C) Reinstate the debt (Dr receivables, Cr irrecoverable debts recovered), then record the cash receipt (Dr cash, Cr receivables)

(D) Record the amount as a reduction in the allowance for doubtful debts

Lời giải chi tiết

Best practice is the two-step method: reinstate the specific customer balance and recognise income, then record the cash receipt against that balance. **(C)**.

Bài tập luyện tập

On 1 May 2023, a debt of $820 owed by R. Achebe was written off as irrecoverable. On 9 March 2024, Achebe unexpectedly paid the full $820 by cheque. Give the journal entries (i) to write off the debt originally, and (ii) to record the events of 9 March 2024.

Lời giải chi tiết

(i) 1 May 2023: Dr Irrecoverable debts (expense) $820; Cr Trade receivables (Achebe) $820.
(ii) 9 March 2024 – Step 1 (reinstate): Dr Trade receivables (Achebe) $820; Cr Irrecoverable debts recovered (income) $820.
Step 2 (receive cash): Dr Bank $820; Cr Trade receivables (Achebe) $820.

Bài tập luyện tập

In a period of **rising** purchase prices, compared with AVCO, the FIFO method of inventory valuation results in:

(A) Lower closing inventory and lower gross profit

(B) Higher closing inventory and higher gross profit

(C) Higher closing inventory and lower gross profit

(D) The same closing inventory value as AVCO

Lời giải chi tiết

FIFO values closing inventory at the most recent (higher) prices, giving a higher closing inventory figure and a lower cost of sales, and therefore **higher** gross profit than AVCO when prices are rising. **(B)**.

Bài tập luyện tập

In a period of **falling** purchase prices, compared with FIFO, the AVCO method of inventory valuation results in:

(A) Higher closing inventory value and higher reported profit than FIFO

(B) Lower closing inventory value and lower reported profit than FIFO

(C) The same values as FIFO, since AVCO ignores price changes

(D) Lower closing inventory value but higher reported profit than FIFO

Lời giải chi tiết

As shown in the worked example (FIFO closing inventory \$1,800 $<$ AVCO \$1,920; FIFO cost of sales \$4,600 $>$ AVCO \$4,480), when prices are falling, AVCO gives a **higher** closing inventory value and **higher** reported profit than FIFO. **(A)**.

Bài tập luyện tập

Opening inventory: 100 units @ \$5.00 = \$500. Purchases during the period: 300 units @ \$6.00 = \$1,800; 200 units @ \$6.50 = \$1,300. Total units available for sale = 600, total cost = \$3,600. During the period, 460 units are sold (issued), leaving 140 units in closing inventory. Calculate closing inventory value and cost of sales under FIFO and under AVCO, and reconcile each to total goods available.

Lời giải chi tiết

FIFO: cost of sales $= 100@5.00 + 300@6.00 + 60@6.50 = 500 + 1{,}800 + 390 = \boxed{\$2{,}690}$. Closing inventory $=$ 140 units (remaining from the last batch, $200 - 60 = 140$) @\$6.50 $= \boxed{\$910}$. Check: $2{,}690 + 910 = 3{,}600$ ✓

AVCO: weighted average $= 3{,}600/600 = \$6.00$ per unit. Cost of sales $= 460 \times 6.00 = \boxed{\$2{,}760}$. Closing inventory $= 140 \times 6.00 = \boxed{\$840}$. Check: $2{,}760 + 840 = 3{,}600$ ✓

As expected with rising prices, FIFO's closing inventory (\$910) exceeds AVCO's (\$840).

Bài tập luyện tập

At the year end, a business holds four items of inventory: Item W, cost \$3,000, expected selling price \$3,800, selling costs \$200; Item X, cost \$5,400, expected selling price \$5,000, further completion costs \$150, selling costs \$250; Item Y, cost \$1,800, expected selling price

$1,600, selling costs $100; Item Z, cost $2,200, expected selling price $2,900, selling costs $150. Calculate the NRV of each item, the value at which each should be included in the statement of financial position, the total inventory valuation, and the total write-down.

Lời giải chi tiết

Item W: NRV $= 3{,}800 - 200 = 3{,}600$; since NRV $>$ cost, value at **cost** $= \$3{,}000$ (no write-down).
Item X: NRV $= 5{,}000 - 150 - 250 = \$4{,}600$; since NRV $<$ cost ($5,400), value at NRV $= \boxed{\$4{,}600}$ (write-down $800).
Item Y: NRV $= 1{,}600 - 100 = \$1{,}500$; since NRV $<$ cost ($1,800), value at NRV $= \boxed{\$1{,}500}$ (write-down $300).
Item Z: NRV $= 2{,}900 - 150 = \$2{,}750$; since NRV $>$ cost, value at **cost** $= \$2{,}200$ (no write-down).

Total cost $= 3{,}000 + 5{,}400 + 1{,}800 + 2{,}200 = \$12{,}400$. Total inventory value (lower of cost and NRV) $= 3{,}000 + 4{,}600 + 1{,}500 + 2{,}200 = \boxed{\$11{,}300}$. Total write-down $= 12{,}400 - 11{,}300 = \boxed{\$1{,}100}$ $(= 800 + 300)$.

Bài tập luyện tập

Every transaction is recorded so that total debits equal total credits, keeping the accounting equation Assets = Capital + Liabilities in balance at all times. This is an application of:

(A) Dual aspect
(B) Realisation
(C) Accruals
(D) Consistency

Lời giải chi tiết

Recording two equal and opposite effects for every transaction, keeping the accounting equation balanced, is the **dual aspect** concept – the foundation of double-entry bookkeeping. **(A)**.

Bài tập luyện tập

The skill and loyalty of a company's employees, although valuable, does not appear as an asset in the statement of financial position because it cannot be reliably expressed in monetary terms. This reflects:

(A) Prudence
(B) Money measurement
(C) Materiality
(D) Going concern

Lời giải chi tiết

Only items that can be reliably measured in money are recorded in the accounts; this is the **money measurement** concept. **(B)**.

Bài tập luyện tập

Land was purchased ten years ago for $120,000. Its current market value is $310,000. Under which concept is the land still shown at $120,000 (less any impairment) in the statement of financial position?

(A) Realisation

(B) Historical cost

(C) Prudence

(D) Matching

Lời giải chi tiết

Assets continue to be recorded and carried at their original purchase cost, not current market value, under the **historical cost** concept. **(B)**.

Bài tập luyện tập

An asset costs $50,000, with an estimated residual value of $5,000 and useful life of 5 years under the straight-line method; the same asset is alternatively depreciated at 30% per annum reducing balance. Prepare a table showing the annual depreciation charge and net book value under each method for Years 1 to 3, and state which method charges more depreciation in Year 1.

Lời giải chi tiết

Straight-line: depreciation $= (50{,}000 - 5{,}000)/5 = \$9{,}000$ per year. NBV: Year 1 $= 41{,}000$; Year 2 $= 32{,}000$; Year 3 $= 23{,}000$.
Reducing balance (30%): Year 1: $50{,}000 \times 30\% = 15{,}000$, NBV $= 35{,}000$. Year 2: $35{,}000 \times 30\% = 10{,}500$, NBV $= 24{,}500$. Year 3: $24{,}500 \times 30\% = 7{,}350$, NBV $= 17{,}150$.

	Straight-line		Reducing balance	
Year	Charge $	NBV $	Charge $	NBV $
1	9,000	41,000	15,000	35,000
2	9,000	32,000	10,500	24,500
3	9,000	23,000	7,350	17,150

In Year 1, **reducing balance** charges more depreciation ($15,000) than straight-line ($9,000).

Bài tập luyện tập

When a non-current asset is part-exchanged for a new one, the part-exchange allowance granted by the supplier is treated in the disposal account as:

(A) A cash receipt only

(B) Part of the sale proceeds of the old asset, and also part of the cost of the new asset

(C) A revenue expense

(D) An addition to accumulated depreciation

Lời giải chi tiết

The allowance is a non-cash amount that is credited to the disposal account as part of the old asset's proceeds, and simultaneously forms part of the recorded cost of the new asset. **(B)**.

Bài tập luyện tập

At the previous year end, the allowance for doubtful debts was $4,200. At the current year end, trade receivables (after write-offs) total $150,000, and the business maintains an allowance of 2% of trade receivables. Calculate the new allowance required, determine whether it is an increase or decrease, give the journal entry, and calculate net trade receivables at the current year end.

Lời giải chi tiết

Allowance required $= 150{,}000 \times 2\% = \$3{,}000$. Compared with $4,200 brought forward, this is a **decrease** of $4{,}200 - 3{,}000 = \boxed{\$1{,}200}$.
Journal: Dr Allowance for doubtful debts $1,200; Cr Income statement (decrease in allowance – income) $1,200.
Net trade receivables $= 150{,}000 - 3{,}000 = \boxed{\$147{,}000}$.

Bài tập luyện tập

Rent for the three months January–March (of the next financial year) is paid in advance in December of the current year. Under the accruals concept, this payment should be:

(A) Expensed in full in the current year, since cash was paid

(B) Treated as a prepayment (asset) in the current year's statement of financial position and expensed next year

(C) Ignored until the cash is used

(D) Split equally between capital and revenue expenditure

Lời giải chi tiết

Since the rent relates to the following period, it must be carried forward as a **prepayment** (current asset) at the current year end, and charged as an expense in the period it actually relates to. **(B)**.

Bài tập luyện tập

A machine cost $45,000 on 1 January 2020, depreciated at 15% per annum straight line (no residual value). On 1 January 2023 (after 3 full years of depreciation), it is sold for cash of $22,000. Prepare the disposal account and state the profit or loss on disposal.

Lời giải chi tiết

Annual depreciation $= 45{,}000 \times 15\% = \$6{,}750$. Accumulated depreciation over 3 years $= 3 \times 6{,}750 = \$20{,}250$. NBV at disposal $= 45{,}000 - 20{,}250 = \$24{,}750$.

Disposal account – Dr		Cr	
Machine (cost)	45,000	Provision for depreciation	20,250
		Bank (proceeds)	22,000
		Income statement (loss on disposal)	2,750
Total	**45,000**	**Total**	**45,000**

Proceeds $22,000 $<$ NBV $24,750, so there is a **loss on disposal of $2,750**, charged as an expense in the income statement.

Bài tập luyện tập

State, with a one-sentence reason for each, whether the following are capital or revenue receipts: (a) cash received from issuing new ordinary shares $50,000; (b) cash sales of finished goods \$8,400; (c) proceeds from the sale of surplus factory land \$120,000; (d) commission received for arranging a shipment on behalf of another trader \$650.

Lời giải chi tiết

(a) **Capital receipt** – raising long-term finance by issuing shares.
(b) **Revenue receipt** – income from ordinary trading activity.
(c) **Capital receipt** – proceeds from disposing of a non-current asset.
(d) **Revenue receipt** – income from an ordinary trading/service activity.

Verification of Records: Correction of Errors, Suspense Accounts & Control Accounts

Mục tiêu Unit: Nhận diện sáu loại lỗi kế toán *không* làm bảng cân đối thử (trial balance) mất cân bằng — omission, commission, principle, original entry, complete reversal, compensating — và các loại lỗi *có* làm bảng cân đối thử mất cân bằng; mở và xử lý **tài khoản treo** (suspense account); lập **báo cáo điều chỉnh lợi nhuận** sau khi sửa lỗi (một số lỗi làm tăng lợi nhuận, một số làm giảm, một số không ảnh hưởng); hiểu mục đích và ghi sổ đầy đủ của **tài khoản đối chiếu công nợ** (control accounts) — chiết khấu, hàng trả lại, nợ khó đòi, séc bị từ chối, lãi phạt chậm trả, bù trừ công nợ (contra), hoàn tiền; và **đối chiếu** số dư tài khoản đối chiếu công nợ với bảng kê chi tiết từng khách hàng/nhà cung cấp.

3.1 Errors Not Revealed by a Trial Balance

3.1.1 Why the trial balance can still balance

A trial balance is nothing more than a list of every ledger account balance, split into a debit column and a credit column, whose two column totals are then compared. If the two totals agree, every transaction recorded so far has produced an *equal* debit and an *equal* credit somewhere in the ledgers. Agreement of the trial balance is therefore only a test that **total debits equal total credits** – it is *not* proof that every transaction was recorded correctly, completely, or in the right account. Six distinct types of error can be present in the ledgers, sometimes several at once, while the trial balance still balances perfectly.

The six errors not revealed by a trial balance

- **Error of omission** – a transaction is left out of the books entirely; neither a debit nor a credit is recorded anywhere.
- **Error of commission** – the entry is made in the correct *class* of account but the wrong *account* within that class (e.g. the wrong customer's or supplier's personal account).
- **Error of principle** – the entry is posted to the wrong *class* of account altogether, breaching a basic accounting distinction (most often, capital expenditure treated as revenue expenditure, or vice versa).
- **Error of original entry** – both accounts used are correct, but an incorrect amount (taken wrongly from the source document) is entered on both the debit and the credit side.
- **Complete reversal of entries** – the correct amount is posted to the correct two accounts, but the account that should have been debited is credited, and the account that should have been credited is debited.
- **Compensating errors** – two or more unrelated errors, coincidentally of equal value and opposite net effect on the trial balance, cancel each other out.

In every one of these six cases, whatever amount is (wrongly, or not at all) entered on the debit side is matched by an *equal* amount on the credit side (including the special case of omission, where the equal amount is zero on both sides) – so the trial balance totals still agree.

VN GIẢI THÍCH TIẾNG VIỆT

Bảng cân đối thử (trial balance) chỉ kiểm tra một điều duy nhất: **tổng Nợ = tổng Có**. Nó *không* đảm bảo rằng mọi giao dịch đã được ghi đúng, ghi đủ, hay ghi vào đúng tài khoản. Sáu loại lỗi sau đây luôn giữ cho Nợ vẫn bằng Có (dù nội dung ghi sổ sai): **omission** (bỏ sót hoàn toàn), **commission** (ghi đúng loại tài khoản nhưng sai tài khoản cụ thể), **principle** (ghi sai hẳn loại tài khoản, ví dụ nhầm chi phí với tài sản cố định), **original entry** (lấy sai số liệu gốc nhưng ghi số sai đó ở cả hai bên), **complete reversal** (ghi đúng số tiền, đúng hai tài khoản, nhưng đảo ngược bên Nợ/Có), và **compensating errors** (hai lỗi không liên quan tình cờ triệt tiêu nhau). Ghi nhớ: các lỗi này *không* cần tài khoản treo để sửa.

3.1.2 The six errors in detail

Each error below is illustrated with one transaction and the journal entry required to correct it once discovered.

Ví dụ mẫu 1 · Error of omission

On 14 March, goods were sold on credit to R. Patel for $840, but the transaction was never entered anywhere in the books – not in the sales journal, not in R. Patel's account, not in the Sales account.

Correcting journal entry:
Dr R. Patel $840
Cr Sales $840
Narrative: being the correction of a credit sale to R. Patel, previously omitted entirely from the books.

Ví dụ mẫu 2 · Error of commission

A credit purchase of goods, $1,260, from supplier T. Nolan was correctly entered in the Purchases account, but the credit entry was posted to the account of T. Norton – a different supplier – instead of T. Nolan.

Correcting journal entry:
Dr T. Norton $1,260
Cr T. Nolan $1,260
Narrative: correction of a credit purchase wrongly posted to T. Norton's account instead of T. Nolan's.

Ví dụ mẫu 3 · Error of principle

The cost of installing a new shop counter, $2,400 – capital expenditure, since it improves a non-current asset – was debited in full to the Repairs and Maintenance account (a revenue expense).

Correcting journal entry:
Dr Fixtures and Fittings $2,400
Cr Repairs and Maintenance $2,400

Narrative: reclassification of capital expenditure wrongly treated as a revenue expense.

Ví dụ mẫu 4 · Error of original entry

An invoice for stationery, correctly $470, was misread as $740 and that (wrong) figure of $740 was entered as both the debit in the Stationery account and the credit in the Bank account.

The overstatement on both sides is $740 - 470 = \$270$.
Correcting journal entry:
Dr Bank $270
Cr Stationery $270
Narrative: correction of stationery invoice wrongly recorded as $740 instead of $470.

Ví dụ mẫu 5 · Complete reversal of entries

A cheque of $960 received from credit customer J. Yates was recorded as a debit to J. Yates's account and a credit to the Bank account – exactly the reverse of the correct entry (Dr Bank, Cr J. Yates).

Because the wrong entry must first be cancelled and then the correct entry posted, the correction is for *double* the original amount: $2 \times \$960 = \$1{,}920$.
Correcting journal entry:
Dr Bank $1,920
Cr J. Yates $1,920
Narrative: correction of a cheque receipt from J. Yates, originally posted completely reversed.

Ví dụ mẫu 6 · Compensating errors

The Sales Day Book was overcast (added up too high) by $310, and – entirely independently, in the same trial balance period – the Purchases Day Book was also overcast by $310. The Sales account (a credit balance) is therefore $310 too high, while the Purchases account (a debit balance) is also $310 too high; since one overstatement is on the credit side and the other is on the debit side, and the amounts are equal, the trial balance still balances.

Correcting journal entry:
Dr Sales $310
Cr Purchases $310
Narrative: correction of two unrelated casting errors that had, by coincidence, cancelled out in the trial balance.

(!) Lỗi thường gặp: Học sinh thường nhầm tưởng **error of principle** hoặc **error of omission** sẽ làm bảng cân đối thử mất cân bằng vì "nghe có vẻ nghiêm trọng." Thực tế, mức độ nghiêm trọng của một lỗi (ví dụ ghi sai hẳn bản chất tài sản/chi phí) hoàn toàn không liên quan đến việc nó có làm Nợ $\neq$ Có hay không. Chỉ cần kiểm tra một câu hỏi duy nhất: *"Số tiền ghi Nợ có bằng số tiền ghi Có ở đâu đó trong sổ sách không?"* Nếu bằng nhau (dù sai tài khoản, sai loại, sai chiều, hay bằng không cả hai bên) $\Rightarrow$ một trong sáu lỗi trên, không cần tài khoản treo. Nếu không bằng nhau $\Rightarrow$ cần tài khoản treo (xem mục 3.2).

3.2 Errors That Cause the Trial Balance to Disagree: The Suspense Account

3.2.1 One-sided postings, unequal amounts, and casting/transposition errors

Any error in which the debit and credit sides of the ledgers are *not* kept equal will cause the trial balance to disagree. The commonest causes are:

Errors causing a trial balance to disagree

- **One-sided postings** – an entry is made on one side of the double entry (e.g. the debit) but the corresponding entry (the credit) is never made, or is made twice on the same side.
- **Unequal amounts posted** – the debit entry and the credit entry for the same transaction are recorded at two *different* amounts (e.g. debiting $450 but crediting $540).
- **Casting errors** – a column of figures (e.g. a day book, or a ledger account) is added up ("cast") incorrectly – overcast (too high) or undercast (too low) – and only one side of the double entry is affected by the miscast total.
- **Transposition errors** – the digits of a figure are transposed when copying it (e.g. $396 copied as $936), again affecting only one side, or affecting the two sides by different amounts.

Whenever the trial balance fails to agree, a **suspense account** is opened for exactly the amount of the difference, so that the trial balance can still be drawn up (temporarily) while the underlying error(s) are traced.

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Khi tổng Nợ và tổng Có của bảng cân đối thử *không* bằng nhau – do ghi thiếu một bên (one-sided posting), ghi hai bên với số tiền khác nhau, cộng sổ sai (casting error), hoặc chép nhầm vị trí chữ số (transposition error) – kế toán viên mở một **tài khoản treo (suspense account)** và đưa phần chênh lệch vào đó để bảng cân đối thử "cân" tạm thời trong khi tìm nguyên nhân thực sự. Đây là điểm khác biệt cốt lõi với sáu lỗi ở mục 3.1: những lỗi đó không bao giờ cần tài khoản treo vì Nợ luôn bằng Có.

3.2.2 Opening and clearing a suspense account

When the trial balance is first drawn up and disagrees, the suspense account is opened with a balance equal to the difference, entered on whichever side makes the trial balance totals agree (a debit balance in suspense if the credit column exceeds the debit column, since inserting the difference on the debit side restores agreement; a credit balance in suspense if the debit column exceeds the credit column). As each underlying error is traced, a correcting journal entry is posted: one side goes to the account that was wrong (or missing an entry), and the other side goes to the suspense account, gradually reducing its balance toward zero. Once every error causing the original discrepancy has been found, the suspense account balance is exactly nil and it can be closed – it must never appear as a permanent line in the statement of financial position.

Ví dụ mẫu 7 · Opening and clearing a suspense account

The trial balance of a business at 31 December failed to agree: the credit column exceeded the debit column by $186. A suspense account was opened with a debit balance of $186. Investigation subsequently revealed three separate one-sided postings, each a genuine payment correctly entered in the Bank account, but where the corresponding debit to the expense account had never been posted:

- Rent paid by cheque, $62, debited nowhere in the Rent account.
- Motor expenses paid by cheque, $54, debited nowhere in the Motor Expenses account.

- The Purchases account had also been undercast by $70 (its debit total was $70 too low).

Correcting journal entries:
Dr Rent $62; Cr Suspense $62.
Dr Motor Expenses $54; Cr Suspense $54.
Dr Purchases $70; Cr Suspense $70.

Suspense Account

Debit (Dr)		Credit (Cr)	
Balance b/d	186	Rent	62
		Motor expenses	54
		Purchases	70
Total	**186**	**Total**	**186**

The three corrections total exactly $62+54+70=\$186$, so the suspense account is fully cleared to nil – confirming that all the errors causing the original disagreement have now been found.

(!) Lỗi thường gặp: Lỗi thường gặp: khi ghi bút toán sửa cho **complete reversal of entries**, học sinh chỉ điều chỉnh đúng bằng số tiền gốc của giao dịch, trong khi thực tế phải điều chỉnh gấp **đôi** số tiền đó – vì phải (1) huỷ bút toán sai (đã ghi ngược Nợ/Có) và (2) ghi lại bút toán đúng. Tương tự, khi lập bút toán sửa liên quan đến tài khoản treo, hãy luôn kiểm tra chiều Nợ/Có của *chính tài khoản treo*: nếu tài khoản treo đang có số dư Nợ, thì bút toán sửa hợp lệ phải ghi **Có** vào tài khoản treo (để giảm dần số dư Nợ đó về không) – ghi nhầm chiều sẽ khiến số dư tài khoản treo tăng lên thay vì giảm.

3.3 Effect of Error Correction on Profit

Not every correcting entry changes profit. An error only affects the reported profit if it involves an account that appears in the statement of profit or loss (sales, purchases, returns, expenses, other income, inventory valuation, etc.). Errors that are entirely between two statement-of-financial-position accounts – for example, two receivables accounts, two payables accounts, or an asset and a liability account – have **no effect on profit** at all, even though they must still be corrected.

Rule for the statement of corrected profit:

- If correcting the error *increases* income or *decreases* an expense ⇒ **add** to draft profit.
- If correcting the error *decreases* income or *increases* an expense ⇒ **subtract** from draft profit.
- If correcting the error affects only assets and/or liabilities (no income or expense account) ⇒ **no effect** on profit; the correction is still made in the ledgers, but does not appear in the profit reconciliation.

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Không phải lỗi kế toán nào cũng ảnh hưởng đến lợi nhuận. Chỉ những lỗi liên quan đến tài khoản trong **báo cáo lãi/lỗ** (doanh thu, giá vốn, chi phí, hàng tồn kho cuối kỳ) mới làm thay đổi lợi nhuận đã tính. Lỗi xảy ra hoàn toàn giữa hai tài khoản thuộc **báo cáo tình hình tài chính** (ví dụ hai khoản phải thu, hoặc tài sản với nợ phải trả) thì *vẫn phải sửa sổ sách* nhưng **không** xuất hiện trong bảng điều chỉnh lợi nhuận. Quy tắc nhanh: chi phí tăng hoặc doanh thu giảm → trừ vào lợi nhuận nháp; chi phí giảm hoặc doanh thu tăng → cộng vào lợi nhuận nháp.

Ví dụ mẫu 8 · Statement of corrected profit

A business calculated a draft net profit of $24,650 for the year ended 31 December, before the following errors were discovered:

(a) The Purchases Day Book had been overcast by $210.

(b) Insurance prepaid of $340 at the year end had not been carried forward as a prepayment; the whole amount paid during the year had been charged as an expense.

(c) Discount allowed of $95 had been correctly recorded in the Discount Allowed account, but had also been entered a second time, in error, as an expense in Sundry Expenses.

(d) A motor vehicle purchased for $6,000 on 1 July had been debited in full to Motor Expenses instead of being capitalised; depreciation on motor vehicles is charged at 20% per annum on cost, straight-line, time-apportioned from the date of purchase.

(e) The Returns Inward account had been undercast by $150.

(f) A cheque payment of $500 to trade payable K. Lomas had been correctly entered in the Cash Book but posted to the account of a different supplier, R. Lomax.

Working for (d): removing the $6,000 wrongly charged to Motor Expenses increases profit by $6,000, but the vehicle must now be depreciated for the six months it was owned during the year: $\$6{,}000 \times 20\% \times \frac{6}{12} = \$600$, which reduces profit.

Working for (f): this error is entirely between two trade payables accounts (both statement of financial position items) – it has **no effect on profit**, though both ledger accounts must still be corrected.

	$	$
Draft net profit for the year ended 31 December		24,650
Add:		
Purchases Day Book overcast	210	
Insurance prepayment omitted	340	
Discount allowed posted twice as an expense	95	
Motor vehicle wrongly charged to Motor Expenses	6,000	
Subtotal		6,645
		31,295
Less:		
Depreciation on motor vehicle ($\$6{,}000 \times 20\% \times 6/12$)	600	
Returns Inward account undercast	150	
Subtotal		750
Corrected net profit for the year ended 31 December		**30,545**

(Item (f) – the K. Lomas / R. Lomax posting error – is corrected in the ledgers (Dr R. Lomax $500; Cr K. Lomas $500) but does not appear above, since it has no effect on profit.)

VN **GIẢI THÍCH TIẾNG VIỆT**

Trong Ví dụ mẫu 8, các lỗi (a)–(c) và phần đầu của (d) đều làm **tăng** lợi nhuận đã sửa vì chúng loại bỏ chi phí bị ghi thừa hoặc bổ sung khoản trả trước bị bỏ sót. Phần khấu hao xe (600) và lỗi (e) làm **giảm** lợi nhuận vì chúng bổ sung một chi phí (khấu hao) hoặc điều chỉnh giảm doanh thu ròng (hàng bán bị trả lại chưa ghi đủ). Lỗi (f) – chuyển nhầm giữa hai nhà cung cấp – hoàn toàn nằm trong báo cáo tình hình tài chính nên **không** xuất hiện trong bảng điều chỉnh lợi nhuận, dù vẫn phải sửa sổ chi tiết công nợ.

3.4 Control Accounts

3.4.1 Purpose of control accounts

A **control account** is a summary account that totals, in a single ledger account, every posting that is also being made individually to a subsidiary (personal) ledger – the **Sales Ledger Control Account (SLCA)** summarises the whole sales ledger (trade receivables); the **Purchases Ledger Control Account (PLCA)** summarises the whole purchases ledger (trade payables).

Why keep control accounts?

- **Arithmetic check** – if the control account balance agrees with the total of individual balances in the subsidiary ledger, this is strong evidence that both the ledger and the control account are free of casting and one-sided posting errors (though it cannot detect errors of principle, commission, or compensating errors that affect both equally).
- **A fast total** – the business can read off total trade receivables or payables for the statement of financial position instantly, without adding up hundreds of individual customer or supplier balances.
- **Deterrent to fraud** – when the control account is maintained by a different member of staff from those who post to the individual (personal) ledger accounts, any deliberate manipulation of an individual account (e.g. understating what a customer owes) will cause a disagreement with the control account total, making fraud far harder to conceal.

VN **GIẢI THÍCH TIẾNG VIỆT**

Tài khoản đối chiếu công nợ (control account) tổng hợp toàn bộ các bút toán mà đáng lẽ phải cộng dồn từ hàng trăm tài khoản chi tiết trong sổ phụ (sổ chi tiết khách hàng/nhà cung cấp). Ba lợi ích chính: (1) **kiểm tra số học nhanh** – nếu số dư tài khoản đối chiếu khớp với tổng bảng kê chi tiết, khả năng cao sổ sách không có lỗi cộng sổ hay ghi thiếu một bên; (2) **cho ra ngay tổng phải thu/phải trả** mà không cần cộng từng khách hàng; (3) **ngăn ngừa gian lận** – nếu người giữ tài khoản đối chiếu khác với người ghi sổ chi tiết, gian lận ở một tài khoản cá nhân sẽ lộ ra ngay khi hai số liệu không khớp.

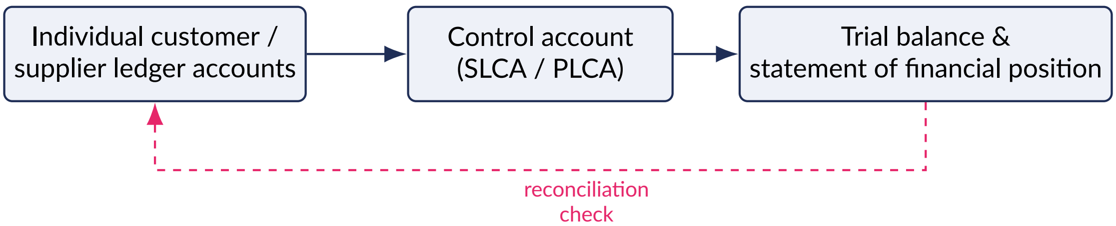
3.4.2 The full range of postings

Because a control account mirrors an entire subsidiary ledger, it must capture every type of transaction that can occur between the business and its customers or suppliers – not just the basic credit sale/purchase and cash receipt/payment.

Item	SLCA	PLCA
Balance b/d (main / usual balance)	Dr	Cr
Balance b/d (memorandum – unusual balance)	Cr	Dr
Credit sales / credit purchases	Dr	Cr
Cash and cheques received from customers / paid to suppliers	Cr	Dr
Discount allowed / discount received	Cr	Dr
Returns inward / returns outward	Cr	Dr
Irrecoverable debts written off	Cr	–
Dishonoured cheque (previously received/paid, now bounced)	Dr	–
Interest charged on an overdue account	Dr	Cr
Contra entry (set-off between the two ledgers)	Cr	Dr
Refund paid to a customer / refund received from a supplier	Dr	Cr
Balance c/d (main / usual balance)	Cr	Dr
Balance c/d (memorandum – unusual balance)	Dr	Cr

VN **GIẢI THÍCH TIẾNG VIỆT**

Bảng trên tóm tắt *mọi* loại bút toán có thể phát sinh trong tài khoản đối chiếu công nợ. Hai điểm dễ nhầm nhất: (1) **séc bị từ chối thanh toán (dishonoured cheque)** – khi séc khách hàng đã nộp trước đó bị ngân hàng từ chối, khoản nợ đó *phục hồi trở lại*, nên ghi **Nợ** vào SLCA (tăng lại số tiền khách hàng còn nợ); (2) **lãi phạt chậm trả (interest charged)** – doanh nghiệp tính thêm lãi cho khách hàng nợ quá hạn thì ghi **Nợ** SLCA (khách nợ thêm), còn khi nhà cung cấp tính lãi phạt cho doanh nghiệp thì ghi **Có** PLCA (doanh nghiệp nợ thêm).



Every posting made to an individual ledger account is also mirrored, in total, in the control account; the control account balance then feeds directly into the trial balance and the statement of financial position. Reconciling the schedule of individual balances against the control account balance (dashed arrow) confirms that both are correct.

3.4.3 Worked examples: constructing the SLCA and PLCA

Ví dụ mẫu 9 · Sales Ledger Control Account

For the month of April, a business had the following information relating to its trade receivables.

Balance b/d 1 April (debit balances)	$28,400
Balance b/d 1 April (credit balances – customers who had overpaid)	$180
Credit sales for the month	$96,500
Cash and cheques received from credit customers	$91,200
Discount allowed	$1,850
Sales returns (returns inward)	$2,300
Irrecoverable debts written off	$640
A customer's cheque, previously received and credited to their account, dishonoured	$310
Interest charged on an overdue account	$45
Contra entry with the Purchases Ledger Control Account	$500
Cash refund paid to a customer who had overpaid	$180
Balance c/d 30 April (credit balances – a different customer overpaid this month)	$65

Required: prepare the Sales Ledger Control Account for April, finding the closing balance of debit balances.

Solution.

Debit (Dr)		Credit (Cr)	
Balance b/d	28,400	Balance b/d (credit balances)	180
Sales	96,500	Bank	91,200
Dishonoured cheque	310	Discount allowed	1,850
Interest charged	45	Returns inward	2,300
Refund to customer	180	Irrecoverable debts written off	640
Balance c/d (credit balances)	65	Contra (purchases ledger)	500
		Balance c/d	28,830
Total	**125,500**	**Total**	**125,500**

The main closing balance is $\boxed{\$28{,}830}$ (Dr) – total trade receivables carried forward to 1 May – with a memorandum credit balance of $65 owed to one customer who overpaid during April.

Ví dụ mẫu 10 · Purchases Ledger Control Account

For the month of May, a business had the following information relating to its trade payables.

Balance b/d 1 May (credit balances)	$19,650
Balance b/d 1 May (debit balances – a supplier previously overpaid)	$240
Credit purchases for the month	$54,300
Payments to suppliers by cheque	$51,900
Discount received	$1,120
Purchases returns (returns outward)	$980
Contra entry with the Sales Ledger Control Account	$500
Interest charged by a supplier for late payment	$60
Refund received from a supplier, clearing the opening overpayment in full	$240
Balance c/d 31 May (debit balances – a different supplier overpaid this month)	$110

Required: prepare the Purchases Ledger Control Account for May, finding the closing balance of credit balances.

Solution.

Debit (Dr)		Credit (Cr)	
Balance b/d (debit balances)	240	Balance b/d	19,650
Bank	51,900	Purchases	54,300
Discount received	1,120	Interest charged	60
Purchases returns	980	Refund received	240
Contra (sales ledger)	500	Balance c/d (debit balances)	110
Balance c/d	19,620		
Total	**74,360**	**Total**	**74,360**

The main closing balance is $\boxed{\$19{,}620}$ (Cr) – total trade payables carried forward to 1 June – with a memorandum debit balance of $110 owed *to* the business by one supplier who was overpaid during May.

VN GIẢI THÍCH TIẾNG VIỆT

Số dư "bất thường" (Cr trong SLCA, hoặc Dr trong PLCA) luôn được trình bày như một **dòng ghi nhớ (memorandum)** riêng, nằm ở *phía đối diện* với số dư chính của tài khoản. Khi số dư bất thường đó được xử lý – ví dụ hoàn tiền cho khách hàng đã trả thừa (Ví dụ mẫu 9) hoặc nhận lại tiền hoàn từ nhà cung cấp đã trả thừa (Ví dụ mẫu 10) – bút toán xử lý luôn nằm ở phía *ngược lại* với số dư ghi nhớ ban đầu, để "xoá" dần số dư đó về không. Đây là lý do "Refund to customer" nằm bên Nợ của SLCA (đối diện với số dư ghi nhớ Có 180 ban đầu), còn "Refund received from supplier" nằm bên Có của PLCA (đối diện với số dư ghi nhớ Nợ 240 ban đầu).

(!) Lỗi thường gặp: Bút toán **contra** (bù trừ công nợ khi một khách hàng đồng thời cũng là nhà cung cấp) luôn phải ghi ở *cả hai* tài khoản đối chiếu cùng lúc, với số tiền bằng nhau: **Có** SLCA (giảm số tiền khách hàng đó còn nợ) và **Nợ** PLCA (giảm số tiền doanh nghiệp còn nợ nhà cung cấp đó). Quên ghi một trong hai bên sẽ khiến *cả hai* tài khoản đối chiếu không còn khớp với bảng kê chi tiết tương ứng – đây là lỗi rất phổ biến khi giải bài tập.

3.5 Reconciling the Control Account to the Schedule of Balances

At any date, the balance on a control account should equal the total of a **schedule** (list) of every individual balance in the corresponding subsidiary ledger. In practice the two figures frequently disagree at first, because errors can occur either in preparing the schedule (e.g. a balance omitted, transposed, or wrongly signed when the list was compiled) or in the control account itself (e.g. a total from a day book never posted to the control account, even though the individual ledger accounts were updated correctly). Reconciling the two means finding and correcting *both* sets of errors until they agree at a single, correct figure.

VN GIẢI THÍCH TIẾNG VIỆT

Bảng kê chi tiết (schedule) là danh sách cộng dồn số dư của *từng* khách hàng/nhà cung cấp riêng lẻ; số dư này về lý thuyết phải bằng số dư của tài khoản đối chiếu công nợ. Khi hai số liệu không khớp, lỗi có thể nằm ở **bảng kê** (bỏ sót một khách hàng, chép nhầm số, hoặc nhầm dấu Nợ/Có khi liệt kê) hoặc nằm ở **chính tài khoản đối chiếu** (một khoản đã ghi vào sổ chi tiết từng khách hàng nhưng quên chưa cộng vào tài khoản đối chiếu tổng). Phải tìm và sửa *cả hai* phía cho đến khi chúng khớp nhau tại một con số đúng duy nhất.

Ví dụ mẫu 11 · Reconciling the schedule of receivables to the SLCA

At 30 June, the Sales Ledger Control Account showed a debit balance of $42,860. The schedule of receivables (the list of individual balances extracted from the sales ledger) totalled only $41,970. Investigation revealed:

(i) The balance owing by J. Ferris, $450, had been completely omitted when the schedule was totalled.

(ii) R. Doyle's balance was correctly recorded in his account as $680, but had been listed in the schedule as $860.

(iii) The balance owing by M. Katz, $90, had also been omitted from the schedule.

(iv) The total of the Sales Returns Journal for June, $210, had been entered correctly in the individual customers' accounts but had never been posted to the Sales Ledger Control Account.

(v) A cheque of $320 received from a customer had been entered in the Cash Book and posted to the customer's individual account, but had never been posted to the Sales Ledger Control Account.

Required: reconcile the schedule of receivables to the corrected control account balance.

Solution.

Schedule of receivables	
Original total	41,970
Add: J. Ferris's balance omitted	450
Less: R. Doyle's balance overstated ($860 to $680)	(180)
Add: M. Katz's balance omitted	90
Corrected schedule total	**42,330**

Sales Ledger Control Account	
Original balance	42,860
Less: sales returns not posted	(210)
Less: cash received not posted	(320)
Corrected control account balance	**42,330**

Both figures now agree at $\boxed{\$42{,}330}$. Errors (i)–(iii) were errors in compiling the *schedule* only (the control account and individual accounts were already correct); errors (iv)–(v) were errors in the *control account* only (the individual accounts and schedule were already correct).

3.6 Problem Bank

Bài tập luyện tập

A cash sale of $260 was completely omitted from the accounting records – no entry was made in any account at all. This is an example of:

(A) An error of commission

(B) An error of omission

(C) An error of principle

(D) A compensating error

Lời giải chi tiết

No entry was made anywhere for the transaction, so nothing was recorded on either side of the double entry. **(B)**.

Bài tập luyện tập

A credit purchase from supplier A. Kwan, $740, was posted in error to the account of A. Khan, a different supplier. This is an example of:

(A) Error of principle
(B) Error of commission
(C) Error of original entry
(D) Complete reversal of entries

Lời giải chi tiết

The entry was made in the correct class of account (a payables/personal account) but the wrong specific account within that class – an error of commission. **(B)**.

Bài tập luyện tập

A business purchased office furniture for $1,850 (capital expenditure), but the bookkeeper debited the full amount to the Office Expenses account. Prepare the journal entry to correct this error.

Lời giải chi tiết

Dr Office Furniture (Fixtures and Fittings) $1,850
Cr Office Expenses $1,850
Narrative: correction of an error of principle – capital expenditure on office furniture had been wrongly treated as a revenue expense.

Bài tập luyện tập

A cheque payment of $620 to a credit supplier, M. Ovido, was entered as a debit in M. Ovido's account and a credit in the Bank account – the complete reverse of the correct entries. Prepare the journal entry to correct this error.

Lời giải chi tiết

Because the entry was completely reversed, both the cancellation of the wrong entry and the posting of the correct entry are needed – double the original amount: $2 \times \$620 = \$1{,}240$.
Dr M. Ovido $1,240
Cr Bank $1,240

Bài tập luyện tập

The Sales account was overcast by $200 and, independently, the Purchases account was also overcast by $200 in the same trial balance period. Because the two errors happen to cancel out, the trial balance still balances. This is an example of:

(A) Error of original entry
(B) Error of commission
(C) Compensating error
(D) Error of principle

Lời giải chi tiết

Two unrelated errors of equal value, cancelling each other's effect on the trial balance – a compensating error. **(C)**.

Bài tập luyện tập

An electricity bill, correctly $385, was misread and recorded as $358 in both the Electricity account (debit) and the Bank account (credit). Prepare the journal entry to correct this error.

Lời giải chi tiết

Understatement on both sides $= 385 - 358 = \$27$.
Dr Electricity $27
Cr Bank $27

Bài tập luyện tập

Which ONE of the following errors would require a suspense account to be opened?

(A) A motor van purchase debited to the Motor Expenses account

(B) Rent expense of $180 posted to the Rent account, with no corresponding credit entry made anywhere

(C) A credit sale to J. Kim recorded in J. Kane's account

(D) A cash purchase completely omitted from the books

Lời giải chi tiết

(A), (C), and (D) are, respectively, errors of principle, commission, and omission – all keep the trial balance in balance. (B) is a one-sided posting: an amount recorded on only one side of the double entry, causing the trial balance to disagree and requiring a suspense account. **(B)**.

Bài tập luyện tập

The trial balance at 30 September showed the credit column exceeding the debit column by $142. A suspense account was opened for the difference. Investigation revealed: (i) a cheque payment of $97 for stationery had been correctly entered in the Bank account, but the debit entry in the Stationery account had been omitted; (ii) the Discount Allowed account had been undercast by $45. Prepare the journal entries to correct these errors, and show the Suspense account.

Lời giải chi tiết

Journal entries:
Dr Stationery $97; Cr Suspense $97.
Dr Discount Allowed $45; Cr Suspense $45.

Suspense Account

Debit (Dr)		Credit (Cr)	
Balance b/d	142	Stationery	97
		Discount allowed	45
Total	**142**	**Total**	**142**

The two corrections total $97 + 45 = \$142$, clearing the suspense account exactly to nil.

Bài tập luyện tập

A suspense account is opened in the books when:

(A) A business wants to record drawings

(B) The trial balance fails to balance because of an error affecting only one side of the double entry, or unequal debit/credit amounts

(C) A customer's account shows a credit balance

(D) Depreciation is charged for the first time

Lời giải chi tiết

A suspense account exists purely to absorb a trial balance disagreement while its cause is traced. **(B)**.

Bài tập luyện tập

Draft net profit for the year ended 31 December was $15,200. On investigation: (a) the Wages account had been overcast by $180; (b) a payment of $150 to trade payable D. Shaw had been recorded correctly in both the Bank account and D. Shaw's account, but the true amount of the invoice was $510 (a transposition error in the original entry); (c) a provision for depreciation on office equipment had not been increased to reflect an addition of $1,000 (cost) bought on 1 October, depreciated at 10% per annum straight-line, time-apportioned; (d) closing inventory had been valued at $4,200 but should have been $4,450. Prepare a statement of corrected net profit.

Lời giải chi tiết

(b) is a transposition error entirely between two statement-of-financial-position accounts (Bank and D. Shaw, a trade payable) – both must be corrected by $360 ($510 - 150$), but this has **no effect on profit**. (c) additional depreciation $= \$1{,}000 \times 10\% \times 3/12 = \$25$.

	$	$
Draft net profit		15,200
Add: Wages account overcast	180	
Closing inventory undervalued ($4,450—$4,200)	250	
Subtotal		430
		15,630
Less: additional depreciation on office equipment		25
Corrected net profit		**15,605**

Bài tập luyện tập

A credit balance on an individual customer's account within the sales ledger most likely indicates that:

(A) The customer owes the business money

(B) The customer has overpaid, or has been given a credit note in excess of any amount owed

(C) The goods sold to the customer were faulty

(D) An error of principle has occurred

Lời giải chi tiết

A credit balance in what is normally a debit-balance (receivables) account means the customer's account has been "overpaid" from the business's point of view – the business now owes money back to the customer. **(B)**.

Bài tập luyện tập

A debit balance on an individual supplier's account within the purchases ledger most likely indicates that:

(A) The business owes the supplier money

(B) The business has overpaid the supplier, or is awaiting a refund or credit note

(C) The supplier has ceased trading

(D) A compensating error has occurred

Lời giải chi tiết

A debit balance in what is normally a credit-balance (payables) account means the business has paid the supplier more than it owed, or is due a credit – the supplier now effectively owes the business. **(B)**.

Bài tập luyện tập

For the month of March, a business had: Balance b/d 1 March, $21,300 (Dr); credit sales, $68,400; cash and cheques received from customers, $65,100; discount allowed, $1,240; returns inward, $1,850; irrecoverable debts written off, $390; contra with the Purchases Ledger Control Account, $300. Prepare the Sales Ledger Control Account and find the balance c/d at 31 March.

Lời giải chi tiết

Debit (Dr)		Credit (Cr)	
Balance b/d	21,300	Bank	65,100
Sales	68,400	Discount allowed	1,240
		Returns inward	1,850
		Irrecoverable debts written off	390
		Contra (purchases ledger)	300
		Balance c/d	20,820
Total	**89,700**	**Total**	**89,700**

Balance c/d = $\boxed{\$20{,}820}$ (Dr).

Bài tập luyện tập

For the same month of March, the same business had: Balance b/d 1 March, $14,700 (Cr); credit purchases, $38,900; payments to suppliers, $36,500; discount received, $720; returns outward, $540; interest charged by a supplier, $40; contra with the Sales Ledger Control Account, $300. Prepare the Purchases Ledger Control Account and find the balance c/d at 31 March.

Lời giải chi tiết

Debit (Dr)		Credit (Cr)	
Bank	36,500	Balance b/d	14,700
Discount received	720	Purchases	38,900
Returns outward	540	Interest charged	40
Contra (sales ledger)	300		
Balance c/d	15,580		
Total	**53,640**	**Total**	**53,640**

Balance c/d = $\boxed{\$15{,}580}$ (Cr).

Bài tập luyện tập

Which of the following is NOT normally cited as a purpose of maintaining control accounts?

(A) Providing a quick check on the arithmetical accuracy of the ledgers

(B) Providing a fast total of trade receivables/payables without listing every individual account

(C) Eliminating the need to keep individual customer and supplier accounts entirely

(D) Acting as a deterrent to fraud through separation of duties

Lời giải chi tiết

Control accounts *summarise* the subsidiary ledgers – they do not replace the need for individual customer and supplier accounts, which are still required to know how much each specific customer or supplier owes or is owed. **(C)**.

Bài tập luyện tập

A cheque previously received from a credit customer and recorded as settling their account is later dishonoured by the bank. The correcting entry in the Sales Ledger Control Account is to:

(A) Debit the control account, reinstating the debt

(B) Credit the control account, reducing the debt

(C) Make no entry, since the cheque was already recorded

(D) Debit the Purchases Ledger Control Account

Lời giải chi tiết

A dishonoured cheque means the customer's debt is not, after all, settled – it must be reinstated by debiting the Sales Ledger Control Account (and the individual customer's account). **(A)**.

Bài tập luyện tập

Interest charged by the business on a customer's overdue account balance is recorded in the Sales Ledger Control Account as a:

(A) Credit, decreasing the amount owed

(B) Debit, increasing the amount owed

(C) Contra entry

(D) Memorandum note only, never posted

Lời giải chi tiết

Interest charged to a customer increases what they owe – a debit to the Sales Ledger Control Account (and to the customer's individual account). **(B)**.

Bài tập luyện tập

A contra entry of $420 is made between the Sales Ledger Control Account and the Purchases Ledger Control Account, for a business that is both a customer and a supplier of K. Reyes. Show the double entry required.

Lời giải chi tiết

Dr Purchases Ledger Control Account $420 (reducing the amount owed to K. Reyes as a supplier)
    Cr Sales Ledger Control Account $420 (reducing the amount K. Reyes owes as a customer)
The corresponding entries are also made in K. Reyes's individual accounts in both the sales ledger and the purchases ledger.

Bài tập luyện tập

When an irrecoverable debt is written off, the Sales Ledger Control Account is:

(A) Debited, and the Irrecoverable Debts account is credited

(B) Credited, and the Irrecoverable Debts account is debited

(C) Debited, and the Bank account is credited

(D) Unaffected, since it is only a memorandum ledger

Lời giải chi tiết

Writing off a debt removes it from receivables (credit the Sales Ledger Control Account) and recognises the loss as an expense (debit Irrecoverable Debts). **(B)**.

Bài tập luyện tập

At 31 July, the Purchases Ledger Control Account showed a credit balance of $27,650, while the schedule of payables totalled $28,410. Investigation revealed: (i) the balance of K. Ansah, $95, had been included twice in the schedule; (ii) the total of the Purchases Returns Day Book, $310, had been posted correctly to the Purchases Ledger Control Account but had not been entered in the individual supplier's account, so it was missing from the schedule; (iii) the balance of T. Wray was correctly $620, but had been listed in the schedule as $975. Reconcile the schedule of payables to the control account balance.

Lời giải chi tiết

Schedule of payables	
Original total	28,410
Less: K. Ansah's balance counted twice	(95)
Less: purchases return omitted from schedule	(310)
Less: T. Wray's balance overstated ($975 to $620)	(355)
Corrected schedule total	**27,650**

This agrees exactly with the control account balance of $27,650; no correction is needed to the control account itself in this case.

Bài tập luyện tập

A cash refund paid to a customer who had overpaid their account is recorded in the Sales Ledger Control Account as a:

(A) Debit

(B) Credit

(C) Contra entry with the Purchases Ledger Control Account

(D) No entry is required

Lời giải chi tiết

The refund clears (reduces) the customer's credit balance – since that credit balance sits as a memorandum on the credit side of the control account, clearing it requires an entry on the opposite (debit) side. **(A)**.

Bài tập luyện tập

A Sales Ledger Control Account has: balance b/d 1 month, $18,400 (Dr); balance c/d at the month end, $19,650 (Dr); credit sales, $52,300; discount allowed, $980; returns inward, $1,120; irrecoverable debts written off, $210. Calculate the cash and cheques received from customers during the month.

Lời giải chi tiết

Total debit side $= 18{,}400 + 52{,}300 = \$70{,}700$.
Known credit-side items (excluding receipts and balance c/d) $= 980 + 1{,}120 + 210 = \$2{,}310$.
Since both sides must total $70,700 and the closing balance of $19,650 also sits on the credit side:

$$\text{Receipts} = 70{,}700 - 2{,}310 - 19{,}650 = \boxed{\$48{,}740}.$$

Bài tập luyện tập

A cash sale of $310 was correctly recorded in the Cash Book but was posted to the Rent Received account instead of the Sales account (both are income accounts appearing in the statement of profit or loss). What is the effect of correcting this error on net profit?

(A) Increases profit by $310

(B) Decreases profit by $310

(C) No effect on net profit

(D) Increases profit by $620

Lời giải chi tiết

Reclassifying an amount between two income accounts changes how total income is presented, but total income – and therefore net profit – is unchanged. **(C)**.

Bài tập luyện tập

Draft net profit for the year was $9,750. On investigation: (a) a cheque of $430 received from a customer was correctly entered in the Cash Book but posted to the account of a different customer; (b) carriage inwards of $140 was debited to the Carriage Outwards account instead of Carriage Inwards (both being expense accounts within the statement of profit or loss, though affecting different profit subtotals); (c) the Purchases account had been undercast by $95; (d) discount received of $60 had been omitted entirely from the accounts. Prepare a statement of corrected net profit.

Lời giải chi tiết

(a) is entirely between two receivables (statement of financial position) accounts – **no effect on profit**. (b) reallocates an expense between two expense accounts, both within the statement of profit or loss – total expenses, and so net profit, are unaffected (only gross profit would be affected if carriage inwards were misclassified as carriage outwards, but the question asks for net profit) – **no effect on net profit**. (c) understates an expense, so draft profit is currently too high – correcting requires **subtracting** $95. (d) omits income, so draft profit is currently too low – correcting requires **adding** $60.

	$	**$**
Draft net profit		9,750
Add: discount received omitted		60
		9,810
Less: Purchases account undercast		95
Corrected net profit		**9,715**

Bài tập luyện tập

At 1 September, a Purchases Ledger Control Account had balances: $22,900 (Cr, main) and $130 (Dr, memorandum – a supplier previously overpaid). During September: credit purchases, $61,200; payments to suppliers, $58,700; discount received, $1,340; purchases returns, $860; refund received from the supplier, clearing the opening $130 overpayment in full; contra entry with the Sales Ledger Control Account, $420. Prepare the Purchases Ledger Control Account and find the balance c/d at 30 September.

Lời giải chi tiết

Debit (Dr)		Credit (Cr)	
Balance b/d (memo)	130	Balance b/d	22,900
Bank	58,700	Purchases	61,200
Discount received	1,340	Refund received	130
Returns outward	860		
Contra (sales ledger)	420		
Balance c/d	22,780		
Total	**84,230**	**Total**	**84,230**

Balance c/d $= \boxed{\$22{,}780}$ (Cr); the opening overpayment memorandum balance of $130 is fully cleared by the refund, with no new memorandum balance arising this month.

Bài tập luyện tập

When correcting a completely reversed entry, the value of the correcting journal entry compared with the original transaction amount is:

(A) The same
(B) Half
(C) Double
(D) Unrelated to the original amount

Lời giải chi tiết

The wrong (reversed) entry must first be cancelled and the correct entry then posted – two corrections of the original amount, i.e. double. **(C)**.

Bài tập luyện tập

The trial balance of a business at 31 March failed to agree: the debit column exceeded the credit column by $65, so a suspense account was opened with a credit balance of $65. Draft net profit for the year was $12,300. Investigation revealed: (i) the Sales account had been undercast by $65; (ii) a repair to machinery costing $180 (revenue expenditure) had been correctly paid by cheque but had been debited in full to the Machinery account (a capital/asset account) instead of the Repairs account. Required: (a) journal entries to correct both errors, showing that the suspense account clears to nil; (b) a statement of corrected net profit.

Lời giải chi tiết

(a) Journal entries.
Dr Suspense $65; Cr Sales $65 (correcting the undercast of the Sales account – the missing credit had made the debit column appear $65 too high, exactly matching the credit balance in suspense).
Dr Repairs $180; Cr Machinery $180 (reclassifying revenue expenditure wrongly capitalised – an error of principle, which never affected the trial balance and so needs no suspense entry).

Debit (Dr)		Credit (Cr)	
Sales	65	Balance b/d	65
Total	**65**	**Total**	**65**

(b) Statement of corrected net profit.

	$	$
Draft net profit		12,300
Add: Sales account undercast		65
		12,365
Less: repair costs reclassified from Machinery to Repairs (revenue expense)		180
Corrected net profit		**12,185**

Bank Reconciliation & Incomplete Records

Mục tiêu Unit: Nguyên nhân chênh lệch giữa sổ quỹ (cash book) và sổ phụ ngân hàng (bank statement): séc chưa trình (unpresented cheques), tiền nộp chưa được ghi có (uncredited deposits), phí ngân hàng, lệnh thanh toán định kỳ (standing order), lệnh ghi nợ trực tiếp (direct debit), chuyển khoản/BACS nhận trực tiếp, séc bị từ chối thanh toán (dishonoured cheque), lãi tiền gửi, và sai sót của ngân hàng; phương pháp đối chiếu ngân hàng đầy đủ hai bước; sổ sách không đầy đủ (incomplete records) và phương pháp bảng cân đối tài sản thuần (statement of affairs) để tính vốn đầu/cuối kỳ và lợi nhuận; dựng lại các số liệu bị thiếu (doanh thu, mua hàng) bằng số học tài khoản kiểm soát; phân biệt margin và mark-up cùng cách quy đổi; tính giá trị hàng tồn kho/tiền mặt bị mất (cháy, trộm) để lập yêu cầu bồi thường bảo hiểm; và ảnh hưởng của việc rút hàng hoá/tiền mặt cho mục đích cá nhân lên các số liệu dựng lại.

4.1 Why Cash Book and Bank Statement Differ

At any given date, the balance shown in a business's own cash book (bank column) will rarely be identical to the balance shown on the bank statement issued by the bank – even though both are supposed to record the same bank account. The differences arise from two broad sources: **timing** (an item has been recorded by one party but not yet by the other) and **items known only to the bank** (transactions the bank processes automatically, which the business only discovers when the statement arrives). A third, rarer source is a genuine **error** made by the bank itself.

Causes of difference between cash book and bank statement

- **Unpresented cheques** – cheques the business has written and entered in its cash book (credit/payment side), but which the payee has not yet presented to the bank for payment, so the bank has not yet deducted them.
- **Uncredited (outstanding) deposits** – amounts the business has received and entered in its cash book (debit/receipt side) and paid into the bank, but which the bank has not yet processed and credited to the account.
- **Bank charges** – fees for running the account (e.g. transaction fees, overdraft fees) deducted automatically by the bank; the business only learns of these from the statement.
- **Standing orders** – fixed, regular payments (e.g. loan instalments, subscriptions) that the business has instructed the bank to pay automatically on set dates.
- **Direct debits** – variable regular payments (e.g. utility bills) that the business has authorised a third party to collect from its account via the bank.
- **Direct credit transfers / BACS receipts** – amounts paid directly into the business's bank account by a customer or other party (e.g. electronic transfer), without going through the business's own till or post.
- **Dishonoured cheques** – a cheque from a customer that the business banked and recorded as a receipt, but which is later returned unpaid ("bounced") by the customer's bank, reversing the earlier receipt.

- **Credit transfer interest** – interest the bank credits directly to the account (or, on an overdrawn balance, debits as interest charged).
- **Bank errors** – genuine mistakes by the bank itself, such as crediting or debiting another customer's transaction to the wrong account.

Category	Typical items	Where corrected
Known only to the bank (business finds out only from the statement)	Bank charges; standing orders; direct debits; direct credit transfers/BACS; dishonoured cheques; interest received or charged	**Cash book** (update it)
Timing differences (both parties already know, but one has not yet processed it)	Unpresented cheques; uncredited (outstanding) deposits	**Bank reconciliation statement** (adjust the bank statement balance)
Errors	Bank's own posting errors; business's own casting/transposition errors in the cash book	Correct on **whichever side made the mistake**

Classifying every cause of difference by who needs to record it, and where the correction belongs.

VN GIẢI THÍCH TIẾNG VIỆT

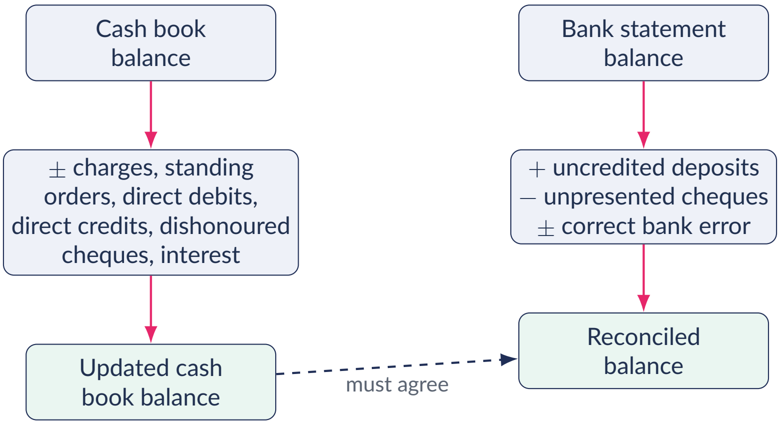
Sổ quỹ của doanh nghiệp và sổ phụ ngân hàng gần như không bao giờ trùng khớp tại một thời điểm, vì hai bên xử lý giao dịch không đồng thời. Có ba nhóm nguyên nhân: (1) **khác biệt thời điểm (timing)** – séc doanh nghiệp đã chi nhưng người nhận chưa đi rút tiền (unpresented cheques), hoặc tiền doanh nghiệp đã nộp nhưng ngân hàng chưa ghi có (uncredited deposits); (2) **khoản mục chỉ ngân hàng biết trước** – phí ngân hàng, lệnh thanh toán định kỳ (standing order), lệnh ghi nợ trực tiếp (direct debit), chuyển khoản nhận trực tiếp (direct credit/BACS), séc bị từ chối (dishonoured cheque), lãi tiền gửi – những khoản này doanh nghiệp chỉ biết khi nhận được sổ phụ; (3) **sai sót thực sự** – có thể do ngân hàng hoặc do chính doanh nghiệp ghi nhầm.

4.2 The Full Bank Reconciliation Method

Because the cash book and the bank statement differ for different reasons, a bank reconciliation is always performed in **two distinct stages**, never mixed together.

Stage 1 – Update the cash book. Add or deduct every item that was known to the bank first but not yet recorded by the business: bank charges, standing orders, direct debits, direct credit transfers/BACS receipts, dishonoured cheques, and interest. This produces the **updated (corrected) cash book balance** – the true balance of the bank account according to the business's own records.

Stage 2 – Reconcile the updated cash book to the bank statement. Starting from the balance per the bank statement, add uncredited (outstanding) deposits, deduct unpresented cheques, and correct any genuine bank error. The result must equal the updated cash book balance from Stage 1 – this is what proves the reconciliation is complete and correct.



The two-stage bank reconciliation: the cash book is updated first for items only the bank knew about; the bank statement balance is then adjusted for timing differences and any bank error. The two final figures must match.

GIẢI THÍCH TIẾNG VIỆT

VN

Đối chiếu ngân hàng luôn thực hiện theo **hai bước tách biệt**, không được trộn lẫn. **Bước 1**: cập nhật sổ quỹ (cash book) cho những khoản mà ngân hàng đã xử lý nhưng doanh nghiệp chưa ghi – phí ngân hàng, standing order, direct debit, chuyển khoản nhận trực tiếp, séc bị từ chối, lãi tiền gửi – ra **số dư sổ quỹ đã cập nhật**. **Bước 2**: bắt đầu từ số dư trên sổ phụ ngân hàng, cộng tiền đã nộp nhưng chưa được ghi có, trừ séc đã chi nhưng chưa được trình, và sửa sai sót của ngân hàng (nếu có) – ra số dư đã đối chiếu. Hai số dư cuối cùng ở Bước 1 và Bước 2 PHẢI bằng nhau – đó là bằng chứng bảng đối chiếu đã đúng và đầy đủ.

4.2.1 Worked example: standing order, direct debit and direct credit

Bank reconciliation — standing order, direct debit and direct credit

On 31 May, D. Farrow's cash book (bank column) shows a debit balance of $3,940. The bank statement for the same date has not yet been checked against the cash book. On comparing the two, the following are found on the bank statement but not yet recorded in the cash book: bank charges $50; a standing order for insurance $100; a direct debit for utilities $80; a direct credit transfer received from a customer, R. Nabakooza, $500; and credit interest of $20. In addition, cheques drawn and recorded in the cash book totalling $1,975 have not yet been presented for payment, and a deposit of $825 paid in and recorded in the cash book has not yet been credited by the bank.

Stage 1 – update the cash book:

Updated cash book	$
Balance per cash book, 31 May	3,940
Add: direct credit from R. Nabakooza	500
Add: credit interest	20
Less: bank charges	(50)
Less: standing order (insurance)	(100)
Less: direct debit (utilities)	(80)
Updated cash book balance	**4,230**

Stage 2 – reconcile to the bank statement, which must show a balance of $5,380:

Bank reconciliation statement, 31 May	$
Balance per bank statement	5,380
Add: deposit not yet credited	825
Less: unpresented cheques	(1,975)
Balance as per updated cash book	**4,230**

Both stages arrive at $4,230, so the reconciliation is complete.

4.2.2 Worked example: a dishonoured cheque

A dishonoured cheque is treated exactly like any other item known first to the bank: it reduces the cash book, because the receipt originally recorded no longer represents real cash.

Bank reconciliation — a dishonoured cheque

On 30 September, N. Ibeh's cash book (bank column) shows a debit balance of $6,200. The bank statement shows the following items not yet in the cash book: a cheque for $340 received earlier from a customer and banked, now returned marked "refer to drawer" (dishonoured); bank charges $65; a standing order for rent on storage space $250; a direct debit for insurance $150; and a direct credit transfer received from a customer of $410. Cheques paid out and recorded in the cash book but not yet presented total $2,140; a deposit recorded in the cash book but not yet credited by the bank totals $960.

Stage 1 – update the cash book:

Updated cash book	$
Balance per cash book, 30 Sept	6,200
Add: direct credit transfer	410
Less: dishonoured cheque	(340)
Less: bank charges	(65)
Less: standing order (storage rent)	(250)
Less: direct debit (insurance)	(150)
Updated cash book balance	**5,805**

Stage 2 – reconcile to the bank statement, which shows a balance of $6,985:

Bank reconciliation statement, 30 Sept	$
Balance per bank statement	6,985
Add: deposit not yet credited	960
Less: unpresented cheques	(2,140)
Balance as per updated cash book	**5,805**

Both figures agree at $5,805. Note that the dishonoured cheque is corrected only once, in the cash book – it must not also be deducted again in the reconciliation statement.

VN GIẢI THÍCH TIẾNG VIỆT

Séc bị từ chối thanh toán (dishonoured cheque) là séc khách hàng đã trả, doanh nghiệp đã nộp vào ngân hàng và ghi nhận là đã thu tiền – nhưng sau đó ngân hàng của khách hàng từ chối thanh toán (tài khoản không đủ tiền, chữ ký sai...). Vì khoản "đã thu" trước đó hoá ra không có thật, doanh nghiệp phải **trừ lại** số tiền này khỏi sổ quỹ (giống như đảo ngược bút toán thu tiền ban đầu), đồng thời ghi lại khoản phải thu từ khách hàng đó. Đây là điều chỉnh Ở SỔ QUỸ (Bước 1), không phải ở bảng đối chiếu.

4.2.3 Worked example: correcting a bank error

Besides timing differences and bank-only items, the bank statement can itself contain an **error** – for example, crediting or debiting another customer's transaction to the wrong account by mistake. A genuine bank error is corrected on the *bank statement side* of the reconciliation, never in the cash book, because the business's own records were correct all along.

Bank reconciliation — correcting a bank error

On 31 October, S. Kariuki's cash book (bank column) shows a debit balance of $2,910. The bank statement shows bank charges of $35, a standing order (loan repayment) of $300, and a direct credit transfer received from a customer, K. Dziedzic, of $625 – none yet recorded in the cash book. Cheques paid out and recorded in the cash book but not yet presented total $1,870; a deposit recorded but not yet credited totals $865. On checking the statement in detail, it is also discovered that the bank has mistakenly **debited** Kariuki's account with a $200 cheque payment that in fact belongs to a different customer of the bank.

Stage 1 – update the cash book (the bank error does not involve Kariuki's own records, so it plays no part here):

Updated cash book	$
Balance per cash book, 31 Oct	2,910
Add: direct credit from K. Dziedzic	625
Less: bank charges	(35)
Less: standing order (loan repayment)	(300)
Updated cash book balance	**3,200**

Stage 2 – reconcile to the bank statement, which shows a balance of $4,585:

Bank reconciliation statement, 31 Oct	$
Balance per bank statement	4,585
Add: deposit not yet credited	865
Add: bank error – another customer's cheque wrongly debited	200
Less: unpresented cheques	(1,870)
Balance as per updated cash book	**3,200**

Both stages agree at $3,200. The $200 is added back because the bank statement balance was understated by that amount through no fault of Kariuki's business.

VN GIẢI THÍCH TIẾNG VIỆT

Sai sót của chính ngân hàng (bank error) – ví dụ ghi nhầm một khoản chi/thu của khách hàng KHÁC vào tài khoản của doanh nghiệp – được sửa ở PHÍA SỔ PHỤ NGÂN HÀNG trong bảng đối chiếu, KHÔNG sửa sổ quỹ, vì sổ sách của doanh nghiệp vốn dĩ đã đúng ngay từ đầu. Nếu ngân hàng trừ nhầm (debit nhầm) một khoản không phải của doanh nghiệp, ta phải CỘNG lại số đó vào số dư sổ phụ khi lập bảng đối chiếu; ngược lại nếu ngân hàng ghi có nhầm cho doanh nghiệp một khoản của người khác, ta phải TRỪ số đó ra.

(!) Lỗi thường gặp: Dấu (cộng/trừ) của séc chưa trình (unpresented cheques) và tiền nộp chưa ghi có (uncredited deposits) rất dễ bị đảo ngược. Trong sổ quỹ, séc chưa trình **đã được trừ rồi** (doanh nghiệp đã ghi giảm khi viết séc) nhưng ngân hàng CHƯA trừ – vì vậy khi bắt đầu từ số dư sổ phụ ngân hàng (số dư này còn cao hơn thực tế vì chưa trừ séc), ta phải **TRỪ** séc chưa trình ra. Ngược lại, tiền nộp chưa được ghi có đã được CỘNG vào sổ quỹ rồi nhưng ngân hàng CHƯA cộng – nên ta phải **CỘNG** khoản này vào số dư sổ phụ. Mẹo ghi nhớ: bắt đầu từ số dư ngân hàng, hãy tưởng tượng ngân hàng "xử lý nốt" các khoản mà nó còn thiếu – cộng những gì nó chưa biết đã có tiền vào, trừ những gì nó chưa biết đã chi ra.

4.3 Incomplete Records: Foundations and the Statement of Affairs

Not every business keeps a full set of double-entry ledgers. Very small traders, market stallholders and some sole proprietors often keep only a cash book, a chequebook, a pile of unfiled invoices, and perhaps a memory of what they own and owe – a situation examiners call **incomplete records**. Common reasons include: the owner lacks bookkeeping training or the resources to employ someone who does; the business is too small to justify the cost of a full accounting system; or records have simply been lost (fire, theft, poor filing). Despite this, the business (and its bank, tax authority, or insurer) still needs to know how much profit was made and what the business is worth.

The statement of affairs method

Even without full double-entry records, the **accounting equation** always holds: Assets − Liabilities = Capital. A **statement of affairs** is simply a list of all known assets and liabilities at a given date, used to calculate capital (net assets) at that date – exactly like a statement of financial position, but built from an incomplete set of records rather than from ledger balances. Preparing one at the *start* and one at the *end* of a period, then adjusting for capital movements not related to trading, gives the profit for the period.

$$\text{Profit for the year} = \text{Closing capital} - \text{Opening capital} - \text{Capital introduced} + \text{Drawings}$$

where opening and closing capital are each found from a statement of affairs: **Capital** = **Assets** − **Liabilities** at that date. Capital introduced (fresh funds put into the business by the owner, unrelated to trading) is *subtracted* because it is not profit; drawings (cash or goods taken out for personal use) are *added back* because they reduced capital for reasons unrelated to trading performance.

4.3.1 Worked example: a full statement of affairs at two dates

Statement of affairs and profit for the year

F. Mensah keeps incomplete records. The following assets and liabilities are established by physical count and by examining bank statements and outstanding invoices:

	1 Jan 2026 ($)	31 Dec 2026 ($)
Premises	60,000	60,000
Equipment (net book value)	12,000	10,800
Inventory	9,300	11,750
Trade receivables	5,800	7,250
Bank	4,200	6,100
Cash in hand	320	410
Trade payables	(6,100)	(7,300)
Bank loan	(15,000)	(12,000)
Total assets	91,620	96,310
Total liabilities	(21,100)	(19,300)
Net assets (capital)	**70,520**	**77,010**

During the year, Mensah introduced additional capital of $3,500 and made drawings of $14,200.

$$\text{Profit} = 77{,}010 - 70{,}520 - 3{,}500 + 14{,}200 = \boxed{\$17{,}190}$$

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Phương pháp **statement of affairs** dựng lại vốn chủ sở hữu tại hai thời điểm bằng công thức Tài sản − Nợ phải trả = Vốn, sau đó dùng công thức: Lợi nhuận = Vốn cuối kỳ − Vốn đầu kỳ − Vốn góp thêm + Rút vốn. Lưu ý: vốn góp thêm trong kỳ (capital introduced) làm vốn TĂNG nhưng không phải do kinh doanh có lãi, nên phải TRỪ ra khi tính lợi nhuận thực; ngược lại rút vốn (drawings) làm vốn GIẢM nhưng không phải do kinh doanh lỗ, nên phải CỘNG trở lại. Nếu quên hai điều chỉnh này, lợi nhuận tính ra sẽ sai hoàn toàn.

4.4 Reconstructing Missing Figures with Control Accounts

When records are incomplete, figures such as total credit sales or total credit purchases for the year are often not known directly – only the opening and closing balances of receivables/payables, and a jumble of receipts, payments, discounts, returns and write-offs. The **control account** technique reconstructs the missing figure as a single balancing entry, using exactly the same double-entry logic as a full receivables or payables ledger control account.

Receivables (sales ledger) control account – debit side: opening balance b/d, credit sales (the figure usually missing); credit side: cash/cheque received from customers, discount allowed, sales returns (returns inwards), irrecoverable debts written off, closing balance c/d. The missing credit sales figure is found by making both sides balance.

Payables (purchases ledger) control account – credit side: opening balance b/d, credit purchases (the figure usually missing); debit side: cash/cheque paid to suppliers, discount received, purchases returns (returns outwards), contra entries with the sales ledger, closing balance c/d. The missing credit purchases figure is found the same way.

Receivables control account		Payables control account	
Debit	$	**Credit**	$
Balance b/d	X	Balance b/d	X
Credit sales (missing figure)	X	Credit purchases (missing figure)	X
Credit	$	**Debit**	$
Cash/cheque received	X	Cash/cheque paid	X
Discount allowed	X	Discount received	X
Sales returns	X	Purchases returns	X
Irrecoverable debts written off	X	Contra with sales ledger	X
Balance c/d	X	Balance c/d	X

Layout of the two control accounts side by side. In each case the unknown figure (credit sales, or credit purchases) is the amount needed to make both sides of the account total to the same figure.

4.4.1 Worked example: total sales from a receivables control account

Receivables control account — finding total sales

A trader's records for the year show: trade receivables at the start of the year $8,400 and at the end of the year $9,700; receipts from receivables during the year $142,600; discount allowed $2,150; sales returns (returns inwards) $3,200; and irrecoverable debts written off $1,050. Cash sales (made directly for cash, never entered as receivables) were a further $18,500. Calculate total credit sales and total sales for the year.

Receivables control account	
Balance b/d	8,400
Credit sales (balancing figure)	150,300
Total debit	**158,700**

	$
Cash/cheque received	142,600
Discount allowed	2,150
Sales returns	3,200
Irrecoverable debts	1,050
Balance c/d	9,700
Total credit	**158,700**

Credit sales $= 158{,}700 - 8{,}400 = \$150{,}300$. Adding cash sales: total sales $= 150{,}300 + 18{,}500 = \boxed{\$168{,}800}$.

4.4.2 Worked example: total purchases from a payables control account

Payables control account — finding total purchases

A trader's records show trade payables at the start of the year $6,900 and at the end of the year $7,550; payments to suppliers by cheque during the year $128,400; discount received $1,880; purchases returns (returns outwards) $2,650; and a contra entry with the sales ledger (a customer who is also a supplier) of $400. Cash purchases (paid for immediately, never entered as payables) were a further $9,200. Calculate total credit purchases and total purchases for the year.

Total debit side of the control account: $128{,}400 + 1{,}880 + 2{,}650 + 400 + 7{,}550 = \$140{,}880$. This must equal balance b/d plus credit purchases, so:

$$\text{Credit purchases} = 140{,}880 - 6{,}900 = \$133{,}980.$$

Adding cash purchases: total purchases $= 133{,}980 + 9{,}200 = \boxed{\$143{,}180}$.

VN GIẢI THÍCH TIẾNG VIỆT

Khi không có sổ sách đầy đủ, ta vẫn có thể "dựng lại" tổng doanh thu bán chịu hoặc tổng mua hàng chịu bằng cách lập tài khoản kiểm soát (control account) và coi số liệu cần tìm là **số dư cân bằng (balancing figure)**. Với tài khoản phải thu (receivables): Nợ đầu kỳ + Doanh thu bán chịu = Tiền đã thu + Chiết khấu cho khách + Hàng bán bị trả lại + Nợ khó đòi đã xoá + Dư Nợ cuối kỳ. Với tài khoản phải trả (payables), logic tương tự nhưng đảo vị trí Nợ/Có. Đừng quên cộng thêm doanh thu/mua hàng bằng TIỀN MẶT (không qua công nợ) để ra tổng doanh thu/tổng mua hàng thực sự.

4.5 Gross Profit Margin and Mark-Up

Many incomplete-records problems give a known, standard percentage relationship between cost and selling price instead of (or as well as) control-account data. It is essential to distinguish precisely between the two possible percentages.

$$\text{Margin} = \frac{\text{Gross profit}}{\text{Sales}} \qquad \text{Mark-up} = \frac{\text{Gross profit}}{\text{Cost of sales}}$$

Both measure the same gross profit, but as a percentage of two different bases (sales vs. cost of sales), so the two percentages are never numerically equal (except at 0%). If margin $= m$ (as a decimal), then mark-up $= \frac{m}{1-m}$. If mark-up $= k$ (as a decimal), then margin $= \frac{k}{1+k}$.

Useful shortcuts once cost of sales (COS) is known: with a margin of m, Sales $= \frac{\text{COS}}{1-m}$. With a mark-up of k, Sales = COS $\times (1+k)$.

Margin	Equivalent mark-up	Sales as a multiple of cost of sales
20%	25%	$\times 1.25$
25%	33.33%	$\times 1.333$
30%	42.86%	$\times 1.4286$
33.33%	50%	$\times 1.50$
40%	66.67%	$\times 1.667$
50%	100%	$\times 2.00$

Common margin/mark-up equivalences. Notice the mark-up is always the larger number for the same underlying gross profit.

4.5.1 Worked example: converting margin to mark-up

Margin to mark-up conversion

A trader's inventory records show: opening inventory $9,000; purchases $118,000; closing inventory $11,500. The trader achieves a uniform gross profit **margin** of 30% on all sales.

Cost of sales $= 9{,}000 + 118{,}000 - 11{,}500 = \$115{,}500$.
Since margin $= 30\%$, cost of sales represents 70% of sales:

$$\text{Sales} = \frac{115{,}500}{0.70} = \boxed{\$165{,}000}$$

Check: gross profit $= 165{,}000 - 115{,}500 = 49{,}500$; as a margin, $49{,}500/165{,}000 = 30\%$. Correct.

The equivalent **mark-up** on cost is $\frac{0.30}{1-0.30} = \frac{0.30}{0.70} = 42.86\%$ (approximately $3/7$). Check via mark-up: Sales $= 115{,}500 \times 1.4286 = \$165{,}000$ – the same figure, confirming margin and mark-up are simply two different ways of expressing the identical gross profit.

4.5.2 Worked example: missing purchases from a known mark-up

Missing purchases from mark-up and sales

A trader's sales for the year were \$198,000, achieved at a uniform mark-up of 25% on cost. Opening inventory was \$14,200 and closing inventory was \$16,800. Calculate the figure for purchases during the year.

Since mark-up $= 25\%$, sales $= 125\%$ of cost of sales, so:

$$\text{Cost of sales} = \frac{198{,}000}{1.25} = \$158{,}400$$

Cost of sales = Opening inventory + Purchases − Closing inventory, so:

$$\text{Purchases} = 158{,}400 - 14{,}200 + 16{,}800 = \boxed{\$161{,}000}$$

Check: cost of sales $= 14{,}200 + 161{,}000 - 16{,}800 = 158{,}400$; gross profit $= 198{,}000 - 158{,}400 = 39{,}600$; mark-up $= 39{,}600/158{,}400 = 25\%$. Correct.

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Margin = Lãi gộp ÷ DOANH THU; **mark-up** = Lãi gộp ÷ GIÁ VỐN HÀNG BÁN. Vì mẫu số khác nhau (doanh thu luôn lớn hơn giá vốn khi có lãi), nên với cùng một khoản lãi gộp, mark-up luôn LỚN HƠN margin về mặt số học. Công thức quy đổi: mark-up $= \dfrac{\text{margin}}{1 - \text{margin}}$; margin $= \dfrac{\text{mark-up}}{1 + \text{mark-up}}$. Khi biết margin và giá vốn, Doanh thu = Giá vốn $\div(1 - \text{margin})$; khi biết mark-up và giá vốn, Doanh thu = Giá vốn $\times(1 + \text{mark-up})$. Đề thi thường cho một trong hai loại phần trăm và yêu cầu suy ra doanh thu, giá vốn, hoặc số mua hàng còn thiếu.

(!) Lỗi thường gặp: Lỗi phổ biến nhất trong các bài incomplete records là **áp dụng nhầm công thức margin cho mark-up** (hoặc ngược lại). Nếu đề cho "mark-up 25%" mà học sinh tính Doanh thu = Giá vốn $\div(1 - 25\%)$ (công thức của margin) thay vì Doanh thu = Giá vốn $\times(1 + 25\%)$ (công thức đúng của mark-up), kết quả sẽ sai hoàn toàn. Luôn đọc kỹ đề: "margin/profit as a percentage of sales/selling price" ⇒ dùng công thức margin; "mark-up/profit as a percentage of cost" ⇒ dùng công thức mark-up. Khi nghi ngờ, hãy luôn TÍNH LẠI lãi gộp từ kết quả và kiểm tra tỉ lệ phần trăm có khớp với đề bài không.

4.6 Inventory and Cash Losses: The Insurance Claim Method

When inventory is destroyed (fire, flood) or cash is stolen, the business rarely has an exact count of what was lost – especially if the loss happened partway through a period, before a physical count could be taken. The standard technique is to use the trader's **normal** gross profit margin or mark-up to calculate what the cost of sales, and therefore the inventory that *should* still be on hand, ought to have been – then compare this to what was actually recovered (a physical count of salvaged stock, or cash actually accounted for) to arrive at the value of the loss for an insurance claim.

Stock loss (margin or mark-up method):

$$\text{Inventory that should be on hand} = \text{Opening inventory} + \text{Purchases} - \text{Cost of sales}$$

(purchases and cost of sales measured only up to the date of the loss; cost of sales is calculated from sales to that date using the known margin or mark-up). The **insurance claim** is then:

$$\text{Claim} = \text{Inventory that should be on hand} - \text{Inventory salvaged (physical count)}$$

4.6.1 Worked example: insurance claim for stock lost in a fire

Insurance claim for stock lost in a fire — margin method

A fire destroys most of R. Adjei's inventory on 30 April. From surviving records: inventory at 1 January was $22,000; purchases from 1 January to the date of the fire were $86,000; sales over the same period were $142,000. The business normally earns a gross profit **margin** of 35%. A physical count of the fire-damaged premises recovers salvaged stock valued at $4,300. Calculate the value of the insurance claim for stock lost.

Cost of sales to date of fire $= 142{,}000 \times (1 - 0.35) = 142{,}000 \times 0.65 = \$92{,}300$.
Inventory that should be on hand immediately before the fire:

$$22{,}000 + 86{,}000 - 92{,}300 = \$15{,}700$$

Insurance claim $= 15{,}700 - 4{,}300 = \boxed{\$11{,}400}$.

4.6.2 Worked example: cash shortage using the mark-up method

Cash shortage from till receipts — mark-up method

A market trader restocks weekly and sells entirely for cash. Physical stock records show that goods costing $4,800 were sold during the week. The trader always marks up goods by 40% on cost. During the week, $6,100 was banked, $180 was paid in cash for sundry shop expenses directly from the till, and $260 was taken as cash drawings – both recorded in the trader's notebook. The trader suspects the till has been short-changed by an employee. Calculate the suspected shortage.

Expected cash takings for the week (at the normal mark-up):

$$4{,}800 \times 1.40 = \$6{,}720$$

Cash actually accounted for: banked $6,100 + till expenses $180 + drawings $260 = $6,540.
Shortage $= 6{,}720 - 6{,}540 = \boxed{\$180}$ – the amount apparently missing from the till.

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Khi hàng tồn kho bị cháy/mất hoặc tiền mặt bị nghi ngờ thất thoát, ta không thể đếm trực tiếp số đã mất – thay vào đó, dùng **margin/mark-up thông thường** của doanh nghiệp để tính ra giá vốn hàng bán từ doanh thu đã biết, từ đó suy ra lượng hàng tồn kho "LẼ RA phải còn" tại thời điểm xảy ra sự cố (Tồn đầu kỳ + Mua hàng − Giá vốn hàng bán). So sánh con số này với số hàng thực tế đếm được (hàng cứu được sau cháy, hoặc tiền mặt thực tế thu được), phần chênh lệch chính là giá trị tổn thất dùng để yêu cầu bảo hiểm bồi thường hoặc để điều tra thất thoát.

4.7 Drawings of Goods and Cash

A sole trader who takes goods from the business's own inventory for personal use (rather than cash) has effectively made a **drawing at cost**, not a sale. If this is not correctly removed from the cost-of-sales calculation, the cost of sales figure – calculated mechanically as Opening inventory + Purchases − Closing inventory – would wrongly include those goods as if they had been sold, understating gross profit (or distorting a missing-sales calculation based on margin/mark-up).

Correcting for drawings of goods

Goods drawn for personal use, valued at **cost** (never at selling price), must be deducted from the goods available for sale before the margin or mark-up is applied:

$$\text{True cost of sales} = \text{Opening inv.} + \text{Purchases} - \text{Closing inv.} - \text{Drawings of goods (at cost)}$$

Cash drawings do not affect the cost-of-sales or gross-profit calculation at all – they simply reduce capital and are added back in the statement-of-affairs profit formula (Section 4.3).

4.7.1 Worked example: drawings of goods and the missing sales figure

Drawings of goods and the missing sales figure

A trader's inventory records show: opening inventory \$10,000; purchases \$95,000; closing inventory \$8,500. During the year the trader took goods costing \$1,200 out of inventory for personal use. The business earns a uniform gross profit **margin** of 20% on all goods actually sold. Calculate sales for the year.

Goods available for sale, at cost, before removing drawings:

$$10{,}000 + 95{,}000 - 8{,}500 = \$96{,}500$$

Deduct drawings of goods (at cost, since these were not sold):

$$\text{True cost of sales} = 96{,}500 - 1{,}200 = \$95{,}300$$

Since margin $= 20\%$, cost of sales represents 80% of sales:

$$\text{Sales} = \frac{95{,}300}{0.80} = \boxed{\$119{,}125}$$

Check: gross profit $= 119{,}125 - 95{,}300 = 23{,}825$; margin $= 23{,}825/119{,}125 = 20\%$. Correct.

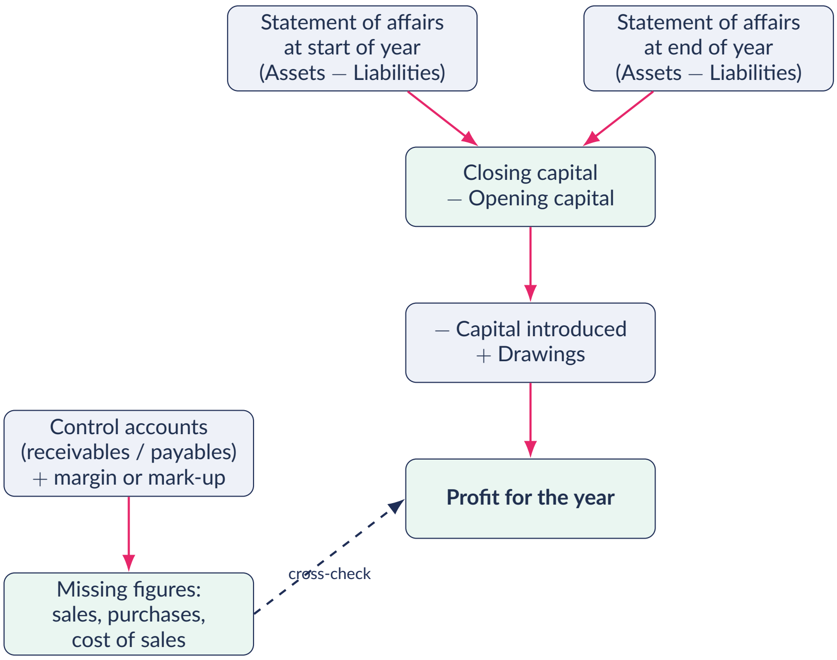
VN **GIẢI THÍCH TIẾNG VIỆT**

Khi chủ doanh nghiệp **rút hàng hoá** (không phải tiền mặt) để dùng cá nhân, đây là một khoản rút vốn được định giá theo GIÁ VỐN (không phải giá bán), và phải bị TRỪ RA khỏi "hàng có sẵn để bán" trước khi áp dụng margin/mark-up – nếu không, giá vốn hàng bán tính ra sẽ bị thổi phồng (coi nhầm số hàng đã rút là đã bán), khiến lợi nhuận gộp bị tính sai. Ngược lại, **rút tiền mặt (cash drawings)** không ảnh hưởng gì đến phép tính giá vốn/lãi gộp – nó chỉ làm giảm vốn chủ sở hữu và được CỘNG LẠI trong công thức tính lợi nhuận theo phương pháp statement of affairs.

(!) Lỗi thường gặp: Đừng quên trừ hàng hoá rút cho mục đích cá nhân (drawings of goods) ra khỏi phép tính giá vốn hàng bán trước khi áp margin/mark-up – nếu bỏ sót bước này, giá vốn hàng bán tính được sẽ CAO HƠN thực tế (vì bao gồm cả hàng không hề bán), khiến doanh thu suy ra từ margin/mark-up bị SAI (thường là thấp hơn thực tế). Đồng thời, cũng đừng nhầm rút hàng hoá với rút tiền mặt: chỉ có rút hàng hoá mới ảnh hưởng đến phép tính giá vốn/lãi gộp; rút tiền mặt chỉ ảnh hưởng đến công thức tính lợi nhuận theo statement of affairs.

4.8 Incomplete Records: The Reconstruction Logic in One Picture

The techniques of this unit all fit together into a single reconstruction process: two statements of affairs give the change in net assets; control accounts and margin/mark-up analysis independently reconstruct the trading figures; and, when both routes are available, they should cross-check against each other.



The incomplete-records reconstruction logic: two statements of affairs (top) yield the change in net assets, adjusted for capital introduced and drawings, to give profit. Independently, control accounts and margin/mark-up analysis (left) reconstruct the missing trading figures. Where both a full income statement and a statement-of-affairs profit figure can be built, they should reconcile.

VN **GIẢI THÍCH TIẾNG VIỆT**

Sơ đồ trên tóm tắt toàn bộ logic của chương: có **hai con đường độc lập** để tái dựng thông tin tài chính khi sổ sách không đầy đủ. Con đường thứ nhất (statement of affairs) so sánh tài sản thuần đầu kỳ và cuối kỳ, điều chỉnh vốn góp thêm và rút vốn, ra lợi nhuận. Con đường thứ hai (tài khoản kiểm soát + margin/mark-up) dựng lại từng số liệu giao dịch cụ thể (doanh thu, mua hàng, giá vốn) để lập được một Báo cáo thu nhập gần như đầy đủ. Khi đề bài cho đủ dữ kiện để làm cả hai cách, lợi nhuận tính ra từ hai con đường phải KHỚP NHAU – đây là cách tự kiểm tra bài làm rất hiệu quả trong phòng thi.

4.9 Problem Bank

Bài tập luyện tập

Which of the following causes a difference between the cash book and the bank statement that will resolve itself automatically over the following days, requiring no correction to either the cash book or the bank statement?

(A) Bank charges
(B) Unpresented cheques
(C) A standing order
(D) A dishonoured cheque

Lời giải chi tiết

Unpresented cheques are a pure timing difference: the business has already recorded them, and once the payee presents the cheque, the bank will process it and the difference disappears on its own. **(B)**.

Bài tập luyện tập

A direct credit transfer of $500 from a customer appears on the bank statement but has not yet been entered in the cash book. To update the cash book, the business should:

(A) Debit the cash book $500
(B) Credit the cash book $500
(C) Make no entry, since the bank has already recorded it
(D) Debit the bank reconciliation statement $500

Lời giải chi tiết

Money has been received into the bank account, increasing the asset "bank," so the cash book (bank column) is debited by $500. **(A)**.

Bài tập luyện tập

A genuine error made by the bank (e.g. crediting another customer's deposit to the wrong account) should be corrected:

(A) In the cash book only
(B) On the bank statement side of the reconciliation, since the business's own records were correct
(C) By ignoring it, since the bank will notice eventually
(D) By adjusting both the cash book and the bank statement by the same amount

Lời giải chi tiết

Since the business's own records were correct throughout, the error is corrected only on the bank statement side of the reconciliation statement. **(B)**.

Bài tập luyện tập

On 31 August, T. Owusu's cash book (bank column) shows a debit balance of $5,240. The bank statement shows a standing order for rates of $180 and bank charges of $60, neither yet in the cash book, plus a direct credit transfer received from a customer of $420. Cheques drawn but not yet presented total $1,850; a deposit paid in but not yet credited totals $760. Prepare the updated cash book and a bank reconciliation statement, and confirm the two figures agree.

Lời giải chi tiết

Updated cash book: $5{,}240 + 420 - 180 - 60 = \boxed{\$5{,}420}$.
Bank reconciliation: balance per bank statement (given, must be) $\$6{,}510$; $6{,}510 + 760 - 1{,}850 = \boxed{\$5{,}420}$ – the two figures agree.

Bài tập luyện tập

On 30 September, N. Ibeh's cash book (bank column) shows a debit balance of $3,860. A cheque for $275 received earlier from a customer has been dishonoured; bank charges of $45 and a standing order of $150 also appear on the statement but not in the cash book; a direct credit transfer of $310 was received from another customer. Cheques not yet presented total $1,975; a deposit not yet credited totals $700. Prepare the updated cash book and confirm the bank statement must show a balance of $4,975.

Lời giải chi tiết

Updated cash book: $3{,}860 + 310 - 275 - 45 - 150 = \boxed{\$3{,}700}$.

Reconciliation: $4{,}975 + 700 - 1{,}975 = \boxed{\$3{,}700}$ – confirms the bank statement balance of $4,975 is consistent with the updated cash book.

Bài tập luyện tập

On 31 October, Z. Haile's cash book (bank column) shows a debit balance of $7,120. Bank charges of $55, a standing order of $200, and a direct credit transfer of $410 appear on the bank statement but not in the cash book. Cheques drawn but not yet presented total $2,300; a deposit not yet credited totals $915. It is discovered that the bank wrongly debited Haile's account with a $200 cheque payment belonging to a different customer. Prepare the updated cash book and the bank reconciliation statement, confirming the bank statement balance of $8,460 reconciles correctly.

Lời giải chi tiết

Updated cash book: $7{,}120 + 410 - 55 - 200 = \boxed{\$7{,}275}$.

Reconciliation: $8{,}460 + 915 - 2{,}300 + 200 = \boxed{\$7{,}275}$ (the $200 wrongly debited by the bank is added back) – the figures agree.

Bài tập luyện tập

In a bank reconciliation, a $500 cheque received from a customer and previously recorded as a receipt is found on the bank statement to have been dishonoured. The cash book balance should be:

(A) Increased by $500

(B) Decreased by $500

(C) Left unchanged, since the customer still owes the money

(D) Decreased by $1,000

Lời giải chi tiết

The earlier receipt must be reversed, since the money was never actually received: the cash book balance is decreased by $500 (and the customer's receivable balance is reinstated). **(B)**.

Bài tập luyện tập

A. Delacroix's cash book (bank column) shows a debit balance of $9,450 on 30 November. The bank statement shows: a standing order for insurance $220; bank charges $75; a direct credit transfer received from a customer $560; and a dishonoured cheque from customer J. Petit for $340 – none yet in the cash book. Cheques not yet presented total $2,400; a deposit not yet credited totals $950. Prepare the updated cash book and confirm the reconciliation, given the bank statement shows $10,825.

Lời giải chi tiết

Updated cash book: $9{,}450 + 560 - 220 - 75 - 340 = \boxed{\$9{,}375}$.
Reconciliation: $10{,}825 + 950 - 2{,}400 = \boxed{\$9{,}375}$ – the figures agree.

Bài tập luyện tập

G. Otieno keeps incomplete records.

	1 Jan 2026 ($)	31 Dec 2026 ($)
Premises	45,000	45,000
Equipment (NBV)	7,500	6,750
Inventory	6,800	8,100
Trade receivables	4,900	5,650
Bank	2,300	3,900
Cash	200	260
Trade payables	(4,100)	(4,700)
Loan	(9,000)	(7,000)

During the year, drawings were $8,600 and the owner introduced additional capital of $2,000. Calculate the profit for the year.

Lời giải chi tiết

Opening net assets $= (45{,}000 + 7{,}500 + 6{,}800 + 4{,}900 + 2{,}300 + 200) - (4{,}100 + 9{,}000) = 66{,}700 - 13{,}100 = 53{,}600$.
Closing net assets $= (45{,}000 + 6{,}750 + 8{,}100 + 5{,}650 + 3{,}900 + 260) - (4{,}700 + 7{,}000) = 69{,}660 - 11{,}700 = 57{,}960$.
Profit $= 57{,}960 - 53{,}600 - 2{,}000 + 8{,}600 = \boxed{\$10{,}960}$.

Bài tập luyện tập

The correct formula linking opening capital, closing capital, drawings and capital introduced to profit for the year is:

(A) Profit = Closing capital − Opening capital + Capital introduced − Drawings

(B) Profit = Closing capital − Opening capital − Capital introduced + Drawings

(C) Profit = Opening capital − Closing capital + Drawings − Capital introduced

(D) Profit = Closing capital + Opening capital − Drawings − Capital introduced

Lời giải chi tiết

Capital introduced increases capital for a reason unrelated to trading and must be subtracted; drawings reduce capital for a reason unrelated to trading and must be added back. **(B)**.

Bài tập luyện tập

R. Kwame keeps incomplete records.

	1 Apr 2025 ($)	**31 Mar 2026 ($)**
Premises	38,000	38,000
Equipment (NBV)	6,200	5,580
Inventory	5,400	6,100
Trade receivables	3,800	4,300
Bank	1,900	900
Trade payables	(3,500)	(4,200)
Loan (raised during the year)	–	(6,000)

During the year, drawings were $7,000 and the owner introduced additional capital of $1,500. Calculate the profit or loss for the year.

Lời giải chi tiết

Opening net assets $= (38{,}000+6{,}200+5{,}400+3{,}800+1{,}900)-3{,}500 = 55{,}300-3{,}500 = 51{,}800$.
Closing net assets $= (38{,}000+5{,}580+6{,}100+4{,}300+900)-(4{,}200+6{,}000) = 54{,}880-10{,}200 = 44{,}680$.
Profit/(loss) $= 44{,}680 - 51{,}800 - 1{,}500 + 7{,}000 = \boxed{-\$1{,}620}$ (a **loss** of $1,620).

Bài tập luyện tập

A sole trader's closing capital exceeds opening capital by $4,000. During the year, drawings were $6,000 and no capital was introduced. Profit for the year was:

(A) $2,000 loss

(B) $10,000

(C) $4,000

(D) $6,000

Lời giải chi tiết

Profit $= 4{,}000 - 0 + 6{,}000 = \boxed{\$10{,}000}$. **(B)**.

Bài tập luyện tập

A trader's receivables control account for the year shows: trade receivables at the start of the year $6,700 and at the end of the year $8,150; receipts from receivables $128,900; discount allowed $1,650; sales returns $2,900; irrecoverable debts written off $780. Cash sales for the year were a further $12,400. Calculate total credit sales and total sales for the year.

Lời giải chi tiết

Total credit side of the control account $= 128{,}900 + 1{,}650 + 2{,}900 + 780 + 8{,}150 = 142{,}380$.
Credit sales $= 142{,}380 - 6{,}700 = \boxed{\$135{,}680}$.
Total sales $= 135{,}680 + 12{,}400 = \boxed{\$148{,}080}$.

Bài tập luyện tập

A trader's payables control account for the year shows: trade payables at the start of the year $5,600 and at the end of the year $6,950; payments to suppliers $98,300; discount received $1,420; purchases returns $1,850; a contra entry with the sales ledger of $300. Cash purchases for the year were a further $7,600. Calculate total credit purchases and total purchases for the year.

Lời giải chi tiết

Total debit side of the control account $= 98{,}300 + 1{,}420 + 1{,}850 + 300 + 6{,}950 = 108{,}820$.
Credit purchases $= 108{,}820 - 5{,}600 = \boxed{\$103{,}220}$.
Total purchases $= 103{,}220 + 7{,}600 = \boxed{\$110{,}820}$.

Bài tập luyện tập

In a receivables (sales ledger) control account, discount allowed to customers is recorded:

(A) On the debit side, increasing receivables
(B) On the credit side, reducing receivables
(C) On the debit side, reducing receivables
(D) On the credit side, increasing receivables

Lời giải chi tiết

Discount allowed reduces the amount customers still owe, so it is credited to the receivables control account (reducing the debit balance). **(B)**.

Bài tập luyện tập

An irrecoverable debt written off during the year is treated in the receivables control account as:

(A) Debited, increasing receivables
(B) Credited, reducing receivables
(C) Ignored, since it never becomes a real transaction
(D) Added to closing receivables

Lời giải chi tiết

Writing off a debt as irrecoverable removes it from receivables, so it is credited to the control account, reducing the balance. **(B)**.

Bài tập luyện tập

A trader's inventory records show: opening inventory \$7,500; purchases \$102,000; closing inventory \$8,900. The trader earns a uniform gross profit margin of $33\frac{1}{3}\%$ on all sales. Calculate (a) cost of sales, (b) sales for the year, and (c) the equivalent mark-up on cost.

Lời giải chi tiết

(a) Cost of sales $= 7{,}500 + 102{,}000 - 8{,}900 = \boxed{\$100{,}600}$.
(b) Since margin $= 33\frac{1}{3}\% = 1/3$, cost of sales is $2/3$ of sales, so Sales $= 100{,}600 \times 1.5 = \boxed{\$150{,}900}$. Check: GP $= 150{,}900 - 100{,}600 = 50{,}300$; $50{,}300/150{,}900 = 33\frac{1}{3}\%$. Correct.
(c) Equivalent mark-up $= \dfrac{1/3}{1-1/3} = \dfrac{1/3}{2/3} = \boxed{50\%}$. Check: $100{,}600 \times 1.50 = 150{,}900$, the same sales figure.

Bài tập luyện tập

A gross profit margin of 20% on sales is equivalent to a mark-up on cost of:

(A) 20%
(B) 25%
(C) 16.67%
(D) 80%

Lời giải chi tiết

Mark-up $= \dfrac{0.20}{1-0.20} = \dfrac{0.20}{0.80} = \boxed{25\%}$. **(B).**

Bài tập luyện tập

A mark-up on cost of 60% is equivalent to a gross profit margin on sales of:

(A) 60%
(B) 40%
(C) 37.5%
(D) 160%

Lời giải chi tiết

Margin $= \dfrac{0.60}{1+0.60} = \dfrac{0.60}{1.60} = \boxed{37.5\%}$. **(C).**

Bài tập luyện tập

A trader's sales for the year were \$216,000, achieved at a uniform mark-up of 20% on cost. Opening inventory was \$18,500 and closing inventory was \$15,200. Calculate purchases for the year.

Lời giải chi tiết

Cost of sales $= 216{,}000/1.20 = \$180{,}000$.
Purchases $=$ Cost of sales $-$ Opening inventory $+$ Closing inventory $= 180{,}000 - 18{,}500 + 15{,}200 = \boxed{\$176{,}700}$.
Check: cost of sales $= 18{,}500 + 176{,}700 - 15{,}200 = 180{,}000$; gross profit $= 216{,}000 - 180{,}000 =$

$36{,}000$; mark-up $= 36{,}000/180{,}000 = 20\%$. Correct.

Bài tập luyện tập

A trader's sales for the year were $184,000, achieved at a uniform gross profit margin of 25%. Opening inventory was $13,000 and purchases during the year were $147,500. Calculate closing inventory.

Lời giải chi tiết

Cost of sales $= 184{,}000 \times (1 - 0.25) = 184{,}000 \times 0.75 = \$138{,}000$.
Closing inventory $=$ Opening inventory $+$ Purchases $-$ Cost of sales $= 13{,}000 + 147{,}500 - 138{,}000 = \boxed{\$22{,}500}$.
Check: gross profit $= 184{,}000 - 138{,}000 = 46{,}000$; margin $= 46{,}000/184{,}000 = 25\%$. Correct.

Bài tập luyện tập

A fire destroys most of a trader's inventory. Inventory at the start of the year was $9,500; purchases from the start of the year to the date of the fire were $52,000; sales over the same period were $86,000; the business normally earns a gross profit margin of 40%. A physical count of salvaged stock after the fire values it at $2,600. Calculate the insurance claim for stock lost.

Lời giải chi tiết

Cost of sales to date of fire $= 86{,}000 \times (1 - 0.40) = 86{,}000 \times 0.60 = \$51{,}600$.
Inventory that should have been on hand $= 9{,}500 + 52{,}000 - 51{,}600 = \$9{,}900$.
Insurance claim $= 9{,}900 - 2{,}600 = \boxed{\$7{,}300}$.

Bài tập luyện tập

A flood destroys most of a trader's inventory. Inventory at the start of the year was $15,000; purchases to the date of the flood were $62,000; sales over the same period were $80,000; the business normally earns a mark-up on cost of 25%. Undamaged stock salvaged and valued by physical count amounts to $2,400. Calculate the insurance claim for stock lost.

Lời giải chi tiết

Cost of sales to date of flood $= 80{,}000/1.25 = \$64{,}000$.
Inventory that should have been on hand $= 15{,}000 + 62{,}000 - 64{,}000 = \$13{,}000$.
Insurance claim $= 13{,}000 - 2{,}400 = \boxed{\$10{,}600}$.

Bài tập luyện tập

A trader who sells entirely for cash finds, from physical stock records, that goods costing $3,600 were sold during a particular week; the normal mark-up on cost is 50%. During the week, $5,000 was banked, $120 was paid in cash for sundry expenses directly from the till, and $150 was taken as cash drawings. Calculate the amount apparently missing from the till.

Lời giải chi tiết

Expected cash takings $= 3{,}600 \times 1.50 = \$5{,}400$.
Cash accounted for $= 5{,}000 + 120 + 150 = \$5{,}270$.
Amount missing $= 5{,}400 - 5{,}270 = \boxed{\$130}$.

Bài tập luyện tập

A trader's inventory records show: opening inventory \$8,200; purchases \$89,000; closing inventory \$7,600. During the year the trader took goods costing \$950 out of inventory for personal use. The business earns a uniform gross profit margin of 25% on all goods actually sold. Calculate sales for the year.

Lời giải chi tiết

Goods available for sale, at cost $= 8{,}200 + 89{,}000 - 7{,}600 = \$89{,}600$.
True cost of sales (after removing drawings of goods, at cost) $= 89{,}600 - 950 = \$88{,}650$.
Sales $= 88{,}650/(1 - 0.25) = 88{,}650/0.75 = \boxed{\$118{,}200}$.
Check: gross profit $= 118{,}200 - 88{,}650 = 29{,}550$; margin $= 29{,}550/118{,}200 = 25\%$. Correct.

Bài tập luyện tập

If goods a trader has taken for personal use are left inside the purchases figure and are NOT deducted when calculating cost of sales, the effect (compared with the correct treatment) is that:

(A) Cost of sales is understated and gross profit is overstated

(B) Cost of sales is overstated and gross profit is understated

(C) There is no effect on gross profit, only on the statement of financial position

(D) Sales are understated by the same amount

Lời giải chi tiết

The mechanical formula (Opening inventory + Purchases − Closing inventory) will treat the goods drawn out as if they had been sold, when in fact no sale took place – this overstates cost of sales and understates gross profit. **(B)**.

Bài tập luyện tập

Additional capital introduced by the owner during the year should be treated, when calculating profit from a statement of affairs, by:

(A) Adding it to the increase in net assets

(B) Subtracting it, since it is not profit generated by trading

(C) Ignoring it completely

(D) Treating it in exactly the same way as drawings

Lời giải chi tiết

Capital introduced increases net assets for a reason unrelated to trading performance, so it must be subtracted from the increase in capital when isolating the profit earned by trading: Profit = Closing capital − Opening capital − Capital introduced + Drawings. **(B)**.

Bài tập luyện tập

When constructing a payables (purchases ledger) control account to find the closing trade payables balance, the closing balance is:

(A) Entered as balance c/d on the debit side, as the figure needed to balance the account, then brought down as balance b/d on the credit side

(B) Entered on the credit side, since payables always show a credit balance and should remain there permanently

(C) Entered on the debit side because payables control accounts always show debit balances

(D) Omitted from the control account entirely, since it is not a transaction

Lời giải chi tiết

Like any liability account, the payables control account is balanced off by inserting the closing figure as balance c/d on the debit side (the side with the smaller total), so that both sides total to the same figure; this balance is then brought down on the credit side as the opening balance for the next period, correctly showing the amount still owed. **(A)**.

Financial Statements of Sole Traders

AS Level

Mục tiêu Unit: Mục đích và cấu trúc của báo cáo thu nhập (income statement) và bảng cân đối kế toán (statement of financial position) của doanh nghiệp tư nhân; toàn bộ các bút toán điều chỉnh cuối kỳ (hàng tồn kho và NRV, dồn tích/trả trước chi phí và doanh thu, khấu hao theo hai phương pháp, nợ khó đòi và khoản dự phòng, hàng lấy dùng cá nhân, chi phí vận chuyển, lãi vay dồn tích kể cả lãi vay theo số tháng); phân biệt chi phí vốn và chi phí doanh thu; hai ví dụ đầy đủ từ bảng cân đối thử đến báo cáo hoàn chỉnh, luôn kiểm tra Tài sản thuần = Vốn chủ sở hữu.

5.1 Purpose and Structure of the Financial Statements

Why prepare financial statements

At the end of each financial year a sole trader prepares two linked statements from the year-end trial balance (adjusted for a set of year-end adjustments):

- The **income statement** measures whether the business made a profit or a loss over the period, by matching revenue earned against the expenses incurred in earning it (the *matching/accruals principle*).
- The **statement of financial position (SOFP)** is a snapshot, at one point in time (the year-end date), of what the business *owns* (assets) and *owes* (liabilities), and how much of the business belongs to the owner (capital).

These statements are used by the owner to assess performance and plan ahead, and by outside parties – banks deciding whether to lend, suppliers deciding whether to grant credit, and tax authorities assessing profit for tax.

VN GIẢI THÍCH TIẾNG VIỆT

Cuối mỗi năm tài chính, doanh nghiệp tư nhân lập hai báo cáo liên kết với nhau từ bảng cân đối thử (trial balance) đã điều chỉnh: **Báo cáo thu nhập (income statement)** đo lường lợi nhuận hay lỗ trong kỳ bằng cách đối chiếu doanh thu với chi phí tương ứng đã phát sinh để tạo ra doanh thu đó (nguyên tắc phù hợp / dồn tích). **Bảng cân đối kế toán (SOFP)** là bức ảnh chụp tại một thời điểm (ngày cuối năm) về những gì doanh nghiệp *sở hữu* (tài sản) và *nợ* (nợ phải trả), và phần vốn chủ sở hữu thuộc về chủ doanh nghiệp.

Income statement – two sections:

1. **Trading account section:** revenue − cost of sales = **gross profit**.
2. **Profit and loss section:** gross profit + other income − operating expenses = **profit for the year**.

Statement of financial position – vertical format: non-current assets (at net book value) + current assets − current liabilities (giving **net current assets**) − non-current liabilities = **net assets**, which must equal the **capital** section (opening capital + profit for the year − drawings).

Revenue (net sales)
↓
Less: Cost of sales
↓
= **Gross profit**
↓
Add: other income   Less: operating expenses
↓
= **Profit for the year**

Structure of the income statement: the trading section (top) produces gross profit; the profit-and-loss section then adds other income and deducts operating expenses to give profit for the year.

VN GIẢI THÍCH TIẾNG VIỆT

Báo cáo thu nhập gồm hai phần: (1) **Phần thương mại**: Doanh thu − Giá vốn hàng bán = **Lợi nhuận gộp**; (2) **Phần lãi lỗ**: Lợi nhuận gộp + thu nhập khác − chi phí hoạt động = **Lợi nhuận trong kỳ**. **Bảng cân đối kế toán** trình bày theo dạng dọc: Tài sản dài hạn (theo giá trị còn lại) + Tài sản ngắn hạn − Nợ ngắn hạn (ra **Tài sản ngắn hạn thuần**) − Nợ dài hạn = **Tài sản thuần**, và con số này bắt buộc phải bằng phần **Vốn chủ sở hữu** (vốn đầu kỳ + lợi nhuận − rút vốn).

5.2 The Trading Account and Income Statement

Cost of sales and gross profit

Cost of sales is the cost of the goods actually sold during the year, calculated as:

$$\text{Cost of sales} = \text{Opening inventory} + \text{Net purchases} + \text{Carriage inwards} - \text{Closing inventory}$$

where *net purchases* = purchases − purchases returns (returns outwards). **Gross profit** = net sales (sales − sales returns) − cost of sales. Gross profit reflects only trading activity – buying and selling goods – before any operating expenses are considered.

VN GIẢI THÍCH TIẾNG VIỆT

Giá vốn hàng bán = Tồn kho đầu kỳ + Mua hàng thuần + Chi phí vận chuyển hàng mua − Tồn kho cuối kỳ (trong đó Mua hàng thuần = Mua hàng − Hàng trả lại cho nhà cung cấp). **Lợi nhuận gộp** = Doanh thu thuần − Giá vốn hàng bán, chỉ phản ánh hoạt động mua bán hàng hoá, chưa trừ các chi phí hoạt động khác.

Ví dụ mẫu · Trading account and gross profit

T. Nguyen's trial balance shows: sales $45,000; sales returns $800; opening inventory $3,000; purchases $26,000; purchases returns $500; carriage inwards $300. Closing inventory is valued at $4,200. Calculate gross profit.

	$	$
Revenue (sales)		45,000
Less: sales returns		(800)
Net sales		**44,200**
Opening inventory	3,000	
Purchases	26,000	
Less: purchases returns	(500)	
Net purchases	25,500	
Add: carriage inwards	300	
	25,800	
Goods available for sale		28,800
Less: closing inventory		(4,200)
Cost of sales		**(24,600)**
Gross profit		**19,600**

GIẢI THÍCH TIẾNG VIỆT

VN Doanh thu thuần $= 44{,}200$. Mua hàng thuần $= 26{,}000 - 500 = 25{,}500$; cộng chi phí vận chuyển hàng mua 300 được $25{,}800$; cộng tồn kho đầu kỳ $3{,}000$ ra tổng hàng có thể bán $28{,}800$; trừ tồn kho cuối kỳ $4{,}200$ ra giá vốn hàng bán $24{,}600$. Lợi nhuận gộp $= 44{,}200 - 24{,}600 = 19{,}600$.

5.3 Year-End Adjustments

The unadjusted trial balance reflects only transactions actually recorded during the year. Before financial statements can be prepared, a standard set of year-end adjustments must be applied so that the statements comply with the matching/accruals principle and show assets at appropriate values.

5.3.1 Closing inventory and net realisable value

Closing inventory

Closing inventory does not appear in the trial balance (only the *opening* inventory figure does, brought forward from last year). It is found by a physical count at the year end and is valued at the **lower of cost and net realisable value (NRV)** for each item or category of inventory – never above cost, following the prudence concept. NRV is the estimated selling price less any further costs to complete or sell the item. If any inventory has a NRV below its cost, it must be written down to that lower NRV figure.

GIẢI THÍCH TIẾNG VIỆT

VN Tồn kho cuối kỳ không xuất hiện trên bảng cân đối thử (chỉ có tồn kho *đầu kỳ*); nó được xác định qua kiểm kê thực tế cuối năm và định giá theo nguyên tắc **thấp hơn giữa giá gốc và giá trị thuần có thể thực hiện được (NRV)** – không bao giờ định giá cao hơn giá gốc, theo nguyên tắc thận trọng. Nếu giá trị thuần có thể thực hiện của một mặt hàng thấp hơn giá gốc, phải hạ giá trị hàng đó xuống bằng NRV.

Ví dụ mẫu · Inventory valuation at the lower of cost and NRV

At the year end, inventory counted at cost totals $9,500. This includes a batch of slow-moving stock that cost $1,100 but which, due to damage, can now only be sold for $700. Calculate the value of closing inventory for the financial statements.

The undamaged inventory is valued at cost (no adjustment needed). The damaged batch must be written down from cost $1,100 to its NRV of $700 – a write-down of $400.

$$\text{Closing inventory} = 9{,}500 - 1{,}100 + 700 = \$9{,}100.$$

This $9,100 figure is used *once* in the income statement (deducted in arriving at cost of sales) and appears *once* in the statement of financial position (as a current asset) – the same figure, never two different figures.

VN **GIẢI THÍCH TIẾNG VIỆT**

Tồn kho không hư hỏng định giá theo giá gốc; lô hàng hư hỏng phải hạ từ giá gốc $1,100 xuống NRV $700 (hạ $400). Giá trị tồn kho cuối kỳ dùng cho báo cáo $= 9{,}500 - 1{,}100 + 700 = \$9{,}100$. Con số này chỉ dùng **một lần** trong báo cáo thu nhập (trừ để ra giá vốn) và **một lần** trong bảng cân đối kế toán (là tài sản ngắn hạn) – luôn là cùng một con số đã điều chỉnh.

(!) Lỗi thường gặp: A common error is to deduct the *unadjusted* cost figure in the income statement but then show the *NRV-adjusted* figure (or vice versa) in the statement of financial position, so the two statements use two different closing inventory numbers. Always calculate the single, lower-of-cost-and-NRV figure first, and use that identical number in both places – once as a deduction in cost of sales, once as a current asset.

5.3.2 Accrued and prepaid expenses

Accruals and prepayments – expenses

The trial balance shows the *cash actually paid* for an expense during the year, which rarely equals the amount that should be *charged* for the year under the matching principle.

- An **accrued expense** is one incurred but not yet paid at the year end (e.g. electricity used but the bill has not arrived). It is **added** to the expense in the income statement and shown as a **current liability** in the SOFP.
- A **prepaid expense** is one paid in advance, covering a period after the year end. It is **deducted** from the expense in the income statement and shown as a **current asset** (prepayment) in the SOFP.

Formula: *Expense for the year* = cash paid + closing accrual − opening accrual (if accrued), or cash paid − closing prepayment + opening prepayment (if prepaid). Opening accruals/prepayments relate to expenses recognised last year but settled this year, so they must be removed from this year's cash-paid figure; closing accruals/prepayments relate to next year and adjust the other way.

VN **GIẢI THÍCH TIẾNG VIỆT**

Bảng cân đối thử chỉ ghi *số tiền đã trả* trong năm, không phải số tiền *phải ghi nhận* là chi phí của năm đó. **Chi phí dồn tích (accrued)** là chi phí đã phát sinh nhưng chưa trả – **cộng thêm** vào chi phí trên báo cáo thu nhập và ghi là **nợ ngắn hạn**. **Chi phí trả trước (prepaid)** là khoản đã trả nhưng thuộc kỳ sau – **trừ bớt** khỏi chi phí và ghi là **tài sản ngắn hạn**.

Ví dụ mẫu · Accrued wages and prepaid insurance

(a) Wages paid during the year totalled $18,600. At 1 January, $400 of wages from the previous year remained unpaid and was paid in January; at 31 December, $550 of wages for December remains unpaid. Wages expense for the year:

$$18{,}600 - 400 + 550 = \$18{,}750.$$

The closing $550 accrual is shown as a current liability.

(b) Insurance premiums paid during the year totalled $2,850. This includes $450 that, at the start of the year, had already been prepaid for January (relating to this year); it also includes $600 paid in December covering January–March of next year. Insurance expense for the year:

$$2{,}850 + 450 - 600 = \$2{,}700.$$

The closing $600 prepayment is shown as a current asset.

VN **GIẢI THÍCH TIẾNG VIỆT**

(a) Tiền lương chi năm nay $18{,}600$, trừ khoản 400 dồn từ năm trước (đã trả năm nay nhưng thuộc năm trước) và cộng khoản 550 còn nợ cuối năm nay ⇒ chi phí lương $= 18{,}750$. (b) Bảo hiểm đã trả $2{,}850$, cộng khoản 450 trả trước từ năm ngoái nhưng thuộc năm nay, trừ khoản 600 đã trả trước cho quý sau ⇒ chi phí bảo hiểm $= 2{,}700$.

(!) Lỗi thường gặp: Do not confuse the direction of the two adjustments: an **accrual** (owing) is **added** to the expense and becomes a **liability**; a **prepayment** (paid ahead) is **deducted** from the expense and becomes an **asset**. Students frequently add prepayments or deduct accruals – always ask "does this cash relate to a period we have already accounted for, or one still to come?"

5.3.3 Accrued and prepaid income

Accruals and prepayments – income

The same logic applies to income the business receives (e.g. rent receivable from subletting part of the premises).

- **Accrued income** (income receivable): earned during the year but not yet received. **Added** to income in the income statement; shown as a **current asset** in the SOFP.
- **Income received in advance**: cash received during the year that relates to a period after the year end. **Deducted** from income in the income statement; shown as a **current liability** in the SOFP.

GIẢI THÍCH TIẾNG VIỆT

VN

Doanh thu dồn tích (accrued income): đã kiếm được nhưng chưa nhận tiền – **cộng thêm** vào thu nhập, ghi là **tài sản ngắn hạn**. **Doanh thu nhận trước (income received in advance)**: đã nhận tiền nhưng thuộc kỳ sau – **trừ bớt** khỏi thu nhập, ghi là **nợ ngắn hạn**.

Ví dụ mẫu · Accrued rent income and rent received in advance

(a) A business sublets part of its premises. Rent received during the year was $3,600, but at 31 December an additional $600 was owed by the tenant for December, not yet received. Income for the year $= 3{,}600 + 600 = \$4{,}200$; the $600 is accrued income (current asset).

(b) A different tenant paid $2,400 in November covering four months (December to March); only $600 (one month) relates to the current year, and $1,800 relates to next year. Income for the year $= 2{,}400 - 1{,}800 = \$600$; the $1,800 is income received in advance (current liability).

GIẢI THÍCH TIẾNG VIỆT

VN

(a) Doanh thu tiền thuê $= 3{,}600 + 600$ (dồn tích, coi là tài sản) $= 4{,}200$. (b) Trong $2{,}400$ nhận trước, chỉ 600 thuộc năm nay; phần $1{,}800$ thuộc năm sau bị trừ ra và ghi là nợ ngắn hạn (nhận trước).

5.3.4 Depreciation of non-current assets

Depreciation

Depreciation is the systematic allocation of the cost (less residual value, where relevant) of a non-current asset over its useful life, reflecting the wear, use, and obsolescence of the asset. It is charged as an expense in the income statement each year and accumulates in a **provision for depreciation** (accumulated depreciation) account, deducted from cost in the SOFP to give **net book value (NBV)**.

- **Straight-line method:** $\dfrac{\text{Cost} - \text{Residual value}}{\text{Useful life (years)}}$, or a fixed % of cost each year – gives an equal charge every year.
- **Reducing (diminishing) balance method:** a fixed % of the asset's **net book value** (cost less accumulated depreciation to date) each year – gives a larger charge in early years, falling over time.

A full year's depreciation is normally charged in the year of purchase and none in the year of sale (unless the question states otherwise); where an asset is acquired or a loan is raised *during* the year, only the appropriate fraction of a full year's charge is used.

GIẢI THÍCH TIẾNG VIỆT

VN

Khấu hao là việc phân bổ có hệ thống giá gốc (trừ giá trị thanh lý) của tài sản dài hạn trong suốt thời gian sử dụng hữu ích, ghi nhận là chi phí mỗi năm và cộng dồn vào tài khoản **hao mòn luỹ kế**, được trừ khỏi giá gốc để ra **giá trị còn lại (NBV)**. **Phương pháp đường thẳng** tính theo (Giá gốc − Giá trị thanh lý)/Số năm sử dụng, cho mức khấu hao đều mỗi năm. **Phương pháp số dư giảm dần** tính theo % cố định trên **giá trị còn lại**, cho mức khấu hao giảm dần theo thời gian.

Ví dụ mẫu · Straight-line vs reducing balance depreciation

An asset costs $20,000. Compare three years of depreciation under: (a) straight line, residual value $2,000, useful life 6 years; (b) reducing balance at 20% per annum.

	Year 1	Year 2	Year 3
Straight line: $(20{,}000 - 2{,}000)/6$	3,000	3,000	3,000
Net book value at year end	17,000	14,000	11,000
Reducing balance at 20% of NBV	4,000	3,200	2,560
Net book value at year end	16,000	12,800	10,240

Straight line gives a constant $3,000 charge each year; reducing balance gives a larger charge early on ($4,000 in year 1) that shrinks each year as it is applied to a falling NBV.

GIẢI THÍCH TIẾNG VIỆT VN

Đường thẳng: mức khấu hao cố định $\$3{,}000$/năm. Số dư giảm dần: $20\% \times 20{,}000 = 4{,}000$ (năm 1), sau đó $20\% \times 16{,}000 = 3{,}200$ (năm 2), $20\% \times 12{,}800 = 2{,}560$ (năm 3) – mức khấu hao giảm dần vì luôn tính trên giá trị còn lại đang giảm.

5.3.5 Irrecoverable debts and the allowance for doubtful debts

Irrecoverable debts and allowance for doubtful debts

An **irrecoverable (bad) debt** is a specific customer debt identified as definitely uncollectible; it is written off directly – removed from trade receivables and charged in full as an expense (*irrecoverable debts written off*) in the income statement.
An **allowance for doubtful debts** is a general, prudent estimate (often a % of remaining trade receivables, after any specific write-offs) of debts that *might* not be collected, without identifying which customer. It is **not** deducted from trade receivables in the trial balance; it is only **adjusted** at the year end:

- If the required allowance **increases**, the increase is charged as an additional expense in the income statement.
- If the required allowance **decreases**, the decrease is credited (added back), reducing total expenses.

In the SOFP, trade receivables are shown at the gross amount *less* the closing allowance, to give the net (recoverable) figure.

GIẢI THÍCH TIẾNG VIỆT VN

Nợ khó đòi là khoản nợ của một khách hàng cụ thể được xác định chắc chắn không thu hồi được – xoá thẳng khỏi phải thu và ghi toàn bộ là chi phí. **Dự phòng nợ khó đòi** là ước tính chung, thận trọng (thường theo % trên phải thu còn lại) – chỉ **điều chỉnh** phần chênh lệch giữa mức dự phòng mới và cũ: nếu **tăng**, phần tăng là chi phí thêm; nếu **giảm**, phần giảm được cộng ngược lại (giảm tổng chi phí). Trên bảng cân đối kế toán, phải thu khách hàng luôn trình bày theo số gộp **trừ** dự phòng cuối kỳ.

Ví dụ mẫu · Irrecoverable debt written off and a revised allowance

Trade receivables before adjustment are $12,400. During the year a customer debt of $500 became irrecoverable following the customer's bankruptcy and must now be written off. The allowance for doubtful debts is to be adjusted to 5% of the remaining trade receivables; the opening allowance (1 January) was $460.

Receivables after write-off: $12{,}400 - 500 = \$11{,}900$. Required allowance: $5\% \times 11{,}900 = \$595$. Increase in allowance: $595 - 460 = \$135$. Total charge to the income statement: irrecoverable debt $500 + increase in allowance $135 $= \$635$. In the SOFP, trade receivables are shown as $11{,}900 - 595 = \$11{,}305$ (net).

GIẢI THÍCH TIẾNG VIỆT

VN Phải thu sau khi xoá nợ khó đòi $= 12{,}400 - 500 = 11{,}900$. Dự phòng cần thiết $= 5\% \times 11{,}900 = 595$; tăng so với dự phòng đầu kỳ 460 là 135. Tổng chi phí ghi nhận $= 500 + 135 = 635$. Trên SOFP, phải thu thuần $= 11{,}900 - 595 = 11{,}305$.

5.3.6 Goods withdrawn for own use

Goods drawings

When the owner takes goods (inventory) out of the business for personal use, this is **not** a business expense – it is **drawings**, valued at **cost** (not selling price), because the goods never reached a customer and no sale took place. The double entry is: debit **drawings**, credit **purchases**. This (i) reduces purchases in the trading account, which increases gross profit, and (ii) increases drawings, which reduces closing capital in the "financed by" section.

GIẢI THÍCH TIẾNG VIỆT

VN Khi chủ doanh nghiệp lấy hàng hoá cho mục đích cá nhân, đây **không phải** là chi phí kinh doanh mà là **rút vốn**, tính theo **giá gốc** (không phải giá bán) vì hàng chưa đến tay khách hàng. Bút toán: Nợ Rút vốn / Có Mua hàng. Điều này (i) làm giảm mục Mua hàng trong tài khoản thương mại (tăng lợi nhuận gộp), và (ii) làm tăng Rút vốn (giảm vốn chủ sở hữu cuối kỳ).

Ví dụ mẫu · Goods withdrawn for own use

Per the trial balance, purchases are $40,000 and drawings are $3,000. During the year the owner withdrew goods costing $650 for personal use, not yet recorded. Adjust both figures.

Adjusted purchases $= 40{,}000 - 650 = \$39{,}350$ Adjusted drawings $= 3{,}000 + 650 = \$3{,}650$.

GIẢI THÍCH TIẾNG VIỆT

VN Mua hàng điều chỉnh $= 40{,}000 - 650 = 39{,}350$; Rút vốn điều chỉnh $= 3{,}000 + 650 = 3{,}650$. Số 650 được chuyển từ Mua hàng sang Rút vốn, không hề xuất hiện trong chi phí của báo cáo thu nhập.

(!) Lỗi thường gặp: A frequent mistake is to record goods taken for personal use as an **expense** (e.g. "goods for own use" listed among operating expenses) instead of as **drawings**. This is wrong on two counts: it overstates expenses (understating profit) and, because it never reduces the drawings figure, it also misstates the capital section, so the statements will not balance. The correct treatment always reduces purchases and increases drawings – it never touches the expenses section of the income statement.

5.3.7 Carriage inwards, carriage outwards, and returns

Carriage and returns

Carriage inwards (cost of transporting purchased goods to the business) is added to purchases in the *trading account*, because it is part of the cost of acquiring inventory. **Carriage outwards** (cost of delivering goods to customers) is a *selling and distribution expense* in the profit and loss section – it is not part of cost of sales. **Sales returns** (returns inwards) are deducted from sales to give net sales; **purchases returns** (returns outwards) are deducted from purchases in the trading account.

VN GIẢI THÍCH TIẾNG VIỆT

Chi phí vận chuyển hàng mua (carriage inwards) được cộng vào Mua hàng trong tài khoản thương mại (là một phần chi phí để có được hàng tồn kho). **Chi phí vận chuyển hàng bán (carriage outwards)** là chi phí bán hàng, nằm trong phần lãi lỗ – không thuộc giá vốn hàng bán. **Hàng bán bị trả lại** trừ khỏi Doanh thu; **Hàng mua trả lại** trừ khỏi Mua hàng.

5.3.8 Loan interest accrued (including part-year interest)

Loan interest

Interest on a non-current liability (e.g. a bank loan) is a finance expense in the income statement for the *full amount due for the year*, regardless of how much has actually been paid in cash. Any interest due but not yet paid is **accrued** – added to the expense and shown as a current liability. Where a loan is raised (or repaid) *during* the year, interest is charged only for the fraction of the year the loan was outstanding:

$$\text{Interest} = \text{Loan amount} \times \text{rate} \times \frac{\text{months outstanding}}{12}.$$

VN GIẢI THÍCH TIẾNG VIỆT

Lãi vay là chi phí tài chính phải ghi nhận **đầy đủ cho cả năm**, bất kể đã trả bao nhiêu tiền mặt; phần chưa trả là khoản dồn tích, cộng vào chi phí và ghi là nợ ngắn hạn. Nếu khoản vay phát sinh *giữa năm*, lãi chỉ tính theo số tháng khoản vay thực sự tồn tại: Lãi vay = Số tiền vay × lãi suất × (số tháng/12).

Ví dụ mẫu · Part-year loan interest

On 1 April 2025, a business raised a 5% bank loan of $24,000, repayable in 2029. No interest has been paid or recorded by 31 December 2025 (the year end). The loan was outstanding for 9 months (April–December).

$$\text{Interest for the year} = 24{,}000 \times 5\% \times \frac{9}{12} = \$900.$$

The full $900 must be accrued: charged as a finance expense in the income statement and shown as a current liability (accrued interest) in the SOFP, since none of it has been paid.

GIẢI THÍCH TIẾNG VIỆT
VN
Khoản vay $24{,}000$ với lãi suất 5% chỉ tồn tại 9 tháng trong năm ($1/4$ đến $31/12$). Lãi vay $= 24{,}000 \times 5\% \times 9/12 = 900$. Vì chưa trả đồng nào nên toàn bộ 900 là khoản dồn tích: vừa là chi phí tài chính, vừa là nợ ngắn hạn.

5.4 Capital and Revenue Expenditure; Classifying Items

Capital expenditure vs revenue expenditure

Capital expenditure is spending that acquires, improves, or extends the earning capacity or useful life of a non-current asset. It is **not** an expense – it is added to (*capitalised into*) the cost of the non-current asset in the SOFP, and includes the purchase price plus all costs directly attributable to bringing the asset to its location and condition for use (delivery, installation, legal fees on acquiring property, etc.).
Revenue expenditure is spending on the day-to-day running of the business, or on maintaining (not improving) existing non-current assets in their normal working condition. It is charged in full as an **expense** in the income statement of the year in which it is incurred.
Misclassifying capital expenditure as revenue expenditure understates asset values and understates profit (expenses overstated); the reverse error overstates both asset values and profit.

GIẢI THÍCH TIẾNG VIỆT
VN
Chi phí vốn (capital expenditure) là khoản chi để mua sắm, cải tạo hoặc kéo dài tuổi thọ/khả năng sinh lợi của tài sản dài hạn – không phải chi phí, mà được **cộng vào giá gốc** tài sản trên bảng cân đối kế toán (gồm giá mua cộng mọi chi phí trực tiếp để đưa tài sản vào vị trí và trạng thái sẵn sàng sử dụng). **Chi phí doanh thu (revenue expenditure)** là chi phí vận hành hàng ngày hoặc bảo trì (không cải tạo) tài sản hiện có – ghi nhận toàn bộ là **chi phí** trong báo cáo thu nhập của năm phát sinh. Phân loại sai sẽ làm sai lệch cả giá trị tài sản lẫn lợi nhuận.

Ví dụ mẫu · Classifying capital and revenue expenditure

Classify each item below as capital expenditure (added to a non-current asset) or revenue expenditure (an income statement expense):

Item	$	Classification
Purchase of new delivery van	18,000	Capital – non-current asset
Legal fees on purchase of the van	200	Capital – added to cost of van
Repair of existing van's engine	450	Revenue – repairs expense
Purchase of inventory for resale	12,000	Revenue – trading account (purchases)
Extension built onto the factory	25,000	Capital – non-current asset
Redecoration (repainting) of the factory	600	Revenue – maintenance expense
Carriage inwards on inventory purchased	150	Revenue – added to purchases
Carriage on a new machine purchased	80	Capital – added to cost of machine

Note that carriage/legal fees are capital when they relate to acquiring a *non-current asset*, but revenue when they relate to acquiring *inventory* for resale.

GIẢI THÍCH TIẾNG VIỆT
VN
Xe tải và tiền phí pháp lý mua xe: chi phí vốn (cộng vào giá gốc xe). Sửa động cơ xe hiện có: chi phí doanh thu (bảo trì). Mua hàng tồn kho: chi phí doanh thu (thuộc tài khoản thương mại). Xây thêm nhà xưởng: chi phí vốn. Sơn lại nhà xưởng: chi phí doanh thu. Vận chuyển hàng tồn

kho: chi phí doanh thu; vận chuyển máy móc mới mua: chi phí vốn (vì gắn với tài sản dài hạn, không phải hàng tồn kho).

Classifying trial balance items: income statement or SOFP?

Every line in a trial balance belongs to exactly one of the two financial statements (never both, and never neither):

Item	Statement	Item	Statement
Sales, sales returns	Income stmt	Trade receivables	SOFP – asset
Purchases, purchases returns	Income stmt	Trade payables	SOFP – liability
Carriage inwards/outwards	Income stmt	Bank loan	SOFP – non-current
Wages, rent, insurance	Income stmt	Fixtures/equipment at cost	SOFP – asset
Depreciation charge	Income stmt	Provision for depreciation	SOFP – less from cost
Loan interest	Income stmt	Bank, cash	SOFP – asset
Drawings	*Neither* – capital section	Capital (opening)	SOFP – capital

Drawings and opening capital never appear as an expense or as revenue – they only affect the "financed by" (capital) section of the SOFP.

VN GIẢI THÍCH TIẾNG VIỆT

Mỗi dòng trong bảng cân đối thử chỉ thuộc về **một** trong hai báo cáo. Doanh thu, mua hàng, chi phí vận chuyển, lương, khấu hao, lãi vay – thuộc báo cáo thu nhập. Phải thu, phải trả, khoản vay, tài sản cố định, hao mòn luỹ kế, tiền mặt/ngân hàng – thuộc bảng cân đối kế toán. Riêng **Rút vốn** và **Vốn đầu kỳ** không phải doanh thu hay chi phí – chỉ ảnh hưởng đến phần vốn chủ sở hữu trên bảng cân đối kế toán.

5.5 Statement of Financial Position: Layout Conventions

Vertical SOFP layout

Cambridge International expects the SOFP to be presented in a **vertical format**, in the following order:

1. **Non-current assets**, listed with cost, accumulated depreciation, and net book value columns, most permanent first (e.g. premises, then equipment, then vehicles).
2. **Current assets**: inventory, trade receivables (net of allowance), prepayments, bank, cash – normally in increasing order of liquidity.
3. **Current liabilities**: trade payables, accruals, bank overdraft – deducted from current assets to give **net current assets** (also called *working capital*).
4. Non-current assets + net current assets, less **non-current liabilities** (e.g. long-term bank loan), gives **net assets**.
5. **Financed by** section: opening capital + profit for the year − drawings = **closing capital**, which must exactly equal net assets.

Non-current assets (at net book value)
↓
Current assets
↓
Less: Current liabilities
↓
= **Net current assets**
↓
Non-current assets + Net current assets
↓
Less: Non-current liabilities
↓
= **Net assets**
↕
Financed by: opening capital + profit − drawings

Vertical layout of the statement of financial position. The double-headed arrow marks the compulsory check: net assets must equal closing capital.

VN GIẢI THÍCH TIẾNG VIỆT

Bảng cân đối kế toán trình bày theo **dạng dọc**: Tài sản dài hạn (giá trị còn lại), cộng Tài sản ngắn hạn, trừ Nợ ngắn hạn ra **Tài sản ngắn hạn thuần**; cộng với Tài sản dài hạn, trừ Nợ dài hạn ra **Tài sản thuần**. Phần **"Financed by"** (Được tài trợ bởi) gồm Vốn đầu kỳ + Lợi nhuận − Rút vốn = Vốn cuối kỳ, và con số này **luôn phải bằng** Tài sản thuần.

5.6 Full Worked Example 1: M. Farah

Ví dụ mẫu · M. Farah – trial balance at 31 December 2025

Account	Debit $	Credit $
Capital (1 Jan 2025)		55,000
Drawings	7,200	
Purchases	68,500	
Sales		118,600
Sales returns	1,850	
Purchases returns		1,200
Inventory (1 Jan 2025)	9,600	
Carriage inwards	780	
Carriage outwards	620	
Wages and salaries	19,400	
Rent and rates	6,000	
Insurance	2,100	
General expenses	1,940	
Allowance for doubtful debts (1 Jan 2025)		340
Trade receivables	11,200	
Trade payables		7,850
Bank	1,990	
Cash	410	
Equipment at cost	22,000	
Provision for depreciation: equipment (1 Jan 2025)		6,600
Premises at cost	60,000	
Provision for depreciation: premises (1 Jan 2025)		9,000
6% Bank loan (repayable 2030)		15,000
Total	**213,590**	**213,590**

Additional information at 31 December 2025: (1) Closing inventory is valued at cost $10,400, but this includes damaged goods that cost $500 with a net realisable value of only $200 (write down by $300 to $10,100). (2) During the year the owner took goods costing $480 for personal use, not yet recorded. (3) Wages and salaries accrued $620. (4) Rent and rates prepaid $500; insurance prepaid $175. (5) Equipment depreciated at 15% p.a. straight line on cost. (6) Premises depreciated at 2% p.a. straight line on cost. (7) Allowance for doubtful debts adjusted to 5% of trade receivables. (8) A full year's loan interest at 6% has not been paid or recorded.

Ví dụ mẫu · M. Farah – Income Statement for the year ended 31 December 2025

	$	$
Revenue (sales)		118,600
Less: sales returns		(1,850)
Net sales		**116,750**
Opening inventory	9,600	
Purchases (68,500 − 480 goods for own use)	68,020	
Less: purchases returns	(1,200)	
Net purchases	66,820	
Add: carriage inwards	780	
	67,600	
Goods available for sale		77,200
Less: closing inventory (10,400 − 300 NRV write-down)		(10,100)
Cost of sales		**(67,100)**
Gross profit		**49,650**
Carriage outwards	620	
Wages and salaries (19,400 + 620)	20,020	
Rent and rates (6,000 − 500)	5,500	
Insurance (2,100 − 175)	1,925	
General expenses	1,940	
Depreciation: equipment (15%×22,000)	3,300	
Depreciation: premises (2%×60,000)	1,200	
Increase in allowance for doubtful debts	220	
Loan interest (6%×15,000)	900	
Total expenses		**(35,625)**
Profit for the year		**14,025**

Ví dụ mẫu · M. Farah – Statement of Financial Position at 31 December 2025

Non-current assets	Cost $	Acc. dep. $	NBV $
Premises	60,000	(10,200)	49,800
Equipment	22,000	(9,900)	12,100
	82,000	(20,100)	**61,900**

Current assets	$	$
Inventory	10,100	
Trade receivables (11,200 − 560)	10,640	
Prepayments (500 + 175)	675	
Bank	1,990	
Cash	410	
	23,815	
Current liabilities		
Trade payables	7,850	
Accrued wages	620	
Accrued loan interest	900	
	(9,370)	
Net current assets		14,445
Non-current assets (from above)		61,900
		76,345
Non-current liabilities: 6% Bank loan		(15,000)
Net assets		**61,345**

Financed by:		$
Opening capital (1 Jan 2025)		55,000
Add: profit for the year		14,025
		69,025
Less: drawings (7,200 + 480 goods for own use)		(7,680)
Closing capital (31 Dec 2025)		**61,345**

Check: Net assets $61,345 = Closing capital $61,345 – the statement balances.

VN GIẢI THÍCH TIẾNG VIỆT

Ví dụ M. Farah minh hoạ đầy đủ 8 bút toán điều chỉnh: hạ giá tồn kho theo NRV, hàng lấy dùng cá nhân, dồn tích lương, trả trước tiền thuê và bảo hiểm, khấu hao đường thẳng cho hai tài sản khác nhau (nhà xưởng và thiết bị), tăng dự phòng nợ khó đòi, và lãi vay dồn tích cả năm. Luôn kiểm tra cuối cùng: Tài sản thuần = Vốn chủ sở hữu cuối kỳ.

5.7 Full Worked Example 2: A. Kowalski

Ví dụ mẫu · A. Kowalski – trial balance at 31 December 2025

Account	Debit $	Credit $
Capital (1 Jan 2025)		22,200
Drawings	6,400	
Purchases	74,300	
Sales		132,400
Sales returns	2,100	
Purchases returns		1,450
Inventory (1 Jan 2025)	11,200	
Carriage inwards	860	
Carriage outwards	540	
Wages and salaries	21,600	
Rent and rates	7,200	
Insurance	2,350	
Office expenses	2,080	
Irrecoverable debts written off	340	
Allowance for doubtful debts (1 Jan 2025)		420
Trade receivables	13,600	
Trade payables		9,300
Bank	12,000	
Cash	480	
Fixtures and equipment at cost	18,000	
Provision for depreciation: fixtures (1 Jan 2025)		6,480
Delivery vehicles at cost	32,000	
Provision for depreciation: vehicles (1 Jan 2025)		12,800
5% Bank loan (raised 1 July 2025, repayable 2032)		20,000
Total	**205,050**	**205,050**

Additional information at 31 December 2025: (1) Closing inventory is valued at cost $12,800, but includes a batch that cost $900 with a net realisable value of only $550 (write down by $350 to $12,450). (2) Fixtures and equipment depreciated at 20% p.a. reducing balance. (3) Delivery vehicles depreciated at 20% p.a. straight line on cost. (4) The irrecoverable debt of $340 (already written off above) related to trade receivables now shown at $13,600; the allowance for doubtful debts is to be adjusted to 4% of this remaining balance. (5) The 5% bank loan was raised on 1 July 2025 (six months before the year end); no interest has been paid or recorded. (6) Wages and salaries accrued $480. (7) Rent and rates prepaid $350. (8) Insurance prepaid $200.

Ví dụ mẫu · A. Kowalski – Income Statement for the year ended 31 December 2025

	$	$
Revenue (sales)		132,400
Less: sales returns		(2,100)
Net sales		**130,300**
Opening inventory	11,200	
Purchases	74,300	
Less: purchases returns	(1,450)	
Net purchases	72,850	
Add: carriage inwards	860	
	73,710	
Goods available for sale		84,910
Less: closing inventory (12,800 − 350 NRV write-down)		(12,450)
Cost of sales		**(72,460)**
Gross profit		**57,840**
Carriage outwards	540	
Wages and salaries (21,600 + 480)	22,080	
Rent and rates (7,200 − 350)	6,850	
Insurance (2,350 − 200)	2,150	
Office expenses	2,080	
Irrecoverable debts written off	340	
Increase in allowance for doubtful debts (544 − 420)	124	
Depreciation: fixtures (20%×(18,000 − 6,480))	2,304	
Depreciation: vehicles (20%×32,000)	6,400	
Loan interest (5%×20,000×6/12)	500	
Total expenses		**(43,368)**
Profit for the year		**14,472**

Ví dụ mẫu · A. Kowalski – Statement of Financial Position at 31 December 2025

Non-current assets	Cost $	Acc. dep. $	NBV $
Delivery vehicles	32,000	(19,200)	12,800
Fixtures and equipment	18,000	(8,784)	9,216
	50,000	(27,984)	**22,016**

Current assets	$	$
Inventory	12,450	
Trade receivables (13,600 − 544)	13,056	
Prepayments (350 + 200)	550	
Bank	12,000	
Cash	480	
	38,536	
Current liabilities		
Trade payables	9,300	
Accrued wages	480	
Accrued loan interest	500	
	(10,280)	
Net current assets		28,256
Non-current assets (from above)		22,016
		50,272
Non-current liabilities: 5% Bank loan		(20,000)
Net assets		**30,272**

Financed by:	$
Opening capital (1 Jan 2025)	22,200
Add: profit for the year	14,472
	36,672
Less: drawings	(6,400)
Closing capital (31 Dec 2025)	**30,272**

Check: Net assets $30,272 = Closing capital $30,272 – the statement balances.

GIẢI THÍCH TIẾNG VIỆT

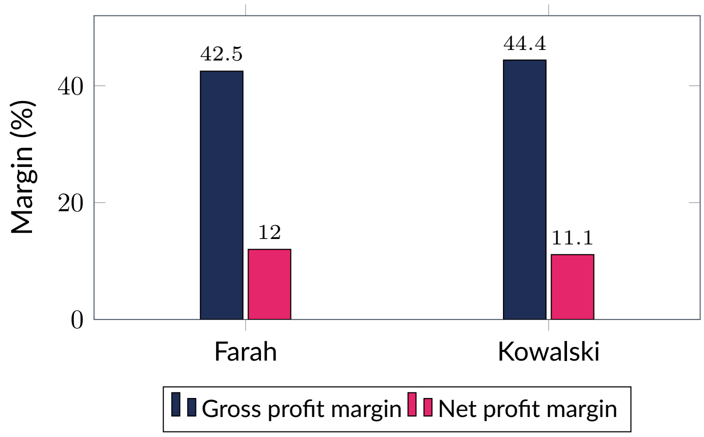
VN Ví dụ A. Kowalski minh hoạ một tổ hợp phức tạp hơn: hai tài sản dài hạn khấu hao theo **hai phương pháp khác nhau** (xe theo đường thẳng, thiết bị theo số dư giảm dần), một khoản **nợ khó đòi đã xoá trong năm** cộng với việc **điều chỉnh lại dự phòng**, khoản vay phát sinh **giữa năm** nên chỉ tính lãi 6 tháng, và tồn kho phải **hạ giá theo NRV**. Dù phức tạp hơn, quy trình vẫn giống hệt: điều chỉnh từng khoản mục, sau đó luôn kiểm tra Tài sản thuần = Vốn chủ sở hữu.

5.8 Analysing the Statements: Profitability Margins

$$\text{Gross profit margin} = \frac{\text{Gross profit}}{\text{Revenue (net sales)}} \times 100$$

$$\text{Net profit margin} = \frac{\text{Profit for the year}}{\text{Revenue (net sales)}} \times 100$$

The gross profit margin shows the percentage of revenue retained after the direct cost of the goods sold; the net profit margin shows the percentage retained after *all* expenses. A gap between the two reflects the weight of operating expenses relative to revenue.



Gross profit margin and net profit margin for the two full worked examples above (M. Farah and A. Kowalski), rounded to one decimal place.

VN GIẢI THÍCH TIẾNG VIỆT

Tỷ suất lợi nhuận gộp $=$ Lợi nhuận gộp / Doanh thu thuần $\times 100$; **Tỷ suất lợi nhuận thuần** $=$ Lợi nhuận trong kỳ / Doanh thu thuần $\times 100$. Khoảng cách giữa hai tỷ suất phản ánh mức độ chi phí hoạt động so với doanh thu – doanh nghiệp nào có chi phí hoạt động (lương, thuê, khấu hao...) chiếm tỷ trọng lớn hơn trên doanh thu sẽ có khoảng cách giữa hai tỷ suất lớn hơn.

5.9 Practice Questions

Bài tập luyện tập

1. Which financial statement shows whether a business made a profit or a loss over a period of time?

(A) The statement of financial position

(B) The income statement

(C) The trial balance

(D) The statement of cash flows

Lời giải chi tiết

(B) The income statement measures profit or loss over a period; the SOFP is a snapshot of assets, liabilities and capital at one point in time.

Bài tập luyện tập

2. Carriage outwards is:

(A) Added to purchases in the trading account

(B) An expense in the profit and loss section

(C) Deducted from sales revenue

(D) Added to the cost of non-current assets

Lời giải chi tiết

(B) Carriage outwards is the cost of delivering goods to customers – a selling/distribution expense in the profit and loss section, not part of cost of sales.

Bài tập luyện tập

3. A trial balance shows: opening inventory $4,500; purchases $32,000; purchases returns $400; carriage inwards $250; sales $50,000; sales returns $600. Closing inventory is valued at $5,100. Calculate cost of sales and gross profit.

Lời giải chi tiết

Cost of sales $= 4{,}500 + 32{,}000 + 250 - 400 - 5{,}100 = \$31{,}250$.
Net sales $= 50{,}000 - 600 = \$49{,}400$.
Gross profit $= 49{,}400 - 31{,}250 = \$18{,}150$.

Bài tập luyện tập

4. Closing inventory counted at cost totals $6,000. This includes a batch that cost $500 but which can now only be sold for $320 due to damage. State the value of closing inventory for the financial statements and the amount of the write-down.

Lời giải chi tiết

Valuation $= 6{,}000 - 500 + 320 = \$5{,}820$. Write-down $= 500 - 320 = \$180$. The undamaged inventory remains at cost; only the damaged batch is written down to its NRV.

Bài tập luyện tập

5. A business pays wages of $18,600 during the year. At 1 January, $400 of wages from the previous year was still owing (and was paid this year); at 31 December, $550 is owing for the current year. Calculate wages expense for the year and state where the closing balance is shown in the SOFP.

Lời giải chi tiết

Wages expense $= 18{,}600 - 400 + 550 = \$18{,}750$. The closing $550 is an **accrued expense**, shown as a **current liability** in the SOFP.

Bài tập luyện tập

6. Insurance premiums paid during the year total $2,850. Of this, $450 relates to a prepayment made last year that covers January of the current year; also included is $600 paid in December covering the first quarter of next year. Calculate insurance expense for the year and state where the closing balance appears in the SOFP.

Lời giải chi tiết

Insurance expense $= 2{,}850 + 450 - 600 = \$2{,}700$. The closing $600 is a **prepayment**, shown as a **current asset** in the SOFP.

Bài tập luyện tập

7. A business sublets office space. Rent received during the year was $3,600, but at the year end an additional $600 is still owed by the tenant for the final month. Calculate rent income for the year and state where the $600 is shown.

Lời giải chi tiết

Rent income for the year $= 3{,}600 + 600 = \$4{,}200$. The \$600 is **accrued income (income receivable)**, shown as a **current asset** in the SOFP.

Bài tập luyện tập

8. A tenant pays \$2,400 in November covering four months (December to March). Only one month (\$600) relates to the current financial year. Calculate rent income to be recognised this year and state where the remaining balance is shown.

Lời giải chi tiết

Rent income recognised this year $= \$600$. The remaining $2{,}400 - 600 = \$1{,}800$ is **income received in advance**, shown as a **current liability** in the SOFP.

Bài tập luyện tập

9. A non-current asset costs \$12,000 and has an estimated residual value of \$1,200 at the end of a 4-year useful life. Calculate the annual straight-line depreciation charge.

Lời giải chi tiết

Annual depreciation $= \dfrac{12{,}000 - 1{,}200}{4} = \$2{,}700$ per year.

Bài tập luyện tập

10. A non-current asset costs \$15,000 and is depreciated at 20% per annum on the reducing balance. Calculate the depreciation charge and net book value for each of the first three years.

Lời giải chi tiết

	Year 1	Year 2	Year 3
Depreciation (20% of opening NBV)	3,000	2,400	1,920
Net book value at year end	12,000	9,600	7,680

Each year's charge is 20% of the *previous* year's closing NBV, so the charge falls every year.

Bài tập luyện tập

11. Trade receivables total \$15,000 after a debt of \$350 has already been written off as irrecoverable during the year. The allowance for doubtful debts is to be adjusted to 4% of trade receivables; the opening allowance was \$500. Calculate (a) the total charge to the income statement and (b) trade receivables as shown in the SOFP.

Lời giải chi tiết

Required allowance $= 4\% \times 15{,}000 = \$600$. Increase in allowance $= 600 - 500 = \$100$.
(a) Total charge to income statement = irrecoverable debt \$350 + increase in allowance \$100 $= \$450$.
(b) Trade receivables in the SOFP $= 15{,}000 - 600 = \$14{,}400$ (net).

Bài tập luyện tập

12. Trade receivables total \$8,000. The allowance for doubtful debts is to be adjusted to 3% of trade receivables; the opening allowance was \$310. Calculate the adjustment required and state how it is treated in the income statement.

Lời giải chi tiết

Required allowance $= 3\% \times 8{,}000 = \$240$. Since this is *less* than the opening allowance of \$310, the allowance decreases by $310 - 240 = \$70$. This \$70 decrease is **credited** (added back) in the income statement, reducing total expenses for the year. Trade receivables in the SOFP $= 8{,}000 - 240 = \$7{,}760$.

Bài tập luyện tập

13. Per the trial balance, purchases are \$28,000. During the year the owner withdrew goods costing \$420 for personal use; this has not yet been recorded anywhere. State the required adjustment and its effect on (a) purchases and (b) drawings.

Lời giải chi tiết

The double entry is: debit drawings \$420, credit purchases \$420.
(a) Adjusted purchases $= 28{,}000 - 420 = \$27{,}580$.
(b) Drawings increase by \$420. This transaction never appears in the expenses section of the income statement.

Bài tập luyện tập

14. On 1 October, a business raised a 6% bank loan of \$18,000, repayable in five years. No interest has been paid or recorded by the year end (31 December, three months later). Calculate the loan interest to be accrued.

Lời giải chi tiết

Interest $= 18{,}000 \times 6\% \times \dfrac{3}{12} = \$270$. This is charged in full as a finance expense in the income statement and shown as a current liability (accrued interest), since none has been paid.

Bài tập luyện tập

15. Classify each item as capital expenditure or revenue expenditure: (a) purchase of business premises \$80,000; (b) cost of painting new premises before first use \$2,000; (c) repainting premises three years later \$900; (d) cost of replacement parts for machinery (repair) \$350; (e) purchase of new machinery \$9,000; (f) installation costs of the new machinery \$600; (g) carriage inwards on inventory purchased for resale \$220; (h) annual insurance of premises \$1,200.

Lời giải chi tiết

(a) Capital – non-current asset. (b) Capital – a cost incurred to bring the premises to a usable condition before first use is capitalised. (c) Revenue – routine redecoration/maintenance of an asset already in use. (d) Revenue – repair, not improvement. (e) Capital – non-current asset. (f) Capital – directly attributable cost of bringing the machine into working condition. (g) Revenue

– added to purchases in the trading account (relates to inventory, not a non-current asset). (h) Revenue – ongoing running cost, expensed each year.

Bài tập luyện tập

16. Closing inventory must be shown:

(A) Twice in the income statement only

(B) Once in the income statement and once in the SOFP

(C) Once in the income statement only

(D) Twice in the SOFP only

Lời giải chi tiết

(B) The single, lower-of-cost-and-NRV figure is deducted once in arriving at cost of sales in the income statement, and shown once as a current asset in the SOFP – the same number, used exactly once in each statement.

Bài tập luyện tập

17. Which of the following correctly describes an accrued expense?

(A) Paid in advance, relating to a future period; shown as a current asset

(B) Incurred but not yet paid; added to the expense and shown as a current liability

(C) Incurred and fully paid; no adjustment needed

(D) A capital item added to a non-current asset

Lời giải chi tiết

(B) An accrued expense has been incurred (the business has had the benefit) but not yet paid at the year end – it increases the expense charged and is a current liability until settled.

Bài tập luyện tập

18. Net current assets is calculated as:

(A) Non-current assets minus non-current liabilities

(B) Current assets minus current liabilities

(C) Total assets minus total liabilities

(D) Capital plus profit minus drawings

Lời giải chi tiết

(B) Net current assets (working capital) = current assets − current liabilities.

Bài tập luyện tập

19. The reducing balance method of depreciation, compared with straight line on the same asset, gives:

(A) A smaller charge in the early years and a larger charge later

(B) Exactly equal charges every year

(C) A larger charge in the early years, falling over time

(D) No depreciation in the year of purchase

Lời giải chi tiết

(C) Reducing balance depreciation is a fixed percentage of the falling net book value, so the charge is largest in the earliest years and decreases each year thereafter.

Bài tập luyện tập

20. At 31 December, a sole trader's SOFP shows total assets of $45,000 and total liabilities (current and non-current combined) of $12,000. During the year, drawings were $6,000 and profit for the year was $9,500, and the owner introduced no additional capital. Calculate the opening capital at the start of the year.

Lời giải chi tiết

Net assets (closing capital) $= 45{,}000 - 12{,}000 = \$33{,}000$.
Opening capital = closing capital − profit + drawings $= 33{,}000 - 9{,}500 + 6{,}000 = \$29{,}500$.
Check: $29{,}500 + 9{,}500 - 6{,}000 = 33{,}000$ – correct.

Bài tập luyện tập

21. Using the M. Farah and A. Kowalski full worked examples above, calculate each business's gross profit margin and net profit margin (to one decimal place) and comment briefly on the difference.

Lời giải chi tiết

M. Farah: gross profit margin $= 49{,}650/116{,}750 \times 100 = 42.5\%$; net profit margin $= 14{,}025/116{,}750 \times 100 = 12.0\%$.
A. Kowalski: gross profit margin $= 57{,}840/130{,}300 \times 100 = 44.4\%$; net profit margin $= 14{,}472/130{,}300 \times 100 = 11.1\%$.
Kowalski earns a higher gross margin (more revenue retained after cost of sales) but a slightly lower net margin, indicating relatively heavier operating expenses (e.g. two depreciating non-current assets and loan interest) relative to revenue.

Bài tập luyện tập

22. From the following trial balance of D. Osei at 31 December 2025, and the additional information given, prepare the income statement for the year ended 31 December 2025 and the statement of financial position at that date.

Account	Debit $	Credit $
Capital (1 Jan 2025)		14,870
Drawings	4,800	
Purchases	52,000	
Sales		88,000
Sales returns	1,400	
Purchases returns		700
Inventory (1 Jan 2025)	6,500	
Carriage inwards	450	
Carriage outwards	380	
Wages and salaries	15,200	
Rent and rates	4,200	
General expenses	1,650	
Allowance for doubtful debts (1 Jan 2025)		270
Trade receivables	9,000	
Trade payables		5,400
Bank	3,800	
Cash	260	
Motor vehicles at cost	16,000	
Provision for depreciation: motor vehicles (1 Jan 2025)		6,400
Total	**115,640**	**115,640**

Additional information: (1) Closing inventory $7,800. (2) The owner withdrew goods costing $320 for personal use, not recorded. (3) Wages and salaries accrued $380. (4) Rent and rates prepaid $250. (5) Motor vehicles depreciated at 20% p.a. straight line on cost. (6) Allowance for doubtful debts adjusted to 2% of trade receivables.

Lời giải chi tiết

Income statement for the year ended 31 December 2025

	$	$
Revenue (sales)		88,000
Less: sales returns		(1,400)
Net sales		**86,600**
Opening inventory	6,500	
Purchases (52,000 − 320)	51,680	
Less: purchases returns	(700)	
Net purchases	50,980	
Add: carriage inwards	450	
	51,430	
Goods available for sale		57,930
Less: closing inventory		(7,800)
Cost of sales		**(50,130)**
Gross profit		**36,470**
Carriage outwards	380	
Wages and salaries (15,200 + 380)	15,580	
Rent and rates (4,200 − 250)	3,950	
General expenses	1,650	
Depreciation: motor vehicles (20%×16,000)	3,200	
Less: decrease in allowance for doubtful debts (270 − 180)	(90)	
Total expenses		**(24,670)**
Profit for the year		**11,800**

Statement of financial position at 31 December 2025

Non-current assets	Cost $	Acc. dep. $	NBV $
Motor vehicles	16,000	(9,600)	6,400

Current assets	$	$
Inventory	7,800	
Trade receivables (9,000 − 180)	8,820	
Prepayments	250	
Bank	3,800	
Cash	260	
	20,930	
Current liabilities		
Trade payables	5,400	
Accrued wages	380	
	(5,780)	
Net current assets		15,150
Non-current assets (from above)		6,400
Net assets		**21,550**

Financed by:	$
Opening capital	14,870
Add: profit for the year	11,800
	26,670
Less: drawings (4,800 + 320)	(5,120)
Closing capital	**21,550**

Check: Net assets $21,550 = Closing capital $21,550 – balances.

Bài tập luyện tập

23. From the following trial balance of L. Tan at 31 December 2025, and the additional information given, prepare the income statement for the year ended 31 December 2025 and the statement of financial position at that date.

Account	Debit $	Credit $
Capital (1 Jan 2025)		11,930
Drawings	5,600	
Purchases	61,500	
Sales		102,500
Sales returns	2,300	
Purchases returns		950
Inventory (1 Jan 2025)	8,900	
Carriage inwards	700	
Wages and salaries	17,800	
Rent and rates	5,200	
Insurance	1,800	
Loan interest paid	250	
Allowance for doubtful debts (1 Jan 2025)		380
Trade receivables	10,500	
Trade payables		6,700
Rent income received		2,400
Bank	4,600	
Cash	350	
Equipment at cost	24,000	
Provision for depreciation: equipment (1 Jan 2025)		8,640
6% Bank loan		10,000
Total	**143,500**	**143,500**

Additional information: (1) Closing inventory is valued at cost $9,600, but includes a batch that cost $400 with a net realisable value of only $150 (write down by $250 to $9,350). (2) Equipment depreciated at 20% p.a. reducing balance. (3) Wages and salaries accrued $410. (4) Insurance prepaid $180. (5) Rent income received of $2,400 is for the year, but a further $200 rent income was receivable at the year end. (6) The allowance for doubtful debts ($380) is unchanged this year – no adjustment is required, but it must still be deducted from trade receivables in the SOFP. (7) A full year's loan interest at 6% on the $10,000 loan should have been charged; $250 has already been paid (as shown above), with the balance accrued.

Lời giải chi tiết

Income statement for the year ended 31 December 2025

	$	$
Revenue (sales)		102,500
Less: sales returns		(2,300)
Net sales		**100,200**
Opening inventory	8,900	
Purchases	61,500	
Less: purchases returns	(950)	
Net purchases	60,550	
Add: carriage inwards	700	
	61,250	
Goods available for sale		70,150
Less: closing inventory (9,600 − 250 NRV write-down)		(9,350)
Cost of sales		**(60,800)**
Gross profit		**39,400**
Add: rent income (2,400 + 200 accrued)		2,600
		42,000
Wages and salaries (17,800 + 410)	18,210	
Rent and rates	5,200	
Insurance (1,800 − 180)	1,620	
Depreciation: equipment (20%×(24,000 − 8,640))	3,072	
Loan interest (6%×10,000)	600	
Total expenses		**(28,702)**
Profit for the year		**13,298**

Statement of financial position at 31 December 2025

Non-current assets	Cost $	Acc. dep. $	NBV $
Equipment	24,000	(11,712)	12,288

Current assets	$	$
Inventory	9,350	
Trade receivables (10,500 − 380)	10,120	
Prepayments	180	
Accrued rent income	200	
Bank	4,600	
Cash	350	
	24,800	
Current liabilities		
Trade payables	6,700	
Accrued wages	410	
Accrued loan interest (600 − 250)	350	
	(7,460)	
Net current assets		17,340
Non-current assets (from above)		12,288
		29,628
Non-current liabilities: 6% Bank loan		(10,000)
Net assets		**19,628**

Financed by:	$
Opening capital	11,930
Add: profit for the year	13,298
	25,228
Less: drawings	(5,600)
Closing capital	**19,628**

Check: Net assets $19,628 = Closing capital $19,628 – balances. Note that although the allowance for doubtful debts did not change (so no adjustment was needed in the income statement), it is still deducted from trade receivables in the SOFP.

Bài tập luyện tập

24. From the following trial balance of R. Abara at 31 December 2025, and the additional information given, prepare the income statement for the year ended 31 December 2025 and the statement of financial position at that date.

Account	Debit $	Credit $
Capital (1 Jan 2025)		15,000
Drawings	6,000	
Purchases	58,200	
Sales		96,300
Sales returns	1,600	
Purchases returns		800
Inventory (1 Jan 2025)	7,900	
Carriage inwards	520	
Carriage outwards	410	
Wages and salaries	16,400	
Rent and rates	4,600	
Insurance	1,450	
General expenses	1,180	
Irrecoverable debts written off	280	
Allowance for doubtful debts (1 Jan 2025)		300
Trade receivables	9,800	
Trade payables		6,100
Bank	2,900	
Cash	300	
Fixtures at cost	14,000	
Provision for depreciation: fixtures (1 Jan 2025)		5,040
Vehicles at cost	20,000	
Provision for depreciation: vehicles (1 Jan 2025)		10,000
4% Bank loan (raised 1 September 2025)		12,000
Total	**145,540**	**145,540**

Additional information: (1) Closing inventory $8,600. (2) Fixtures depreciated at 20% p.a. reducing balance. (3) Vehicles depreciated at 25% p.a. straight line on cost. (4) Wages and salaries accrued $340. (5) Rent and rates prepaid $300. (6) Trade receivables of $9,800 are already stated after writing off the $280 irrecoverable debt above; the allowance for doubtful debts is to be adjusted to 4% of this balance. (7) The 4% loan was raised on 1 September 2025 (four months before the year end); no interest has been paid or recorded.

Lời giải chi tiết

Income statement for the year ended 31 December 2025

	$	$
Revenue (sales)		96,300
Less: sales returns		(1,600)
Net sales		**94,700**
Opening inventory	7,900	
Purchases	58,200	
Less: purchases returns	(800)	
Net purchases	57,400	
Add: carriage inwards	520	
	57,920	
Goods available for sale		65,820
Less: closing inventory		(8,600)
Cost of sales		**(57,220)**
Gross profit		**37,480**
Carriage outwards	410	
Wages and salaries (16,400 + 340)	16,740	
Rent and rates (4,600 − 300)	4,300	
Insurance	1,450	
General expenses	1,180	
Irrecoverable debts written off	280	
Increase in allowance for doubtful debts (392 − 300)	92	
Depreciation: fixtures (20%×(14,000 − 5,040))	1,792	
Depreciation: vehicles (25%×20,000)	5,000	
Loan interest (4%×12,000×4/12)	160	
Total expenses		**(31,404)**
Profit for the year		**6,076**

Statement of financial position at 31 December 2025

Non-current assets	Cost $	Acc. dep. $	NBV $
Vehicles	20,000	(15,000)	5,000
Fixtures	14,000	(6,832)	7,168
	34,000	(21,832)	**12,168**

Current assets	$	$
Inventory	8,600	
Trade receivables (9,800 − 392)	9,408	
Prepayments	300	
Bank	2,900	
Cash	300	
	21,508	
Current liabilities		
Trade payables	6,100	
Accrued wages	340	
Accrued loan interest	160	
	(6,600)	
Net current assets		14,908
Non-current assets (from above)		12,168
		27,076
Non-current liabilities: 4% Bank loan		(12,000)
Net assets		**15,076**

Financed by:	$
Opening capital	15,000
Add: profit for the year	6,076
	21,076
Less: drawings	(6,000)
Closing capital	**15,076**

Check: Net assets $15,076 = Closing capital $15,076 – balances.

Bài tập luyện tập

25. From the following trial balance of N. Petrov at 31 December 2025, and the additional information given, prepare the income statement for the year ended 31 December 2025 and the statement of financial position at that date.

Account	Debit $	Credit $
Capital (1 Jan 2025)		11,700
Drawings	3,900	
Purchases	41,200	
Sales		68,400
Sales returns	900	
Purchases returns		560
Inventory (1 Jan 2025)	5,200	
Carriage inwards	340	
Wages and salaries	12,600	
Rent and rates	3,300	
General expenses	980	
Trade receivables	6,800	
Trade payables		4,200
Bank	2,450	
Cash	190	
Fixtures at cost	10,000	
Provision for depreciation: fixtures (1 Jan 2025)		3,000
Total	**87,860**	**87,860**

Additional information: (1) Closing inventory $6,100. (2) The owner withdrew goods costing $260 for personal use, not recorded. (3) Wages and salaries accrued $290. (4) Rent and rates prepaid $200. (5) Fixtures depreciated at 10% p.a. straight line on cost. This trial balance carries no allowance for doubtful debts account – none is required.

Lời giải chi tiết

Income statement for the year ended 31 December 2025

	$	$
Revenue (sales)		68,400
Less: sales returns		(900)
Net sales		**67,500**
Opening inventory	5,200	
Purchases (41,200 − 260)	40,940	
Less: purchases returns	(560)	
Net purchases	40,380	
Add: carriage inwards	340	
	40,720	
Goods available for sale		45,920
Less: closing inventory		(6,100)
Cost of sales		**(39,820)**
Gross profit		**27,680**
Wages and salaries (12,600 + 290)	12,890	
Rent and rates (3,300 − 200)	3,100	
General expenses	980	
Depreciation: fixtures (10% × 10,000)	1,000	
Total expenses		**(17,970)**
Profit for the year		**9,710**

Statement of financial position at 31 December 2025

Non-current assets	Cost \$	Acc. dep. \$	NBV \$
Fixtures	10,000	(4,000)	6,000

Current assets	\$	\$
Inventory	6,100	
Trade receivables	6,800	
Prepayments	200	
Bank	2,450	
Cash	190	
	15,740	
Current liabilities		
Trade payables	4,200	
Accrued wages	290	
	(4,490)	
Net current assets		11,250
Non-current assets (from above)		6,000
Net assets		**17,250**

Financed by:	\$
Opening capital	11,700
Add: profit for the year	9,710
	21,410
Less: drawings (3,900 + 260)	(4,160)
Closing capital	**17,250**

Check: Net assets \$17,250 = Closing capital \$17,250 – balances.

Bài tập luyện tập

26. A sole trader's income received in advance is correctly shown in the financial statements as:

(A) A deduction from income and a current asset

(B) An addition to income and a current liability

(C) A deduction from income and a current liability

(D) An addition to income and a current asset

Lời giải chi tiết

(C) Income received in advance relates to a future period, so it is deducted from this year's income, and the amount still owed to the customer/tenant (in the form of service not yet provided) is a current liability.

Bài tập luyện tập

27. A business's gross profit is $57,840 on net sales of $130,300, and profit for the year is $14,472. Calculate the gross profit margin and the net profit margin, each to one decimal place.

Lời giải chi tiết

Gross profit margin $= \dfrac{57{,}840}{130{,}300} \times 100 = 44.4\%.$

Net profit margin $= \dfrac{14{,}472}{130{,}300} \times 100 = 11.1\%.$

Bài tập luyện tập

28. A loan of $24,000 at 5% per annum was raised on 1 April; the financial year ends on 31 December. If no interest has been paid, calculate the amount to be accrued and state in which two places it appears in the financial statements.

Lời giải chi tiết

Months outstanding $= 9$ (April to December). Interest $= 24{,}000 \times 5\% \times 9/12 = \$900$. It appears (i) as a finance expense of $900 in the income statement, and (ii) as an accrued expense (current liability) of $900 in the statement of financial position.

Partnership Accounts I: Formation, Appropriation & Current Accounts

AS/A2 Level

Mục tiêu Unit: Bản chất của công ty hợp danh (partnership) và nội dung thoả thuận hợp danh (tỷ lệ chia lãi/lỗ, lương đối tác, lãi trên vốn, lãi trên rút vốn); các quy tắc mặc định theo Đạo luật Hợp danh 1890 khi không có thoả thuận; phân biệt tài khoản vốn cố định (fixed capital account) và tài khoản vãng lai (current account); tài khoản phân phối lợi nhuận (appropriation account) đầy đủ, đặc biệt phân biệt lãi vay đối tác (chi phí, trước phân phối) với lãi trên vốn (khoản phân phối); hai phương pháp tính lãi trên rút vốn (phẳng và theo thời gian thực tế); mức lợi nhuận tối thiểu được đảm bảo (guaranteed minimum profit share); và một ví dụ tổng hợp đầy đủ từ bảng cân đối thử đến trích đoạn bảng cân đối kế toán.

6.1 The Nature of a Partnership

What is a partnership?

A **partnership** is a business relationship between two or more people (typically 2–20 for an ordinary partnership) who carry on a business together with a view to making a profit. Unlike a sole trader, a partnership can pool more capital, share the workload and risk, and combine complementary skills; unlike a limited company, an ordinary partnership has no separate legal identity from its partners, and each partner is normally jointly and severally liable, without limit, for the debts of the firm. Each partner also acts as an **agent** of the firm and of the other partners – a contract a partner signs in the ordinary course of the firm's business binds all the partners.

VN GIẢI THÍCH TIẾNG VIỆT

Công ty hợp danh (partnership) là mối quan hệ kinh doanh giữa từ hai người trở lên (thường 2–20 đối với hợp danh thông thường) cùng điều hành một doanh nghiệp nhằm mục đích sinh lời. So với chủ doanh nghiệp tư nhân, hợp danh huy động được nhiều vốn hơn và chia sẻ công việc/rủi ro; so với công ty cổ phần, hợp danh thông thường không có tư cách pháp nhân riêng biệt và mỗi đối tác thường phải chịu **trách nhiệm vô hạn, liên đới** đối với các khoản nợ của doanh nghiệp. Mỗi đối tác cũng là **đại diện (agent)** của công ty và của các đối tác khác – hợp đồng một đối tác ký trong hoạt động kinh doanh bình thường của công ty sẽ ràng buộc tất cả các đối tác.

6.1.1 The partnership agreement

Because partners share ownership of one business, disputes over how profits, salaries, and capital are to be treated are common unless the partners agree the rules in advance – ideally in writing, in a formal **partnership agreement** (also called the partnership deed or articles of partnership).

Typical contents of a partnership agreement

A partnership agreement typically specifies:

- the amount of **capital** each partner is to contribute (fixed capital);
- the **profit (and loss) sharing ratio (PSR)** used to divide the residual profit after all other appropriations;
- any **partner salaries**, rewarding a partner for additional time, skill, or responsibility in running the business;
- the rate of **interest on capital**, rewarding partners in proportion to the capital they have tied up in the firm;
- the rate of **interest on drawings**, discouraging partners from withdrawing cash/goods too early or too often during the year;
- the rate of **interest on any loan** a partner makes to the firm (separate from their capital contribution).

Where the partners have agreed a term in writing, that term governs – it always overrides the default rules discussed next.

GIẢI THÍCH TIẾNG VIỆT

VN

Thoả thuận hợp danh (partnership agreement / deed) nên được lập bằng văn bản, quy định rõ: số vốn mỗi đối tác góp; **tỷ lệ chia lãi/lỗ (PSR)** áp dụng cho phần lợi nhuận còn lại; **lương đối tác** (thưởng cho đối tác bỏ nhiều thời gian/trách nhiệm hơn); **lãi trên vốn** (thưởng theo số vốn đã góp); **lãi trên rút vốn** (hạn chế rút tiền/hàng quá sớm hoặc quá thường xuyên); và lãi suất cho **khoản vay** của đối tác cho công ty (khác với vốn góp). Khi đã có thoả thuận bằng văn bản, thoả thuận đó luôn được áp dụng, thay thế các quy tắc mặc định trình bày dưới đây.

6.1.2 The Partnership Act 1890: default rules

Cambridge International accounting follows the historical default rules of the **Partnership Act 1890** (England and Wales), which apply automatically whenever partners have *no* written or oral agreement covering a particular matter – or where the agreement is silent on that specific matter.

In the absence of an agreement (or on any point the agreement does not cover), the Partnership Act 1890 provides that:

1. Profits and losses are shared **equally** between the partners, regardless of capital contributed or time worked.
2. **No interest** is allowed on partners' capital.
3. **No salary** is payable to any partner.
4. Interest at **5% per annum** is allowed on a loan a partner makes to the firm (over and above their capital) – this is the one item the Act *does* provide for, and it is always a business **expense**, not an appropriation.
5. **No interest** is charged on partners' drawings.

GIẢI THÍCH TIẾNG VIỆT

VN

Đạo luật Hợp danh 1890 quy định các quy tắc mặc định áp dụng khi các đối tác *không* có thoả thuận (hoặc thoả thuận không đề cập đến một vấn đề cụ thể): (1) lãi/lỗ chia **đều** bất kể vốn góp hay thời gian làm việc; (2) **không** có lãi trên vốn; (3) **không** có lương cho đối tác; (4) lãi suất **5%/năm** được phép tính trên khoản *vay* của đối tác cho công ty – đây là điểm duy nhất Đạo luật thực sự quy định, và luôn là một **chi phí** kinh doanh, không phải khoản phân phối lợi nhuận; (5) **không** tính lãi trên rút vốn. Lưu ý: các quy tắc mặc định chỉ áp dụng cho *từng điểm cụ thể* mà thoả thuận không đề cập – nếu thoả thuận đã quy định PSR và lương nhưng im lặng về lãi rút vốn, thì chỉ riêng lãi rút vốn áp dụng mặc định (bằng 0), các điểm khác vẫn theo thoả thuận.

Item	No agreement – Partnership Act 1890	Typical partnership agreement
Sharing of residual profits/losses	Equally, regardless of capital contributed	In whatever ratio (PSR) the partners specify
Interest on capital	None	A stated % per annum on each partner's fixed capital
Partner salaries	None	May reward a partner for extra time/duties
Interest on a partner's loan to the firm	5% p.a. (an expense, before appropriation)	Whatever rate is agreed (still an expense, before appropriation)
Interest on drawings	None	A stated % p.a., often time-apportioned

Figure 6.1. Comparing the Partnership Act 1890 default rules with the terms a written partnership agreement typically specifies. Interest on a partner's loan is charged as an expense either way – only its rate depends on whether an agreement exists.

Ví dụ mẫu · Applying the Partnership Act 1890 in the absence of an agreement

Partners P and Q have no written or oral partnership agreement. During the year Q lent the firm $5,000 (separate from Q's capital). The firm's profit for the year, before charging any interest on this loan, was $18,500. Calculate the interest on the loan and each partner's final share of profit.

Since there is no agreement, the Act's 5% default applies to the loan (the only item the Act actually provides interest for):

$$\text{Loan interest} = \$5{,}000 \times 5\% = \$250 \quad (\text{an expense, charged before profit for the year is struck}).$$

Profit for the year (after this expense) $= 18{,}500 - 250 = \$18{,}250$. With no agreement, there is no salary, no interest on capital, and no interest on drawings; the entire $18,250 is shared **equally**:

$$P = Q = \frac{18{,}250}{2} = \$9{,}125 \text{ each.}$$

GIẢI THÍCH TIẾNG VIỆT

VN Vì không có thoả thuận, chỉ riêng lãi vay của Q (khoản vay, không phải vốn góp) được tính theo mức mặc định 5%: $5{,}000 \times 5\% = 250$ – đây là **chi phí**, trừ trước khi ra lợi nhuận trong năm $= 18{,}500 - 250 = 18{,}250$. Vì không có thoả thuận về lương, lãi vốn, hay lãi rút vốn, toàn bộ $18{,}250$ được chia **đều** cho P và Q, mỗi người $9{,}125$.

Ví dụ mẫu · The same partners, now with a written agreement

Suppose instead P and Q had signed a partnership agreement specifying: fixed capital P \$30,000, Q \$15,000; interest on capital 4% p.a.; a salary of \$4,000 p.a. to Q; and a residual profit-sharing ratio of 2:1 (P:Q). Profit for the year (after any loan interest) is \$19,300. Calculate each partner's total share.

Interest on capital: $P = 30{,}000 \times 4\% = 1{,}200$; $Q = 15{,}000 \times 4\% = 600$; total $= \$1{,}800$.

Deduct interest on capital (\$1,800) and Q's salary (\$4,000) from profit for the year:

$$19{,}300 - 1{,}800 - 4{,}000 = \$13{,}500 \text{ residual, shared 2:1.}$$

$$P = 13{,}500 \times \tfrac{2}{3} = \$9{,}000; \qquad Q = 13{,}500 \times \tfrac{1}{3} = \$4{,}500.$$

Check: total appropriated $= 1{,}800 + 4{,}000 + 9{,}000 + 4{,}500 = \$19{,}300$, exactly equal to profit for the year. P's total share $= 1{,}200 + 9{,}000 = \$10{,}200$; Q's total share $= 600 + 4{,}000 + 4{,}500 = \$9{,}100$.

GIẢI THÍCH TIẾNG VIỆT

VN

Khi có thoả thuận bằng văn bản, các điều khoản này thay thế hoàn toàn quy tắc mặc định: lãi vốn 4% (P: $1{,}200$; Q: 600), lương Q $4{,}000$, phần còn lại $13{,}500$ chia theo tỷ lệ $2{:}1$. Tổng số đã phân phối ($1{,}800 + 4{,}000 + 13{,}500 = 19{,}300$) luôn phải bằng đúng lợi nhuận trong năm – đây là phép kiểm tra bắt buộc cho mọi tài khoản phân phối lợi nhuận.

6.2 Fixed Capital Accounts and Current Accounts

Why two separate accounts?

Almost all partnerships maintain **two** separate accounts for each partner:

- The **fixed capital account** records only capital **introduced** (credit) and capital **permanently withdrawn** (debit). It stays constant from one year to the next unless the partner actually changes the amount of capital invested in the firm.
- The **current account** records the annual flow of appropriation items: the partner's **share of residual profit**, **salary**, **interest on capital** (all credited), less **interest on drawings** and **drawings** themselves (both debited). Its balance fluctuates every year and can be a **debit** balance (the partner owes the firm, having drawn out more than their year's entitlement) or a **credit** balance (the more usual case).

Keeping the two separate lets the firm always see, at a glance, how much capital a partner has permanently invested (fixed capital) versus how much of this year's earnings remains undrawn (current account).

GIẢI THÍCH TIẾNG VIỆT

VN

Hầu hết công ty hợp danh duy trì **hai** tài khoản riêng cho mỗi đối tác. **Tài khoản vốn cố định** chỉ ghi vốn **góp thêm** (bên Có) và vốn **rút vĩnh viễn** (bên Nợ) – giữ nguyên qua các năm trừ khi đối tác thực sự thay đổi số vốn đầu tư. **Tài khoản vãng lai** ghi nhận các khoản phân phối hàng năm: phần lợi nhuận được chia, lương, lãi trên vốn (bên Có), trừ đi lãi trên rút vốn và rút vốn (bên Nợ) – số dư biến động mỗi năm và có thể là số dư **Nợ** (đối tác nợ công ty, do đã rút nhiều hơn phần được hưởng) hoặc số dư **Có** (phổ biến hơn).

Fixed capital account

- Capital introduced
- Capital permanently withdrawn

Stays constant year after year unless capital itself changes

Current account

- Share of residual profit
- Salary
- Interest on capital
- Interest on drawings (deducted)
- Drawings (deducted)

Fluctuates every year; may be debit or credit.

Figure 6.2. Fixed capital accounts record only capital introduced or withdrawn; current accounts record the annual flow of appropriation items and drawings.

(!) Lỗi thường gặp: A frequent error is to post a partner's **share of profit** (or salary, or interest on capital) directly into the **fixed capital account** instead of the **current account**. This wrongly makes the "fixed" capital account change every year and destroys the clean distinction between permanent investment and annual earnings. Unless a question specifically states that the firm uses **fluctuating** capital accounts (a single combined account – rare in Cambridge International questions), always keep the two accounts separate: only capital introduced/withdrawn touches the capital account; everything else touches the current account.

6.2.1 Worked example: fixed capital and current accounts for one year

Ví dụ mẫu · A. Reyes and B. Osei – capital and current accounts

A. Reyes and B. Osei are in partnership with fixed capitals of \$40,000 and \$20,000 respectively, unchanged during the year. Their agreement provides: interest on capital at 5% p.a.; a salary to Osei of \$6,000 p.a.; interest on drawings of \$640 (Reyes) and \$400 (Osei) already calculated for the year; and residual profits shared 3:2 (Reyes:Osei). Profit for the year (after any loan interest) is \$30,000. Opening current account balances at 1 January were: Reyes \$1,500 credit; Osei \$600 credit. Drawings during the year were: Reyes \$8,000; Osei \$5,000. Prepare the appropriation account, the fixed capital accounts, and the current accounts.

Appropriation account:

	$	$
Profit for the year		30,000
Add: interest on drawings – Reyes 640, Osei 400		1,040
		31,040
Less: interest on capital – Reyes 2,000, Osei 1,000	(3,000)	
salary – Osei	(6,000)	
		(9,000)
Residual profit (shared 3:2)		**22,040**
Reyes ($\frac{3}{5}$)	13,224	
Osei ($\frac{2}{5}$)	8,816	

Fixed capital accounts:

	Reyes \$	Osei \$
Balance b/d and c/d (unchanged)	40,000	20,000

Current accounts:

	Reyes $	Osei $
Balance b/d	1,500	600
Interest on capital	2,000	1,000
Salary	–	6,000
Share of residual profit	13,224	8,816
	16,724	16,416
Less: interest on drawings	(640)	(400)
Less: drawings	(8,000)	(5,000)
Balance c/d	**8,084**	**11,016**

Check: total appropriated ($3{,}000 + 6{,}000 + 22{,}040 = 31{,}040$) equals profit for the year plus interest on drawings added back ($30{,}000 + 1{,}040 = 31{,}040$).

VN **GIẢI THÍCH TIẾNG VIỆT**

Tài khoản vốn cố định giữ nguyên $40{,}000$ và $20{,}000$ suốt năm vì không có vốn góp thêm hay rút vốn vĩnh viễn. Tài khoản vãng lai bắt đầu từ số dư đầu kỳ, cộng lãi vốn, lương, phần lợi nhuận được chia, rồi trừ lãi rút vốn và rút vốn để ra số dư cuối kỳ: Reyes $8{,}084$, Osei $11{,}016$. Đây chính là mẫu trình bày chuẩn cho câu hỏi "chuẩn bị tài khoản vốn và tài khoản vãng lai" trong đề thi Cambridge.

6.3 The Appropriation Account

From profit for the year to the appropriation account

The **appropriation account** shows how the firm's profit for the year is divided among the partners. It always starts from **profit for the year** – the same figure that would appear at the foot of a sole trader's income statement – and never touches the income statement itself. Two very different kinds of items must not be confused:

- **Interest on a partner's loan** to the firm is a **finance expense**, exactly like bank loan interest. It is charged in the income statement *before* profit for the year is struck, regardless of whether the firm makes enough profit to "afford" it – a loan is a debt owed to the partner as a *creditor*, not as an owner.
- **Salaries, interest on capital, interest on drawings, and the residual profit share** are all **appropriations** – ways of dividing profit that has *already* been earned among the partners as *owners*. They appear only in the appropriation account, never as an income-statement expense.

VN **GIẢI THÍCH TIẾNG VIỆT**

Tài khoản phân phối lợi nhuận (appropriation account) luôn bắt đầu từ **lợi nhuận trong kỳ** – con số giống hệt dòng cuối báo cáo thu nhập của chủ doanh nghiệp tư nhân. **Lãi trên khoản vay** của đối tác là **chi phí tài chính**, giống hệt lãi vay ngân hàng – ghi nhận trong báo cáo thu nhập *trước khi* ra lợi nhuận trong kỳ, bất kể công ty có đủ lợi nhuận hay không, vì khoản vay là nợ phải trả cho đối tác với tư cách *chủ nợ*, không phải chủ sở hữu. Ngược lại, **lương, lãi trên vốn, lãi trên rút vốn, và phần lợi nhuận còn lại** đều là các khoản **phân phối** lợi nhuận đã kiếm được cho các đối tác với tư cách *chủ sở hữu* – chỉ xuất hiện trong tài khoản phân phối, không bao giờ là chi phí trên báo cáo thu nhập.

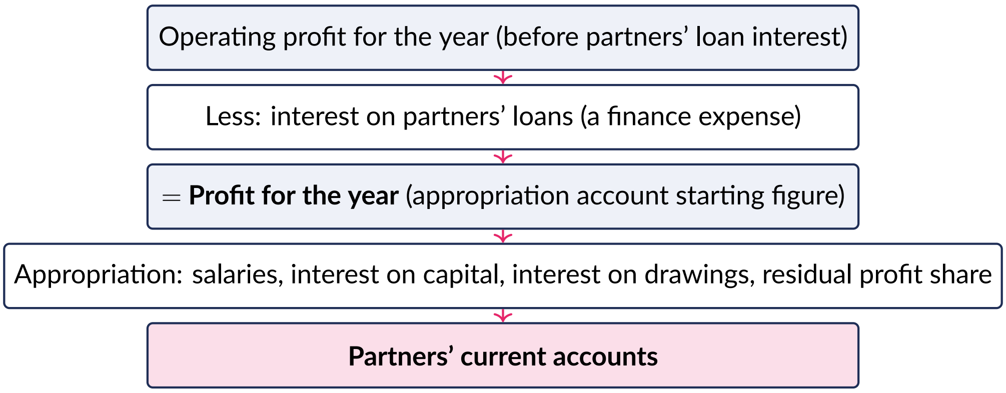


Figure 6.3. From operating profit to partners' current accounts: loan interest is deducted as an expense before profit for the year is struck; only afterwards does the appropriation account divide that profit among the partners.

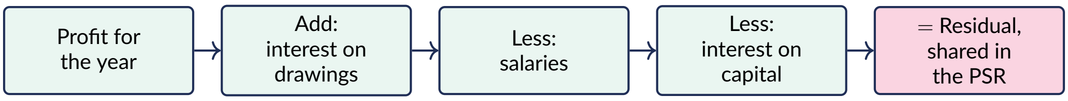


Figure 6.4. Order of the appropriation account: start from profit for the year, add back interest on drawings, then deduct salaries and interest on capital, leaving the residual profit shared in the profit-sharing ratio (PSR).

Ví dụ mẫu · Distinguishing loan interest (expense) from interest on capital (appropriation)

Partners M and N are in partnership. M has separately lent the firm \$12,000, on which the agreement provides interest at 8% p.a. Operating profit for the year, **before** charging this loan interest, is \$52,960. The agreement further provides: interest on capital at 6% p.a. on fixed capitals of \$50,000 (M) and \$30,000 (N); a salary of \$10,000 p.a. to N; and residual profits shared equally.

Step 1 – income statement (expense, before appropriation):

Loan interest $= 12{,}000 \times 8\% = \$960$.   Profit for the year $= 52{,}960 - 960 = \$52{,}000$.

Step 2 – appropriation account (starts from the \$52,000 profit for the year):

	\$	\$
Profit for the year		52,000
Less: interest on capital – M 3,000, N 1,800	(4,800)	
salary – N	(10,000)	
		(14,800)
Residual profit (shared equally)		**37,200**
M ($\frac{1}{2}$)	18,600	
N ($\frac{1}{2}$)	18,600	

Check: $4{,}800 + 10{,}000 + 37{,}200 = \$52{,}000$, exactly profit for the year. Notice that the \$960 loan interest never appears anywhere in this appropriation account – it was already deducted, as an expense, one step earlier.

GIẢI THÍCH TIẾNG VIỆT

VN

Lãi vay của M ($12{,}000 \times 8\% = 960$) là **chi phí**, trừ trước khi ra lợi nhuận trong kỳ ($52{,}960 - 960 = 52{,}000$). Từ con số $52{,}000$ này, tài khoản phân phối mới trừ tiếp **lãi trên vốn** ($4{,}800$) và **lương** ($10{,}000$) – đây là các khoản *phân phối*, khác hẳn về bản chất với lãi vay dù cùng được gọi là "lãi" (interest). Số 960 không hề xuất hiện trong tài khoản phân phối – nó đã bị trừ ở bước trước đó rồi.

(!) Lỗi thường gặp: Do not confuse **interest on a partner's loan** with **interest on a partner's capital**. Interest on a *loan* is a finance **expense**, deducted in arriving at profit for the year – it does not depend on whether other partners agree, and it must be paid/accrued even if the firm makes very little profit. Interest on *capital* is an **appropriation** of profit that has already been struck – it only exists because, and to the extent that, the partners have agreed to divide profit this way; if the firm makes very little profit, interest on capital can still be credited to a partner's current account (making it a debit balance elsewhere), but it never becomes an income-statement expense. A useful test: "loan interest" is owed whether or not the firm is even a going concern; "capital interest" is simply one line inside how the owners split what they made.

6.3.1 Partial agreements: applying the default rules item by item

Ví dụ mẫu · An agreement that is silent on some items

Partners D and E have a written agreement specifying only: a profit-sharing ratio of 5:3, and a salary to E of $5,000 p.a. The agreement says nothing about interest on capital or interest on drawings. Fixed capitals are D $40,000, E $25,000; drawings during the year are D $6,000, E $4,000. Profit for the year (after any loan interest) is $28,600. Prepare the appropriation account.

Because the agreement is silent on interest on capital and interest on drawings, the Act 1890 default of **nil** applies to *only those two items* – the agreed salary and PSR still apply exactly as written.

	$	$
Profit for the year		28,600
Less: salary – E		(5,000)
Residual profit (shared 5:3)		**23,600**
D ($\frac{5}{8}$)	14,750	
E ($\frac{3}{8}$)	8,850	

Check: $5{,}000 + 14{,}750 + 8{,}850 = \$28{,}600$, exactly profit for the year. Note that D's and E's capitals and drawings figures given in the question are simply not used at all – with no agreed rate, interest on capital and interest on drawings are both zero.

GIẢI THÍCH TIẾNG VIỆT

VN Thoả thuận chỉ quy định PSR ($5{:}3$) và lương E ($5{,}000$), **không** đề cập lãi vốn hay lãi rút vốn – nên riêng hai khoản này áp dụng mặc định bằng 0 theo Đạo luật, còn PSR và lương vẫn áp dụng đúng như thoả thuận. Đây là lỗi bẫy thường gặp: học sinh thấy có "một phần" thoả thuận rồi mặc định cho rằng *toàn bộ* Đạo luật 1890 không áp dụng, hoặc ngược lại tự ý gán lãi suất mặc định cho các khoản không được đề cập.

6.4 Interest on Drawings: Two Methods

Why charge interest on drawings?

Interest on drawings compensates the firm (and indirectly the other partners) for cash or goods withdrawn during the year, since money left in the business could otherwise have been earning profit for everyone. It is charged **against** the partner who drew it (a debit in their current account) and is **added back** to the pool of profit available for appropriation (an addition in the appropriation account) – it never appears as income-statement income or expense.

VN **GIẢI THÍCH TIẾNG VIỆT**

Lãi trên rút vốn nhằm bù đắp cho công ty (và gián tiếp cho các đối tác khác) vì số tiền/hàng bị rút ra sớm lẽ ra có thể tiếp tục sinh lời cho cả nhóm. Khoản này bị **trừ** vào tài khoản vãng lai của đối tác đã rút, nhưng lại được **cộng thêm** vào lợi nhuận có thể phân phối trên tài khoản phân phối – không bao giờ là doanh thu hay chi phí trên báo cáo thu nhập.

6.4.1 Method 1: the flat-rate (no time-adjustment) method

Flat-rate method: interest is charged on the **total drawings for the year** at the agreed rate, regardless of when in the year each amount was withdrawn:

$$\text{Interest on drawings} = \text{Total drawings for the year} \times \text{rate}.$$

This is simple to calculate but is not time-sensitive: a partner who drew $10,000 on 1 January is charged the same interest as a partner who drew $10,000 on 1 December, even though the first amount was outstanding for the whole year and the second for only one month.

Ví dụ mẫu · Flat-rate interest on drawings

Partner R withdrew $2,000 on 1 February, $3,000 on 1 June, and $1,500 on 1 October – total drawings for the year $6,500. The partnership agreement charges interest on drawings at a flat rate of 5%, with no time adjustment. Calculate the interest on drawings.

$$\text{Interest on drawings} = 6{,}500 \times 5\% = \$325,$$

regardless of the fact that the three withdrawals were made at different points in the year.

VN **GIẢI THÍCH TIẾNG VIỆT**

Phương pháp lãi suất phẳng tính trên **tổng** số tiền rút trong năm ($6{,}500$), không quan tâm thời điểm rút: $6{,}500 \times 5\% = 325$. Đơn giản nhưng không công bằng nếu các khoản rút vốn xảy ra vào những thời điểm rất khác nhau trong năm.

6.4.2 Method 2: the time-apportioned (average period outstanding) method

Time-apportioned method: interest is calculated **separately for each withdrawal**, based on how many months it was outstanding from the date of withdrawal to the year end:

$$\text{Interest on one withdrawal} = \text{Amount drawn} \times \text{rate} \times \frac{\text{months outstanding to year end}}{12}.$$

Where the question does not give exact dates but states that drawings were spread **evenly** through the year, a shortcut applies: on average, each dollar was outstanding for half the year, so total interest $\approx$ total drawings $\times$ rate $\times \frac{6}{12}$.

GIẢI THÍCH TIẾNG VIỆT

VN
Phương pháp theo thời gian thực tế tính lãi **riêng cho từng lần rút**, dựa trên số tháng còn lại đến cuối năm tài chính: Lãi $=$ Số tiền rút $\times$ lãi suất $\times$ (số tháng còn lại/12). Nếu đề bài không cho ngày cụ thể nhưng nói rút vốn **đều đặn** trong năm, có thể dùng cách tính nhanh: coi như mỗi khoản rút trung bình còn tồn tại 6 tháng, tức Lãi $\approx$ Tổng rút vốn $\times$ lãi suất $\times 6/12$.

Ví dụ mẫu · Time-apportioned interest on drawings for two partners

Partners S and T are charged interest on drawings at 12% p.a., time-apportioned, in a firm with a 31 December year end. Their drawings during the year were:

Partner S	Amount $	Months to 31 Dec	Interest $
1 March	4,000	10	400
1 July	3,000	6	180
1 November	2,000	2	40
Total	**9,000**		**620**

Partner T	Amount $	Months to 31 Dec	Interest $
1 February	2,400	11	264
1 May	3,600	8	288
1 September	1,800	4	72
Total	**7,800**		**624**

For example, S's 1 March drawing is outstanding for 10 months (March to December inclusive): $4{,}000 \times 12\% \times \frac{10}{12} = \$400$. T's 1 February drawing is outstanding for 11 months: $2{,}400 \times 12\% \times \frac{11}{12} = \$264$. Total interest on drawings charged to the appropriation account $= 620 + 624 = \$1{,}244$.

GIẢI THÍCH TIẾNG VIỆT

VN
Mỗi lần rút vốn được tính lãi riêng theo số tháng còn lại đến $31/12$: ví dụ khoản $4{,}000$ rút ngày $1/3$ còn tồn tại 10 tháng, lãi $= 4{,}000 \times 12\% \times 10/12 = 400$. Cộng tất cả các lần rút của từng đối tác: S $= 620$, T $= 624$, tổng cộng $1{,}244$ – đây là số cộng vào tài khoản phân phối và trừ khỏi tài khoản vãng lai tương ứng của mỗi đối tác.

Ví dụ mẫu · Interest on capital: correct versus incorrect basis

Partner K has a fixed capital of $20,000 and a current account balance brought forward of $4,000 credit. The agreement provides interest on capital at 5% p.a. Calculate the correct interest on capital, and identify the common error.

Correct: interest on capital is calculated only on the **fixed capital** balance: $20{,}000 \times 5\% = \$1{,}000$.

Common error: calculating interest on the combined balance ($20{,}000 + 4{,}000 = 24{,}000$): $24{,}000 \times 5\% = \$1{,}200$ – this overstates the interest by $200, because the current account balance is not capital invested in the firm; it is simply last year's undrawn earnings.

VN **GIẢI THÍCH TIẾNG VIỆT**

Lãi trên vốn chỉ tính trên số dư **tài khoản vốn cố định** ($20{,}000 \times 5\% = 1{,}000$), **không** được cộng thêm số dư tài khoản vãng lai ($4{,}000$) vào để tính – lỗi này khiến lãi bị tính thừa 200 ($24{,}000 \times 5\% = 1{,}200$ thay vì $1{,}000$ đúng). Số dư tài khoản vãng lai chỉ là lợi nhuận năm trước chưa rút, không phải vốn đầu tư vào công ty.

(!) Lỗi thường gặp: Two very common computational slips involving interest on capital and interest on drawings: (1) calculating interest on capital using the **current account** balance (or the combined capital-plus-current balance) instead of the **fixed capital** balance alone; and (2) ignoring the **timing** of drawings when the question gives exact dates – applying the flat-rate formula (total drawings $\times$ rate) when the question actually specifies dates and expects the time-apportioned method, or vice versa. Always re-read whether the question specifies dates of withdrawal (time-apportion) or simply states a flat percentage with no dates (flat rate).

6.5 Guaranteed Minimum Profit Share

Guaranteed minimum share

A partnership agreement may **guarantee** that one partner (often a newer or junior partner) will receive at least a stated minimum amount of residual profit each year, even if their share under the normal profit-sharing ratio would be lower. If the partner's normal ratio share falls short of the guaranteed minimum, the **shortfall** is made up by the other partner(s), usually in a ratio the agreement specifies (often their own remaining PSR). If the partner's normal ratio share already **equals or exceeds** the guaranteed minimum, the guarantee simply has no effect – it is a floor, not a bonus on top.

VN **GIẢI THÍCH TIẾNG VIỆT**

Thoả thuận hợp danh có thể **đảm bảo** một đối tác (thường là đối tác mới/trẻ) nhận được ít nhất một mức lợi nhuận tối thiểu mỗi năm, ngay cả khi phần chia theo tỷ lệ thông thường thấp hơn mức đó. Nếu phần chia theo tỷ lệ **thấp hơn** mức tối thiểu, phần **thiếu hụt** sẽ do (các) đối tác còn lại bù vào, thường theo tỷ lệ đã thoả thuận. Nếu phần chia theo tỷ lệ đã **bằng hoặc vượt** mức tối thiểu, việc đảm bảo không có tác dụng gì – đây là một "sàn" tối thiểu, không phải một khoản thưởng cộng thêm.

Ví dụ mẫu · Guaranteed minimum profit share (three partners)

Partners N, O, and P share residual profits 4:4:2. P is guaranteed a minimum residual profit share of $20,000 p.a.; any shortfall is borne by N and O equally. Residual profit available for appropriation (before applying the guarantee) is $66,000. Calculate each partner's final share.

Step 1 – share by the normal ratio:

$$N = 66{,}000 \times \frac{4}{10} = 26{,}400; \quad O = 66{,}000 \times \frac{4}{10} = 26{,}400; \quad P = 66{,}000 \times \frac{2}{10} = 13{,}200.$$

Step 2 – shortfall on the guarantee: P's guaranteed minimum is \$20,000, but the ratio only gives \$13,200, a shortfall of $20{,}000 - 13{,}200 = \$6{,}800$.
Step 3 – shortfall shared by N and O equally: $6{,}800 \div 2 = \$3{,}400$ each.

	N \$	O \$	P \$
Share by ratio (4:4:2)	26,400	26,400	13,200
Less: share of P's shortfall	(3,400)	(3,400)	
Add: guaranteed top-up			6,800
Final share	**23,000**	**23,000**	**20,000**

Check: $23{,}000 + 23{,}000 + 20{,}000 = \$66{,}000$, exactly the residual profit available – the guarantee only *redistributes* the same total, it does not create additional profit.

VN **GIẢI THÍCH TIẾNG VIỆT**

Theo tỷ lệ $4{:}4{:}2$, P chỉ được $13{,}200$, thấp hơn mức tối thiểu được đảm bảo $20{,}000$ – thiếu hụt $6{,}800$. N và O (chia đều thiếu hụt vì tỷ lệ giữa hai người là $1{:}1$) mỗi người gánh $3{,}400$, giảm phần của mình từ $26{,}400$ xuống còn $23{,}000$. Tổng ba phần vẫn đúng bằng $66{,}000$ – đảm bảo lợi nhuận tối thiểu chỉ là **phân phối lại**, không làm tăng tổng lợi nhuận.

Ví dụ mẫu · When the guarantee has no effect

Partners L and M share profits 3:2. M is guaranteed a minimum residual share of \$18,000 p.a.; any shortfall would be borne by L. Residual profit available is \$45,000. Calculate each partner's final share.

By the ratio: $L = 45{,}000 \times \frac{3}{5} = 27{,}000$; $M = 45{,}000 \times \frac{2}{5} = 18{,}000$. M's ratio share (\$18,000) already exactly meets the guaranteed minimum, so there is **no shortfall** and the guarantee changes nothing: $L = \$27{,}000$, $M = \$18{,}000$.

VN **GIẢI THÍCH TIẾNG VIỆT**

Phần của M theo tỷ lệ $(18{,}000)$ đã đúng bằng mức tối thiểu được đảm bảo – không có thiếu hụt, nên việc đảm bảo không thay đổi gì cả. Học sinh cần kiểm tra *trước* xem có thiếu hụt hay không rồi mới áp dụng bước bù trừ; nếu không có thiếu hụt, chỉ cần trình bày phần chia theo tỷ lệ ban đầu.

6.6 Reconstructing a Current Account

Working backwards from a missing figure

Examination questions frequently give a partner's current account with one figure missing (often the drawings, the opening balance, or the share of profit) and ask candidates to find it. The technique is always the same: add every known credit entry, subtract every known debit entry, and use the known closing balance to solve for the missing figure algebraically.

VN **GIẢI THÍCH TIẾNG VIỆT**

Đề thi thường cho tài khoản vãng lai của một đối tác với một con số bị thiếu (thường là rút vốn, số dư đầu kỳ, hoặc phần lợi nhuận được chia) và yêu cầu tìm con số đó. Kỹ thuật luôn giống nhau: cộng tất cả các khoản Có đã biết, trừ các khoản Nợ đã biết, rồi dùng số dư cuối kỳ đã biết để giải ra con số còn thiếu.

Ví dụ mẫu · Finding a missing drawings figure

Partner J's current account for the year shows: balance b/d $3,000 credit; interest on capital $2,400; share of profit $11,600; interest on drawings $250 (debit); drawings (amount not given); balance c/d $9,750 credit. Find the drawings for the year.

Sum of known entries before drawings:

$$3{,}000 + 2{,}400 + 11{,}600 - 250 = \$16{,}750.$$

Since balance c/d = this total − drawings:

$$\text{Drawings} = 16{,}750 - 9{,}750 = \$7{,}000.$$

VN **GIẢI THÍCH TIẾNG VIỆT**

Cộng các khoản đã biết (không tính rút vốn): $3{,}000 + 2{,}400 + 11{,}600 - 250 = 16{,}750$. Vì số dư cuối kỳ = tổng này trừ đi rút vốn, nên rút vốn = $16{,}750 - 9{,}750 = 7{,}000$.

6.7 Comprehensive Worked Example: Three-Partner Firm

Ví dụ mẫu · XYZ Partnership – trial balance at 31 December 2025

X, Y, and Z are in partnership with fixed capitals of $60,000, $40,000, and $20,000 respectively.

Account	Debit $	Credit $
Purchases	180,000	
Sales		320,000
Purchases returns		2,000
Inventory (1 Jan 2025)	15,000	
Carriage inwards	1,200	
Wages and salaries	42,000	
General expenses	16,750	
Trade receivables	46,750	
Trade payables		21,000
Bank	12,000	
Equipment at cost	175,000	
Provision for depreciation: equipment (1 Jan 2025)		35,000
Capital account: X		60,000
Capital account: Y		40,000
Capital account: Z		20,000
Current account: X (1 Jan 2025)		2,400
Current account: Y (1 Jan 2025)		1,100
Current account: Z (1 Jan 2025)	800	
6% Loan from partner Z		15,000
Drawings: X	12,000	
Drawings: Y	9,000	
Drawings: Z	6,000	
Total	**516,500**	**516,500**

Additional information at 31 December 2025: (1) closing inventory is valued at $18,000; (2) equipment is depreciated at 10% p.a. straight line on cost; (3) Z's loan carries interest at 6% p.a., none of which has been paid or recorded during the year – the full year's interest must be accrued; (4) the partnership agreement provides: interest on capital at 5% p.a. on fixed capital balances; a salary to Y of $8,000 p.a.; interest on drawings at a flat rate of 5% on each partner's total drawings for the year; residual profits and losses shared X:Y:Z = 3:2:1.

Ví dụ mẫu · XYZ Partnership – profit for the year and appropriation account

Step 1 – profit for the year (income statement extract):

	$	$
Revenue (sales)		320,000
Opening inventory	15,000	
Purchases (180,000 − 2,000 returns)	178,000	
Add: carriage inwards	1,200	
Goods available for sale		194,200
Less: closing inventory		(18,000)
Cost of sales		**(176,200)**
Gross profit		**143,800**
Wages and salaries	42,000	
General expenses	16,750	
Depreciation on equipment (10%×175,000)	17,500	
Loan interest – Z (6%×15,000)	900	
Total expenses		**(77,150)**
Profit for the year		**66,650**

Notice Z's loan interest of $900 is deducted here, as an expense, *before* profit for the year is struck – it will not reappear in the appropriation account below.

Step 2 – appropriation account:

	$	$
Profit for the year		66,650
Add: interest on drawings – X 600, Y 450, Z 300		1,350
		68,000
Less: interest on capital – X 3,000, Y 2,000, Z 1,000	(6,000)	
salary – Y	(8,000)	
		(14,000)
Residual profit (shared 3:2:1)		**54,000**
X ($\frac{3}{6}$)	27,000	
Y ($\frac{2}{6}$)	18,000	
Z ($\frac{1}{6}$)	9,000	

Check: $6{,}000 + 8{,}000 + 54{,}000 = \$68{,}000 = 66{,}650 + 1{,}350$, exactly profit for the year plus interest on drawings added back.

Ví dụ mẫu · XYZ Partnership – current accounts and statement of financial position extract

Current accounts for the year ended 31 December 2025:

	X $	Y $	Z $
Balance b/d	2,400	1,100	(800)
Interest on capital	3,000	2,000	1,000
Salary	–	8,000	–
Share of residual profit	27,000	18,000	9,000
	32,400	29,100	9,200
Less: interest on drawings	(600)	(450)	(300)
Less: drawings	(12,000)	(9,000)	(6,000)
Balance c/d	**19,800**	**19,650**	**2,900**

(Z's opening balance is shown in parentheses as it is a **debit** balance – Z owed the firm $800 at 1 January 2025.)

Statement of financial position extract at 31 December 2025 – Financed by:

Capital accounts	$	$
X	60,000	
Y	40,000	
Z	20,000	
Total capital accounts		120,000
Current accounts		
X	19,800	
Y	19,650	
Z	2,900	
Total current accounts		42,350
Total partners' funds		**162,350**

Non-current liabilities	$
6% Loan from partner Z	15,000

Check: X's, Y's, and Z's current account balances ($19{,}800 + 19{,}650 + 2{,}900 = 42{,}350$) reconcile with the opening balances plus every appropriation entry, less interest on drawings and drawings ($2{,}700 + 68{,}000 - 1{,}350 - 27{,}000 = 42{,}350$). Z's loan is shown separately from Z's capital, as a non-current liability, not as part of partners' funds.

VN **GIẢI THÍCH TIẾNG VIỆT**

Ví dụ tổng hợp XYZ minh hoạ toàn bộ quy trình: từ bảng cân đối thử đầy đủ, tính lợi nhuận trong kỳ (đã trừ lãi vay của Z là chi phí), lập tài khoản phân phối (cộng lãi rút vốn, trừ lãi vốn và lương, chia phần còn lại theo tỷ lệ $3{:}2{:}1$), lập tài khoản vãng lai cho cả ba đối tác, và cuối cùng trích đoạn "Được tài trợ bởi" trên bảng cân đối kế toán. Lưu ý khoản vay của Z ($15{,}000$) được trình bày **tách biệt** khỏi vốn của Z, là một khoản nợ dài hạn, không phải một phần vốn chủ sở hữu của đối tác.

6.8 Problem Bank

Bài tập luyện tập

1. Under the Partnership Act 1890, in the absence of a partnership agreement, residual profits and losses are shared:

(A) Equally, regardless of capital contributed

(B) In the ratio of capital contributed

(C) In the ratio of time devoted to the business

(D) According to seniority in the partnership

Lời giải chi tiết

(A) With no agreement, the Act requires profits and losses to be shared equally between the partners, regardless of how much capital each contributed or how much time each spent in the business.

Bài tập luyện tập

2. In the absence of a partnership agreement, interest on a partner's loan to the firm is allowed at:

(A) 4% per annum

(B) 5% per annum

(C) 6% per annum

(D) Nil

Lời giải chi tiết

(B) The Partnership Act 1890 allows interest of 5% per annum on a partner's loan to the firm – the only item the Act actually provides interest for, and always an expense before appropriation.

Bài tập luyện tập

3. In the absence of a partnership agreement:

(A) Each partner receives a salary of $5,000

(B) No partner salary is payable

(C) The most senior partner receives a salary

(D) Salaries equal 10% of capital

Lời giải chi tiết

(B) With no agreement, no partner is entitled to a salary – all partners are assumed to contribute their labour as owners, sharing only in profit itself.

Bài tập luyện tập

4. In the absence of a partnership agreement, interest on partners' capital is:

(A) 5% per annum

(B) 6% per annum

(C) Equal to the bank base rate

(D) Nil

Lời giải chi tiết

(D) No interest on capital is allowed under the Act; capital simply earns whatever profit share the partner is entitled to.

Bài tập luyện tập

5. In the absence of a partnership agreement, interest on partners' drawings is:

(A) 5% per annum
(B) 8% per annum
(C) Nil
(D) 10% per annum

Lời giải chi tiết

(C) No interest is charged on drawings under the Act.

Bài tập luyện tập

6. State three differences between a partner's fixed capital account and their current account.

Lời giải chi tiết

(i) The fixed capital account records only capital introduced and capital permanently withdrawn, and stays constant year to year; the current account records the annual flow of salary, interest on capital, interest on drawings, share of profit, and drawings, and changes every year. (ii) The fixed capital account is almost always a credit balance; the current account can be either a debit or a credit balance. (iii) Profit share, salary, and interest on capital/drawings are never posted to the fixed capital account – only to the current account.

Bài tập luyện tập

7. Explain why interest on a partner's loan to the firm is charged as an expense in the income statement rather than treated as an appropriation of profit.

Lời giải chi tiết

A loan is a liability the firm owes to the partner in their capacity as a **creditor**, not as an owner – interest on it is a contractual finance cost that must be paid or accrued regardless of how much profit the firm makes, exactly like interest on a bank loan. Appropriations (salary, interest on capital, profit share), by contrast, only divide profit that has already been earned among the partners as **owners**, and only exist because the partners have agreed to share profit this way.

Bài tập luyện tập

8. A partner's fixed capital account has an opening balance of $30,000. During the year the partner introduced a further $10,000 of capital on 1 July and made no capital withdrawals. What is the balance carried down on the fixed capital account at the year end?

Lời giải chi tiết

$30{,}000 + 10{,}000 = \$40{,}000$ carried down. Additional capital introduced is recorded directly in the fixed capital account, not the current account, and (unlike interest calculations elsewhere) the fixed capital account itself is not time-apportioned – it simply shows the new total from the date it changes.

Bài tập luyện tập

9. A partner's fixed capital is $45,000 and the agreement provides interest on capital at 6% per annum. Calculate the interest on capital for the year.

Lời giải chi tiết

$45{,}000 \times 6\% = \$2{,}700.$

Bài tập luyện tập

10. Partners E and F are in partnership. Profit for the year (after any loan interest) is $40,000. The agreement provides: a salary to F of $7,000; interest on capital of $2,500 (E) and $1,500 (F); and residual profits shared 3:1 (E:F). Calculate each partner's total profit share for the year.

Lời giải chi tiết

Deduct salary ($7,000) and interest on capital ($4,000) from profit for the year: $40{,}000 - 7{,}000 - 4{,}000 = \$29{,}000$ residual, shared 3:1. $E = 29{,}000 \times \frac{3}{4} = \$21{,}750$; $F = 29{,}000 \times \frac{1}{4} = \$7{,}250$. E's total $= 2{,}500 + 21{,}750 = \$24{,}250$. F's total $= 1{,}500 + 7{,}000 + 7{,}250 = \$15{,}750$. **Check:** $24{,}250 + 15{,}750 = \$40{,}000$, exactly profit for the year.

Bài tập luyện tập

11. In an appropriation account, the usual order in which items are dealt with, after profit for the year has been struck, is:

(A) Residual profit share, then salaries, then interest on capital

(B) Interest on capital and salaries, then interest on drawings, then residual profit share

(C) Interest on drawings, then residual profit share, then salaries

(D) There is no fixed order

Lời giải chi tiết

(B) Interest on drawings is added back first (increasing the pool available), then salaries and interest on capital are deducted, and finally what remains is shared in the profit-sharing ratio.

Bài tập luyện tập

12. Partners G and H. Profit for the year (after loan interest) is $50,000. The agreement provides: interest on capital of $2,000 (G) and $1,500 (H); a salary to H of $5,000; interest on drawings of $300 (G) and $200 (H); residual profits shared equally. Prepare the appropriation account.

Lời giải chi tiết

Profit for the year 50,000; add interest on drawings $(300 + 200)$ 500 → 50,500; less interest on capital (3,500) and salary (5,000) → deduct 8,500 → residual = $42,000, shared equally:

G = \$21,000, H = \$21,000. **Check:** $3{,}500 + 5{,}000 + 42{,}000 = 50{,}500 = 50{,}000 + 500$.

Bài tập luyện tập

13. Partner J's current account shows: balance b/d \$3,000 credit; interest on capital \$2,400; share of profit \$11,600; interest on drawings \$250 (debit); drawings (missing); balance c/d \$9,750 credit. Find the drawings for the year.

Lời giải chi tiết

Sum of known entries excluding drawings $= 3{,}000 + 2{,}400 + 11{,}600 - 250 = \$16{,}750$. Drawings $= 16{,}750 - 9{,}750 = \$7{,}000$.

Bài tập luyện tập

14. Partner K draws \$5,000 on 1 April, \$3,000 on 1 August, and \$2,000 on 1 December, from a firm with a 31 December year end. Interest on drawings is charged at 9% per annum, time-apportioned. Calculate the total interest on drawings.

Lời giải chi tiết

Months outstanding: 1 April → 9 months; 1 August → 5 months; 1 December → 1 month.

$$5{,}000 \times 9\% \times \tfrac{9}{12} = 337.5; \quad 3{,}000 \times 9\% \times \tfrac{5}{12} = 112.5; \quad 2{,}000 \times 9\% \times \tfrac{1}{12} = 15.$$

Total interest on drawings $= 337.5 + 112.5 + 15 = \$465$.

Bài tập luyện tập

15. A partner draws \$12,000, spread evenly across the year. Interest on drawings is 10% per annum. Calculate the interest under (a) the flat-rate method (no time adjustment), and (b) the time-apportioned method assuming an average of 6 months outstanding. Which is more accurate for drawings spread evenly through the year?

Lời giải chi tiết

(a) Flat rate: $12{,}000 \times 10\% = \$1{,}200$. (b) Time-apportioned (assumed average 6 months): $12{,}000 \times 10\% \times \tfrac{6}{12} = \$600$. The time-apportioned figure (\$600) is more accurate for drawings spread evenly through the year, since on average each dollar was only outstanding for half the year; the flat-rate method overstates the true interest cost by ignoring timing entirely.

Bài tập luyện tập

16. Partners L and M share profits 3:2. M is guaranteed a minimum residual share of \$18,000 per annum; any shortfall is borne by L alone. Residual profit available (before the guarantee) is \$45,000. Calculate each partner's final share.

Lời giải chi tiết

By the ratio: $L = 45{,}000 \times \tfrac{3}{5} = \$27{,}000$; $M = 45{,}000 \times \tfrac{2}{5} = \$18{,}000$. M's ratio share already exactly equals the guaranteed minimum, so there is no shortfall and the guarantee has no further effect: $L = \$27{,}000$, $M = \$18{,}000$.

Bài tập luyện tập

17. Partners N, O, and P share residual profits 4:4:2. P is guaranteed a minimum share of \$20,000; any shortfall is borne by N and O equally. Residual profit available (before the guarantee) is \$66,000. Calculate each partner's final share.

Lời giải chi tiết

By the ratio: $N = 26{,}400$, $O = 26{,}400$, $P = 13{,}200$. Shortfall on P's guarantee $= 20{,}000 - 13{,}200 = \$6{,}800$, shared equally by N and O: \$3,400 each. Final: $N = 26{,}400 - 3{,}400 = \$23{,}000$; $O = \$23{,}000$; $P = 13{,}200 + 6{,}800 = \$20{,}000$. **Check:** $23{,}000 + 23{,}000 + 20{,}000 = \$66{,}000$.

Bài tập luyện tập

18. A partnership agreement specifies the profit-sharing ratio and partner salaries but is silent on interest on drawings. In this situation:

(A) The full Act 1890 default schedule replaces the whole agreement

(B) Interest on drawings is charged at 5%, matching the loan-interest default

(C) No interest on drawings is charged, since the Act's default of nil fills only that gap

(D) Interest on drawings is decided each year by majority vote of the partners

Lời giải chi tiết

(C) The default rules apply item by item, only where the agreement is silent – so here, only interest on drawings defaults to nil; the agreed PSR and salaries remain exactly as written.

Bài tập luyện tập

19. A partner introduces additional capital part-way through the year. This amount is recorded in:

(A) The current account

(B) The appropriation account

(C) The fixed capital account

(D) The partner's drawings account

Lời giải chi tiết

(C) Capital introduced (or permanently withdrawn) always changes the fixed capital account; the current account is reserved for the annual flow of appropriation items and drawings.

Bài tập luyện tập

20. Partner Q lent the firm \$9,000 on 1 April; the partnership year ends 31 December. Interest on the loan is agreed at 8% per annum. Calculate the loan interest to be accrued for the year, and state where it is presented in the financial statements.

Lời giải chi tiết

Months outstanding $= 9$ (April to December). Interest $= 9{,}000 \times 8\% \times \frac{9}{12} = \$540$. This is charged as a finance expense in the income statement, before profit for the year is struck, and shown as a current liability (accrued loan interest) in the statement of financial position – it is never shown in the appropriation account.

Bài tập luyện tập

21. Partners R and S. Fixed capitals: R $50,000, S $30,000; interest on capital 4% per annum. Salary to S $6,000. Residual profits shared 2:1 (R:S). Profit for the year (after loan interest) is $47,100. R drew $10,000 on 1 July (6 months outstanding to the year end); S drew $8,000 on 1 April (9 months outstanding). Interest on drawings is 10% per annum, time-apportioned. Prepare the appropriation account.

Lời giải chi tiết

Interest on drawings: $R = 10{,}000 \times 10\% \times \frac{6}{12} = 500$; $S = 8{,}000 \times 10\% \times \frac{9}{12} = 600$; total $= \$1{,}100$. Interest on capital: $R = 50{,}000 \times 4\% = 2{,}000$; $S = 30{,}000 \times 4\% = 1{,}200$; total $= \$3{,}200$. Profit for the year 47,100; add interest on drawings 1,100 → 48,200; less interest on capital (3,200) and salary (6,000) → deduct 9,200 → residual $= \$39{,}000$, shared 2:1: $R = 26{,}000$; $S = 13{,}000$. **Check:** $3{,}200 + 6{,}000 + 39{,}000 = 48{,}200 = 47{,}100 + 1{,}100$.

Bài tập luyện tập

22. In the appropriation account, interest on drawings is presented as:

(A) A deduction from the profit available for appropriation

(B) An addition to the profit available for appropriation

(C) A note only, with no numerical effect

(D) A non-current liability

Lời giải chi tiết

(B) Interest on drawings is added back to profit in the appropriation account, increasing the pool available for salaries, interest on capital, and the residual share; it is only deducted later, in each partner's own current account.

Bài tập luyện tập

23. A partner's current account balance may be:

(A) Only ever a credit balance

(B) Only ever a debit balance

(C) Either a debit or a credit balance

(D) Always equal to the fixed capital account balance

Lời giải chi tiết

(C) A partner who has drawn out more than their year's entitlement will show a debit balance (owing the firm); most partners show a credit balance (undrawn earnings still held by the firm).

Bài tập luyện tập

24. A partner drew $1,000 in cash for personal use, but this was mistakenly debited to "salaries expense" in the income statement instead of being treated as drawings. Explain the effect of this error on profit for the year and on the partner's current account, and state the correcting entry.

Lời giải chi tiết

Profit for the year is **understated** by $1,000, since drawings should never appear as an income-statement expense. Because the $1,000 was never posted as drawings, the partner's current account is **overstated** by $1,000 (their drawings have not yet been deducted). Correcting entry: debit drawings (in the current account) $1,000; credit salaries expense $1,000. This removes the wrongly-charged expense (restoring profit for the year by $1,000) and correctly reduces the partner's current account by their actual drawings; the $1,000 increase in profit will then also need to flow through the appropriation account and be shared among the partners as normal.

Bài tập luyện tập

25. Partners T, U, and V. Opening current account balances (1 Jan): T $1,800 credit, U $2,200 credit, V $500 debit. Interest on capital: T $2,400, U $1,800, V $1,200. Salary: V $5,000. Residual profits shared equally, totalling $30,000 ($10,000 each). Interest on drawings: T $200, U $150, V $100. Drawings: T $9,000, U $7,000, V $6,000. Prepare the three current accounts.

Lời giải chi tiết

T: $1{,}800 + 2{,}400 + 10{,}000 - 200 - 9{,}000 = \$5{,}000$ c/d.
U: $2{,}200 + 1{,}800 + 10{,}000 - 150 - 7{,}000 = \$6{,}850$ c/d.
V: $-500 + 1{,}200 + 5{,}000 + 10{,}000 - 100 - 6{,}000 = \$9{,}600$ c/d.
Check: $5{,}000 + 6{,}850 + 9{,}600 = \$21{,}450$. This reconciles with opening balances ($1{,}800 + 2{,}200 - 500 = 2{,}700$) plus total appropriations ($2{,}400 + 1{,}800 + 1{,}200 + 5{,}000 + 30{,}000 = 40{,}400$), less interest on drawings (450) and drawings ($22{,}000$): $2{,}700 + 40{,}400 - 450 - 22{,}000 = \$21{,}450$.

Bài tập luyện tập

26. If a partner's normal profit-share ratio already entitles them to more than their guaranteed minimum share, the guarantee:

(A) Has no effect; the partner simply receives their normal ratio share

(B) Is added on top of the ratio share

(C) Is paid from a special reserve fund

(D) Cancels the ratio share; the partner receives only the guaranteed amount

Lời giải chi tiết

(A) A guaranteed minimum is a floor, not a bonus – it only tops up a shortfall; if the ratio share already meets or exceeds it, nothing changes.

Bài tập luyện tập

27. An appropriation account shows: interest on capital totalling $5,000; partner salaries totalling $9,000; and residual profit (already shared) totalling $32,000 – with no interest on drawings in this firm's agreement. The firm's loan interest for the year was $1,200 (already charged as an expense before this appropriation account was prepared). Calculate (a) the profit for the year appearing at the top of the appropriation account, and (b) the operating profit before the partners' loan interest was deducted.

Lời giải chi tiết

(a) With no interest on drawings to add back, profit for the year equals the sum of all appropriations: $5{,}000 + 9{,}000 + 32{,}000 = \$46{,}000$. (b) Operating profit before loan interest = profit for the year + loan interest $= 46{,}000 + 1{,}200 = \$47{,}200$.

Bài tập luyện tập

28. State, for each of the following, whether it appears in the statement of financial position as (i) a non-current liability, (ii) part of capital accounts (equity), or (iii) part of current accounts (equity): (a) a partner's fixed capital balance; (b) a partner's loan to the firm; (c) a partner's current account credit balance.

Lời giải chi tiết

(a) Part of **capital accounts** – shown in the "financed by" section. (b) A **non-current liability** – a loan from a partner is a debt owed to that partner as a creditor, kept separate from capital (unless repayable within 12 months, when it becomes a current liability). (c) Part of **current accounts** – shown in the "financed by" section alongside, but separately identified from, the fixed capital accounts.

Partnership Accounts II: Admission, Retirement & Dissolution

Mục tiêu Unit: Bản chất của goodwill (lợi thế thương mại) và hai cách xử lý kế toán; kết nạp thành viên mới (vốn góp, điều chỉnh goodwill, đánh giá lại tài sản/nợ phải trả qua tài khoản Revaluation); thành viên rút khỏi công ty hợp danh (goodwill, đánh giá lại, thanh toán số dư cuối cùng bằng tiền mặt và/hoặc chuyển thành khoản vay); thay đổi tỷ lệ chia lợi nhuận giữa các thành viên hiện hữu; và giải thể công ty hợp danh (tài khoản Realisation, thanh toán nợ, phân chia tiền mặt cuối cùng), kể cả trường hợp một thành viên có số dư nợ (thiếu hụt vốn).

7.1 Goodwill: Nature and Accounting Treatment

7.1.1 What goodwill is and why it arises

Goodwill is an intangible asset representing the value of a business's reputation, established customer base, staff expertise, trading location, and general earning power *in excess of* the fair value of its separately identifiable net assets. It cannot be bought or sold on its own, apart from the business as a whole, and it is not normally recognised in the accounting records of a business that has simply built it up internally over time – prudence dictates that only *purchased* goodwill is capitalised as a matter of course. However, goodwill becomes relevant and must be quantified whenever the make-up of a partnership changes: when a new partner is admitted, when an existing partner retires or dies, or when the partners agree to change their profit-sharing ratio. In each of these events, the value that the departing (or diluted) partners have contributed to building up the firm's earning power needs to be recognised and fairly compensated before the ownership structure changes.

Why goodwill needs an accounting adjustment

- Goodwill belongs to the partners who built it up – and it belongs to them in their **existing (old) profit-sharing ratio**, because that is the ratio in which they generated and shared the profits that created it.
- When the ratio changes for any reason (new partner joining, a partner leaving, or simply a renegotiated ratio), the value of each partner's share of future profits also changes. Goodwill must therefore be accounted for at the point of change so that no partner unfairly gains or loses the value already earned before the change.
- Goodwill is commonly valued using an agreed multiple of average profits, or a multiple of *super profits* (profit in excess of a normal return on capital employed) – see Example 7.1.

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VN

Goodwill (lợi thế thương mại) là một tài sản vô hình, phản ánh giá trị uy tín, tệp khách hàng, vị trí kinh doanh và khả năng sinh lời vượt trội của doanh nghiệp so với giá trị hợp lý của tài sản thuần có thể xác định riêng biệt. Goodwill không được ghi nhận trong sổ sách nếu do doanh nghiệp tự xây dựng dần theo thời gian (nguyên tắc thận trọng), nhưng lại cần được **định lượng**

và xử lý mỗi khi cơ cấu hợp danh thay đổi – kết nạp thành viên mới, thành viên rút lui, hoặc chỉ đơn thuần thay đổi tỷ lệ chia lãi – vì goodwill luôn thuộc về các thành viên theo tỷ lệ CŨ (tỷ lệ đã tạo ra goodwill đó).

Example 7.1 — Valuing goodwill: average-profit and super-profit methods

A partnership's audited net profits for the last three years were $38,000, $44,000 and $53,000 (after adjusting for any non-recurring items). The partners agree that goodwill should be valued at **two years' purchase of average profits**.

Average profit $= \frac{38{,}000 + 44{,}000 + 53{,}000}{3} = \frac{135{,}000}{3} = \$45{,}000.$

Goodwill $= 45{,}000 \times 2 = \boxed{\$90{,}000}.$

Suppose instead the partners use the **super-profit method**: capital employed is $300,000 and a normal rate of return for a business of this type is 10% per year.
Normal profit $= 300{,}000 \times 10\% = \$30{,}000.$
Super profit = average profit − normal profit $= 45{,}000 - 30{,}000 = \$15{,}000.$
Goodwill (2 years' purchase of super profit) $= 15{,}000 \times 2 = \boxed{\$30{,}000}.$

The super-profit method usually gives a lower, more conservative valuation, because it isolates only the profit that exceeds what the capital invested could normally be expected to earn elsewhere.

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Goodwill thường được định giá theo **số năm mua của lợi nhuận bình quân** (average profit × số năm thoả thuận) hoặc theo **phương pháp siêu lợi nhuận (super profit)**: lấy lợi nhuận bình quân trừ đi lợi nhuận "bình thường" mà số vốn đầu tư đáng lẽ phải tạo ra (vốn sử dụng × tỷ suất lợi nhuận thông thường của ngành), rồi nhân với số năm thoả thuận. Phương pháp siêu lợi nhuận thường cho kết quả định giá thấp hơn và thận trọng hơn, vì chỉ tính phần lợi nhuận thực sự vượt trội.

7.1.2 Two accounting treatments of goodwill

Once goodwill has been valued, a partnership has two acceptable ways of recording it.

Treatment (a): goodwill raised and retained as a non-current asset

A goodwill account is opened and debited with the full agreed value; the **old** partners' capital accounts are credited in their **old** ratio. The goodwill account then remains on the statement of financial position as a non-current asset. Because internally generated goodwill is inherently uncertain and subjective, most examining boards (and most real partnerships) regard this treatment as less prudent, and it is used less often in practice.

Treatment (b): goodwill raised then immediately written off (the standard Cambridge treatment)

The same goodwill account is opened and credited to the old partners in the **old** ratio – exactly as in treatment (a) – but it is then immediately eliminated: the goodwill account is credited (closed) and **all** partners (old and new together) are debited in the **new** ratio. The net effect is that no intangible asset appears on the statement of financial position; only the redistribution of capital between partners remains.

The golden rule of goodwill adjustments: goodwill is always *credited* to the partners entitled to it in the **OLD** ratio (the ratio before the change), and, if it is not to remain in the books, it is always *debited* (written off) to the partners who will bear it in the **NEW** ratio (the ratio after the change). Because the total credited always equals the total debited, writing goodwill off never changes the total capital of the partnership – it only redistributes it between partners.

VN GIẢI THÍCH TIẾNG VIỆT

Có hai cách xử lý goodwill: **(a)** ghi nhận là tài sản cố định vô hình và giữ nguyên trên bảng cân đối kế toán (ghi Nợ tài khoản Goodwill, ghi Có vốn các thành viên CŨ theo tỷ lệ CŨ); hoặc **(b)** ghi nhận rồi xoá ngay lập tức (cách phổ biến hơn trong đề thi Cambridge) – goodwill được ghi Có cho thành viên cũ theo tỷ lệ CŨ, sau đó ghi Nợ cho TẤT CẢ thành viên (kể cả người mới/tỷ lệ mới) theo tỷ lệ MỚI. Vì tổng ghi Có luôn bằng tổng ghi Nợ, cách (b) không làm thay đổi tổng vốn của công ty hợp danh – chỉ phân phối lại vốn giữa các thành viên.

(!) Lỗi thường gặp: The single most common error in goodwill questions is reversing the two ratios – crediting goodwill to the OLD partners in the NEW ratio, or debiting the write-off in the OLD ratio. Always ask: "who *earned* this goodwill?" (old ratio, for the credit) and "who *bears* the cost of not keeping it as an asset going forward?" (new ratio, for the debit).

Example 7.2 — Goodwill: comparing the two treatments

A and B are in partnership sharing profits and losses 3:2. Capitals: A $50,000, B $30,000. On 1 January 2027, C is admitted, introducing capital of $20,000 in cash. Goodwill is valued at $15,000. New profit-sharing ratio A:B:C $= 5 : 3 : 2$.

Step 1 – Goodwill credited to A and B in the old ratio (3:2): $A = \frac{3}{5} \times 15{,}000 = \$9{,}000$; $B = \frac{2}{5} \times 15{,}000 = \$6{,}000$.

Treatment (a) – goodwill retained as a non-current asset. No write-off is needed; C does not have to be debited with any share of goodwill, because it remains as an asset benefiting all partners going forward.

Capital account – A (Dr)		(Cr)	
Balance c/d	59,000	Balance b/d	50,000
		Goodwill	9,000
Total	**59,000**	**Total**	**59,000**

Capital account – B (Dr)		(Cr)	
Balance c/d	36,000	Balance b/d	30,000
		Goodwill	6,000
Total	**36,000**	**Total**	**36,000**

Closing capitals: A $59,000, B $36,000, C $20,000 (cash only). Total $115,000 $=$ old capital $80,000 $+$ goodwill asset $15,000 $+$ C's cash $20,000.

Treatment (b) – goodwill raised then written off in the new ratio (5:3:2). $A = \frac{5}{10} \times 15{,}000 = \$7{,}500$; $B = \frac{3}{10} \times 15{,}000 = \$4{,}500$; $C = \frac{2}{10} \times 15{,}000 = \$3{,}000$.

Capital account – A (Dr)		(Cr)	
Goodwill (written off)	7,500	Balance b/d	50,000
Balance c/d	51,500	Goodwill (raised)	9,000
Total	**59,000**	**Total**	**59,000**

Capital account – B (Dr)		(Cr)	
Goodwill (written off)	4,500	Balance b/d	30,000
Balance c/d	31,500	Goodwill (raised)	6,000
Total	**36,000**	**Total**	**36,000**

Capital account – C (Dr)		(Cr)	
Goodwill (written off)	3,000	Bank	20,000
Balance c/d	17,000		
Total	**20,000**	**Total**	**20,000**

Closing capitals: A $51,500, B $31,500, C $17,000. Total $100,000 = old capital $80,000 + C's cash $20,000 – the goodwill entries net exactly to zero because it does not remain in the books. Treatment (b) is the one almost always expected in Cambridge examinations.

7.2 Admission of a New Partner

When a new partner is admitted, three separate adjustments typically need to be made at the same point in time: (1) the new partner's **capital introduced** is recorded; (2) **goodwill** is adjusted, old ratio in and new ratio out, exactly as in Section 7.1; and (3) any assets and liabilities that are no longer fairly stated at their book values are **revalued** immediately before the new partner joins, through a **revaluation account**.

The revaluation account

A revaluation account is a temporary ledger account opened whenever assets and liabilities need to be restated to fair value at the point a partnership's membership changes.

- An **increase** in an asset's value is credited to the revaluation account (and debited to the asset account).
- A **decrease** in an asset's value, or an **increase** in a liability/provision, is debited to the revaluation account (and credited to the asset/liability/provision account).
- The balancing figure on the revaluation account is the **profit or loss on revaluation**, which is transferred to the partners' capital accounts in their profit-sharing ratio.
- Crucially, this profit or loss belongs to the **old** partners only, shared in the **old** ratio, because it relates to the value of assets built up *before* the new partner arrived. It is recorded *before* the new partner's admission takes effect.

VN **GIẢI THÍCH TIẾNG VIỆT**

Khi kết nạp thành viên mới, cần xử lý đồng thời ba việc: (1) ghi nhận **vốn góp** của thành viên mới; (2) điều chỉnh **goodwill** (ghi Có tỷ lệ CŨ, ghi Nợ tỷ lệ MỚI); và (3) **đánh giá lại** tài sản/nợ phải trả không còn phản ánh đúng giá trị hợp lý, thông qua **tài khoản Revaluation**. Tài sản tăng giá trị → ghi Có Revaluation; tài sản giảm giá trị hoặc khoản dự phòng tăng → ghi Nợ Revaluation. Lãi/lỗ đánh giá lại (số dư chênh lệch) được chuyển cho các thành viên CŨ theo tỷ lệ CŨ – vì đây là giá trị được tạo ra TRƯỚC khi thành viên mới gia nhập.

(!) Lỗi thường gặp: Do not spread revaluation profit or loss across all partners in the new ratio, and do not let the new partner share in it. The revaluation happens at the instant *before* admission takes effect, so only the partners who owned the business up to that point – in their old ratio – are entitled to (or liable for) the gain or loss. Only *goodwill* and the *new* capital structure look forward into the new ratio; revaluation always looks backward into the old one.

Example 7.3 — Admission with a goodwill adjustment only

D and E share profits 5:3. Capitals: D $96,000, E $56,000. On 1 September 2027, F is admitted, introducing capital of $40,000 cash. No assets require revaluation. Goodwill is valued at $32,000 and is not to remain in the books. New ratio D:E:F $= 4 : 3 : 1$.

Goodwill credited (old ratio 5:3): $D = \frac{5}{8} \times 32{,}000 = 20{,}000$; $E = \frac{3}{8} \times 32{,}000 = 12{,}000$.
Goodwill debited (new ratio 4:3:1): $D = \frac{4}{8} \times 32{,}000 = 16{,}000$; $E = \frac{3}{8} \times 32{,}000 = 12{,}000$; $F = \frac{1}{8} \times 32{,}000 = 4{,}000$.

Net effect: $D = 96{,}000 + 20{,}000 - 16{,}000 = \$100{,}000$; $E = 56{,}000 + 12{,}000 - 12{,}000 = \$56{,}000$; $F = 40{,}000 - 4{,}000 = \$36{,}000$.
Total new capital $= 100{,}000 + 56{,}000 + 36{,}000 = \$192{,}000 =$ old capital $152,000 + F's cash $40,000. The goodwill entries net to zero across the three partners, confirming the write-off has not been retained.

Example 7.4 — Admission combining goodwill and revaluation

G and H share profits 2:1. Capitals: G $80,000, H $50,000. On 1 April 2027, J is admitted, introducing capital of $40,000 cash. Immediately before admission, assets are revalued: land and buildings increase by $20,000; inventory is written down by $4,000; and the provision for doubtful debts is increased by $1,000. Goodwill is valued at $24,000 and is not to remain in the books. New ratio G:H:J $= 3 : 2 : 1$.

Step 1 – Revaluation account.

Revaluation account (Dr)		(Cr)	
Inventory (decrease)	4,000	Land and buildings (increase)	20,000
Provision for doubtful debts (increase)	1,000		
Profit on revaluation:			
G $(2/3)$	10,000		
H $(1/3)$	5,000		
Total	**20,000**	**Total**	**20,000**

Net revaluation profit $= 20{,}000 - 4{,}000 - 1{,}000 = \$15{,}000$, shared by G and H *only*, in the *old* ratio 2:1 (J is not yet a partner): $G = 10{,}000$; $H = 5{,}000$.

Step 2 – Goodwill (old ratio 2:1 credited; new ratio 3:2:1 debited). Credited: $G = \frac{2}{3} \times 24{,}000 = 16{,}000$; $H = \frac{1}{3} \times 24{,}000 = 8{,}000$.
Debited: $G = \frac{3}{6} \times 24{,}000 = 12{,}000$; $H = \frac{2}{6} \times 24{,}000 = 8{,}000$; $J = \frac{1}{6} \times 24{,}000 = 4{,}000$.

Step 3 – Partners' capital accounts.

Capital account – G (Dr)		(Cr)	
Goodwill (written off)	12,000	Balance b/d	80,000
Balance c/d	94,000	Revaluation profit	10,000
		Goodwill (raised)	16,000
Total	**106,000**	**Total**	**106,000**

Capital account – H (Dr)		(Cr)	
Goodwill (written off)	8,000	Balance b/d	50,000
Balance c/d	55,000	Revaluation profit	5,000
		Goodwill (raised)	8,000
Total	**63,000**	**Total**	**63,000**

Capital account – J (Dr)		(Cr)	
Goodwill (written off)	4,000	Bank	40,000
Balance c/d	36,000		
Total	**40,000**	**Total**	**40,000**

Closing capitals: G \$94,000, H \$55,000, J \$36,000. Total \$185,000 = old capital \$130,000 + revaluation profit \$15,000 + J's cash \$40,000 – confirming that the goodwill entries net to zero and only the genuine revaluation gain and new cash have changed total capital.

7.3 Retirement of a Partner

When a partner retires (or dies), the same three adjustments arise as on admission – goodwill, revaluation, and a capital settlement – but the direction of each is reversed in an important way.

Retirement: goodwill and revaluation

- **Revaluation** is carried out immediately before retirement and shared by *all* partners, including the retiring partner, in the ratio applying *immediately before* retirement (their "old" ratio – which, unlike in an admission, includes the partner who is about to leave).
- **Goodwill** is credited to *all* partners, including the retiring partner, in the old ratio (they all helped build it). If it is not to remain in the books, it is then written off – but only among the **continuing** partners, in their **new** ratio. The retiring partner is credited with their share of goodwill and bears none of the write-off, because they are leaving and will not benefit from (or need to pay for) future goodwill.

VN **GIẢI THÍCH TIẾNG VIỆT**

Khi một thành viên rút khỏi công ty hợp danh: **đánh giá lại tài sản** vẫn được chia cho TẤT CẢ thành viên (kể cả người sắp rút) theo tỷ lệ ngay TRƯỚC khi rút. **Goodwill** cũng được ghi Có cho TẤT CẢ thành viên (kể cả người rút) theo tỷ lệ cũ – nhưng khi xoá goodwill, chỉ các thành viên Ở LẠI mới bị ghi Nợ, theo tỷ lệ MỚI của họ. Thành viên rút lui được hưởng trọn phần goodwill được ghi Có nhưng không phải gánh chịu phần xoá bỏ, vì họ sẽ không còn hưởng lợi từ goodwill trong tương lai.

(!) Lỗi thường gặp: Do not assume "old ratio" always means "the ratio excluding the person leaving the partnership." In an *admission*, the old ratio naturally excludes the incoming partner (who was never part of it). In a *retirement*, the old ratio *includes* the retiring partner (since it is the ratio that applied right up until the moment they left) – only the write-off of goodwill, not the initial credit, is restricted to the continuing partners.

Once the retiring partner's final capital account balance has been established (opening capital, plus their share of revaluation profit and goodwill, less any revaluation loss or drawings), the firm must settle it. This is very often too large to pay entirely in cash at once, so it is common for part to be paid immediately in cash and the remainder left as a **loan account** – a liability of the firm to the former partner, usually carrying interest, until it is repaid in instalments.

VN GIẢI THÍCH TIẾNG VIỆT

Số dư cuối cùng trên tài khoản vốn của thành viên rút lui thường quá lớn để trả hết ngay bằng tiền mặt. Cách xử lý phổ biến: trả một phần bằng tiền mặt ngay, phần còn lại chuyển thành **tài khoản khoản vay (loan account)** – ghi nhận là một khoản NỢ PHẢI TRẢ của công ty hợp danh đối với thành viên đã rút, thường có tính lãi, và được hoàn trả dần theo thời gian cho đến khi hết.

Example 7.5 — Retirement with goodwill, revaluation, and a loan account

K, L and M share profits 4:3:3. M retires on 30 June 2027. Capitals: K $90,000, L $70,000, M $60,000. Immediately before retirement, the premises are revalued upward by $25,000 and inventory is written down by $5,000 (net revaluation profit $20,000, shared by all three in the old ratio 4:3:3). Goodwill is valued at $40,000 and is not to remain in the books. After M's retirement, K and L continue, sharing profits 5:3. M is paid $50,000 in cash immediately; the remainder is left as a loan owed by the firm to M.

Revaluation profit (shared 4:3:3 of $20,000): $K = 8{,}000$; $L = 6{,}000$; $M = 6{,}000$.
Goodwill credited (old ratio 4:3:3 of $40,000): $K = 16{,}000$; $L = 12{,}000$; $M = 12{,}000$.
Goodwill written off (new ratio 5:3, K and L only, of $40,000): $K = \frac{5}{8} \times 40{,}000 = 25{,}000$; $L = \frac{3}{8} \times 40{,}000 = 15{,}000$. (M bears none of this.)

Capital account – K (Dr)		(Cr)	
Goodwill (written off)	25,000	Balance b/d	90,000
Balance c/d	89,000	Revaluation profit	8,000
		Goodwill (raised)	16,000
Total	**114,000**	**Total**	**114,000**

Capital account – L (Dr)		(Cr)	
Goodwill (written off)	15,000	Balance b/d	70,000
Balance c/d	73,000	Revaluation profit	6,000
		Goodwill (raised)	12,000
Total	**88,000**	**Total**	**88,000**

Capital account – M (Dr)		(Cr)	
Bank	50,000	Balance b/d	60,000
Loan account – M (c/d)	28,000	Revaluation profit	6,000
		Goodwill (raised)	12,000
Total	**78,000**	**Total**	**78,000**

Closing capitals: K \$89,000, L \$73,000; M is paid \$50,000 cash and the firm now owes M a \$28,000 loan. Total $= 89{,}000 + 73{,}000 + 78{,}000 = \$240{,}000 =$ old total capital \$220,000 $+$ revaluation profit \$20,000. The goodwill entries (total credited \$40,000 $=$ total debited \$40,000) net to zero.

Example 7.6 — Retirement settled entirely in cash (no revaluation needed)

N, O and P share profits equally (1:1:1). Capitals: N \$55,000, O \$45,000, P \$35,000. On 1 October 2027, P retires; no asset revaluation is required. Goodwill is valued at \$18,000 and is not retained in the books. N and O continue, sharing profits 3:2, and the firm has enough cash to pay P in full immediately.

Goodwill credited (old ratio 1:1:1 of \$18,000): each partner $= \$6{,}000$.
Goodwill written off (new ratio 3:2, N and O only, of \$18,000): $N = \frac{3}{5} \times 18{,}000 = 10{,}800$; $O = \frac{2}{5} \times 18{,}000 = 7{,}200$.

Net effect: $N = 55{,}000 + 6{,}000 - 10{,}800 = \$50{,}200$; $O = 45{,}000 + 6{,}000 - 7{,}200 = \$43{,}800$; $P = 35{,}000 + 6{,}000 = \$41{,}000$ (paid entirely in cash, no loan needed).
Total $= 50{,}200 + 43{,}800 + 41{,}000 = \$135{,}000$, unchanged from the original total capital of \$135,000 – exactly as expected, since goodwill entries net to zero and there was no revaluation and no new cash introduced.

7.4 Change in Profit-Sharing Ratio (No Admission or Retirement)

Sometimes partners simply agree to change how they share future profits, without anyone joining or leaving. Because the make-up of the partnership has not changed, goodwill must still be adjusted (partners who are giving up a share of future profits deserve compensation for the goodwill attached to that share), but the adjustment now takes place entirely **between the continuing partners** – credited in the old ratio, debited in the new ratio, with no new partner and no retiring partner in the calculation.

> Because exactly the same set of partners is credited (old ratio) and debited (new ratio), the total amount credited across all partners always equals the total amount debited. This means a ratio-change goodwill adjustment can equivalently be passed as a single, simplified journal entry: debit the capital account(s) of any partner(s) whose share has *increased* (net gainers) and credit the capital account(s) of any partner(s) whose share has *decreased* (net sacrificers), for the *net* amount only. Both the full "gross" method (raise then write off) and this "net" shortcut give identical final capital balances.

GIẢI THÍCH TIẾNG VIỆT

VN

Khi các thành viên chỉ thay đổi tỷ lệ chia lợi nhuận (không có ai gia nhập hay rút lui), goodwill vẫn cần điều chỉnh nhưng chỉ giữa các thành viên hiện hữu: ghi Có theo tỷ lệ CŨ, ghi Nợ theo tỷ lệ MỚI. Vì tổng ghi Có luôn bằng tổng ghi Nợ, có thể dùng **một bút toán rút gọn duy nhất**:

ghi Nợ vốn của (các) thành viên có tỷ lệ TĂNG, ghi Có vốn của (các) thành viên có tỷ lệ GIẢM, chỉ với phần chênh lệch ròng – cho kết quả hoàn toàn giống với cách làm đầy đủ (ghi nhận rồi xoá).

Example 7.7 — Goodwill adjustment on a pure ratio change

Q, R and S have shared profits 5:4:3. Capitals: Q $120,000, R $95,000, S $70,000. With effect from 1 January 2028, they agree to share profits equally (1:1:1) in future. Goodwill is valued at $60,000 and is not to appear in the books.

Goodwill credited (old ratio 5:4:3 of $60,000): $Q = \frac{5}{12} \times 60{,}000 = 25{,}000$; $R = \frac{4}{12} \times 60{,}000 = 20{,}000$; $S = \frac{3}{12} \times 60{,}000 = 15{,}000$.
Goodwill debited (new ratio 1:1:1 of $60,000): each partner $= \$20{,}000$.

Net adjustment: Q: $25{,}000 - 20{,}000 = +\$5{,}000$ (gains, so debited on net); R: $20{,}000 - 20{,}000 = \$0$ (unaffected); S: $15{,}000 - 20{,}000 = -\$5{,}000$ (sacrifices, so credited on net).
Capitals after adjustment: $Q = 120{,}000 + 5{,}000 = \$125{,}000$; $R = \$95{,}000$ (unchanged); $S = 70{,}000 - 5{,}000 = \$65{,}000$. Total $= \$285{,}000$, exactly unchanged from before – confirming the adjustment only reshuffles capital between Q and S.

Shortcut single entry: since R's old and new shares are identical, the whole adjustment can be passed as one journal line – **Debit S's capital account $5,000; Credit Q's capital account $5,000** – giving exactly the same result as the full gross working above.

7.5 Dissolution of a Partnership

Dissolution is the winding-up of the entire partnership: all assets are sold or otherwise disposed of, all outside liabilities are settled, and any surplus (or shortfall) is distributed among (or made good by) the partners. A special ledger account, the **realisation account**, is opened to record the whole process.

The realisation account and the sequence of dissolution

- All assets to be disposed of (other than cash/bank, which is already cash) are **transferred out of their own accounts and into the realisation account at book value** – debit realisation, credit each asset account.
- As each asset is sold, the **cash or other proceeds are debited to the bank account and credited to the realisation account**. If a partner takes over an asset personally instead of it being sold, the asset's agreed value is **debited to that partner's capital account** and credited to the realisation account.
- Any **costs of dissolution** (e.g., auctioneer's fees, legal costs) are debited to the realisation account and credited to bank.
- The balancing figure on the realisation account is the **profit or loss on realisation**, transferred to the partners' capital accounts in their normal **profit-sharing ratio**.
- **External liabilities** (trade payables, bank loans, and any partners' loan accounts) are paid off in cash – *before* any distribution of the remaining cash to the partners' capital accounts.
- Finally, whatever cash remains is paid out to the partners according to the closing balances on their capital accounts, which should reduce every account to exactly zero.

VN **GIẢI THÍCH TIẾNG VIỆT**

Khi giải thể công ty hợp danh, mở **tài khoản Realisation** để ghi nhận toàn bộ quá trình: chuyển tài sản ra khỏi tài khoản gốc theo GIÁ TRỊ SỔ SÁCH (ghi Nợ Realisation); khi bán được tiền mặt thì ghi Có Realisation (và ghi Nợ Ngân hàng); nếu một thành viên nhận tài sản về cho riêng mình thì ghi Nợ vốn của thành viên đó (và ghi Có Realisation); chi phí giải thể ghi Nợ Realisation. Số dư chênh lệch (lãi/lỗ giải thể) được chia cho các thành viên theo TỶ LỆ CHIA LỢI NHUẬN thông thường. Nợ phải trả bên ngoài (kể cả tài khoản vay của thành viên đã rút trước đó) phải được thanh toán TRƯỚC khi chia tiền còn lại cho vốn các thành viên.

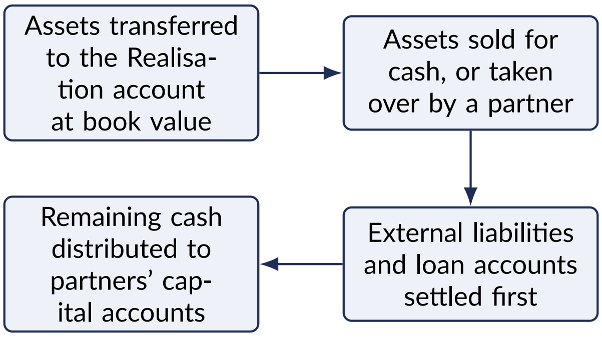

Figure 7.1 – The dissolution cash-flow sequence: realise every asset, settle outside liabilities in full, then (and only then) distribute any remaining cash to partners according to their final capital account balances.

Realisation account – typical debit entries	**Realisation account – typical credit entries**
Assets transferred at book value	Cash from sale of assets
Dissolution expenses paid	Assets taken over by a partner (agreed value)
Profit on realisation (if credit side exceeds debit side, transferred to capital accounts in PSR)	Loss on realisation (if debit side exceeds credit side, transferred to capital accounts in PSR)

Table 7.1 – Structure of the realisation account. Only one of "profit" or "loss on realisation" appears, as the single balancing entry needed to make both sides equal.

Example 7.8 — Dissolution: realisation, capital, and cash accounts

V and W share profits 3:2. At the date of dissolution (1 March 2028), the statement of financial position shows: premises $120,000; equipment $40,000; inventory $25,000; trade receivables $18,000; bank $7,000 (total assets $210,000); trade payables $35,000; bank loan $25,000 (total liabilities $60,000); capitals V $100,000, W $50,000 (net assets $150,000, matching total capital).

On dissolution: premises are sold for $135,000 cash; equipment for $32,000 cash; inventory for $21,000 cash; trade receivables are collected for $16,500 cash; dissolution expenses of $3,000 are paid in cash. Trade payables and the bank loan are paid in full.

Realisation account (Dr)		(Cr)	
Premises	120,000	Bank (total proceeds)	204,500
Equipment	40,000		
Inventory	25,000		
Trade receivables	18,000		
Bank (dissolution expenses)	3,000		
		Loss on realisation:	
		V $(3/5)$	900
		W $(2/5)$	600
Total	**206,000**	**Total**	**206,000**

Proceeds: $135{,}000 + 32{,}000 + 21{,}000 + 16{,}500 = \$204{,}500$. Assets at book value plus expenses $= 203{,}000 + 3{,}000 = \$206{,}000$. Loss on realisation $= 206{,}000 - 204{,}500 = \$1{,}500$, shared 3:2: $V = 900$; $W = 600$.

Capital account – V (Dr)		(Cr)	
Realisation (loss)	900	Balance b/d	100,000
Bank (final settlement)	99,100		
Total	**100,000**	**Total**	**100,000**

Capital account – W (Dr)		(Cr)	
Realisation (loss)	600	Balance b/d	50,000
Bank (final settlement)	49,400		
Total	**50,000**	**Total**	**50,000**

Bank account (Dr)		(Cr)	
Balance b/d	7,000	Trade payables	35,000
Realisation (total proceeds)	204,500	Bank loan	25,000
		Realisation (dissolution expenses)	3,000
		Capital – V (final settlement)	99,100
		Capital – W (final settlement)	49,400
Total	**211,500**	**Total**	**211,500**

Every account closes to exactly zero: the realisation account balances at \$206,000 both sides; V's and W's capital accounts balance at \$100,000 and \$50,000; and the bank account balances at \$211,500, with the final cash paid to V and W (\$99,100 + \$49,400 = \$148,500) exactly matching their combined closing capital.

Example 7.9 — Dissolution with an asset taken over by a partner

X, Y and Z share profits 2:2:1. At dissolution: motor vehicle \$30,000; fixtures \$15,000; inventory \$20,000; trade receivables \$12,000; bank \$8,000 (total assets \$85,000); trade payables \$10,000 (total liabilities \$10,000); capitals X \$26,000, Y \$34,000, Z \$15,000 (net assets \$75,000, matching total capital).

The motor vehicle is taken over by Y at an agreed value of \$26,000. Fixtures are sold for \$17,000 cash; inventory for \$15,000 cash; trade receivables are collected for \$11,000 cash.

Dissolution expenses of $1,500 are paid in cash. Trade payables are paid in full.

Realisation account (Dr)		(Cr)	
Motor vehicle	30,000	Capital – Y (vehicle taken over)	26,000
Fixtures	15,000	Bank (fixtures, inventory, receivables)	43,000
Inventory	20,000		
Trade receivables	12,000		
Bank (dissolution expenses)	1,500		
		Loss on realisation:	
		X $(2/5)$	3,800
		Y $(2/5)$	3,800
		Z $(1/5)$	1,900
Total	**78,500**	**Total**	**78,500**

Debit side $= 77{,}000$ (book values) $+1{,}500$ (expenses) $= \$78{,}500$. Credit side (before the loss) $= 26{,}000 + 17{,}000 + 15{,}000 + 11{,}000 = \$69{,}000$. Loss on realisation $= 78{,}500 - 69{,}000 = \$9{,}500$, shared 2:2:1: $X = 3{,}800$; $Y = 3{,}800$; $Z = 1{,}900$.

Capital account – X (Dr)		(Cr)	
Realisation (loss)	3,800	Balance b/d	26,000
Bank (final settlement)	22,200		
Total	**26,000**	**Total**	**26,000**

Capital account – Y (Dr)		(Cr)	
Realisation (vehicle taken over)	26,000	Balance b/d	34,000
Realisation (loss)	3,800		
Bank (final settlement)	4,200		
Total	**34,000**	**Total**	**34,000**

Capital account – Z (Dr)		(Cr)	
Realisation (loss)	1,900	Balance b/d	15,000
Bank (final settlement)	13,100		
Total	**15,000**	**Total**	**15,000**

Bank account (Dr)		(Cr)	
Balance b/d	8,000	Trade payables	10,000
Realisation (fixtures, inventory, receivables)	43,000	Realisation (dissolution expenses)	1,500
		Capital – X (final settlement)	22,200
		Capital – Y (final settlement)	4,200
		Capital – Z (final settlement)	13,100
Total	**51,000**	**Total**	**51,000**

Notice that Y's final cash settlement ($4,200) is much smaller than X's or Z's, because Y has already received $26,000 of value in the form of the motor vehicle, non-cash. Every account still reconciles exactly to zero.

VN GIẢI THÍCH TIẾNG VIỆT

Khi một thành viên nhận lại một tài sản của công ty hợp danh cho mục đích riêng (thay vì bán lấy tiền mặt), giá trị thoả thuận của tài sản đó được ghi Nợ trực tiếp vào tài khoản vốn của thành viên đó (và ghi Có tài khoản Realisation) – đây là một khoản **thanh toán phi tiền mặt (non-cash settlement)**, làm giảm số tiền mặt thực tế mà thành viên đó nhận được khi chia tiền cuối cùng, nhưng KHÔNG làm mất cân bằng tổng thể của các tài khoản.

7.5.1 A deficient partner's capital account on dissolution

Occasionally, after all revaluation and realisation losses have been charged, a partner's capital account shows a **debit balance** – that is, the partner owes money *to* the firm rather than being owed money *by* it. If that partner is able to pay, they simply pay the amount in, restoring the balance to zero before the final cash distribution. If the partner is **insolvent** (unable to pay some or all of the deficiency), then – unless the partnership agreement states otherwise – the basic rule applied is that the shortfall is **borne by the remaining solvent partners, in their profit-sharing ratio**.

VN GIẢI THÍCH TIẾNG VIỆT

Nếu sau khi phân bổ lỗ giải thể, tài khoản vốn của một thành viên có SỐ DƯ NỢ (thiếu hụt vốn – deficiency) và thành viên đó KHÔNG CÓ KHẢ NĂNG thanh toán, thì (trừ khi thoả thuận hợp danh quy định khác) phần thiếu hụt đó được các thành viên CÒN LẠI (có khả năng thanh toán) gánh chịu theo TỶ LỆ CHIA LỢI NHUẬN của họ.

Example 7.10 — A deficient partner unable to pay on dissolution

In a different partnership, A, B and C share profits 3:2:1. After all realisation adjustments, the capital accounts stand at: A \$18,000 (credit), B \$9,000 (credit), and C \$4,500 (debit – C owes the firm \$4,500). C is insolvent and cannot pay anything further. Show the final cash paid to A and B.

The \$4,500 deficiency is borne by A and B in their profit-sharing ratio, excluding C, i.e., 3:2: $A = \frac{3}{5} \times 4{,}500 = \$2{,}700$; $B = \frac{2}{5} \times 4{,}500 = \$1{,}800$.

Final cash paid: $A = 18{,}000 - 2{,}700 = \boxed{\$15{,}300}$; $B = 9{,}000 - 1{,}800 = \boxed{\$7{,}200}$. Total cash paid out $= 15{,}300 + 7{,}200 = \$22{,}500$, which exactly equals the cash actually available ($18{,}000 + 9{,}000 - 4{,}500 = \$22{,}500$, since C contributes nothing).

7.6 Practice Bank

Bài tập luyện tập

Goodwill on the admission of a partner is credited to the old partners in the _____ profit-sharing ratio and, if it is not to remain in the books, is written off among all partners in the _____ ratio.

(A) new; new
(B) old; new
(C) old; old
(D) new; old

Lời giải chi tiết

Goodwill is always credited in the **old** ratio (to those who earned it) and written off in the **new** ratio (among all who will benefit going forward). **(B)**.

Bài tập luyện tập

On the admission of a new partner, any profit or loss on revaluation of assets and liabilities is shared by:

(A) All partners (old and new) in the new ratio

(B) The old partners only, in the old ratio, immediately before the new partner is admitted

(C) The new partner only

(D) All partners equally, regardless of the profit-sharing agreement

Lời giải chi tiết

Revaluation reflects value built up before the new partner joined, so it belongs to the old partners only, in their old ratio. **(B)**.

Bài tập luyện tập

Which of the following best describes goodwill?

(A) A tangible non-current asset that can be sold separately from the business

(B) The value of a business's trade receivables at the point of sale

(C) An intangible asset representing a business's reputation, customer base and earning power in excess of the fair value of its net identifiable assets

(D) The excess of a company's issued share capital over its retained earnings

Lời giải chi tiết

Goodwill is an intangible asset reflecting a business's earning power above the fair value of its separately identifiable net assets; it cannot be sold apart from the business. **(C)**.

Bài tập luyện tập

A and B share profits 2:1. Capitals: A \$45,000, B \$30,000. Goodwill is valued at \$18,000 and is not to remain in the books. C is admitted; new ratio A:B:C $= 3 : 2 : 1$. Calculate the net goodwill adjustment to each partner's capital account.

Lời giải chi tiết

Old ratio credit (2:1 of \$18,000): $A = 12{,}000$; $B = 6{,}000$.
New ratio debit (3:2:1 of \$18,000): $A = 9{,}000$; $B = 6{,}000$; $C = 3{,}000$.
Net adjustment: $A = +12{,}000 - 9{,}000 = \boxed{+\$3{,}000}$; $B = +6{,}000 - 6{,}000 = \boxed{\$0}$; $C = \boxed{-\$3{,}000}$.
Sum $= 3{,}000 + 0 - 3{,}000 = 0$, confirming the write-off nets to zero.

Bài tập luyện tập

On the retirement of a partner, that partner's share of goodwill (calculated in the old ratio) is:

(A) Debited to the retiring partner's capital account only

(B) Credited to the retiring partner's capital account, then debited to *all* partners in the new ratio

(C) Credited to the retiring partner's capital account (old ratio); if goodwill is not retained, the write-off is then shared only among the continuing partners, in their new ratio

(D) Ignored entirely, since the retiring partner is leaving the business

Lời giải chi tiết

The retiring partner is credited in the old ratio but bears none of the subsequent write-off, which falls only on the continuing partners in their new ratio. **(C)**.

Bài tập luyện tập

M and N share profits 5:3. Capitals: M \$96,000, N \$56,000. O is admitted on 1 September, introducing capital of \$40,000 cash. Goodwill is valued at \$32,000 and is not retained in the books. New ratio M:N:O $= 4 : 3 : 1$. Calculate each partner's capital account balance immediately after O's admission.

Lời giải chi tiết

Old ratio credit (5:3 of \$32,000): $M = 20{,}000$; $N = 12{,}000$.
New ratio debit (4:3:1 of \$32,000): $M = 16{,}000$; $N = 12{,}000$; $O = 4{,}000$.
Closing capitals: $M = 96{,}000 + 20{,}000 - 16{,}000 = \boxed{\$100{,}000}$; $N = 56{,}000 + 12{,}000 - 12{,}000 = \boxed{\$56{,}000}$; $O = 40{,}000 - 4{,}000 = \boxed{\$36{,}000}$. Total \$192,000 = old capital \$152,000 + O's cash \$40,000.

Bài tập luyện tập

S and T share profits 3:2. Capitals: S \$70,000, T \$45,000. U is admitted, introducing capital of \$25,000. Immediately before admission, assets are revalued upward by a net \$6,000, shared in the old ratio. Goodwill is valued at \$15,000, not retained. New ratio S:T:U $= 3 : 2 : 1$. Calculate each partner's final capital balance.

Lời giải chi tiết

Revaluation profit (3:2 of \$6,000): $S = 3{,}600$; $T = 2{,}400$.
Goodwill credited (old ratio 3:2 of \$15,000): $S = 9{,}000$; $T = 6{,}000$.
Goodwill debited (new ratio 3:2:1 of \$15,000): $S = 7{,}500$; $T = 5{,}000$; $U = 2{,}500$.
Final capitals: $S = 70{,}000 + 3{,}600 + 9{,}000 - 7{,}500 = \boxed{\$75{,}100}$; $T = 45{,}000 + 2{,}400 + 6{,}000 - 5{,}000 = \boxed{\$48{,}400}$; $U = 25{,}000 - 2{,}500 = \boxed{\$22{,}500}$. Total \$146,000 = old capital \$115,000 + revaluation profit \$6,000 + U's cash \$25,000.

Bài tập luyện tập

In a revaluation account, an increase in the value of a non-current asset is:

(A) Debited to the revaluation account

(B) Credited to the revaluation account

(C) Debited to the asset account only, with no effect on the revaluation account

(D) Ignored until the asset is actually sold

Lời giải chi tiết

The asset account is debited to record the higher value, and the revaluation account is credited with the corresponding gain. **(B)**.

Bài tập luyện tập

F, G and H share profits 5:3:2. F retires. Capitals: F \$70,000, G \$60,000, H \$50,000. Immediately before retirement, assets are revalued upward by a net \$20,000, shared by all three in the old ratio. Goodwill is valued at \$40,000, not retained. G and H continue, sharing 3:2. F is to be paid \$70,000 in cash immediately, with the remainder left as a loan account. Calculate F's total entitlement and the balance of F's loan account.

Lời giải chi tiết

Revaluation profit (5:3:2 of \$20,000): $F = 10{,}000$; $G = 6{,}000$; $H = 4{,}000$.
Goodwill credited (old ratio 5:3:2 of \$40,000): $F = 20{,}000$; $G = 12{,}000$; $H = 8{,}000$. (F bears no write-off, since only G and H continue.)
Goodwill written off (new ratio 3:2 of \$40,000, G and H only): $G = 24{,}000$; $H = 16{,}000$.
F's total entitlement $= 70{,}000 + 10{,}000 + 20{,}000 = \boxed{\$100{,}000}$. Paid \$70,000 cash, so the loan account balance is $100{,}000 - 70{,}000 = \boxed{\$30{,}000}$.
Check: $G = 60{,}000 + 6{,}000 + 12{,}000 - 24{,}000 = \$54{,}000$; $H = 50{,}000 + 4{,}000 + 8{,}000 - 16{,}000 = \$46{,}000$. Total $54{,}000 + 46{,}000 + 100{,}000 = \$200{,}000 =$ old capital \$180,000 + revaluation profit \$20,000.

Bài tập luyện tập

Amount remaining unpaid to a retiring partner, and carried forward as a continuing liability of the firm, is normally recorded as:

(A) A revaluation reserve

(B) A loan account (a creditor) in the retiring partner's name

(C) Additional goodwill

(D) A reduction in the continuing partners' capital accounts

Lời giải chi tiết

Any unpaid balance owed to a retiring partner becomes a loan owed by the firm, shown as a liability (often with interest) until repaid. **(B)**.

Bài tập luyện tập

M, N and O share profits 5:3:2. They agree, with no partner joining or leaving, to change to equal shares (1:1:1). Goodwill is valued at \$45,000, not retained. Calculate the net goodwill adjustment to each partner's capital account and confirm that it nets to zero.

Lời giải chi tiết

Old ratio credit (5:3:2 of $45,000): $M = 22{,}500$; $N = 13{,}500$; $O = 9{,}000$.
New ratio debit (1:1:1 of $45,000): each $= \$15{,}000$.
Net adjustment: $M = 22{,}500 - 15{,}000 = \boxed{+\$7{,}500}$; $N = 13{,}500 - 15{,}000 = \boxed{-\$1{,}500}$; $O = 9{,}000 - 15{,}000 = \boxed{-\$6{,}000}$. Sum $= 7{,}500 - 1{,}500 - 6{,}000 = 0$, as required.

Bài tập luyện tập

When only the profit-sharing ratio changes (no partner joins or leaves), the goodwill adjustment:

(A) Requires new capital to be introduced by any partner whose share increases

(B) Can be passed as a single net adjusting entry directly between partners' capital accounts, because the total credited and total debited are always equal

(C) Must always be shared equally regardless of the agreed ratios

(D) Is only recorded if the partnership is dissolved within the same accounting year

Lời giải chi tiết

Because the same partners are both credited (old ratio) and debited (new ratio), the two amounts always net to zero, allowing a single simplified journal entry between the gaining and sacrificing partners. **(B)**.

Bài tập luyện tập

V and W share profits 3:1. At dissolution: premises $90,000; inventory $30,000; trade receivables $20,000; bank $6,000; trade payables $26,000; capitals V $90,000, W $30,000. Premises are sold for $100,000; inventory for $26,000; receivables collected for $17,000; dissolution expenses $1,000 are paid; trade payables are settled in full. Prepare the realisation account and calculate the final capital balances.

Lời giải chi tiết

Realisation account debit side: assets at book value $90{,}000 + 30{,}000 + 20{,}000 = 140{,}000$, plus expenses $1,000 $= \$141{,}000$.
Credit side: proceeds $100{,}000 + 26{,}000 + 17{,}000 = \$143{,}000$.
Profit on realisation $= 143{,}000 - 141{,}000 = \$2{,}000$, shared 3:1: $V = 1{,}500$; $W = 500$.
Final capitals: $V = 90{,}000 + 1{,}500 = \boxed{\$91{,}500}$; $W = 30{,}000 + 500 = \boxed{\$30{,}500}$. Total $122,000.
Check via cash: $6{,}000 + 143{,}000 - 26{,}000 - 1{,}000 = \$122{,}000$, matching the combined final capital exactly.

Bài tập luyện tập

The balancing figure representing a profit on realisation is transferred from the realisation account to the partners' capital accounts in:

(A) Their capital account ratio

(B) Their profit-sharing ratio

(C) Equal shares, regardless of any agreement

(D) The ratio of their loan account balances

Lời giải chi tiết

Realisation profit or loss, like any trading profit or loss, is always shared according to the partners' agreed profit-sharing ratio. **(B)**.

Bài tập luyện tập

Using the data from the previous V and W dissolution question, prepare the closing bank/cash account, showing that it balances to zero.

Lời giải chi tiết

Bank account (Dr)		(Cr)	
Balance b/d	6,000	Trade payables	26,000
Realisation (total proceeds)	143,000	Realisation (expenses)	1,000
		Capital – V	91,500
		Capital – W	30,500
Total	**149,000**	**Total**	**149,000**

Both sides total $149,000, and the account closes to exactly zero once V and W are paid.

Bài tập luyện tập

On dissolution, if a partner takes over a business asset personally, the correct double entry is:

(A) Debit Bank; Credit the Realisation account

(B) Debit the partner's capital account; Credit the Realisation account

(C) Debit the Realisation account; Credit the partner's capital account

(D) No entry is required until the asset is eventually resold

Lời giải chi tiết

The partner effectively buys the asset from the firm, reducing what the firm owes them: Debit the partner's capital account, Credit the Realisation account with the agreed value. **(B)**.

Bài tập luyện tập

C and D share profits equally. At dissolution: equipment $40,000; inventory $18,000; bank $4,000; trade payables $12,000; capitals C $35,000, D $15,000. Equipment is taken over by C at an agreed value of $22,000. Inventory is sold for $15,000 cash. Dissolution expenses of $500 are paid. Trade payables are settled in full. Calculate the final cash paid to C and D.

Lời giải chi tiết

Realisation account debit side: $40{,}000 + 18{,}000 + 500 = \$58{,}500$.
Credit side (before loss): $22{,}000 + 15{,}000 = \$37{,}000$.
Loss on realisation $= 58{,}500 - 37{,}000 = \$21{,}500$, shared equally: $C = 10{,}750$; $D = 10{,}750$.
$C = 35{,}000 - 22{,}000 - 10{,}750 = \boxed{\$2{,}250}$ (cash); $D = 15{,}000 - 10{,}750 = \boxed{\$4{,}250}$ (cash). Total cash paid $= \$6{,}500$.
Check via cash account: $4{,}000 + 15{,}000 - 12{,}000 - 500 = \$6{,}500$, exactly matching.

Bài tập luyện tập

Q, R and S share profits 3:2:1. After all dissolution adjustments, their capital accounts show: Q \$24,000 (credit), R \$16,000 (credit), S \$6,000 (debit). S is insolvent and can pay nothing further. Calculate the final cash paid to Q and R.

Lời giải chi tiết

S's \$6,000 deficiency is borne by Q and R in their profit-sharing ratio, 3:2: $Q = \frac{3}{5} \times 6{,}000 = 3{,}600$; $R = \frac{2}{5} \times 6{,}000 = 2{,}400$.

Final cash paid: $Q = 24{,}000 - 3{,}600 = \boxed{\$20{,}400}$; $R = 16{,}000 - 2{,}400 = \boxed{\$13{,}600}$. Total \$34,000, matching cash actually available $(24{,}000 + 16{,}000 - 6{,}000)$.

Bài tập luyện tập

If a retiring or dissolving partner's capital account shows a debit (deficiency) balance and that partner is unable to pay, Cambridge practice (absent a specific partnership agreement clause) requires the shortfall to be:

(A) Written off entirely against the firm's revaluation reserve

(B) Borne by the remaining solvent partners, in their profit-sharing ratio

(C) Carried forward indefinitely as a receivable owed by the departed partner

(D) Charged entirely to whichever partner has the largest capital balance

Lời giải chi tiết

The default rule is that solvent partners absorb an insolvent partner's deficiency in their profit-sharing ratio, unless the partnership agreement specifies otherwise. **(B)**.

Bài tập luyện tập

J, K and L share profits 2:2:1. L retires. Capitals: J \$100,000, K \$100,000, L \$50,000. Inventory is written down by \$10,000 immediately before retirement, shared by all three in the old ratio. Goodwill is valued at \$25,000, not retained. J and K continue, sharing equally. L is paid in full in cash. Calculate the final capital balances of J and K, and the amount paid to L.

Lời giải chi tiết

Revaluation loss (2:2:1 of \$10,000): $J = 4{,}000$; $K = 4{,}000$; $L = 2{,}000$ (all deducted).
Goodwill credited (old ratio 2:2:1 of \$25,000): $J = 10{,}000$; $K = 10{,}000$; $L = 5{,}000$.
Goodwill written off (new ratio 1:1, J and K only, of \$25,000): $J = 12{,}500$; $K = 12{,}500$.
$J = 100{,}000 - 4{,}000 + 10{,}000 - 12{,}500 = \boxed{\$93{,}500}$; $K = 100{,}000 - 4{,}000 + 10{,}000 - 12{,}500 = \boxed{\$93{,}500}$; $L = 50{,}000 - 2{,}000 + 5{,}000 = \boxed{\$53{,}000}$ (paid fully in cash). Total \$240,000 = old capital \$250,000 − revaluation loss \$10,000.

Bài tập luyện tập

A revaluation loss arising on the retirement of a partner is shared:

(A) By the continuing partners only, in their new ratio

(B) By all partners, including the retiring partner, in the ratio applying immediately before retirement

(C) Equally among all partners regardless of the partnership agreement

(D) By the retiring partner alone

Lời giải chi tiết

Revaluation at the point of retirement affects the value built up while all partners, including the one about to retire, were still together – so it is shared in the pre-retirement (old) ratio by everyone. **(B)**.

Bài tập luyện tập

A and B share profits 2:1. Capitals: A $60,000, B $30,000. C is admitted, introducing $20,000 capital. Immediately before admission, assets are revalued: inventory is written down by $3,000 and the provision for doubtful debts is increased by $1,500 (net revaluation loss $4,500), shared by A and B in the old ratio. Goodwill is valued at $12,000, not retained. New ratio A:B:C $= 3 : 2 : 1$. Calculate each partner's final capital balance.

Lời giải chi tiết

Revaluation loss (2:1 of $4,500): $A = 3{,}000$; $B = 1{,}500$ (both deducted).
Goodwill credited (old ratio 2:1 of $12,000): $A = 8{,}000$; $B = 4{,}000$.
Goodwill debited (new ratio 3:2:1 of $12,000): $A = 6{,}000$; $B = 4{,}000$; $C = 2{,}000$.
$A = 60{,}000 - 3{,}000 + 8{,}000 - 6{,}000 = \boxed{\$59{,}000}$; $B = 30{,}000 - 1{,}500 + 4{,}000 - 4{,}000 = \boxed{\$28{,}500}$; $C = 20{,}000 - 2{,}000 = \boxed{\$18{,}000}$. Total $105,500 = old capital $90,000 − revaluation loss $4,500 + C's cash $20,000.

Bài tập luyện tập

Goodwill that is raised in the books and retained as a non-current asset (rather than written off) will, under the prudence considerations normally applied:

(A) Never require any further adjustment in the future

(B) Usually need to be written off or impaired later, since internally generated goodwill is not normally permitted to remain indefinitely as an asset under most accounting frameworks

(C) Automatically increase every partner's drawings entitlement

(D) Be depreciated on a straight-line basis over exactly 50 years by convention

Lời giải chi tiết

Retained goodwill is inherently uncertain and is not normally allowed to sit indefinitely on the statement of financial position; it is usually written off or impaired in due course, which is why the immediate write-off treatment is preferred in practice. **(B)**.

Bài tập luyện tập

P and Q share profits 7:3. At dissolution: land $150,000; inventory $40,000; trade receivables $25,000; bank $10,000; trade payables $45,000; bank loan $30,000; capitals P $105,000, Q $45,000. Land is sold for $165,000; inventory for $33,000; receivables collected for $22,000; dissolution expenses $2,000 are paid; trade payables and the loan are settled in full. Calculate the final capital balances and confirm the cash account reconciles to zero.

Lời giải chi tiết

Realisation account debit side: $150{,}000 + 40{,}000 + 25{,}000 + 2{,}000 = \$217{,}000$.
Credit side: $165{,}000 + 33{,}000 + 22{,}000 = \$220{,}000$.
Profit on realisation $= 220{,}000 - 217{,}000 = \$3{,}000$, shared 7:3: $P = 2{,}100$; $Q = 900$.
Final capitals: $P = 105{,}000 + 2{,}100 = \boxed{\$107{,}100}$; $Q = 45{,}000 + 900 = \boxed{\$45{,}900}$. Total $153,000.
Cash check: $10{,}000 + 220{,}000 - 45{,}000 - 30{,}000 - 2{,}000 = \$153{,}000$, matching exactly.

Bài tập luyện tập

The correct order of priority for distributing cash on the dissolution of a partnership is:

(A) Partners' capital accounts first, then external liabilities, then loan accounts

(B) External liabilities (including any partners' loan accounts) first, then partners' capital account balances

(C) An equal split among all claims, regardless of type

(D) Partners' loan accounts only, with capital balances forfeited

Lời giải chi tiết

Outside creditors and loan accounts must be paid in full before any cash is distributed to partners' capital accounts. **(B)**.

Bài tập luyện tập

R and S share profits 3:2. They agree to change to equal shares (1:1), with no partner joining or leaving. Capitals: R $80,000, S $60,000. Goodwill is valued at $20,000, not retained. Calculate each partner's capital account balance after the adjustment.

Lời giải chi tiết

Old ratio credit (3:2 of $20,000): $R = 12{,}000$; $S = 8{,}000$.
New ratio debit (1:1 of $20,000): $R = 10{,}000$; $S = 10{,}000$.
$R = 80{,}000 + 12{,}000 - 10{,}000 = \boxed{\$82{,}000}$; $S = 60{,}000 + 8{,}000 - 10{,}000 = \boxed{\$58{,}000}$. Total $140,000, unchanged from the original $140,000, confirming the goodwill adjustment nets to zero.

Bài tập luyện tập

The realisation account is used to record all of the following, EXCEPT:

(A) Transfer of assets at their book values

(B) Proceeds received from the sale of assets

(C) Interest on partners' capital for the final accounting period

(D) Dissolution expenses paid on winding up the business

Lời giải chi tiết

Interest on capital is an appropriation made through the appropriation account before dissolution, not an entry in the realisation account, which deals only with the disposal of assets, settlement-related costs, and the resulting profit or loss. **(C)**.

Manufacturing Accounts

> **Mục tiêu Unit:** Vì sao doanh nghiệp sản xuất cần một **tài khoản sản xuất (manufacturing account)** tách biệt với báo cáo thu nhập; phân loại chi phí trực tiếp (nguyên vật liệu, nhân công, chi phí trực tiếp/bản quyền) và chi phí gián tiếp (chi phí chung xưởng sản xuất); cấu trúc đầy đủ của tài khoản sản xuất từ giá thành nguyên vật liệu tiêu hao → chi phí chính (prime cost) → giá thành sản xuất (cost of production), có tính đến sản phẩm dở dang (WIP) đầu kỳ và cuối kỳ; phân bổ chi phí chung dùng chung giữa xưởng và văn phòng theo diện tích, giá trị còn lại (NBV), hoặc số lượng nhân viên; chuyển giao thành phẩm sang tài khoản thương mại theo giá gốc hoặc giá gốc cộng lợi nhuận xưởng (factory profit), và cách tính **dự phòng lợi nhuận chưa thực hiện (provision for unrealised profit)** cùng sự **thay đổi** của khoản dự phòng này qua các năm; và cách trình bày đầy đủ từ tài khoản sản xuất → tài khoản thương mại → báo cáo thu nhập → trích đoạn báo cáo tình hình tài chính.

8.1 Why Manufacturers Need a Manufacturing Account

8.1.1 From raw materials to finished goods: a different business model

A trading (merchandising) business buys finished goods and resells them unchanged; its income statement simply uses **Purchases** as the cost of goods brought into the business during the period. A **manufacturer** does something fundamentally different: it buys **raw materials**, then converts those materials in-house — using its own labour force, machinery, and factory facilities — into finished goods. A manufacturer never "purchases" its finished goods at all, so the figure "Purchases" cannot appear in its trading section in the way it does for a trading company.

Simply listing the raw materials bought, the wages paid, and the factory running costs incurred during the year would not, by itself, tell us what it cost the business to actually **complete** production during the period — some raw material may remain unprocessed in the store at the year end, and some units may still be only part-finished (work in progress). For this reason, every set of manufacturing accounts begins with a separate **manufacturing account**, prepared *before* the trading section of the income statement, whose sole purpose is to calculate the **cost of production** of the goods that were actually completed and made ready for sale during the period. This cost of production figure then replaces "Purchases" in the trading section, exactly as a trading company's Purchases figure is used.

> The **manufacturing account** answers one question only: *"What did it cost us to finish the goods completed this period?"* Its final figure, **cost of production**, is carried down into the trading section of the income statement in place of Purchases. Nothing about sales, administrative costs, or profit appears inside the manufacturing account itself.

> **GIẢI THÍCH TIẾNG VIỆT**
> VN
> Doanh nghiệp thương mại chỉ cần dòng "Purchases" (hàng mua vào) trong tài khoản thương mại vì họ mua hàng đã hoàn thiện để bán lại nguyên trạng. Doanh nghiệp **sản xuất** thì mua **nguyên vật liệu** rồi tự gia công thành **thành phẩm** bằng nhân công và máy móc của chính mình — họ không hề "mua" thành phẩm. Vì vậy cần một **tài khoản sản xuất** riêng, lập *trước* phần tài khoản thương mại, để tính ra **giá thành sản xuất (cost of production)** — con số này sau đó thay thế vị trí của "Purchases" trong tài khoản thương mại.

8.1.2 Direct costs versus indirect costs (factory overheads)

Every cost incurred inside the factory falls into one of two categories.

Direct costs vs. factory overheads

- **Direct costs** can be traced exactly, unit-by-unit, to the goods being produced. They form **prime cost**:
  - **Direct materials** — the cost of raw materials actually consumed in production.
  - **Direct labour** — wages of employees who physically work on production (e.g., machine operators, assembly workers), often called *direct factory wages*.
  - **Direct expenses** — any other cost that varies exactly with output and can be traced to units produced; the most common example is a **royalty** paid per unit manufactured under a licence or patent.
- **Indirect costs (factory overheads)** support production as a whole but cannot be economically traced to a single unit: factory rent and rates, factory power/light/heat, indirect factory wages (e.g., supervisors, maintenance staff, cleaners), depreciation of factory machinery, indirect materials (e.g., lubricants, small consumables), and factory insurance.

Costs relating to running the office (administrative overheads) or to selling and delivering goods (selling and distribution expenses) do **not** belong in the manufacturing account at all — they are expenses of the income statement proper, because they relate to administering or selling the business, not to manufacturing goods. Where a single cost (such as rent of one building) is shared between the factory and the office, only the factory's **apportioned share** enters the manufacturing account; the office's share is an income statement expense (Section 8.5).

Ví dụ mẫu · Classifying manufacturing costs

Classify each of the following costs of a furniture manufacturer as direct material, direct labour, direct expense, or factory overhead:

(a) Timber used to build the furniture.

(b) Wages paid to machinists, calculated per hour worked on production.

(c) A licence fee (royalty) paid to a designer for every unit manufactured.

(d) Rent of the factory building.

(e) Depreciation of factory machinery.

(f) Glue and screws used across many products, too small in value per unit to trace individually.

(g) Salary of the factory supervisor.

(h) Electricity used to power production machinery.

Solution. (a) Direct material — the timber becomes physically part of the finished product and is easily traced to each unit. (b) Direct labour — wages of workers physically producing the goods, traced to output. (c) Direct expense (royalty) — varies exactly with units produced, so it is added directly to prime cost, *not* treated as a factory overhead. (d) Factory overhead — supports the whole factory, cannot be traced to one unit. (e) Factory overhead — an indirect cost of running the machinery. (f) Factory overhead (indirect material) — although physically a "material," it is not economical to trace glue/screws to each individual unit, so by convention it is treated as an indirect cost. (g) Factory overhead — supervision benefits all production, not one unit. (h) Factory overhead — power cannot normally be metered to a single unit of output.

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Chi phí **trực tiếp** (nguyên vật liệu, nhân công, chi phí trực tiếp/bản quyền) có thể quy trực tiếp cho từng đơn vị sản phẩm — hợp thành **chi phí chính (prime cost)**. Chi phí **gián tiếp (factory overheads)** phục vụ toàn bộ xưởng sản xuất nói chung (tiền thuê xưởng, điện nước xưởng, lương giám sát, khấu hao máy móc...) và không thể quy trực tiếp cho một đơn vị sản phẩm cụ thể. Lưu ý mục (f): keo và ốc vít về bản chất vẫn là "nguyên vật liệu" nhưng vì giá trị quá nhỏ trên mỗi sản phẩm nên được xếp vào chi phí gián tiếp cho đơn giản — một điểm hay bị bỏ sót.

(!) Lỗi thường gặp: Đừng xếp **royalty (bản quyền)** vào chi phí chung của xưởng (factory overheads)! Vì royalty được tính theo *từng đơn vị sản phẩm* sản xuất ra (ví dụ $0.50/sản phẩm), nó là một **chi phí trực tiếp (direct expense)** và phải được cộng vào **prime cost** cùng với nguyên vật liệu tiêu hao và nhân công trực tiếp — không phải cộng vào factory overheads ở dòng phía dưới. Nhầm lẫn này làm sai cả prime cost lẫn cấu trúc trình bày, dù tổng giá thành sản xuất cuối cùng có thể vẫn đúng về mặt số học.

8.2 Building the Manufacturing Account

8.2.1 Cost of raw materials consumed

The manufacturing account opens by calculating how much raw material was actually **used up** in production during the period — not simply how much was bought.

Cost of raw materials consumed = Opening inventory of raw materials + Purchases + Carriage inwards − Returns outwards − Closing inventory of raw materials.

Carriage inwards (the cost of transporting raw materials *to* the factory) is added because it is part of getting the material ready for use; returns outwards (raw materials sent back to suppliers) are deducted because they were never consumed in production.

8.2.2 Prime cost and the cost of production formula

Prime cost = Cost of raw materials consumed + Direct (factory) labour + Direct expenses (including royalties).

Cost of production = Prime cost + Factory overheads + Opening work in progress − Closing work in progress.

Cost of raw materials consumed

↓

+ Direct labour + Direct expenses (e.g. royalties)

↓

= **PRIME COST**

↓

+ Factory overheads (indirect factory costs)

↓

+ Opening WIP − Closing WIP

↓

= **COST OF PRODUCTION**

The manufacturing account build-up: raw materials consumed plus direct labour and direct expenses gives prime cost; adding factory overheads and adjusting for the change in work in progress gives cost of production.

Ví dụ mẫu · Manufacturing account — Zenith Furniture Ltd

For the year ended 31 December 2025, Zenith Furniture Ltd had: opening inventory of raw materials $5,400; purchases of raw materials $96,500; carriage inwards $1,300; closing inventory of raw materials $6,500; direct factory wages $68,500; royalties (per unit produced) $3,200; factory overheads: indirect factory wages $14,800, factory power $9,600, factory rent and rates $11,200, depreciation of factory machinery $7,400, factory supervisor's salary $16,000; opening work in progress $4,100; closing work in progress $5,300.

	$	$
Opening inventory of raw materials		5,400
Purchases	96,500	
Add: carriage inwards	1,300	
		97,800
		103,200
Less: closing inventory of raw materials		(6,500)
Cost of raw materials consumed		**96,700**
Direct factory wages		68,500
Royalties		3,200
Prime cost		**168,400**
Indirect factory wages	14,800	
Factory power	9,600	
Factory rent and rates	11,200	
Depreciation of factory machinery	7,400	
Factory supervisor's salary	16,000	
Factory overheads		**59,000**
		227,400
Add: opening work in progress		4,100
Less: closing work in progress		(5,300)
Cost of production		**226,200**

This $226,200 is transferred to the trading section in place of "Purchases." With opening finished goods inventory $9,800, closing finished goods inventory $11,500, and sales $410,000 (transfer at cost — no mark-up): cost of sales $= 9{,}800 + 226{,}200 - 11{,}500 = \$224{,}500$; gross profit $= 410{,}000 - 224{,}500 = \boxed{\$185{,}600}$. *(Check:* $410{,}000 - 224{,}500 = 185{,}500$ *— gross profit is* $\$185{,}500$.*)*

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Ví dụ Zenith Furniture: giá thành nguyên vật liệu tiêu hao = tồn đầu kỳ + mua vào + chi phí vận chuyển vào − tồn cuối kỳ $= 96{,}700$. Cộng nhân công trực tiếp và bản quyền được **prime cost** $= 168{,}400$. Cộng chi phí chung xưởng $59{,}000$, cộng WIP đầu kỳ, trừ WIP cuối kỳ, ra **giá thành sản xuất** $= 226{,}200$ — đây là con số duy nhất được chuyển sang tài khoản thương mại để thay thế "Purchases."

Ví dụ mẫu · Manufacturing account with returns outwards — Bao Chau Toys Manufacturing

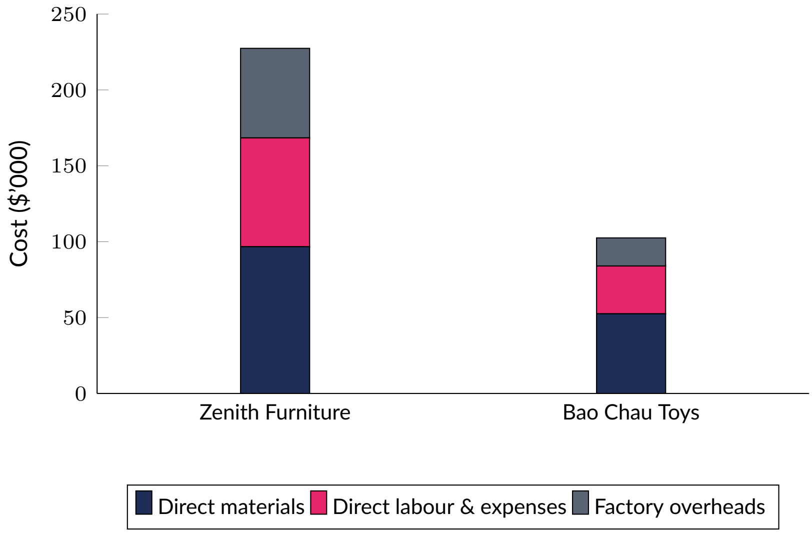
For the year ended 31 December 2025, Bao Chau Toys Manufacturing had: opening inventory of raw materials $3,200; purchases of raw materials $54,000; carriage inwards $800; returns outwards (raw materials sent back to suppliers) $1,400; closing inventory of raw materials $4,100; direct factory wages $31,500 (no royalties or other direct expenses this period); factory overheads: indirect materials $2,600, factory insurance $3,800, factory light and heat $4,200, depreciation of factory equipment $5,000, general factory expenses $2,900; opening work in progress $6,000; closing work in progress $5,200.

	$	$
Opening inventory of raw materials		3,200
Purchases	54,000	
Add: carriage inwards	800	
Less: returns outwards	(1,400)	
		53,400
		56,600
Less: closing inventory of raw materials		(4,100)
Cost of raw materials consumed		**52,500**
Direct factory wages		31,500
Prime cost		**84,000**
Indirect materials	2,600	
Factory insurance	3,800	
Factory light and heat	4,200	
Depreciation of factory equipment	5,000	
General factory expenses	2,900	
Factory overheads		**18,500**
		102,500
Add: opening work in progress		6,000
Less: closing work in progress		(5,200)
Cost of production		**103,300**

Note there are no royalties this period, so prime cost is simply materials consumed plus direct wages. With opening finished goods $5,000, closing finished goods $4,600, and sales $150,000 (transfer at cost): cost of sales $= 5{,}000 + 103{,}300 - 4{,}600 = \$103{,}700$; gross profit $= 150{,}000 - 103{,}700 = \$46{,}300$.

VN GIẢI THÍCH TIẾNG VIỆT

Bao Chau Toys minh hoạ một cơ cấu chi phí khác: có **returns outwards** (trả lại nguyên vật liệu cho nhà cung cấp — bị *trừ* khi tính nguyên vật liệu tiêu hao) và **không có** bản quyền/chi phí trực tiếp khác. Prime cost ở đây chỉ gồm nguyên vật liệu tiêu hao cộng nhân công trực tiếp. Điều này cho thấy công thức prime cost luôn giữ nguyên cấu trúc, nhưng số dòng thực tế xuất hiện tuỳ thuộc dữ liệu của từng doanh nghiệp.



Composition of production cost (prime cost + factory overheads, before the work-in-progress adjustment) for the two worked examples above. Zenith's total is $227.4k; Bao Chau's is $102.5k — each figure then moves up or down by the change in work in progress to give cost of production.

8.3 Work in Progress: Valuation and Its Dual Role

Work in progress (WIP) consists of units that have entered production and absorbed some materials, labour, and overhead, but which are not yet complete and ready for sale at the year end. Like all inventory, WIP is valued at the **lower of cost and net realisable value**; "cost" here means the direct materials, direct labour, and a fair proportion of factory overhead absorbed by the unfinished units to date — never a profit margin, and never costs still to be incurred to finish the units (unless a question states otherwise).

Ví dụ mẫu · Valuing a batch of work in progress

At the year end, a batch of partly-assembled cabinets has: direct materials used so far $1,200; direct labour applied so far $900; factory overhead is absorbed at 60% of direct labour cost. Value this work in progress.

Factory overhead absorbed $= 0.60 \times 900 = \$540$.

$$\text{WIP valuation} = 1{,}200 + 900 + 540 = \boxed{\$2{,}640}.$$

No profit margin and no further completion costs are included — WIP is stated purely at the cost incurred on the unfinished units to date.

WIP plays a **dual role** in the cost of production computation, exactly mirroring how opening and closing inventory are treated in an ordinary trading account:

> **Opening WIP is added**: last period's unfinished units are usually completed early this period, so their brought-forward cost belongs with this period's finished production.
> **Closing WIP is deducted**: this period's still-unfinished units have already had their cost swept up into the materials/labour/overhead totals above, but they are *not* yet completed production ready for the trading account, so their cost must be carried forward (deducted) rather than counted as cost of production this year.

GIẢI THÍCH TIẾNG VIỆT

VN

Sản phẩm dở dang (WIP) là các đơn vị đã bắt đầu sản xuất nhưng chưa hoàn thành tại thời điểm cuối kỳ, được định giá theo chi phí thực tế đã bỏ ra (nguyên vật liệu + nhân công + một phần chi phí chung phân bổ) — không cộng lợi nhuận, không cộng chi phí hoàn thiện còn lại. WIP có **vai trò kép**: WIP **đầu kỳ được cộng** (vì các đơn vị dở dang năm trước thường hoàn thành sớm trong năm nay, nên chi phí đó thuộc về sản lượng hoàn thành năm nay); WIP **cuối kỳ bị trừ** (vì chi phí của các đơn vị dở dang cuối năm nay đã bị gộp vào các dòng nguyên vật liệu/nhân công/chi phí chung ở trên, nhưng bản thân chúng chưa phải là thành phẩm hoàn thành, nên phải được "giữ lại" chuyển sang năm sau).

8.4 Apportioning Overheads Between Factory and Office

8.4.1 Why apportionment is needed

Some overheads relate to a building, to equipment, or to staff shared jointly by the factory and the office (e.g., rent and rates of one building housing both the production floor and the administrative offices). Only the portion of such a shared cost that is fairly attributable to the factory belongs in the manufacturing account, as part of factory overheads; the remainder belongs in the income statement as an administrative expense. **Apportionment** is the process of splitting a shared cost between departments on a sensible basis that reflects how the cost is actually driven or benefited.

Common apportionment bases

Shared overhead	Typical apportionment basis
Rent and rates of a shared building	Floor area (square metres) occupied by each department
Building insurance	Floor area, or the insured value of each part of the building
Heating and lighting	Floor area (or volume, if ceiling heights differ greatly)
Depreciation / insurance of machinery and equipment	Net book value (NBV) of the machinery/equipment used by each department
Canteen and staff welfare costs	Number of employees in each department
Supervisory or managerial salaries spanning both areas	Time spent, or an estimated proportion of duties, in each department

GIẢI THÍCH TIẾNG VIỆT VN

Khi một chi phí (như tiền thuê toà nhà) phục vụ chung cho cả xưởng sản xuất lẫn văn phòng, ta phải **phân bổ (apportion)** chi phí đó theo một tiêu thức hợp lý: diện tích sàn cho tiền thuê/bảo hiểm nhà xưởng, giá trị còn lại (NBV) cho khấu hao/bảo hiểm máy móc thiết bị, số lượng nhân viên cho chi phí căng-tin/phúc lợi. Chỉ phần phân bổ cho **xưởng** mới được đưa vào tài khoản sản xuất; phần phân bổ cho **văn phòng** là chi phí quản lý trong báo cáo thu nhập.

Ví dụ mẫu · Apportioning four shared overheads — Thanh Long Manufacturing

Thanh Long Manufacturing occupies one building shared by the factory and the office. Floor area: factory 4,500 sqm, office 1,500 sqm (total 6,000 sqm, so factory 75%, office 25%). Net book value of machinery/equipment: factory $140,000, office $60,000 (total $200,000, so factory 70%, office 30%). Number of employees: factory 48, office 12 (total 60, so factory 80%, office 20%). For the year, four shared overheads must be apportioned:

Overhead	Total $	Basis	Factory $	Office $
Rent and rates	16,000	Floor area (75:25)	12,000	4,000
Buildings insurance	4,800	Floor area (75:25)	3,600	1,200
Depreciation of machinery/equipment	20,000	NBV (70:30)	14,000	6,000
Canteen and staff welfare	6,000	Employees (80:20)	4,800	1,200
Total	**46,800**		**34,400**	**12,400**

Check: $12{,}000 + 3{,}600 + 14{,}000 + 4{,}800 = 34{,}400$ and $4{,}000 + 1{,}200 + 6{,}000 + 1{,}200 = 12{,}400$; together $34{,}400 + 12{,}400 = 46{,}800 = 16{,}000 + 4{,}800 + 20{,}000 + 6{,}000$. The $34,400 factory share is added into the manufacturing account as part of factory overheads; the $12,400 office share is charged as an administrative expense in the income statement.

VN GIẢI THÍCH TIẾNG VIỆT

Ví dụ Thanh Long dùng **ba tiêu thức phân bổ khác nhau** cho bốn khoản chi phí dùng chung: diện tích sàn (75:25) cho tiền thuê và bảo hiểm nhà xưởng, giá trị còn lại NBV (70:30) cho khấu hao máy móc, và số nhân viên (80:20) cho chi phí căng-tin. Luôn chọn tiêu thức phản ánh đúng bản chất chi phí — không dùng một tỷ lệ duy nhất cho mọi khoản mục nếu bản chất chi phí khác nhau.

(!) Lỗi thường gặp: Một lỗi rất phổ biến: đưa **toàn bộ** 100% của một chi phí dùng chung (ví dụ toàn bộ $16,000 tiền thuê nhà) vào tài khoản sản xuất, thay vì chỉ đưa phần đã phân bổ cho xưởng ($12,000 trong ví dụ Thanh Long). Phần còn lại ($4,000, phân bổ cho văn phòng) phải được ghi nhận là chi phí quản lý trong báo cáo thu nhập, **không** được tính vào chi phí sản xuất chung (factory overheads) và do đó không được nằm trong giá thành sản xuất hay trong giá trị hàng tồn kho thành phẩm/WIP.

8.5 Transferring Finished Goods: Cost versus Cost-Plus

8.5.1 Transfer at cost

The simplest approach is to transfer completed production from the manufacturing account into the trading section at exactly its **cost of production** — this is what both Zenith Furniture and Bao Chau Toys did in Section 8.2. Because the transfer price equals cost, there is no profit element hidden inside finished goods inventory, so no further adjustment is ever needed.

8.5.2 Transfer at cost plus a mark-up (factory profit)

Some manufacturers instead transfer finished goods to the trading section at **cost plus a percentage mark-up**, to show what the manufacturing division would have earned had it sold its output to an outside trading company at a fair wholesale price. This notional mark-up is called **factory profit**.

Factory profit for the year $=$ Cost of production $\times$ mark-up percentage $=$ Transfer price $-$ Cost of production.

Because closing inventory of finished goods is still held (and stated in the accounting records) at **transfer price**, part of the factory profit embedded in it has **not yet been realised** through a sale to a customer. The prudence concept requires this unrealised element to be removed for external reporting via a **provision for unrealised profit**, deducted from finished goods inventory in the statement of financial position.

$$\text{Provision for unrealised profit} = \text{Closing finished goods (at transfer price)} \times \frac{\text{mark-up \%}}{100 + \text{mark-up \%}}.$$

VN GIẢI THÍCH TIẾNG VIỆT

Nếu chuyển thành phẩm sang tài khoản thương mại theo **giá gốc cộng thêm phần trăm lợi nhuận (mark-up)**, ta gọi phần lợi nhuận cộng thêm đó là **lợi nhuận xưởng (factory profit)**. Vì hàng tồn kho thành phẩm cuối kỳ vẫn được ghi nhận theo giá đã cộng lợi nhuận này, nên một phần lợi nhuận đó **chưa thực sự bán được** — theo nguyên tắc thận trọng, phần "chưa thực hiện" này phải được loại trừ bằng một khoản **dự phòng lợi nhuận chưa thực hiện**, trừ vào giá trị hàng tồn kho thành phẩm trên báo cáo tình hình tài chính.

Crucially, this provision existed at the *start* of the year too (unless this is the very first year the mark-up policy is used) — closing inventory of one year becomes opening inventory of the next, carrying its own unrealised profit forward. The income statement is therefore affected only by the **change** in the provision from the opening to the closing balance:

An increase in the provision (closing $>$ opening) is charged as a **further deduction** from profit — more profit is now "locked up," unrealised, in inventory than at the start of the year.
A decrease in the provision (closing $<$ opening) is treated as **additional income** (added back to profit) — less profit is locked up than before, meaning more of it has now been realised through sale.

Ví dụ mẫu · Increase in the provision for unrealised profit — Nam Viet Manufacturing

Nam Viet Manufacturing transfers finished goods to its trading section at cost plus 25%. Opening inventory of finished goods (at transfer price) is $12,500; closing inventory of finished goods (at transfer price) is $18,750.

Opening inventory at cost: $12{,}500 \div 1.25 = \$10{,}000$, so opening provision $= 12{,}500 - 10{,}000 = \$2{,}500$.
Closing inventory at cost: $18{,}750 \div 1.25 = \$15{,}000$, so closing provision $= 18{,}750 - 15{,}000 = \$3{,}750$.

$$\text{Increase in provision} = 3{,}750 - 2{,}500 = \boxed{\$1{,}250}.$$

Only this $1,250 *increase* is charged against profit in the income statement — **not** the full $3,750 closing provision, which would wrongly ignore the $2,500 already charged in a previous year.

Ví dụ mẫu · Decrease in the provision for unrealised profit — Song Cau Manufacturing

Song Cau Manufacturing transfers finished goods at cost plus 20%. Opening inventory of finished goods (at transfer price) is $24,000; closing inventory of finished goods (at transfer price) is $18,000.

Opening inventory at cost: $24{,}000 \div 1.20 = \$20{,}000$, opening provision $= 24{,}000 - 20{,}000 = \$4{,}000$.
Closing inventory at cost: $18{,}000 \div 1.20 = \$15{,}000$, closing provision $= 18{,}000 - 15{,}000 = \$3{,}000$.

$$\text{Decrease in provision} = 4{,}000 - 3{,}000 = \boxed{\$1{,}000}.$$

This $1,000 decrease is **added back** to profit in the income statement, since less unrealised profit is now sitting in inventory than at the start of the year — the business has, on balance, realised more of its factory profit through sales this year than the mark-up policy alone generated.

(!) Lỗi thường gặp: Lỗi kinh điển nhất của chủ đề này: chỉ tính và trừ **toàn bộ dự phòng cuối kỳ mới** (ví dụ trừ thẳng $3,750 trong ví dụ Nam Viet) mà quên rằng đã có một khoản dự phòng $2,500 tồn tại và đã được xử lý từ năm trước. Việc này sẽ trừ nhầm số tiền lớn hơn thực tế cần trừ, làm sai lợi nhuận của năm hiện tại. Quy tắc bắt buộc: **luôn tính phần THAY ĐỔI (increase/decrease)** giữa dự phòng đầu kỳ và dự phòng cuối kỳ, và chỉ đưa phần thay đổi đó vào báo cáo thu nhập.

8.6 A Full Combined Example: Manufacturing Account to Statement of Financial Position

The example below follows one manufacturer, Rang Dong Manufacturing Ltd, all the way from raw manufacturing data through to the statement of financial position — bringing together apportionment, work in progress, the mark-up policy, and the provision for unrealised profit in a single continuous set of workings.

Ví dụ mẫu · Rang Dong Manufacturing Ltd — the manufacturing account

For the year ended 31 December 2025: opening inventory of raw materials $8,000; purchases of raw materials $91,000; carriage inwards $1,000; returns outwards $2,000; closing inventory of raw materials $9,000; direct factory wages $40,000; royalties $3,000; opening work in progress $5,000; closing work in progress $6,000. Direct factory overheads: indirect factory wages $7,000, factory power $4,000, depreciation of factory machinery $3,000. In addition, the factory and office share one building (floor area 2,400 sqm factory : 600 sqm office, i.e., 80:20) and shared equipment (NBV $40,000 factory : $60,000 office, i.e., 40:60), giving four shared overheads to apportion: rent and rates $3,000, buildings insurance $1,000, lighting and heating $1,500 (all floor area, 80:20), and depreciation of equipment $1,500 (NBV, 40:60).
Apportionment: Rent and rates: factory $3{,}000 \times 0.80 = 2{,}400$, office 600. Insurance: factory $1{,}000 \times 0.80 = 800$, office 200. Lighting and heating: factory $1{,}500 \times 0.80 = 1{,}200$, office 300. Equipment depreciation: factory $1{,}500 \times 0.40 = 600$, office 900. **Factory share total** $= 2{,}400 + 800 + 1{,}200 + 600 = \$5{,}000$; **office share total** $= 600 + 200 + 300 + 900 = \$2{,}000$.

	$	$
Opening inventory of raw materials		8,000
Purchases	91,000	
Add: carriage inwards	1,000	
Less: returns outwards	(2,000)	
		90,000
		98,000
Less: closing inventory of raw materials		(9,000)
Cost of raw materials consumed		**89,000**
Direct factory wages		40,000
Royalties		3,000
Prime cost		**132,000**
Indirect factory wages	7,000	
Factory power	4,000	
Depreciation of factory machinery	3,000	
Apportioned rent and rates (factory share)	2,400	
Apportioned buildings insurance (factory share)	800	
Apportioned lighting and heating (factory share)	1,200	
Apportioned equipment depreciation (factory share)	600	
Factory overheads		**19,000**
		151,000
Add: opening work in progress		5,000
Less: closing work in progress		(6,000)
Cost of production		**150,000**

The office's $2,000 apportioned share (600+200+300+900) is *not* part of this account — it will appear as an administrative expense in the income statement.

Ví dụ mẫu · Rang Dong Manufacturing Ltd — trading account and income statement

Rang Dong transfers finished goods to the trading section at cost plus 20%. Cost of production is $150,000 (above), so **factory profit** $= 150{,}000 \times 0.20 = \$30{,}000$, and **transfer price** $= 150{,}000 + 30{,}000 = \$180{,}000$. Opening inventory of finished goods (at transfer price) is $18,000 (cost $18{,}000 \div 1.20 = \$15{,}000$, opening provision $= \$3{,}000$); closing inventory of finished goods (at transfer price) is $24,000 (cost $24{,}000 \div 1.20 = \$20{,}000$, closing provision $= \$4{,}000$). Sales for the year are $240,000. Administrative expenses are the $2,000 office-apportioned overhead (Example above) plus $18,000 of other office costs; distribution expenses are $15,000.

	$	$
Sales		240,000
Opening inventory of finished goods (transfer price)	18,000	
Add: transfer price of production from manufacturing account	180,000	
		198,000
Less: closing inventory of finished goods (transfer price)		(24,000)
Cost of sales (transfer-price basis)		**174,000**
Gross profit (per trading account)		**66,000**
Add: factory profit for the year		30,000
		96,000
Less: increase in provision for unrealised profit $(4{,}000 - 3{,}000)$		(1,000)
Adjusted gross profit		**95,000**
Less: administrative expenses $(2{,}000 + 18{,}000)$		(20,000)
Less: distribution expenses		(15,000)
Profit for the year		**60,000**

Verification by the direct method: real cost of sales $= 15{,}000 + 150{,}000 - 20{,}000 = \$145{,}000$; real gross profit $= 240{,}000 - 145{,}000 = \$95{,}000$ — exactly matching the adjusted gross profit above, confirming the reconciliation is correct.

Item	At transfer price ($)	At cost ($)
Opening finished goods inventory	18,000	15,000
Production transferred in during the year	180,000	150,000
Closing finished goods inventory	24,000	20,000
Cost of goods sold	**174,000**	**145,000**

The $29,000 gap between the two "cost of goods sold" rows $(174{,}000 - 145{,}000)$ is exactly the factory profit realised on units actually sold this year — the reconciliation formula (gross profit + factory profit − increase in provision) restates the transfer-price-basis gross profit to this true, realised figure.

Ví dụ mẫu · Rang Dong Manufacturing Ltd — statement of financial position extract

	$	$
Inventory:		
Raw materials		9,000
Work in progress		6,000
Finished goods (transfer price $24,000, less provision for unrealised profit $4,000)		20,000
Total inventory		**35,000**

Finished goods inventory is shown net of the provision so that, for the business as a whole, inventory is never stated above its true cost of $20,000 — exactly the prudence concept that motivates the provision in the first place.

Manufacturing Account
prime cost → cost of production → (+ factory profit = transfer price)

→ **Trading Account**
+ opening/closing finished goods (transfer price) → gross profit

→ **Income Statement**
+ factory profit − Δ provision − expenses → profit for the year

→ **Statement of Financial Position**
inventories: raw materials, WIP, finished goods net of provision

The flow of figures from the manufacturing account through to the statement of financial position, as followed through the Rang Dong Manufacturing Ltd example.

VN GIẢI THÍCH TIẾNG VIỆT

Ví dụ Rang Dong Manufacturing gộp toàn bộ chương này thành một mạch tính xuyên suốt: (1) tính giá thành sản xuất *có* phân bổ chi phí chung dùng chung giữa xưởng và văn phòng, *có* điều chỉnh WIP đầu/cuối kỳ → $\$150{,}000$; (2) cộng thêm 20% lợi nhuận xưởng để có giá chuyển giao $180,000; (3) tài khoản thương mại dùng giá chuyển giao cho cả hàng tồn đầu/cuối kỳ, ra lợi nhuận gộp "thô" $66,000; (4) báo cáo thu nhập cộng lại lợi nhuận xưởng cả năm ($30,000) và trừ **phần tăng** của dự phòng ($1,000) để ra lợi nhuận gộp đã điều chỉnh $95,000 — con số này khớp chính xác với cách tính trực tiếp (doanh thu trừ giá vốn thực tế); (5) trên báo cáo tình hình tài chính, thành phẩm được trình bày theo giá chuyển giao *trừ* dự phòng, để không vượt quá giá gốc thực sự.

8.7 Problem Bank

Bài tập luyện tập

Which of the following is included in a manufacturer's **prime cost**?

(A) Depreciation of factory machinery

(B) Royalties paid per unit manufactured

(C) Rent of the factory

(D) Salary of the factory supervisor

Lời giải chi tiết

Royalties paid per unit produced are a direct expense, traced exactly to output, so they belong in prime cost. The other three are factory overheads (indirect costs). **(B)**.

Bài tập luyện tập

Carriage inwards on raw materials purchased for production should be:

(A) Treated as a selling expense in the income statement

(B) Added to the cost of raw materials in the manufacturing account

(C) Deducted from sales in the trading account

(D) Ignored, as it does not affect any financial statement

Lời giải chi tiết

Carriage inwards is part of getting raw materials ready for use, so it is added when calculating the cost of raw materials consumed in the manufacturing account. **(B)**.

Bài tập luyện tập

Carriage *outwards* on finished goods delivered to customers should be treated as:

(A) Part of factory overheads in the manufacturing account

(B) Part of prime cost

(C) A selling and distribution expense in the income statement

(D) A deduction from the cost of raw materials

Lời giải chi tiết

Carriage outwards relates to delivering goods to customers after production is complete — it is a selling and distribution expense in the income statement, and never appears in the manufacturing account at all. **(C)**.

Bài tập luyện tập

The most appropriate basis for apportioning rent and rates of a building shared between a factory and an office is normally:

(A) Number of employees in each department

(B) Floor area occupied by each department

(C) Sales revenue generated by each department

(D) Net book value of inventory held in each department

Lời giải chi tiết

Rent and rates relate to occupying space, so floor area (square metres occupied) is the most sensible basis. **(B)**.

Bài tập luyện tập

The most appropriate basis for apportioning depreciation of shared machinery/equipment between a factory and an office is normally:

(A) Number of employees

(B) Floor area

(C) Net book value (NBV) of the machinery/equipment used by each department

(D) Total sales revenue

Lời giải chi tiết

Depreciation relates to the asset itself, so it should be apportioned according to the net book value of the machinery/equipment actually used in each department. **(C)**.

Bài tập luyện tập

If the provision for unrealised profit *increases* during the year, the increase is:

(A) Added to gross profit in the income statement

(B) Deducted from gross profit in the income statement

(C) Ignored in the income statement, but shown in the statement of financial position only

(D) Added to the cost of raw materials consumed

Lời giải chi tiết

An increase in the provision means more profit is now unrealised (locked up) in inventory than at the start of the year, so it is charged as a further deduction from profit in the income statement. **(B)**.

Bài tập luyện tập

If the provision for unrealised profit *decreases* during the year, the decrease is:

(A) Added to profit in the income statement

(B) Deducted from profit in the income statement

(C) Added directly to the cost of production

(D) Deducted from the cost of raw materials consumed

Lời giải chi tiết

A decrease means less profit is unrealised than at the start of the year (more has been realised through sales), so the decrease is added back to profit in the income statement. **(A)**.

Bài tập luyện tập

Factory profit for the year is calculated as:

(A) Sales revenue minus cost of production

(B) Cost of production multiplied by the mark-up percentage

(C) Closing inventory of finished goods at cost

(D) Prime cost multiplied by the mark-up percentage

Lời giải chi tiết

Factory profit is the mark-up applied specifically to cost of production for the year (equivalently, transfer price minus cost of production). **(B)**.

Bài tập luyện tập

In a manufacturer's trading section, the cost of production (or the transfer price, if goods are marked up) replaces which figure used by a purely trading company?

(A) Sales

(B) Purchases

(C) Carriage inwards

(D) Closing inventory

Lời giải chi tiết

A manufacturer does not "purchase" finished goods; cost of production (or transfer price) takes the place of Purchases in the trading section. **(B)**.

Bài tập luyện tập

If a manufacturer transfers finished goods to the trading section strictly **at cost** (no mark-up), is a provision for unrealised profit required?

(A) Yes, always, regardless of mark-up policy

(B) No — since transfer price equals cost, there is no profit element embedded in inventory to eliminate

(C) Yes, but only for raw materials inventory

(D) Yes, but only if work in progress exists

Lời giải chi tiết

The provision exists only to strip out an internally-added mark-up. If goods are transferred at cost, transfer price equals cost of production, so no unrealised profit ever arises and no provision is needed. **(B)**.

Bài tập luyện tập

Classify each of the following costs of a bakery manufacturer as direct material, direct labour, direct expense, factory overhead, or an expense outside the manufacturing account entirely: (a) flour and sugar used in the bread; (b) wages of bakers paid per batch produced; (c) a royalty paid per loaf sold under a branded recipe licence; (d) rent of the bakery ovens area; (e) depreciation of delivery vans; (f) salary of the factory floor manager; (g) office manager's salary; (h) electricity used to run the ovens.

Lời giải chi tiết

(a) Direct material — traced exactly to each batch. (b) Direct labour — wages tied to units/-batches produced. (c) Direct expense (royalty) — varies with units, added to prime cost. (d) Factory overhead — supports production generally. (e) **Outside the manufacturing account** — delivery vans relate to distribution/selling, an income statement expense, not manufacturing. (f) Factory overhead — supervision of the whole factory floor. (g) **Outside the manufacturing account** — an administrative expense in the income statement. (h) Factory overhead — cannot normally be traced to a single unit.

Bài tập luyện tập

A manufacturer has: opening inventory of raw materials \$6,000; purchases of raw materials \$72,000; carriage inwards \$1,500; returns outwards \$2,500; closing inventory of raw materials \$5,000. Calculate the cost of raw materials consumed.

Lời giải chi tiết

$$6{,}000 + 72{,}000 + 1{,}500 - 2{,}500 - 5{,}000 = \boxed{\$72{,}000}.$$

Bài tập luyện tập

Using the cost of raw materials consumed of \$72,000 above, direct factory wages of \$45,000, and royalties of \$2,500, calculate prime cost.

Lời giải chi tiết

$$\text{Prime cost} = 72{,}000 + 45{,}000 + 2{,}500 = \boxed{\$119{,}500}.$$

Bài tập luyện tập

Hoa Binh Manufacturing has, for the year: opening inventory of raw materials \$4,500; purchases of raw materials \$63,000; carriage inwards \$900; closing inventory of raw materials \$5,600; direct factory wages \$38,200 (no direct expenses); factory overheads: indirect wages \$8,200, power \$3,800, depreciation of machinery \$2,600, factory rent \$5,400; opening work in progress \$3,000; closing work in progress \$3,800. Prepare the manufacturing account and state the cost of production.

Lời giải chi tiết

Cost of raw materials consumed $= 4{,}500 + 63{,}000 + 900 - 5{,}600 = \$62{,}800$.
Prime cost $= 62{,}800 + 38{,}200 = \$101{,}000$.
Factory overheads $= 8{,}200 + 3{,}800 + 2{,}600 + 5{,}400 = \$20{,}000$.
Subtotal $= 101{,}000 + 20{,}000 = \$121{,}000$; add opening WIP \$3,000 $= \$124{,}000$; less closing WIP \$3,800:

$$\text{Cost of production} = 124{,}000 - 3{,}800 = \boxed{\$120{,}200}.$$

Bài tập luyện tập

Dai Nam Manufacturing shares a building with its office. Floor area: factory 5,600 sqm, office 1,400 sqm (total 7,000 sqm). Net book value of equipment: factory \$90,000, office \$30,000 (total \$120,000). Apportion the following four overheads between factory and office: rent and rates \$10,000 (floor area basis); buildings insurance \$4,000 (floor area basis); lighting and heating \$2,000 (floor area basis); depreciation of equipment \$6,000 (NBV basis).

Lời giải chi tiết

Floor-area ratio: $5{,}600 : 1{,}400 = 80 : 20$. NBV ratio: $90{,}000 : 30{,}000 = 75 : 25$.
Rent and rates: factory $10{,}000 \times 0.80 = \$8{,}000$, office $\$2{,}000$.
Buildings insurance: factory $4{,}000 \times 0.80 = \$3{,}200$, office $\$800$.
Lighting and heating: factory $2{,}000 \times 0.80 = \$1{,}600$, office $\$400$.
Depreciation of equipment: factory $6{,}000 \times 0.75 = \$4{,}500$, office $\$1{,}500$.
Total factory share $= 8{,}000 + 3{,}200 + 1{,}600 + 4{,}500 = \boxed{\$17{,}300}$; **total office share** $= 2{,}000 + 800 + 400 + 1{,}500 = \boxed{\$4{,}700}$. Check: $17{,}300 + 4{,}700 = 22{,}000 = 10{,}000 + 4{,}000 + 2{,}000 + 6{,}000$.

Bài tập luyện tập

Continuing Dai Nam Manufacturing above: direct factory overheads are indirect wages \$9,000 and power \$4,700. Prime cost for the year is \$150,000. Opening work in progress is \$8,000 and closing work in progress is \$6,500. Calculate total factory overheads and the cost of production.

Lời giải chi tiết

Total factory overheads = direct $(9{,}000 + 4{,}700 = 13{,}700)$ + apportioned factory share $(17{,}300)$ $= \boxed{\$31{,}000}$.
Subtotal $= 150{,}000 + 31{,}000 = 181{,}000$; add opening WIP $8{,}000 = 189{,}000$; less closing WIP $6{,}500$:

$$\text{Cost of production} = 189{,}000 - 6{,}500 = \boxed{\$182{,}500}.$$

Bài tập luyện tập

A manufacturer marks up finished goods by 25%. Opening inventory of finished goods (at transfer price) is \$25,000; closing inventory of finished goods (at transfer price) is \$31,250. Calculate the opening provision, the closing provision, the change in the provision, and state how it is treated in the income statement.

Lời giải chi tiết

Opening: cost $= 25{,}000 \div 1.25 = \$20{,}000$, provision $= 25{,}000 - 20{,}000 = \$5{,}000$.
Closing: cost $= 31{,}250 \div 1.25 = \$25{,}000$, provision $= 31{,}250 - 25{,}000 = \$6{,}250$.
Increase in provision $= 6{,}250 - 5{,}000 = \boxed{\$1{,}250}$. This $1,250 increase is charged (deducted) against gross profit in the income statement; the full $6,250 must never be deducted, since $5,000 of it was already dealt with in a previous year.

Bài tập luyện tập

Song Ma Manufacturing has cost of production of $180,000 for the year and marks up finished goods by 15% when transferring them to the trading section. Opening inventory of finished goods (at transfer price) is $23,000; closing inventory of finished goods (at transfer price) is $27,600. Sales for the year are $260,000. Calculate: (a) factory profit for the year; (b) the transfer price of production; (c) gross profit per the trading account (transfer-price basis); (d) the adjusted gross profit for the year.

Lời giải chi tiết

(a) Factory profit $= 180{,}000 \times 0.15 = \boxed{\$27{,}000}$.
(b) Transfer price $= 180{,}000 + 27{,}000 = \boxed{\$207{,}000}$.
(c) Cost of sales (transfer-price basis) $= 23{,}000 + 207{,}000 - 27{,}600 = \$202{,}400$. Gross profit $= 260{,}000 - 202{,}400 = \boxed{\$57{,}600}$.
(d) Opening provision: $23{,}000 \div 1.15 = 20{,}000$, provision $= \$3{,}000$. Closing provision: $27{,}600 \div 1.15 = 24{,}000$, provision $= \$3{,}600$. Increase $= 3{,}600 - 3{,}000 = \$600$.

$$\text{Adjusted gross profit} = 57{,}600 + 27{,}000 - 600 = \boxed{\$84{,}000}.$$

Check (direct method): real cost of sales $= 20{,}000 + 180{,}000 - 24{,}000 = 176{,}000$; real gross profit $= 260{,}000 - 176{,}000 = \$84{,}000$. Matches.

Bài tập luyện tập

Using Song Ma Manufacturing's closing finished goods inventory above ($27,600 at transfer price, provision $3,600), together with closing raw materials of $4,200 and closing work in progress of $5,800, prepare the inventory section of the statement of financial position.

Lời giải chi tiết

Finished goods at cost $= 27{,}600 - 3{,}600 = \$24{,}000$. Raw materials $4,200; WIP $5,800; finished goods (net) $24,000.

$$\text{Total inventory} = 4{,}200 + 5{,}800 + 24{,}000 = \boxed{\$34{,}000}.$$

Bài tập luyện tập

A manufacturer's trading account gross profit, computed on a transfer-price basis, is $50,000. Factory profit for the year is $18,000, and the provision for unrealised profit increased from $4,000 to $5,500 during the year. Calculate the adjusted gross profit.

Lời giải chi tiết

Increase in provision $= 5{,}500 - 4{,}000 = \$1{,}500$.

$$\text{Adjusted gross profit} = 50{,}000 + 18{,}000 - 1{,}500 = \boxed{\$66{,}500}.$$

Bài tập luyện tập

For each of the following shared costs, state the most appropriate apportionment basis between a factory and an office: (a) canteen and staff welfare costs; (b) insurance of factory and office machinery; (c) rent of a jointly-occupied building; (d) salary of a manager who splits time between supervising the factory floor and administrative duties.

Lời giải chi tiết

(a) Number of employees in each department. (b) Net book value (NBV) of the machinery/equipment in each department. (c) Floor area occupied by each department. (d) An estimated proportion of time actually spent on each type of duty (not floor area or NBV, since this is a labour cost tied to how the person's time is used).

Bài tập luyện tập

Truong Sa Manufacturing has, for the year: opening inventory of raw materials \$3,800; purchases of raw materials \$54,500; carriage inwards \$700; closing inventory of raw materials \$4,000; direct factory wages \$33,000; royalties \$1,200; factory overheads (total, already apportioned as needed) \$21,800; opening work in progress \$2,500; closing work in progress \$3,100. Finished goods are transferred to the trading account **at cost** (no mark-up). Opening finished goods inventory is \$8,000, closing finished goods inventory is \$9,600, and sales are \$168,000. Prepare the manufacturing account and calculate gross profit.

Lời giải chi tiết

Cost of raw materials consumed $= 3{,}800 + 54{,}500 + 700 - 4{,}000 = \$55{,}000$.
Prime cost $= 55{,}000 + 33{,}000 + 1{,}200 = \$89{,}200$.
Subtotal $= 89{,}200 + 21{,}800 = \$111{,}000$; add opening WIP $2{,}500 = 113{,}500$; less closing WIP $3{,}100$:

$$\text{Cost of production} = 113{,}500 - 3{,}100 = \$110{,}400.$$

Cost of sales $= 8{,}000 + 110{,}400 - 9{,}600 = \$108{,}800$.

$$\text{Gross profit} = 168{,}000 - 108{,}800 = \boxed{\$59{,}200}.$$

Bài tập luyện tập

Explain, in your own words, why a manufacturer cannot simply use "Purchases" in its trading account in the way a retailer does, and state the one figure the manufacturing account is designed to produce.

Lời giải chi tiết

A manufacturer buys raw materials and converts them in-house into finished goods using its own labour and factory facilities — it never buys finished goods for resale, so there is no meaningful ”Purchases of finished goods” figure. The manufacturing account exists to calculate **cost of production**: the total cost of the goods actually completed during the period, which is then used in the trading section in place of Purchases.

Bài tập luyện tập

A company installs new machinery used only by the factory (none by the office). Should any part of its depreciation be apportioned to the office?

(A) Yes, always split 50:50

(B) No — since the machinery is used solely by the factory, all of its depreciation is a direct factory overhead with no apportionment needed

(C) Yes, apportioned by floor area of the whole building

(D) Yes, apportioned by total company revenue

Lời giải chi tiết

Apportionment is only needed when a cost is genuinely shared. Machinery used exclusively by the factory has depreciation that is 100% a factory overhead — no apportionment basis is required at all. **(B)**.

Bài tập luyện tập

Phu Quoc Manufacturing reports, for the year: opening raw materials \$5,000; purchases \$88,000; carriage inwards \$1,200; returns outwards \$1,700; closing raw materials \$6,500; direct factory wages \$50,000; royalties \$4,000; direct factory overheads: indirect wages \$7,600, power \$3,000; opening WIP \$6,000; closing WIP \$7,000. The factory and office share a building (floor area 3,200 sqm factory : 800 sqm office) and equipment (NBV \$60,000 factory : \$20,000 office). Shared overheads: rent and rates \$8,000, buildings insurance \$3,000, heating and lighting \$2,000 (all on floor area), and depreciation of equipment \$4,000 (on NBV). Finished goods are marked up by 25% on transfer. Opening finished goods (transfer price) \$20,000; closing finished goods (transfer price) \$27,500. Sales \$300,000. Administrative expenses: apportioned office overhead plus \$25,000 other costs; distribution expenses \$18,400. Calculate the cost of production, the adjusted gross profit, and profit for the year.

Lời giải chi tiết

Apportionment (floor area 80:20; NBV 75:25): rent & rates: factory $8{,}000 \times 0.80 = 6{,}400$; insurance: factory $3{,}000 \times 0.80 = 2{,}400$; heating/lighting: factory $2{,}000 \times 0.80 = 1{,}600$; equipment depreciation: factory $4{,}000 \times 0.75 = 3{,}000$. Factory share total $= 6{,}400 + 2{,}400 + 1{,}600 + 3{,}000 = \$13{,}400$. Office share total $= 1{,}600 + 600 + 400 + 1{,}000 = \$3{,}600$.

Manufacturing account: raw materials consumed $= 5{,}000 + 88{,}000 + 1{,}200 - 1{,}700 - 6{,}500 = \$86{,}000$. Prime cost $= 86{,}000 + 50{,}000 + 4{,}000 = \$140{,}000$. Factory overheads = direct $(7{,}600 + 3{,}000 = 10{,}600)$ + apportioned $(13{,}400) = \$24{,}000$. Subtotal $= 140{,}000 + 24{,}000 = 164{,}000$; add opening WIP $6{,}000 = 170{,}000$; less closing WIP $7{,}000$:

$$\text{Cost of production} = 170{,}000 - 7{,}000 = \boxed{\$163{,}000}.$$

Mark-up: factory profit $= 163{,}000 \times 0.25 = \$40{,}750$; transfer price $= 163{,}000 + 40{,}750 = \$203{,}750$.
Opening finished goods at cost $= 20{,}000 \div 1.25 = 16{,}000$, provision $= \$4{,}000$. Closing finished

goods at cost $= 27{,}500 \div 1.25 = 22{,}000$, provision $= \$5{,}500$. Increase in provision $= 5{,}500 - 4{,}000 = \$1{,}500$.

Trading account: cost of sales (transfer-price basis) $= 20{,}000 + 203{,}750 - 27{,}500 = 196{,}250$. Gross profit $= 300{,}000 - 196{,}250 = \$103{,}750$.

$$\text{Adjusted gross profit} = 103{,}750 + 40{,}750 - 1{,}500 = \boxed{\$143{,}000}.$$

Check (direct method): real cost of sales $= 16{,}000 + 163{,}000 - 22{,}000 = 157{,}000$; real gross profit $= 300{,}000 - 157{,}000 = 143{,}000$. Matches.

Administrative expenses $= 3{,}600 + 25{,}000 = \$28{,}600$. **Distribution expenses** $= \$18{,}400$.

$$\text{Profit for the year} = 143{,}000 - 28{,}600 - 18{,}400 = \boxed{\$96{,}000}.$$

Bài tập luyện tập

Continuing Phu Quoc Manufacturing above, prepare the inventory section of the statement of financial position, given closing raw materials $6,500 and closing work in progress $7,000.

Lời giải chi tiết

Finished goods at cost $= 27{,}500 - 5{,}500 = \$22{,}000$.

$$\text{Total inventory} = 6{,}500 + 7{,}000 + 22{,}000 = \boxed{\$35{,}500}.$$

Bài tập luyện tập

A manufacturer's income statement shows: gross profit per trading account (transfer-price basis) $40,000; factory profit for the year $12,000; provision for unrealised profit fell from $3,200 to $2,000 during the year. Calculate the adjusted gross profit.

Lời giải chi tiết

Decrease in provision $= 3{,}200 - 2{,}000 = \$1{,}200$, which is **added** (not deducted) because the provision fell.

$$\text{Adjusted gross profit} = 40{,}000 + 12{,}000 + 1{,}200 = \boxed{\$53{,}200}.$$

Bài tập luyện tập

Which statement about work in progress (WIP) is correct?

(A) Opening WIP is deducted and closing WIP is added when calculating cost of production

(B) Opening WIP is added and closing WIP is deducted when calculating cost of production

(C) WIP is valued at selling price less normal profit margin

(D) WIP never affects the cost of production figure

Lời giải chi tiết

Opening WIP (last period's unfinished units, now largely completed) is added; closing WIP (this period's still-unfinished units, already costed above but not yet completed production) is deducted. **(B)**.

Bài tập luyện tập

A batch of unfinished furniture at the year end has used $2,400 of direct materials and $1,800 of direct labour; factory overhead is absorbed at 50% of direct labour cost. Calculate the value of this work in progress.

Lời giải chi tiết

Factory overhead absorbed $= 1{,}800 \times 0.50 = \$900.$

$$\text{WIP valuation} = 2{,}400 + 1{,}800 + 900 = \boxed{\$5{,}100}.$$

Bài tập luyện tập

Why does the provision for unrealised profit exist at all, and what accounting concept does it primarily illustrate?

Lời giải chi tiết

When finished goods are transferred to the trading section at cost plus a mark-up, closing inventory is stated at that inflated transfer price. Any profit still embedded in *unsold* inventory has not actually been earned through a sale, so recognising it would overstate both profit and inventory. The provision removes this unrealised element, illustrating the **prudence concept**: profit should not be recognised until it is realised (normally through a sale to an outside customer), and assets should not be overstated.

Financial Statements of Non-Profit Organisations

Mục tiêu Unit: Hiểu bản chất của câu lạc bộ/hội đoàn phi lợi nhuận và vì sao họ lập **tài khoản thu chi (receipts and payments account)** thay vì báo cáo thu nhập; chuyển đổi từ tài khoản thu chi (cơ sở tiền mặt) sang **tài khoản thu nhập – chi phí (income and expenditure account, cơ sở dồn tích)**: điều chỉnh hội phí còn thiếu/trả trước đầu kỳ và cuối kỳ, tính **quỹ tích luỹ (accumulated fund)** đầu kỳ từ bảng kê tài sản; xử lý **phí gia nhập (entrance fees)** và **phí hội viên trọn đời (life membership)**; lập tài khoản thương mại quầy bar/căng-tin để tính lợi nhuận kinh doanh phụ; phân biệt **quỹ tích luỹ** với các **quỹ chuyên dụng** (building fund, match fund); xử lý tài sản cố định, khấu hao và thanh lý; và tổng hợp toàn bộ vào một bài tập đầy đủ từ tài khoản thu chi đến bảng cân đối kế toán, kiểm tra quỹ tích luỹ khớp đúng với tài sản thuần.

9.1 The Nature of Non-Profit Organisations

9.1.1 Clubs, societies and the non-profit motive

A **non-profit organisation** (a sports club, social club, professional society, charity, or similar body) exists to provide a service, facility, or activity for its members or beneficiaries – not to earn a return for owners. There are no "owners" in the sole-trader or company sense: the organisation is collectively controlled by its members, who typically elect a committee (chairman, treasurer, secretary) to run its affairs. Its main sources of income are **membership subscriptions**, **entrance/joining fees**, **donations**, **fundraising events**, and sometimes a small **trading activity** (a bar, shop, or canteen) run alongside the main non-profit purpose to help cover running costs.

Because there is no owner to whom profit is distributed, any excess of income over expenditure for the year – called a **surplus** (the equivalent of "profit") – is simply retained within the organisation and added to its reserves, to be used for the members' future benefit (better facilities, lower future subscriptions, etc.). If expenditure exceeds income, the organisation records a **deficit** (the equivalent of a "loss"). Terminology therefore differs consistently from a trading business: "surplus/deficit" replaces "profit/loss", and the "accumulated fund" replaces "capital".

Typical examples include sports and social clubs (tennis, golf, bowls, squash), drama and music societies, professional and trade associations, alumni associations, and small local charities. Governance is usually by an elected, unpaid **committee**: a chairman (who leads meetings), a **treasurer** (who keeps the accounts and reports to members at the annual general meeting), and a secretary (who handles correspondence and records). Because the treasurer is typically a volunteer rather than a qualified accountant, the accounting records kept are deliberately simple – which is exactly why the cash-basis receipts and payments account (rather than a full double-entry ledger) is the traditional starting point, with the accruals-basis income and expenditure account then prepared from it at the year end, often with professional help, to give members a true picture of the year's performance.

Non-profit organisation vs. sole trader: terminology

Concept	Sole trader	Non-profit organisation
Owner's stake in net assets	Capital	Accumulated fund
Annual result	Profit / loss	Surplus / deficit
Cash summary	Cash book	Receipts and payments account
Accruals-based result statement	Income statement	Income and expenditure account
Financial position statement	Statement of financial position	Statement of financial position (same layout)

GIẢI THÍCH TIẾNG VIỆT

VN

Tổ chức phi lợi nhuận (câu lạc bộ, hội, đoàn thể) không có "chủ sở hữu" theo nghĩa doanh nghiệp – toàn bộ hội viên cùng kiểm soát thông qua ban chấp hành (chủ tịch, thủ quỹ, thư ký). Vì không có ai để chia lợi nhuận, phần thu lớn hơn chi (gọi là **thặng dư – surplus**, tương đương "lợi nhuận") được giữ lại trong tổ chức để phục vụ hội viên trong tương lai. Ba cặp thuật ngữ cần nhớ: **surplus/deficit** thay cho **profit/loss**; **accumulated fund** thay cho **capital**; **receipts and payments account** thay cho **cash book** (nhưng nộp thay cho báo cáo thu nhập).

9.1.2 The receipts and payments account

Because most small clubs are run by volunteer treasurers rather than professional accountants, and because members simply want to know "how much cash came in and went out", clubs traditionally keep only a **receipts and payments account**: essentially a summarised **cash book** for the whole year, listing every cash and bank receipt on one side and every cash and bank payment on the other, opening with the brought-forward cash/bank balance and closing with the carried-forward balance.

A **receipts and payments account** is a summary of *all* cash and bank transactions during the year, prepared on a strict **cash basis**: every receipt and every payment is recorded when the cash actually moves, regardless of the period to which it relates. It makes **no distinction** between capital items (e.g. buying equipment, a life membership fee received) and revenue items (e.g. paying rent, a normal subscription received) – everything that is cash in or cash out during the year appears in it exactly once. It is therefore *not* an income statement and cannot, by itself, tell members whether the club made a surplus or a deficit for the year.

GIẢI THÍCH TIẾNG VIỆT

VN

Tài khoản thu chi (receipts and payments account) chỉ là bản tóm tắt toàn bộ tiền mặt/ngân hàng ra vào trong năm, lập theo **cơ sở tiền mặt (cash basis)** – ghi nhận khi tiền thực sự di chuyển, không phân biệt khoản đó thuộc kỳ nào hay là khoản vốn (capital) hay khoản thu nhập (revenue). Vì vậy nó KHÔNG cho biết câu lạc bộ lãi hay lỗ trong năm – muốn biết cần chuyển đổi sang tài khoản thu nhập – chi phí theo cơ sở dồn tích (accruals basis), trình bày ở phần sau.

9.1.3 The accumulated fund

The **accumulated fund** is the club's equivalent of a sole trader's capital account: it represents the members' collective interest in the net assets of the organisation, built up over the years from surpluses retained (and reduced by any deficits). Unlike capital, there is no owner making "capital introduced" contributions or "drawings" in the ordinary sense – the fund grows only through operating surpluses (and, as Section 9.5 shows, through transfers when a special-purpose fund's designated project is completed).

Accumulated fund = Total assets − Total liabilities (including any special-purpose funds)

At any date, the accumulated fund can always be found as the balancing net-asset figure of a statement of financial position (or, before double entry exists, a **statement of affairs**). Each year:

Closing accumulated fund = Opening accumulated fund + Surplus for the year
− Deficit for the year + Transfers from wound-up special funds.

Ví dụ mẫu · Opening accumulated fund from a statement of affairs

Riverside Bowls Club keeps a receipts and payments account only. At 1 January its assets and liabilities were: clubhouse (NBV) $25,000; equipment (NBV) $4,000; bar inventory $900; subscriptions in arrears $500; cash at bank $3,200; trade payables (bar suppliers) $850; subscriptions in advance $220. Calculate the accumulated fund at 1 January.

	$
Clubhouse (NBV)	25,000
Equipment (NBV)	4,000
Bar inventory	900
Subscriptions in arrears	500
Cash at bank	3,200
Total assets	**33,600**
Less: trade payables	(850)
Less: subscriptions in advance	(220)
Accumulated fund at 1 January	**32,530**

9.2 From Cash Basis to Accruals Basis: the Income and Expenditure Account

9.2.1 Why an accruals-based statement is needed

Members and committee members need to know whether the club's underlying activities generated a real economic surplus or deficit for the year – something the receipts and payments account cannot show, because it mixes together cash relating to different years and includes capital items (new equipment, proceeds of asset sales, life-membership receipts) alongside revenue items. The **income and expenditure account** solves this by applying exactly the same **accruals (matching) concept** used in a sole trader's income statement: income is recognised when *earned*, and expenditure when *incurred*, regardless of when the cash moves.

Converting the cash-basis receipts and payments account into the accruals-basis income and expenditure account: every cash figure is adjusted for timing differences, non-cash items (depreciation), and trading inventory movements; capital receipts/payments and amounts belonging to special-purpose funds are removed entirely.

Five adjustments recur in almost every conversion: (1) **subscriptions** – adjust for arrears/advance at both dates; (2) **other operating expenses** (rent, insurance, etc.) – adjust for accruals/prepayments at both dates exactly as for a trading business; (3) **trading inventory** (bar/shop) – convert cash purchases to a proper trading account; (4) **depreciation and disposal** of non-current assets – charge depreciation and recognise profit/loss on disposal, neither of which appears in the cash summary as such; (5) **exclusions** – remove purely capital receipts/payments (buying/selling non-current assets themselves, loans raised/repaid) and anything relating to a special-purpose fund (Section 9.5), since these never pass through the income and expenditure account.

VN GIẢI THÍCH TIẾNG VIỆT

Tài khoản thu nhập – chi phí (income and expenditure account) áp dụng **nguyên tắc dồn tích (accruals concept)** giống hệt báo cáo thu nhập của doanh nghiệp: ghi nhận thu nhập khi *đã kiếm được*, chi phí khi *đã phát sinh*, bất kể tiền đã thu/chi hay chưa. Năm điều chỉnh thường gặp: hội phí (subscriptions), các chi phí hoạt động khác (thuê nhà, bảo hiểm...), hàng tồn kho quầy bar, khấu hao & thanh lý tài sản, và loại trừ các khoản mang tính vốn hoặc thuộc quỹ chuyên dụng.

9.2.2 Adjusting subscriptions for arrears and advance amounts

Subscriptions are the main source of income for most clubs, so they receive the most careful treatment. Some members pay late (subscriptions **in arrears**, an amount still owed to the club – a **current asset** in the statement of financial position, since the club is owed money); others pay early, for next year (subscriptions **in advance**, an amount the club owes back in service – a **current liability**). Because *both* arrears and advance amounts can exist at *both* the start and the end of the year, four figures must potentially be adjusted for.

Item	What it means	Effect on this year's subscription income
Opening arrears	Owed to the club at the start of the year (from last year), now received	Subtract – already counted as *last* year's income
Closing arrears	Owed to the club at the end of the year, not yet received	Add – earned this year even though not yet received
Opening advance	Received last year, in advance, for this year	Add – relates to this year even though received last year
Closing advance	Received this year, in advance, for next year	Subtract – does not relate to this year

Table 9.1: the four subscription adjustments and their direction.

$$\textbf{Subscription income} = \textbf{Cash received} + \textbf{Closing arrears} - \textbf{Opening arrears} - \textbf{Closing advance} + \textbf{Opening advance}.$$

Equivalently, this is exactly the same logic as accruing/prepaying any other item of income or expense: a subscriptions ledger account (or T-account) can be drawn up with cash received posted as a single entry, opening/closing balances brought down/carried down, and the balancing figure transferred to the income and expenditure account.

Ví dụ mẫu · Subscriptions in arrears and advance

Riverside Bowls Club received $15,800 in subscriptions (cash basis) during the year. Subscriptions in arrears were $500 at the start of the year and $650 at the end; subscriptions in advance were $220 at the start and $300 at the end. Calculate the subscription income for the income and expenditure account.

$$\text{Subscription income} = 15{,}800 + 650 - 500 - 300 + 220 = \boxed{\$15{,}870}.$$

Ví dụ mẫu · Subscriptions account – ledger presentation

The same Riverside Bowls Club figures can be presented as a running ledger (T-account) instead of the formula above, which some students find easier to check for errors. Opening balances are brought down first; cash received is posted as a single figure; closing balances are carried down; and the balancing figure is the amount transferred to the income and expenditure account.

Dr Subscriptions Account		Cr	
Balance b/d (arrears)	500	Balance b/d (advance)	220
Income and expenditure a/c (transfer)	15,870	Bank (cash received)	15,800
Balance c/d (advance)	300	Balance c/d (arrears)	650
Total	**16,670**	**Total**	**16,670**

The transfer to income and expenditure ($15,870) is exactly the balancing figure needed to make both sides total $16,670 – identical to the answer found by formula in Example 9.2.

(!) Lỗi thường gặp: A very common error is to adjust for arrears *or* advance amounts but not both, or to adjust only at one date. All **four** figures (opening arrears, closing arrears, opening advance, closing advance) must be considered together – and remember the *opposite* signs: arrears are added when *closing* but subtracted when *opening*, while advance amounts are the reverse (subtracted when closing, added when opening).

9.2.3 Finding the opening accumulated fund

Clubs using only a receipts and payments account rarely maintain a formal accumulated fund account. When the opening accumulated fund is not given directly, it must be calculated from an **opening statement of affairs**: a list of all assets and liabilities (including any bar/shop inventory, subscriptions in arrears/advance, and any special-purpose funds already in existence) at the start of the year, exactly as illustrated in Example 9.1 above. This opening figure is essential, because the closing accumulated fund is checked against it once the surplus for the year has been added.

VN **GIẢI THÍCH TIẾNG VIỆT**

Khi đề bài không cho sẵn quỹ tích luỹ đầu kỳ, phải tự tính bằng cách lập **bảng kê tài sản đầu kỳ (opening statement of affairs)**: liệt kê toàn bộ tài sản và nợ phải trả (bao gồm cả hàng tồn kho quầy bar, hội phí còn thiếu/trả trước, và bất kỳ quỹ chuyên dụng nào đã tồn tại) tại đầu kỳ. Quỹ tích luỹ đầu kỳ = Tổng tài sản − Tổng nợ phải trả (kể cả các quỹ chuyên dụng, vì các quỹ này KHÔNG thuộc quỹ tích luỹ chung).

9.3 Entrance Fees and Life Membership

9.3.1 Entrance (joining) fees

An **entrance fee** (or joining fee) is a one-off amount paid by a member when first joining the club, separate from the annual subscription. Unless told otherwise, the default treatment in Cambridge International examinations is to credit entrance fees **in full to the income and expenditure account in the year received**, since they are a normal, recurring source of income (new members join every year) rather than a capital contribution. Some clubs, however, choose to **capitalise** entrance fees – crediting them directly to the accumulated fund, on the reasoning that a joining fee is more like a capital contribution than revenue income; a question will always state clearly which policy applies.

Ví dụ mẫu · Entrance fees: revenue income versus capitalised

During the year 40 new members each pay a $50 entrance fee, totalling $2,000. Compare two policies. **Policy A** (revenue income): the full $2,000 is credited to the income and expenditure account this year. **Policy B** (capital item, spread like life membership over 5 years): only $2{,}000/5 = \$400$ is credited to income this year, with the remaining $1,600 carried forward as deferred income (an entrance fees fund) to be released over the following four years. Both policies are acceptable accounting treatments – the examination question will specify which one to apply.

9.3.2 Life membership fees and the life membership fund

A **life membership fee** is a single, larger payment that entitles a member to belong to the club for the rest of their life, with no further annual subscriptions due from that member. Because this one payment is intended to fund many years of future membership, it would seriously overstate the surplus of the year received – and understate surpluses in later years, when that member pays nothing further but still uses the club's facilities – if the whole amount were credited to income immediately. Instead, the amount is **deferred** and spread over a chosen number of years (often based on average life expectancy of membership, or a policy fixed by the committee), typically on a straight-line basis.

Each year:

$$\textbf{Amount credited to income and expenditure} = \frac{\textbf{Total life membership fee}}{\textbf{Number of years chosen}}.$$

The unreleased balance is carried forward as a separate **life membership fund** (a form of deferred income, shown in the statement of financial position *apart from* the accumulated fund) until it is fully written off:

$$\textbf{Life membership fund c/f} = \textbf{Fund b/f} + \textbf{New fees received} - \textbf{Amount released to income this year}.$$

Ví dụ mẫu · Life membership fee in the year of receipt

A club receives $7,200 in life membership fees during the year, to be credited to income over 8 years. Calculate the amount credited to the income and expenditure account this year and the balance carried forward.

$$\text{Credited this year} = \frac{7{,}200}{8} = \boxed{\$900}. \qquad \text{Carried forward} = 7{,}200 - 900 = \boxed{\$6{,}300}.$$

Ví dụ mẫu · Life membership fund over several years

Clearwater Rowing Club received $6,000 of life membership fees during 2024, to be credited to income evenly over 6 years starting in the year of receipt. No further life membership fees are received in later years. Track the fund from 2024 to 2027.

	2024	2025	2026	2027
Fund brought forward	–	5,000	4,000	3,000
Add: new fees received	6,000	–	–	–
Less: released to income	(1,000)	(1,000)	(1,000)	(1,000)
Fund carried forward	**5,000**	**4,000**	**3,000**	**2,000**

The fund reduces by exactly $1,000 (i.e. $6{,}000/6$) every year and reaches $0 after 2029 – the sixth and final year of the schedule.

VN **GIẢI THÍCH TIẾNG VIỆT**

Phí hội viên trọn đời (life membership) là một khoản thu *một lần* nhưng đại diện cho quyền lợi thành viên trong nhiều năm tới, nên KHÔNG được ghi nhận toàn bộ vào thu nhập của năm nhận tiền – điều này sẽ làm thổi phồng thặng dư năm đó và làm thiếu thặng dư các năm sau. Thay vào đó, số tiền được **phân bổ đều (straight-line)** qua một số năm quy định, phần chưa phân bổ nằm trong **Life Membership Fund** – một khoản mục thu nhập hoãn lại (deferred income), tách biệt hoàn toàn khỏi quỹ tích luỹ (accumulated fund).

(!) Lỗi thường gặp: The single most common error with life membership is crediting the *entire* amount received to the income and expenditure account in the year of receipt, as if it were an ordinary subscription. This overstates the current year's surplus and completely ignores the club's obligation to provide services to that member in future years without further payment. Always check the number of years specified and divide the fee accordingly, carrying the unreleased balance forward as a fund.

9.4 Trading Activities Within a Club

9.4.1 The bar (or shop) trading account

Many clubs run a small trading activity – a bar, shop, canteen, or vending operation – purely to generate extra income to support the club's main (non-profit) purpose. The trading activity is never the club's reason for existing (that would make it a business, not a non-profit organisation), which is precisely why its result is reduced to a single net figure and folded into the income and expenditure account rather than reported as the organisation's headline result. A club may run more than one such activity (for example, a bar *and* a shop selling equipment); in that case, a separate mini trading account is prepared for each, and each net profit (or loss) figure is listed separately as income (or expenditure, if a loss) in the income and expenditure account. This activity is accounted for exactly like a mini trading account within a sole trader's books: opening inventory plus purchases (adjusted for any change in trade payables if purchases are on credit) less closing inventory gives the cost of sales, which is deducted from sales revenue to give a **gross profit**. Any expenses specific to running that activity (most commonly bar staff **wages**, but also things like bar-specific rates or refrigeration running costs if separately identifiable) are then deducted to arrive at the **net profit from the trading activity**. This single net figure is shown as one line of income in the income and expenditure account – the bar's own sales and purchases are *not* shown separately in the income and expenditure account itself.

$$\text{Cost of sales} = \text{Opening inventory} + \text{Purchases} - \text{Closing inventory}.$$

$$\text{Gross profit} = \text{Sales} - \text{Cost of sales}.$$

$$\text{Net profit from trading activity (transferred to income and expenditure account)}$$
$$= \text{Gross profit} - \text{Specific wages/expenses}.$$

If purchases are made on credit, convert cash paid to suppliers into the accruals-basis purchases figure first: Purchases = Cash paid to suppliers + Increase in trade payables − Decrease in trade payables.

Bar Trading Account (skeleton)	$	$
Sales		X
Less: cost of sales		
Opening inventory	X	
Add: purchases	X	
	X	
Less: closing inventory	(X)	(X)
Gross profit		X
Less: bar wages / specific expenses		(X)
Net profit – transferred to income and expenditure account		X

Table 9.2: layout of a club's bar (or shop) trading account.

Ví dụ mẫu · Bar trading account

Meadowbrook Club's bar had opening inventory $800, cash purchases during the year $9,500, and closing inventory $950. Bar sales for the year were $15,200, and bar wages were $2,100. Calculate the net profit from the bar, to be transferred to the income and expenditure account.

$$\text{Cost of sales} = 800 + 9{,}500 - 950 = \$9{,}350. \qquad \text{Gross profit} = 15{,}200 - 9{,}350 = \$5{,}850.$$

$$\text{Net bar profit} = 5{,}850 - 2{,}100 = \boxed{\$3{,}750}.$$

GIẢI THÍCH TIẾNG VIỆT

VN

Hoạt động thương mại phụ trong câu lạc bộ (quầy bar, căng-tin, cửa hàng nhỏ) được hạch toán như một tài khoản thương mại thu nhỏ: Giá vốn hàng bán = tồn kho đầu kỳ + mua hàng − tồn kho cuối kỳ; Lợi nhuận gộp = Doanh thu − Giá vốn; sau đó trừ tiếp lương nhân viên quầy bar hoặc chi phí riêng để ra **lợi nhuận ròng từ quầy bar** – CHỈ một con số duy nhất này được đưa vào tài khoản thu nhập – chi phí như một khoản thu nhập, chứ không tách riêng doanh thu và giá vốn trong báo cáo đó.

9.5 Special-Purpose Funds

9.5.1 Building funds, match funds and other earmarked funds

Some income received by a club is **earmarked for a specific project or purpose** – for example, donations collected specifically to fund a new clubhouse extension (a **building fund**), or money raised specifically to send a team to an away match or tournament (a **match fund**). Because donors and fundraisers give this money for one named purpose only, it would be misleading to mix it into the club's general income and expenditure account (which reflects the ordinary, recurring running of the club) or into the general accumulated fund (which represents the members' overall, undesignated interest in net assets).

Accumulated fund vs. special-purpose fund

	Accumulated fund	Special-purpose fund (e.g. building fund, match fund)
Purpose	General reserve: members' total, undesignated interest in net assets	Ring-fenced for one named project or purpose only
Increased by	Surplus for the year; transfers when a special fund's project is completed	Donations, dedicated fundraising events, and income earmarked for that purpose (e.g. interest on the fund's own deposit account)
Decreased by	Deficit for the year	The fund's own designated expenditure, transferred out directly (never through the income and expenditure account)
Shown in statement of financial position	As the club's main "capital"/reserve figure	As a separate reserve/fund, listed alongside – *not merged into* – the accumulated fund

Income and expenditure relating to a special-purpose fund is credited/debited **directly to that fund**, bypassing the income and expenditure account entirely:

$$\begin{aligned}\text{Fund carried forward} &= \text{Fund brought forward} + \text{Donations/dedicated income}\\ &\quad - \text{Designated expenditure paid from the fund.}\end{aligned}$$

If the fund's project is completed using club money in a way that creates a permanent non-current asset (e.g. a building extension), the amount spent is also added to that non-current asset in the usual way, and the club often **transfers** an equivalent amount from the special fund into the accumulated fund, recognising that the earmarked money has now become a permanent asset of the club as a whole.

Ví dụ mẫu · Match fund movement

A cricket club's Match Fund had a balance of $2,000 brought forward. During the year it received $1,500 in donations and $400 net proceeds from a dedicated raffle, and paid out $1,200 in away-match travel costs directly from the fund. None of these items appear in the income and expenditure account. Calculate the Match Fund carried forward.

$$\text{Match Fund c/f} = 2{,}000 + 1{,}500 + 400 - 1{,}200 = \boxed{\$2{,}700}.$$

GIẢI THÍCH TIẾNG VIỆT

VN Quỹ chuyên dụng (special-purpose fund, ví dụ building fund để xây dựng cơ sở vật chất, hoặc match fund để tài trợ chi phí thi đấu) là khoản tiền được người tài trợ chỉ định cho MỘT mục đích riêng biệt, nên phải tách hoàn toàn khỏi tài khoản thu nhập – chi phí và khỏi quỹ tích luỹ chung. Tiền vào/ra quỹ (quyên góp, chi tiêu theo đúng mục đích) được ghi trực tiếp vào quỹ đó, không đi qua báo cáo thu nhập – chi phí. Khi dự án hoàn thành (ví dụ xây xong phần mở rộng câu lạc bộ), số tiền đã chi được **chuyển (transfer)** từ quỹ chuyên dụng sang quỹ tích luỹ chung.

(!) Lỗi thường gặp: Do not confuse the **accumulated fund** with a **special-purpose fund**. Donations received for a building extension must *never* be credited to the income and expenditure account (it would wrongly inflate this year's surplus) nor merged directly into the accumulated fund (it would lose the fact that the money is earmarked and not yet spent). Keep the building/match fund as a clearly separate line in the statement of financial position until its designated purpose is fulfilled.

9.6 Non-Current Assets, Depreciation and Disposal

9.6.1 Depreciation of club equipment

A club's non-current assets (clubhouse, courts, furniture, sports equipment, vehicles) are depreciated using exactly the same methods as a trading business (straight-line or reducing balance), and the annual depreciation charge is deducted as an expense in the income and expenditure account – it never appears as such in the receipts and payments account, since depreciation involves no cash movement.

9.6.2 Disposal of non-current assets

When club equipment is sold or scrapped, the same profit-or-loss-on-disposal calculation applies as for any trading business, and the resulting profit or loss is shown as income (or an expense) in the income and expenditure account – never taken straight to the accumulated fund.

$$\textbf{Profit (or loss) on disposal} = \textbf{Sale proceeds} - \textbf{Net book value (NBV) at date of disposal}.$$

A positive result is a profit (extra income in the income and expenditure account); a negative result is a loss (an additional expense). The non-current asset's net book value is then rolled forward:

$$\text{NBV c/f} = \text{NBV b/f} + \text{Additions} - \text{NBV of disposals} - \text{Depreciation charge for the year}.$$

Ví dụ mẫu · Disposal and non-current asset roll-forward

Hilltop Club's equipment had a net book value of \$5,000 at the start of the year. An old mower with a net book value of \$300 was sold during the year for \$450. A new mower was bought for \$1,200, and total depreciation charged for the year was \$600. Calculate the profit on disposal and the closing net book value of equipment.

$$\text{Profit on disposal} = 450 - 300 = \boxed{\$150 \text{ profit}}.$$

$$\text{Closing NBV} = 5{,}000 - 300 + 1{,}200 - 600 = \boxed{\$5{,}300}.$$

GIẢI THÍCH TIẾNG VIỆT

VN Tài sản cố định của câu lạc bộ (nhà câu lạc bộ, sân bãi, thiết bị) được khấu hao và thanh lý hoàn toàn giống doanh nghiệp thương mại: **lãi/lỗ thanh lý** = **tiền bán** − **giá trị còn lại (NBV)** tại ngày bán, và khoản lãi/lỗ này được đưa vào tài khoản thu nhập – chi phí (không đưa thẳng vào quỹ tích luỹ). Giá trị còn lại cuối kỳ = đầu kỳ + mua thêm − NBV tài sản đã thanh lý − khấu hao trong kỳ.

9.7 Comprehensive Worked Example: Northfield Tennis Club

The following single, fully-worked example combines every technique covered in this unit: the receipts and payments account, subscriptions in arrears/advance, the opening accumulated fund from a statement of affairs, life membership fees (with a fund brought forward from an earlier year), a bar trading account with a change in trade payables, a building fund (with donations, dedicated interest, and a transfer on completion of a project), and depreciation/disposal of non-current assets – finishing with a full income and expenditure account and statement of financial position in which the accumulated fund reconciles exactly to net assets.

VN **GIẢI THÍCH TIẾNG VIỆT**

Ví dụ tổng hợp dưới đây kết hợp TẤT CẢ kỹ thuật đã học: tài khoản thu chi, điều chỉnh hội phí, tính quỹ tích luỹ đầu kỳ, quỹ hội viên trọn đời (có số dư mang sang từ năm trước), tài khoản thương mại quầy bar (có thay đổi khoản phải trả), quỹ xây dựng (building fund, có quyên góp, lãi tiền gửi riêng, và khoản chuyển khi hoàn thành dự án), và khấu hao/thanh lý tài sản cố định – kết thúc bằng tài khoản thu nhập – chi phí và bảng cân đối kế toán đầy đủ, trong đó quỹ tích luỹ khớp CHÍNH XÁC với tài sản thuần.

Ví dụ mẫu · Opening statement of affairs, 1 January 2026

	$
Clubhouse and courts (NBV)	40,000
Equipment (NBV)	9,000
Bar inventory	1,200
Subscriptions in arrears	800
Insurance prepaid	150
Cash at bank	6,500
Cash in hand	300
Total assets	**57,950**
Less: subscriptions in advance	(400)
Less: trade payables (bar suppliers)	(1,100)
Less: Building Fund	(15,000)
Less: Life Membership Fund	(1,500)
Accumulated fund at 1 January 2026	**39,950**

Note that the Building Fund and Life Membership Fund are deducted separately – they are *not* part of the accumulated fund, even though both sit on the "funds" side of the statement of affairs.

Ví dụ mẫu · Receipts and Payments Account for the year ended 31 December 2026

Receipts		Payments	
Balance b/d (bank 6,500 + cash 300)	6,800	Paid to bar suppliers	12,400
Subscriptions	24,600	Bar wages	3,600
Entrance fees	1,200	Rent and rates	5,800
Life membership fees	5,000	Insurance	1,050
Bar sales	18,300	General expenses	2,900
Donations to Building Fund	4,000	New equipment	4,200
Building Fund deposit interest	300	Clubhouse extension (Building Fund)	6,500
Sale of old equipment	600	Balance c/d (bank 23,900 + cash 450)	24,350
Total	**60,800**	**Total**	**60,800**

Ví dụ mẫu · Workings 1–4: subscriptions, insurance, bar trading, life membership

Additional information at 31 December 2026: subscriptions in arrears $900, in advance $550; insurance prepaid $200; bar inventory $1,500; trade payables (bar suppliers) $1,300. The Life Membership Fund brought forward ($1,500) relates to $3,000 received in an earlier year, spread over 10 years ($300 released per year); $5,000 of new life membership fees are received this year, to be spread over 10 years ($500 per year, first instalment released this year).

(1) Subscription income $= 24{,}600 + 900 - 800 - 550 + 400 = \boxed{\$24{,}550}$.

(2) Insurance expense $= 1{,}050 + 150 - 200 = \boxed{\$1{,}000}$.

(3) Bar trading account: purchases (accruals) $= 12{,}400 + (1{,}300 - 1{,}100) = \$12{,}600$; cost of sales $= 1{,}200 + 12{,}600 - 1{,}500 = \$12{,}300$; gross profit $= 18{,}300 - 12{,}300 = \$6{,}000$; **net bar profit** $= 6{,}000 - 3{,}600 = \boxed{\$2{,}400}$.

(4) Life membership fees credited to income $=$ 300 (old fund instalment) $+$ 500 (new fund, first instalment) $= \boxed{\$800}$. Life Membership Fund c/f $= (1{,}500 - 300) + (5{,}000 - 500) = 1{,}200 + 4{,}500 = \boxed{\$5{,}700}$.

Ví dụ mẫu · Workings 5–7: non-current assets, disposal, Building Fund

(5) Equipment: disposed equipment had NBV $500, sold for $600, so **profit on disposal** $= 600 - 500 = \boxed{\$100}$. Depreciation charged on equipment for the year: $1,800. Equipment NBV c/f $= 9{,}000 - 500 + 4{,}200 - 1{,}800 = \boxed{\$10{,}900}$.

(6) Clubhouse and courts: the $6,500 extension (paid from the Building Fund) is added as a capital addition; depreciation charged for the year: $1,000. Clubhouse NBV c/f $= 40{,}000 + 6{,}500 - 1{,}000 = \boxed{\$45{,}500}$.

(7) Building Fund: b/f $15,000; add donations $4,000; add dedicated deposit interest $300; less transfer to the accumulated fund on completion of the extension $6,500. Building Fund c/f $= 15{,}000 + 4{,}000 + 300 - 6{,}500 = \boxed{\$12{,}800}$. (The $6,500 transfer recognises that the earmarked money is now embodied in a permanent non-current asset of the club as a whole.)

Ví dụ mẫu · Income and Expenditure Account for the year ended 31 December 2026

	$	$
Subscriptions		24,550
Entrance fees		1,200
Life membership fees (transfer)		800
Bar profit		2,400
Profit on disposal of equipment		100
Total income		**29,050**
Rent and rates	5,800	
Insurance	1,000	
General expenses	2,900	
Depreciation – clubhouse and courts	1,000	
Depreciation – equipment	1,800	
Total expenditure		**(12,500)**
Surplus for the year		**16,550**

Neither the donations, nor the dedicated interest, nor the extension expenditure of the Building Fund appear anywhere in this account – they are entirely fund-to-fund movements (Working 7).

Ví dụ mẫu · Statement of Financial Position at 31 December 2026, with reconciliation

	$	$
Non-current assets		
Clubhouse and courts (NBV)		45,500
Equipment (NBV)		10,900
		56,400
Current assets		
Bar inventory	1,500	
Subscriptions in arrears	900	
Insurance prepaid	200	
Cash at bank	23,900	
Cash in hand	450	
		26,950
Total assets		**83,350**
Current liabilities		
Subscriptions in advance	550	
Trade payables	1,300	
		(1,850)
Funds		
Building Fund		(12,800)
Life Membership Fund		(5,700)
Accumulated fund (balancing figure)		**63,000**

Reconciliation of the accumulated fund:

Fund b/f $39{,}950$ $+$ Surplus $16{,}550$ $+$ Transfer from Building Fund $6{,}500$ $=$ $\boxed{\$63{,}000}$, which agrees exactly with the balancing net-asset figure of $63,000 shown above ($83{,}350 - 1{,}850 - 12{,}800 - 5{,}700 = 63{,}000$). The accumulated fund reconciles precisely.

Ôn tập nhanh – Non-profit organisations:

- Receipts and payments account = cash-basis summary (like a cash book); income and expenditure account = accruals-basis result statement (like an income statement).
- Subscription income = cash received + closing arrears − opening arrears − closing advance + opening advance.
- Life membership fee credited per year = total fee ÷ number of years chosen; unreleased balance = a separate Life Membership Fund, not part of the accumulated fund.
- Bar/shop trading: cost of sales = opening inventory + purchases − closing inventory; net profit (after specific wages/expenses) is the *single* income line transferred to the income and expenditure account.
- Special-purpose funds (Building Fund, Match Fund) are increased/decreased directly, never through the income and expenditure account or the accumulated fund, until their designated purpose is fulfilled.
- Depreciation and profit/loss on disposal of club assets are treated exactly as for a trading business.
- Accumulated fund c/f = Accumulated fund b/f + Surplus (or − Deficit) + Transfers from wound-up special funds – and must always equal closing net assets exactly.

9.8 Problem Bank

Bài tập luyện tập

Why do most clubs and societies keep a receipts and payments account rather than an income statement?

(A) Because it shows the surplus or deficit for the year

(B) Because it is a simple, cash-basis summary of the year's cash and bank transactions, requiring no accounting expertise to compile

(C) Because it excludes all capital transactions

(D) Because it is required by company law

Lời giải chi tiết

A receipts and payments account is essentially a summarised cash book, listing every receipt and payment on a cash basis – it can be compiled by a volunteer treasurer without formal double-entry training, but (unlike an income statement) it does not show the surplus or deficit. **(B)**.

Bài tập luyện tập

In a non-profit organisation's accounts, the accumulated fund is most similar, in a sole trader's accounts, to the:

(A) Drawings account

(B) Capital account

(C) Suspense account

(D) Sales ledger control account

Lời giải chi tiết

Both represent the residual claim on net assets: capital for a sole trader, accumulated fund for members of a club. **(B)**.

Bài tập luyện tập

A club received \$12,900 in subscriptions (cash basis) during the year. Subscriptions in arrears were \$300 at the start of the year and \$380 at the end; subscriptions in advance were \$150 at the start and \$200 at the end. Calculate the subscription income for the income and expenditure account.

Lời giải chi tiết

Subscription income $= 12{,}900 + 380 - 300 - 200 + 150 = \boxed{\$12{,}930}$.

Bài tập luyện tập

At the year end, subscriptions still owed by members (in arrears) and subscriptions paid in advance for next year are shown in the statement of financial position as:

(A) Both current assets

(B) Arrears as a current asset; advance as a current liability

(C) Arrears as a current liability; advance as a current asset

(D) Both current liabilities

Lời giải chi tiết

Arrears represent money still owed *to* the club (an asset – a receivable); advance amounts represent money the club has already received but must still provide membership services for (a liability – a form of deferred income). **(B)**.

Bài tập luyện tập

A club's assets at 1 January were: equipment \$6,000; inventory \$700; subscriptions in arrears \$400; cash \$2,100. Its liabilities were: subscriptions in advance \$180; trade payables \$620. Calculate the accumulated fund at 1 January.

Lời giải chi tiết

Total assets $= 6{,}000 + 700 + 400 + 2{,}100 = \$9{,}200$. Total liabilities $= 180 + 620 = \$800$. Accumulated fund $= 9{,}200 - 800 = \boxed{\$8{,}400}$.

Bài tập luyện tập

Unless a question states otherwise, entrance (joining) fees received from new members are normally treated as:

(A) Credited in full to the income and expenditure account in the year received

(B) Credited to a life membership fund

(C) Deducted from subscription income

(D) Ignored until the member resigns

Lời giải chi tiết

Entrance fees are treated as ordinary, recurring revenue income unless the question specifies a policy of capitalising or deferring them. **(A)**.

Bài tập luyện tập

A club receives $7,200 in life membership fees during the year, to be credited to income over 8 years. Calculate the amount credited to the income and expenditure account this year and the balance carried forward as a life membership fund.

Lời giải chi tiết

Credited this year $= 7{,}200/8 = \boxed{\$900}$. Carried forward $= 7{,}200 - 900 = \boxed{\$6{,}300}$.

Bài tập luyện tập

A club's Life Membership Fund relates to a total of $8,000 received several years ago, spread over 8 years, of which 4 years' instalments have already been released. Calculate the fund brought forward at the start of the current (5th) year, the amount released this year, and the fund carried forward.

Lời giải chi tiết

Annual instalment $= 8{,}000/8 = \$1{,}000$. After 4 years, released $= 4 \times 1{,}000 = \$4{,}000$, so fund b/f $= 8{,}000 - 4{,}000 = \boxed{\$4{,}000}$. This year's release $= \boxed{\$1{,}000}$. Fund c/f $= 4{,}000 - 1{,}000 = \boxed{\$3{,}000}$.

Bài tập luyện tập

The unreleased balance of a life membership fund is shown in the statement of financial position:

(A) As part of the accumulated fund

(B) As a separate item, distinct from the accumulated fund

(C) As a non-current asset

(D) It is not shown at all

Lời giải chi tiết

The life membership fund is a form of deferred income belonging to specific members' future years, and must be kept separate from the general accumulated fund. **(B)**.

Bài tập luyện tập

Which of the following would be classified as a special-purpose fund, distinct from the general accumulated fund?

(A) This year's surplus retained in the club

(B) A Building Fund raised by donations for a clubhouse extension

(C) The opening accumulated fund brought forward

(D) This year's subscription income

Lời giải chi tiết

A Building Fund is earmarked by donors for one specific project and must be kept separate from the general accumulated fund, which represents members' undesignated interest in net assets. **(B)**.

Bài tập luyện tập

A club's bar had opening inventory \$650, purchases of \$8,900, and closing inventory \$700. Bar sales for the year were \$13,400, and bar wages were \$1,800. Calculate the net profit from the bar.

Lời giải chi tiết

Cost of sales $= 650 + 8{,}900 - 700 = \$8{,}850$. Gross profit $= 13{,}400 - 8{,}850 = \$4{,}550$. Net bar profit $= 4{,}550 - 1{,}800 = \boxed{\$2{,}750}$.

Bài tập luyện tập

In a club's bar trading account, the wages of bar staff should be treated as:

(A) Ignored completely

(B) Deducted from bar gross profit to arrive at a single net bar profit figure, which is then shown as one line of income in the income and expenditure account

(C) Added to the cost of bar inventory purchased

(D) Shown as a special-purpose fund

Lời giải chi tiết

Wages specific to the bar are deducted from bar gross profit; only the resulting net profit is transferred to the income and expenditure account as a single income line. **(B)**.

Bài tập luyện tập

A club's Building Fund had a balance of \$8,000 brought forward. During the year it received \$3,000 in donations and \$200 of dedicated deposit interest, and \$4,500 was spent directly from the fund on construction costs. Calculate the Building Fund carried forward.

Lời giải chi tiết

Building Fund c/f $= 8{,}000 + 3{,}000 + 200 - 4{,}500 = \boxed{\$6{,}700}$.

Bài tập luyện tập

Donations received specifically for a clubhouse building project should be:

(A) Credited to the income and expenditure account as income

(B) Credited directly to the Building Fund

(C) Credited to the accumulated fund

(D) Treated as a liability repayable to the donors

Lời giải chi tiết

Donations earmarked for a specific project are credited directly to that special-purpose fund, bypassing the income and expenditure account and the general accumulated fund. **(B)**.

Bài tập luyện tập

A club's equipment with a net book value of $800 was sold for $650. Calculate the profit or loss on disposal.

Lời giải chi tiết

Result $= 650 - 800 = -\$150$, i.e. a $\boxed{\text{loss of \$150}}$ on disposal.

Bài tập luyện tập

A profit or loss on the disposal of a club's non-current assets is:

(A) Taken directly to the accumulated fund

(B) Recognised in the income and expenditure account

(C) Credited to a special-purpose fund

(D) Ignored, since clubs do not calculate disposal profits

Lời giải chi tiết

Exactly as for a trading business, profit or loss on disposal is recognised in the income and expenditure account (as income or an additional expense). **(B)**.

Bài tập luyện tập

A club's equipment had a net book value of $7,000 at the start of the year. During the year, equipment with a net book value of $400 (sold for $550) was disposed of, new equipment costing $2,000 was purchased, and depreciation of $900 was charged. Calculate the closing net book value of equipment.

Lời giải chi tiết

Closing NBV $= 7{,}000 - 400 + 2{,}000 - 900 = \boxed{\$7{,}700}$. (Profit on disposal, separately, $= 550 - 400 = \$150$, recognised as income in the income and expenditure account.)

Bài tập luyện tập

The annual result of a non-profit organisation's income and expenditure account (a "surplus") is the direct equivalent, in a sole trader's accounts, of the:

(A) Gross profit

(B) Net profit

(C) Capital introduced

(D) Drawings

Lời giải chi tiết

”Surplus” and ”net profit” both mean total income less total expenditure/expenses for the period. **(B)**.

Bài tập luyện tập

Oakwood Chess Club received $8,400 in subscriptions (cash basis). Subscriptions in arrears were $220 at the start of the year and $180 at the end; in advance, $90 at the start and $140 at the end. The club also received $300 in entrance fees (credited to income in full) and a $500 donation earmarked for its library fund. Calculate the total income to be shown in the income and expenditure account from these items.

Lời giải chi tiết

Subscription income $= 8{,}400 + 180 - 220 - 140 + 90 = \$8{,}310$. Add entrance fees $\$300$. The $500 library fund donation is excluded entirely (credited directly to the library fund, a special-purpose fund). Total income $= 8{,}310 + 300 = \boxed{\$8{,}610}$.

Bài tập luyện tập

An accumulated fund increases from one year to the next mainly because of:

(A) Subscriptions received in cash

(B) A surplus of income over expenditure for the year

(C) Donations to a special-purpose fund

(D) Life membership fees received

Lời giải chi tiết

The accumulated fund is increased each year primarily by the surplus for the year (subscriptions are only one component feeding into that surplus, once accrued and combined with all other income and expenditure); special-purpose fund donations and (initially) life membership fees do not directly increase the accumulated fund. **(B)**.

Bài tập luyện tập

Sunnydale Squash Club: subscriptions received $20,500 (arrears $900 at start, $750 at end; advance $300 at start, $480 at end); bar sales $9,800, bar purchases (cash) $6,200, bar inventory $500 at start and $620 at end, bar wages $1,100; entrance fees (credited in full) $250; rent $4,200; insurance $800; depreciation $1,500. Prepare a summary income and expenditure account and calculate the surplus for the year.

Lời giải chi tiết

Subscription income $= 20{,}500 + 750 - 900 - 480 + 300 = \$20{,}170$.
Bar: cost of sales $= 500 + 6{,}200 - 620 = \$6{,}080$; gross profit $= 9{,}800 - 6{,}080 = \$3{,}720$; net bar profit $= 3{,}720 - 1{,}100 = \$2{,}620$.

Total income $= 20{,}170 + 2{,}620 + 250 = \$23{,}040$.
Total expenditure $= 4{,}200 + 800 + 1{,}500 = \$6{,}500$.
Surplus for the year $= 23{,}040 - 6{,}500 = \boxed{\$16{,}540}$.

Bài tập luyện tập

If a club maintains a Match Fund separate from its Accumulated Fund, expenditure on away-match travel costs paid directly from that Match Fund should be:

(A) Charged to the income and expenditure account

(B) Charged directly against the Match Fund, not through the income and expenditure account

(C) Capitalised as a non-current asset

(D) Ignored entirely, since it is not real expenditure

Lời giải chi tiết

Expenditure that matches the fund's designated purpose is charged directly against that special-purpose fund. **(B)**.

Bài tập luyện tập

A club's accumulated fund was $24,000 brought forward. The surplus for the year was $9,300, and its Match Fund (now fully spent and wound up) transferred its remaining $1,200 balance into the accumulated fund. Calculate the accumulated fund carried forward.

Lời giải chi tiết

Accumulated fund c/f $= 24{,}000 + 9{,}300 + 1{,}200 = \boxed{\$34{,}500}$.

Bài tập luyện tập

At the year end, a club's total assets were $45,000. Its other liabilities and funds were: Building Fund $6,000; subscriptions in advance $500; trade payables $3,000. Calculate the accumulated fund at the year end.

Lời giải chi tiết

Total other liabilities/funds $= 6{,}000 + 500 + 3{,}000 = \$9{,}500$. Accumulated fund $= 45{,}000 - 9{,}500 = \boxed{\$35{,}500}$.

Bài tập luyện tập

A club received $11,000 in subscriptions (arrears $250 at start, $300 at end; advance $100 at start, $80 at end), and $2,400 in new life membership fees this year (to be credited over 12 years). Its Life Membership Fund brought forward (from earlier fees) releases a further $150 to income this year under an older schedule. Calculate the total membership-related income for the income and expenditure account.

Lời giải chi tiết

Subscription income $= 11{,}000+300-250-80+100 = \$11{,}070$. Life membership fees credited this year $= 2{,}400/12 + 150 = 200 + 150 = \$350$. Total $= 11{,}070 + 350 = \boxed{\$11{,}420}$.

Bài tập luyện tập

Which statement about a non-profit organisation's financial statements is correct?

(A) The receipts and payments account is prepared on an accruals basis

(B) The accumulated fund can only ever increase through subscriptions

(C) The income and expenditure account applies the same accruals principles as a sole trader's income statement

(D) Special-purpose funds must always be merged into the accumulated fund

Lời giải chi tiết

The income and expenditure account is prepared on an accruals basis, exactly like a trading business's income statement – income when earned, expenditure when incurred. **(C)**.

Bài tập luyện tập

A club decides to *capitalise* its entrance fees rather than treat them as revenue income, spreading a total of \$3,600 received this year evenly over 4 years. Calculate the amount credited to the income and expenditure account this year and the balance carried forward as a deferred entrance fees fund.

Lời giải chi tiết

Credited this year $= 3{,}600/4 = \boxed{\$900}$. Carried forward $= 3{,}600 - 900 = \boxed{\$2{,}700}$, released over the remaining three years exactly like a life membership fund.

Bài tập luyện tập

A club's subscriptions account (ledger presentation) shows: balance b/d arrears \$340; balance b/d advance \$110; cash received during the year \$10,250; balance c/d arrears \$275; balance c/d advance \$160. Calculate the amount transferred to the income and expenditure account (i.e. the balancing figure of the account).

Lời giải chi tiết

Debit side (arrears b/d + transfer + advance c/d) must equal credit side (advance b/d + cash received + arrears c/d). Let $x =$ the transfer to income and expenditure:

$$340 + x + 160 = 110 + 10{,}250 + 275 \;\Rightarrow\; x + 500 = 10{,}635 \;\Rightarrow\; x = \boxed{\$10{,}135}.$$

Check by formula: $10{,}250 + 275 - 340 - 160 + 110 = 10{,}135$. Both methods agree exactly.

Bài tập luyện tập

Fernwood Angling Club – year ended 31 December 2026. Receipts and payments account: balance b/d \$2,400; subscriptions \$9,800; bar sales \$6,500; sale of old equipment \$300; total receipts \$19,000. Payments: bar purchases \$3,900; rent \$2,800; general expenses \$1,600; new equipment \$1,200; balance c/d \$9,500. Additional information: subscriptions in arrears \$200 (1 Jan), \$260 (31 Dec); in advance \$80 (1 Jan), \$100 (31 Dec). Bar inventory \$400 (1 Jan), \$350 (31 Dec), all bar purchases for cash. Equipment: NBV \$3,000 (1 Jan); disposed equipment had NBV \$150 (sold for \$300); new equipment \$1,200; depreciation for the year \$500. Prepare (a) the income and expenditure account for the year, and (b) the statement of financial position at 31 December 2026, confirming that the accumulated fund reconciles to net assets.

Lời giải chi tiết

Opening accumulated fund (1 Jan 2026): assets = equipment 3,000 + bar inventory 400 + subscriptions in arrears 200 + cash/bank 2,400 = $\$6{,}000$; liabilities = subscriptions in advance $\$80$. Accumulated fund b/f $= 6{,}000 - 80 = \$5{,}920$.

Subscription income $= 9{,}800 + 260 - 200 - 100 + 80 = \$9{,}840$.
Bar trading: cost of sales $= 400 + 3{,}900 - 350 = \$3{,}950$; gross (and net, no bar wages given) profit $= 6{,}500 - 3{,}950 = \$2{,}550$.
Profit on disposal of equipment $= 300 - 150 = \$150$.

(a) Income and Expenditure Account for the year ended 31 December 2026:

	\$	\$
Subscriptions		9,840
Bar profit		2,550
Profit on disposal of equipment		150
Total income		**12,540**
Rent	2,800	
General expenses	1,600	
Depreciation of equipment	500	
Total expenditure		**(4,900)**
Surplus for the year		**7,640**

Equipment NBV c/f $= 3{,}000 - 150 + 1{,}200 - 500 = \$3{,}550$.

(b) Statement of Financial Position at 31 December 2026:

	\$	\$
Equipment (NBV)		3,550
Bar inventory	350	
Subscriptions in arrears	260	
Cash at bank (balance c/d)	9,500	
		10,110
Total assets		**13,660**
Less: subscriptions in advance		(100)
Accumulated fund (balancing figure)		**13,560**

Reconciliation: accumulated fund b/f $\$5{,}920$ + surplus $\$7{,}640 = \boxed{\$13{,}560}$, which agrees exactly with the closing net assets of \$13,560 shown above.

Limited Companies: Share Capital, Debentures & Financial Statements

Mục tiêu Unit: Phân biệt cổ phiếu thường và cổ phiếu ưu đãi (tích luỹ/không tích luỹ, có thể mua lại/không thể mua lại) với trái phiếu (debentures); các khái niệm vốn cổ phần được phép phát hành, đã phát hành, đã gọi vốn và đã góp vốn; phát hành cổ phiếu theo mệnh giá và có thặng dư; phát hành quyền mua (rights issue) và cổ phiếu thưởng (bonus issue); phát hành trái phiếu; phân biệt quỹ dự trữ vốn và quỹ dự trữ lợi nhuận; trình bày đầy đủ ba báo cáo tài chính theo IAS 1 (báo cáo lãi/lỗ, báo cáo biến động vốn chủ sở hữu, báo cáo tình hình tài chính); và nguyên tắc ghi nhận cổ tức tạm ứng và cổ tức cuối kỳ theo IAS 10.

10.1 Shares, Preference Shares and Debentures

10.1.1 Ordinary shares, preference shares and debentures compared

A limited company raises long-term finance from two fundamentally different sources: **share capital** (equity, contributed by the owners of the business) and **loan capital** such as **debentures** (also called loan notes; a form of borrowing). Within share capital, a company may issue **ordinary shares** and/or **preference shares**.

Ordinary shares carry no fixed rate of dividend: ordinary shareholders receive whatever the directors decide to distribute out of profits available for distribution, after all other claims (interest, tax, preference dividends) have been met. They normally carry **one vote per share** at general meetings, giving ordinary shareholders control over the company. **Preference shares** carry a *fixed percentage* dividend (e.g. "8% preference shares of $1 each" pays $0.08 per share per year) that must be paid, out of distributable profit, *before* any ordinary dividend; in exchange, preference shareholders normally have **no voting rights** and do not participate in profits above their fixed rate.

Preference shares are further classified along two independent dimensions:

- **Cumulative vs. non-cumulative:** if a **cumulative** preference dividend is not paid in a particular year (e.g. because profits are too low), the unpaid amount is carried forward as **arrears** and must be paid in a later year before any ordinary dividend is paid. A **non-cumulative** preference dividend that is missed in a given year is simply lost – there is no right to arrears.
- **Redeemable vs. irredeemable:** **redeemable** preference shares must be bought back (redeemed) by the company at or after a specified future date – because of this repayment obligation, IAS 32 requires them to be classified as a **financial liability**, not equity, in a fully rigorous presentation, although at this level they are usually still shown within share capital for simplicity unless a question states otherwise. **Irredeemable** preference shares have no repayment date and remain part of share capital indefinitely.

Debentures are fundamentally different from both types of share: they are a form of **borrowing** (a non-current liability), and the interest charged on them is a **contractual finance cost** – an expense deducted in arriving at profit, payable regardless of whether the company makes a profit or a loss, and regardless of any decision by the directors. Debenture holders are creditors, not owners; they have no voting rights, but rank *ahead of all shareholders* (ordinary and preference) for repayment if the company is wound up.

Feature	Ordinary shares	Preference shares	Debentures / loan notes
Classification	Equity	Equity (usually; liability if redeemable, strictly)	Liability (non-current)
Return to holder	Dividend – discretionary, variable, declared only out of distributable profit	Dividend – fixed rate, discretionary in *timing* but contractual in *amount* once declared	Interest – fixed rate, *contractual*, charged as an expense whether or not a profit is made
Voting rights	Normally yes (1 vote/share)	Normally none	None
Priority on winding-up	Last (residual claim)	After debenture holders, before ordinary shareholders	First among long-term claims
Reported in statements	Within equity	Within equity (unless legally a liability)	Non-current liability; interest is a finance cost

VN GIẢI THÍCH TIẾNG VIỆT

Cổ phiếu thường (ordinary shares): cổ tức không cố định, tuỳ thuộc quyết định của ban giám đốc, có quyền biểu quyết. **Cổ phiếu ưu đãi (preference shares)**: cổ tức theo tỷ lệ *cố định*, được trả *trước* cổ phiếu thường, thường *không* có quyền biểu quyết. Trong đó: cổ phiếu ưu đãi **tích luỹ (cumulative)** – nếu năm nay không trả được cổ tức thì số nợ đó cộng dồn (*arrears*) và phải trả bù vào năm sau trước khi trả cổ tức cho cổ phiếu thường; **không tích luỹ (non-cumulative)** – nếu bỏ lỡ thì mất luôn, không được cộng dồn. Cổ phiếu ưu đãi **có thể mua lại (redeemable)** – công ty có nghĩa vụ mua lại vào một ngày xác định trong tương lai (về bản chất giống một khoản nợ); **không thể mua lại (irredeemable)** – không có ngày đáo hạn, tồn tại vĩnh viễn như vốn cổ phần. **Trái phiếu (debentures)** hoàn toàn khác về bản chất: đây là **khoản vay (nợ phải trả)**, lãi trái phiếu là **chi phí tài chính bắt buộc theo hợp đồng**, phải trả dù công ty lãi hay lỗ, và chủ trái phiếu không có quyền biểu quyết nhưng được ưu tiên thanh toán trước tất cả cổ đông khi công ty giải thể.

(!) Lỗi thường gặp: A very common error is to treat debenture interest as if it were similar to a dividend – i.e. discretionary, payable only "if the company can afford it," or as an appropriation of profit. This is wrong: debenture interest is a **contractual finance cost**, deducted *before* profit before tax is reached, exactly like any other expense (rent, wages). It is payable even in a loss-making year, and failure to pay it can entitle debenture holders to force the company into liquidation. Dividends, by contrast, are always an **appropriation** of profit *after* tax – discretionary, and never guaranteed.

10.2 Authorised, Issued, Called-Up and Paid-Up Share Capital

10.2.1 Four precise definitions

Four distinct terms describe a company's share capital at different stages, and examiners frequently test the precise distinctions between them.

Four levels of share capital

- **Authorised share capital** – the *maximum* number of shares (at nominal value) that a company's constitution permits it to issue. It is a ceiling, not something that appears as a balance in the financial statements; it is disclosed only as a memorandum note.
- **Issued share capital** – the nominal value of shares that have actually been issued to shareholders (must be $\leq$ authorised capital).

- **Called-up share capital** – the amount of the nominal value of issued shares that the company has formally requested ("called") shareholders to pay, where shares are not required to be paid for in full immediately on issue (payment may be requested in instalments: on application, on allotment, and on call).
- **Paid-up share capital** – the amount of called-up capital that has actually been received in cash. If a shareholder fails to pay an amount that has been called, the shortfall is **calls in arrears**, and paid-up capital = called-up capital − calls in arrears.

Ví dụ mẫu · Authorised, issued, called-up and paid-up capital

Alpha Ltd's constitution authorises a maximum of $1{,}000{,}000$ ordinary shares of $0.50 each. The company has issued $600{,}000$ of these shares, and has so far called up $0.40 per share (the remaining $0.10 per share will be called at a later date). One shareholder, holding $5{,}000$ shares, has not yet paid the call. Calculate the authorised, issued, called-up and paid-up share capital, and the calls in arrears.

Authorised share capital: $1{,}000{,}000 \times \$0.50 = \$500{,}000$ (disclosed by note only; not a balance sheet figure).
Issued share capital: $600{,}000 \times \$0.50 = \$300{,}000$ (nominal value of shares actually issued).
Called-up share capital: $600{,}000 \times \$0.40 = \$240{,}000$ (the amount requested from shareholders so far).
Calls in arrears: $5{,}000 \times \$0.40 = \$2{,}000$ (called but not yet received).
Paid-up share capital: $\$240{,}000 - \$2{,}000 = \$238{,}000$.

Note the strict ordering: Authorised ($500,000) $\geq$ Issued ($300,000) $\geq$ Called-up ($240,000) $\geq$ Paid-up ($238,000).

GIẢI THÍCH TIẾNG VIỆT

VN Bốn khái niệm đi theo thứ tự giảm dần: **Vốn được phép phát hành (authorised)** – mức trần tối đa được quy định trong điều lệ công ty, chỉ trình bày dưới dạng thuyết minh, không phải một khoản mục trên báo cáo tài chính. **Vốn đã phát hành (issued)** – mệnh giá của số cổ phiếu thực sự đã bán ra. **Vốn đã gọi (called-up)** – phần mệnh giá công ty đã yêu cầu cổ đông nộp (có thể gọi vốn theo nhiều đợt: khi nộp đơn, khi phân bổ, khi gọi thêm). **Vốn đã góp (paid-up)** – phần đã gọi mà thực sự đã thu được tiền; nếu cổ đông chưa nộp phần đã gọi, khoản thiếu đó gọi là **nợ gọi vốn chưa thu (calls in arrears)**, và vốn đã góp = vốn đã gọi − nợ gọi vốn chưa thu.

Level (Alpha Ltd)	Amount ($)
Authorised share capital ($1{,}000{,}000$ shares $\times$ $0.50)	$500{,}000$
Issued share capital ($600{,}000$ shares $\times$ $0.50)	$300{,}000$
Called-up share capital ($600{,}000$ shares $\times$ $0.40)	$240{,}000$
Less: calls in arrears ($5{,}000$ shares $\times$ $0.40)	$(2{,}000)$
Paid-up share capital	**238,000**

Figure 10.1 – The share capital hierarchy for Alpha Ltd: each level is less than or equal to the one above it.

10.3 Share Issues: Par, Premium, Rights and Bonus

10.3.1 Issue at par and issue at a premium

Shares may be issued at **par** (nominal value), or at a **premium** (above nominal value) if the company's shares are worth more than their face value. Any excess received over nominal value is credited to a separate equity account, the **share premium account**, and may never be credited to profit – it is a **capital reserve**, not a trading gain.

Ví dụ mẫu · Issue at par

Beta Ltd issues $80{,}000$ new ordinary shares of $1 each at par, for cash, fully subscribed.

Cash received $= 80{,}000 \times \$1 = \$80{,}000$.
Dr Bank $80,000; Cr Ordinary share capital $80,000. No share premium arises because the issue price equals nominal value.

Ví dụ mẫu · Issue at a premium

Gamma Ltd issues $120{,}000$ new ordinary shares of $0.25 each at $0.40 per share, for cash, fully subscribed.

Cash received $= 120{,}000 \times \$0.40 = \$48{,}000$.
Nominal (share capital) value $= 120{,}000 \times \$0.25 = \$30{,}000$.
Share premium $= \$48{,}000 - \$30{,}000 = \$18{,}000$.

Dr Bank $48,000; Cr Ordinary share capital $30,000; Cr Share premium $18,000.

GIẢI THÍCH TIẾNG VIỆT

VN Khi phát hành cổ phiếu theo **mệnh giá (par)**, toàn bộ số tiền thu được ghi vào tài khoản vốn cổ phần. Khi phát hành **có thặng dư (premium)** – tức giá phát hành cao hơn mệnh giá – phần chênh lệch được ghi vào **tài khoản thặng dư vốn cổ phần (share premium)**, đây là một **quỹ dự trữ vốn**, tuyệt đối *không* được ghi nhận là doanh thu hay lợi nhuận, vì bản chất đây là tiền góp thêm của chủ sở hữu, không phải kết quả kinh doanh.

10.3.2 Rights issues

A **rights issue** offers existing shareholders the right to buy new shares, in proportion to their current holding (e.g. "1 for 4" means one new share for every four already held), usually at a price *below* the current market price to encourage take-up. A rights issue **raises new cash** for the company. Because the issue price is below the pre-issue ("cum rights") market price, the market price of the shares as a whole is expected to fall after the issue; this expected post-issue price is called the **theoretical ex-rights price (TERP)** – a weighted average of the value of the old shares (at the cum-rights market price) and the new shares (at the rights issue price).

Ví dụ mẫu · Rights issue and TERP

Delta Ltd has $400{,}000$ ordinary shares of $1 each in issue, currently trading (cum rights) at $2.50 per share. The company makes a rights issue of 1 new share for every 5 held, at $1.90 per share, and the issue is fully taken up.

(a) Number of new shares: $400{,}000 \div 5 = 40{,}000 \times 2 =$ – wait, apply the ratio directly: $400{,}000 \div 5 = 80{,}000$ new shares (one new share for every five held, so $400{,}000/5$).
(b) Cash raised: $80{,}000 \times \$1.90 = \$152{,}000$.
(c) Share capital credited (nominal): $80{,}000 \times \$1 = \$80{,}000$.
(d) Share premium credited: $\$152{,}000 - \$80{,}000 = \$72{,}000$.

(e) Theoretical ex-rights price (TERP): value the holding of 5 old shares plus 1 new share together, then divide by 6:

$$\text{TERP} = \frac{(5 \times \$2.50) + (1 \times \$1.90)}{6} = \frac{\$12.50 + \$1.90}{6} = \frac{\$14.40}{6} = \$2.40.$$

After the rights issue, the share price is theoretically expected to settle at $2.40 – below the old cum-rights price of $2.50 (because new shares were issued cheaply) but above the rights issue price of $1.90 (since existing shareholders' wealth is not reduced if they take up their rights).

GIẢI THÍCH TIẾNG VIỆT

VN **Phát hành quyền mua (rights issue)** là chào bán cổ phiếu mới cho cổ đông hiện hữu theo tỷ lệ sở hữu (ví dụ "1 đổi 5" nghĩa là cứ 5 cổ phiếu đang nắm giữ được mua thêm 1 cổ phiếu mới), thường với giá thấp hơn giá thị trường để khuyến khích cổ đông tham gia – đây là hình thức **có huy động tiền thật** cho công ty. **Giá lý thuyết sau quyền mua (TERP)** là giá bình quân gia quyền giữa giá trị cổ phiếu cũ (theo giá thị trường trước phát hành) và cổ phiếu mới (theo giá phát hành ưu đãi) – phản ánh việc giá cổ phiếu sẽ giảm nhẹ sau đợt phát hành do có thêm cổ phiếu giá rẻ hơn được đưa vào lưu hành, nhưng tổng giá trị tài sản của cổ đông hiện hữu (nếu họ mua đủ quyền) không đổi.

10.3.3 Bonus (capitalisation) issues

A **bonus issue** (also called a **capitalisation issue** or "scrip issue") gives existing shareholders additional new shares, free of charge, in proportion to their current holding. Critically, **no cash is raised**: the company simply capitalises existing reserves (transferring an amount equal to the nominal value of the new shares out of reserves and into share capital). Any reserve may in principle be capitalised, but a **capital reserve** such as share premium is normally used first (since it is otherwise not available for cash dividends, capitalising it is an efficient use), followed by revenue reserves such as general reserve and retained earnings if needed.

Ví dụ mẫu · Bonus (capitalisation) issue

Epsilon Ltd's equity at 31 December 2025, before a bonus issue, is: Ordinary share capital ($500,000$ shares of $1 each) $500,000; Share premium $60,000; General reserve $40,000; Retained earnings $220,000. The directors make a bonus issue of 1 new share for every 2 held, capitalising share premium first, then general reserve, then retained earnings as required.

New shares issued: $500{,}000 \div 2 = 250{,}000$ shares.
Nominal value to capitalise: $250{,}000 \times \$1 = \$250{,}000$.
Capitalised from: Share premium (fully) $60,000 + General reserve (fully) $40,000 + Retained earnings (balance) $\$250{,}000 - \$60{,}000 - \$40{,}000 = \$150{,}000$.

	Before ($)	After ($)
Ordinary share capital	500,000	750,000
Share premium	60,000	0
General reserve	40,000	0
Retained earnings	220,000	70,000
Total equity	**820,000**	**820,000**

No cash changes hands at all, and total equity is exactly unchanged ($820,000 both before and after) – the bonus issue merely reclassifies reserves as permanent share capital.

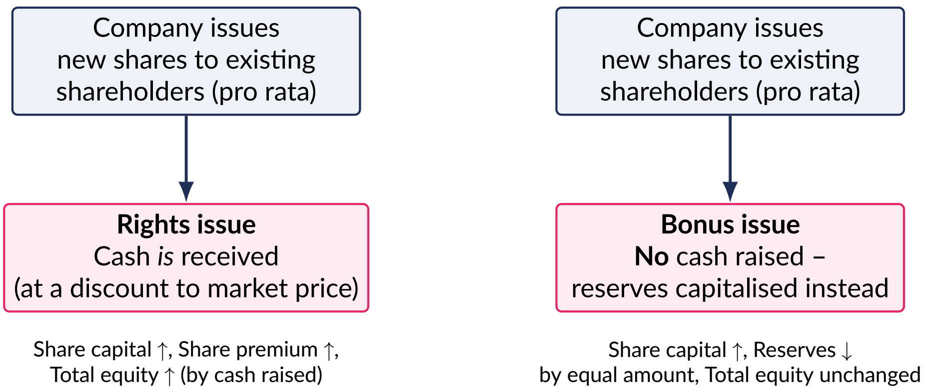


Figure 10.2 – Rights issue versus bonus issue: both increase the number of shares in issue pro rata, but only a rights issue brings new cash into the company.

VN GIẢI THÍCH TIẾNG VIỆT

Phát hành cổ phiếu thưởng (bonus/capitalisation issue): công ty phát cổ phiếu mới miễn phí cho cổ đông hiện hữu theo tỷ lệ sở hữu, **không thu được tiền** – chỉ đơn thuần ”chuyển” một khoản từ quỹ dự trữ sang vốn cổ phần (thường dùng thặng dư vốn trước, sau đó đến các quỹ dự trữ lợi nhuận nếu cần). Vì vậy **tổng vốn chủ sở hữu không đổi** trước và sau đợt phát hành thưởng – khác hẳn với phát hành quyền mua, nơi công ty thực sự nhận thêm tiền mặt và tổng vốn chủ sở hữu tăng lên.

(!) Lỗi thường gặp: Do not confuse a **rights issue** with a **bonus issue**. A rights issue genuinely raises new cash for the company (shareholders pay for the new shares, even if at a discount), so both share capital *and* cash/bank increase, and total equity rises by the amount of cash raised. A bonus issue raises **no cash at all**: share capital increases, but an equal amount is simultaneously removed from reserves, so total equity is completely unchanged. A frequent examination error is to calculate “cash raised” for a bonus issue (there is none) or to forget to reduce reserves when accounting for a bonus issue.

10.4 Debentures: Issue and Interest

10.4.1 Issuing debentures and the nature of debenture interest

Debentures are usually issued at par for cash, in a fixed nominal amount, carrying a stated (coupon) rate of interest and a redemption date. Unlike share dividends, debenture interest is charged as an expense in the statement of profit or loss *every year the debentures are outstanding*, regardless of the level of profit – it is a legal, contractual obligation of the company, not a discretionary distribution to owners.

Ví dụ mẫu · Issue of debentures at par

Zeta Ltd issues $150,000 of 5% debentures (redeemable 2032) at par, for cash.

Dr Bank $150,000; Cr 5% Debentures (non-current liability) $150,000.

Annual interest charge $= 5\% \times \$150{,}000 = \$7{,}500$, charged as a finance cost in the statement of profit or loss every year until redemption, whether the company makes a profit or a loss in that year.

VN GIẢI THÍCH TIẾNG VIỆT

Trái phiếu thường được phát hành theo mệnh giá, thu tiền mặt ngay. **Lãi trái phiếu** là một khoản **chi phí tài chính bắt buộc theo hợp đồng**, được tính và ghi nhận vào báo cáo lãi/lỗ *mỗi năm* công ty còn nợ trái phiếu đó, bất kể công ty có lãi hay lỗ trong năm đó – hoàn toàn khác với cổ tức, vốn chỉ được trả khi ban giám đốc quyết định và công ty có đủ lợi nhuận phân phối được.

10.5 Reserves: Capital Reserves versus Revenue Reserves

10.5.1 Classifying reserves

A company's reserves are classified into two categories with very different implications for cash dividends.

Capital reserves vs. revenue reserves

- **Capital reserves** arise from capital transactions, not from trading. Examples: **share premium** (excess received over nominal value on a share issue) and **revaluation reserve** (unrealised gain when a non-current asset is revalued upward). Capital reserves are **not available for distribution as a cash dividend** – they may, however, be used to fund a bonus issue.
- **Revenue reserves** arise from trading profits retained in the business. Examples: **general reserve** (profits set aside by a specific board decision, for no particular earmarked purpose) and **retained earnings** (the accumulated balance of undistributed profit). Revenue reserves *are* available for distribution as a cash dividend, subject to the company having sufficient cash and to any restrictions in its constitution.

Ví dụ mẫu · Recognising a capital reserve and a transfer to a revenue reserve

Eta Ltd revalues a property from its carrying amount of $200,000 to its fair value of $260,000, and separately, the directors resolve to transfer $25,000 of retained earnings to a general reserve.

Revaluation: Dr Property, plant and equipment $60,000; Cr Revaluation reserve $60,000 (a **capital reserve** – the gain is unrealised, so it cannot be paid out as a cash dividend).
Transfer to general reserve: Dr Retained earnings $25,000; Cr General reserve $25,000 (both are **revenue reserves**; the transfer simply reclassifies profit within equity and does not affect total equity).

	Capital reserve	Revenue reserve
Source	Capital transactions (share issue, asset revaluation)	Retained trading profit
Examples	Share premium; revaluation reserve	General reserve; retained earnings
Available for cash dividend?	No	Yes (subject to available cash)
Can fund a bonus issue?	Yes	Yes

Figure 10.3 – Capital reserves versus revenue reserves.

VN GIẢI THÍCH TIẾNG VIỆT

Quỹ dự trữ vốn (capital reserves): phát sinh từ các giao dịch về vốn, không phải từ hoạt động kinh doanh – ví dụ **thặng dư vốn cổ phần (share premium)** và **quỹ đánh giá lại tài sản**

(revaluation reserve). Các quỹ này **không được dùng để trả cổ tức bằng tiền mặt** (vì đó không phải lợi nhuận thực từ kinh doanh) nhưng có thể dùng để phát hành cổ phiếu thưởng. **Quỹ dự trữ lợi nhuận (revenue reserves)**: phát sinh từ lợi nhuận kinh doanh giữ lại – ví dụ **quỹ dự trữ chung (general reserve)** và **lợi nhuận giữ lại (retained earnings)** – các quỹ này *được phép* dùng để trả cổ tức bằng tiền mặt.

10.6 Financial Statements under IAS 1 Presentation

10.6.1 Statement of profit or loss

IAS 1 requires a company's statement of profit or loss to build up from revenue to profit for the year through a series of clearly labelled subtotals:

> Revenue → less Cost of sales = **Gross profit** → less Distribution costs and Administrative expenses = **Profit from operations** → less Finance costs (e.g. debenture interest) = **Profit before tax** → less Tax = **Profit for the year**.

Dividends (to ordinary or preference shareholders) are never deducted in arriving at profit for the year: they are an **appropriation** of profit, shown only in the statement of changes in equity, after tax has already been charged.

> VN **GIẢI THÍCH TIẾNG VIỆT**
>
> Báo cáo lãi/lỗ theo IAS 1 xây dựng từng bước: Doanh thu − Giá vốn hàng bán = **Lợi nhuận gộp**; trừ tiếp Chi phí phân phối và Chi phí quản lý = **Lợi nhuận từ hoạt động kinh doanh**; trừ tiếp Chi phí tài chính (lãi trái phiếu) = **Lợi nhuận trước thuế**; trừ tiếp Thuế = **Lợi nhuận sau thuế (lợi nhuận của năm)**. Cổ tức **không bao giờ** được trừ trong báo cáo lãi/lỗ – đó là một khoản **phân phối lợi nhuận**, chỉ xuất hiện trong báo cáo biến động vốn chủ sở hữu, sau khi đã tính xong lợi nhuận sau thuế.

10.6.2 Statement of changes in equity

The **statement of changes in equity** reconciles the opening and closing balance of each component of equity (share capital, share premium, each reserve, retained earnings) for the year, showing every movement: profit for the year (added to retained earnings), transfers between reserves (net effect zero on total equity), dividends paid (deducted), and the effect of any share issue during the year (added to share capital and share premium). Two checks must always hold: **each row** must sum correctly across the columns to the total column, and **each column** must reconcile from its opening to its closing balance.

> VN **GIẢI THÍCH TIẾNG VIỆT**
>
> Báo cáo biến động vốn chủ sở hữu đối chiếu số dư đầu kỳ và cuối kỳ của *từng thành phần* vốn chủ sở hữu (vốn cổ phần, thặng dư vốn, từng quỹ dự trữ, lợi nhuận giữ lại), thể hiện mọi biến động trong kỳ: lợi nhuận của năm (cộng vào lợi nhuận giữ lại), chuyển quỹ giữa các khoản mục (không ảnh hưởng tổng vốn chủ sở hữu), cổ tức đã trả (trừ đi), và ảnh hưởng của việc phát hành cổ phiếu trong năm (cộng vào vốn cổ phần và thặng dư vốn). Luôn phải kiểm tra hai chiều: mỗi **hàng** phải cộng đúng ra cột tổng, và mỗi **cột** phải đối chiếu đúng từ số dư đầu kỳ sang số dư cuối kỳ.

10.6.3 Statement of financial position

The statement of financial position lists, in order: **non-current assets** (at net book value), then **current assets** (inventory, trade receivables, bank); on the other side, **equity** (share capital, share premium, all reserves, retained earnings), then **non-current liabilities** (e.g. debentures), then **current liabilities** (trade payables, tax payable). The statement must always balance: **total assets** = **total equity and liabilities**.

10.6.4 Comprehensive worked example 1: Meridian Ltd

Ví dụ mẫu · Meridian Ltd – Statement of Profit or Loss for the year ended 31 December 2025

	$
Revenue	960,000
Cost of sales	(612,000)
Gross profit	**348,000**
Distribution costs	(84,000)
Administrative expenses	(96,500)
Profit from operations	**167,500**
Finance costs (8% debentures, $8\% \times \$100{,}000$)	(8,000)
Profit before tax	**159,500**
Tax	(33,700)
Profit for the year	**125,800**

During the year Meridian Ltd also transferred $20,000 of profit to general reserve, paid total dividends of $45,000, and issued $60{,}000$ new ordinary shares of $1 each at $1.50 per share for cash (fully subscribed): cash raised $= 60{,}000 \times 1.50 = \$90{,}000$; nominal value $= 60{,}000 \times \$1 = \$60{,}000$; share premium $= \$90{,}000 - \$60{,}000 = \$30{,}000$.

Ví dụ mẫu · Meridian Ltd – Statement of Changes in Equity for the year ended 31 December 2025

	Share cap. $	Share prem. $	Gen. res. $	Ret. earn. $	Total $
Balance at 1 Jan 2025	300,000	40,000	50,000	92,000	482,000
Profit for the year	–	–	–	125,800	125,800
Transfer to general reserve	–	–	20,000	(20,000)	–
Dividends paid	–	–	–	(45,000)	(45,000)
Issue of shares	60,000	30,000	–	–	90,000
Balance at 31 Dec 2025	**360,000**	**70,000**	**70,000**	**152,800**	**652,800**

Row check: $482{,}000 + 125{,}800 + 0 - 45{,}000 + 90{,}000 = 652{,}800$. **Column check (retained earnings):** $92{,}000 + 125{,}800 - 20{,}000 - 45{,}000 = 152{,}800$. Both checks confirm the statement is internally consistent.

Ví dụ mẫu · Meridian Ltd – Statement of Financial Position at 31 December 2025

Assets	$	$
Non-current assets (property, plant & equipment, NBV)		700,000
Current assets: Inventory	58,000	
Trade receivables	51,500	
Bank	19,000	
		128,500
Total assets		**828,500**

Equity and liabilities	$	$
Ordinary share capital	360,000	
Share premium	70,000	
General reserve	70,000	
Retained earnings	152,800	
Total equity		652,800
Non-current liabilities: 8% Debentures (2030)		100,000
Current liabilities: Trade payables	42,000	
Tax payable	33,700	
		75,700
Total equity and liabilities		**828,500**

Total assets \$828,500 = Total equity and liabilities \$828,500 – the statement balances exactly.

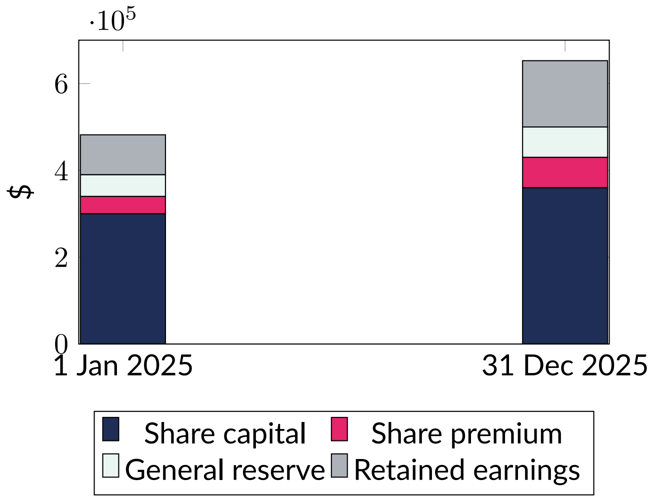


Figure 10.4 – Meridian Ltd: composition of equity, 1 Jan 2025 vs. 31 Dec 2025.

10.6.5 Comprehensive worked example 2: Solstice Ltd

Solstice Ltd has both ordinary and 6% cumulative preference shares in issue, plus 7% debentures, and made a rights issue of ordinary shares during the year.

Ví dụ mẫu · Solstice Ltd – Statement of Profit or Loss for the year ended 30 June 2025

	$
Revenue	1,240,000
Cost of sales	(780,000)
Gross profit	**460,000**
Distribution costs	(96,000)
Administrative expenses	(108,400)
Profit from operations	**255,600**
Finance costs (7% debentures, $7\% \times \$180{,}000$)	(12,600)
Profit before tax	**243,000**
Tax	(54,000)
Profit for the year	**189,000**

During the year: $25,000 was transferred to general reserve; dividends paid were $6,000 (6% preference, $6\% \times \$100{,}000$) plus $60,000 (ordinary), totalling $66,000; and Solstice Ltd made a rights issue of 1 new ordinary share for every 4 held (existing ordinary shares: $800{,}000$ of $0.50 each) at $0.90 per share: new shares $= 800{,}000 \div 4 = 200{,}000$; cash raised $= 200{,}000 \times \$0.90 = \$180{,}000$; nominal value $= 200{,}000 \times \$0.50 = \$100{,}000$; share premium $= \$180{,}000 - \$100{,}000 = \$80{,}000$.

Ví dụ mẫu · Solstice Ltd – Statement of Changes in Equity for the year ended 30 June 2025

	Ord. SC $	Pref. SC $	Sh. prem. $	Reval. res. $	Gen. res. $	Ret. earn. $	Total $
Balance at 1 Jul 2024	400,000	100,000	60,000	35,000	45,000	78,000	718,000
Profit for the year	–	–	–	–	–	189,000	189,000
Transfer to gen. reserve	–	–	–	–	25,000	(25,000)	–
Dividends paid	–	–	–	–	–	(66,000)	(66,000)
Rights issue of shares	100,000	–	80,000	–	–	–	180,000
Balance at 30 Jun 2025	**500,000**	**100,000**	**140,000**	**35,000**	**70,000**	**176,000**	**1,021,000**

Row check: $718{,}000 + 189{,}000 + 0 - 66{,}000 + 180{,}000 = 1{,}021{,}000$. **Column check (retained earnings):** $78{,}000 + 189{,}000 - 25{,}000 - 66{,}000 = 176{,}000$. Both reconcile.

Ví dụ mẫu · Solstice Ltd – Statement of Financial Position at 30 June 2025

Assets	$	$
Non-current assets (property, plant & equipment, NBV)		980,000
Current assets: Inventory	145,000	
Trade receivables	132,000	
Bank	63,000	
		340,000
Total assets		**1,320,000**

Equity and liabilities	$	$
Ordinary share capital	500,000	
6% Preference share capital	100,000	
Share premium	140,000	
Revaluation reserve	35,000	
General reserve	70,000	
Retained earnings	176,000	
Total equity		1,021,000
Non-current liabilities: 7% Debentures (2033)		180,000
Current liabilities: Trade payables	65,000	
Tax payable	54,000	
		119,000
Total equity and liabilities		**1,320,000**

Total assets $1,320,000 $=$ Total equity and liabilities $1,320,000 – the statement balances exactly.

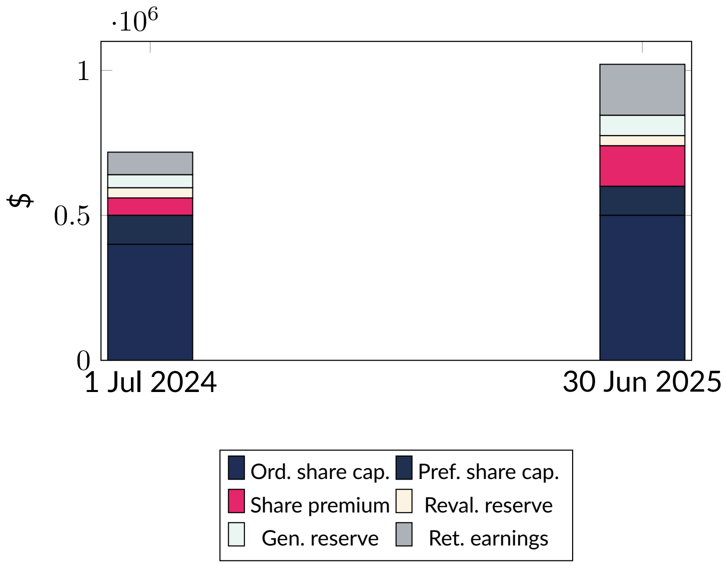


Figure 10.5 – Solstice Ltd: composition of equity, 1 Jul 2024 vs. 30 Jun 2025.

10.7 Dividends: Interim, Final, and IAS 10

10.7.1 Interim vs. final dividends

An **interim dividend** is declared and paid *during* the financial year, based on results known so far, at the discretion of the directors alone. A **final dividend** is proposed by the directors after the year end, based on the full year's results, but usually requires shareholder approval (at the annual general meeting) before it becomes a legal obligation of the company.

Under **IAS 10 (Events after the Reporting Period)**: if a final dividend is merely *proposed* by the directors after the reporting date, and has not been declared/approved (e.g. by shareholders) on or before the reporting date, it does **not** meet the definition of a liability at the reporting date. It is therefore **not** accrued as a current liability and **not** deducted in arriving at profit for the year – it is simply **disclosed in the notes** to the financial statements as a non-adjusting event after the reporting period.

Ví dụ mẫu · Interim vs. final dividend treatment

Minerva Ltd has $500{,}000$ ordinary shares in issue. On 30 June 2025 it paid an interim dividend of $0.03 per share. After the 31 December 2025 year end, on 15 February 2026, the directors announced a proposed final dividend of $0.05 per share; the financial statements were authorised for issue on 20 March 2026, and the final dividend had not been declared/approved by shareholders at 31 December 2025.

Interim dividend: $500{,}000 \times \$0.03 = \$15{,}000$ – paid *during* the year, so it is recognised: shown as a deduction (appropriation) in the statement of changes in equity for the year ended 31 December 2025.
Final dividend: $500{,}000 \times \$0.05 = \$25{,}000$ – proposed only *after* the year end and not yet approved at the reporting date, so under IAS 10 it is **not** accrued as a liability and **not** deducted anywhere in the 2025 financial statements; it is disclosed only in the notes, and will be recognised as a distribution in the year in which it is actually declared/approved (the year ending 31 December 2026).

VN **GIẢI THÍCH TIẾNG VIỆT**

Cổ tức tạm ứng (interim dividend) được công bố và trả *trong* năm tài chính, hoàn toàn do ban giám đốc quyết định. **Cổ tức cuối kỳ (final dividend)** được đề xuất sau khi kết thúc năm tài chính, thường cần cổ đông thông qua tại đại hội cổ đông. Theo **IAS 10**: nếu cổ tức cuối kỳ mới chỉ được *đề xuất* sau ngày kết thúc kỳ báo cáo và chưa được thông qua chính thức tại ngày đó, thì nó **không** đủ điều kiện là một khoản nợ phải trả tại ngày báo cáo – do đó **không được trích lập** thành nợ phải trả và **không được trừ** khi tính lợi nhuận của năm; khoản này chỉ được **thuyết minh** trong phần ghi chú báo cáo tài chính.

(!) Lỗi thường gặp: A recurring examination error is to deduct a **proposed** (not yet declared/approved) final dividend as an expense or accrued liability in arriving at profit for the year, or to show it as a current liability in the statement of financial position. Under IAS 10 this is incorrect unless the dividend was declared/approved *on or before* the reporting date. The correct treatment for a merely proposed final dividend is: disclose by note only; recognise it as an appropriation in the following year's statement of changes in equity, once it is actually declared.

10.8 Problem Bank

Bài tập luyện tập

Which of the following best describes debentures from the issuing company's perspective?

(A) Equity, providing voting rights to holders

(B) A non-current liability; interest is a contractual finance cost

(C) A revenue reserve

(D) A capital reserve

Lời giải chi tiết

Debentures represent borrowed money (a non-current liability), and the interest is a contractual finance cost charged regardless of profit level. **(B)**.

Bài tập luyện tập

A cumulative preference share differs from a non-cumulative preference share in that:

(A) It carries voting rights while non-cumulative shares do not

(B) Unpaid dividends accumulate as arrears and must be paid in a later year before any ordinary dividend, whereas an unpaid non-cumulative dividend is simply lost

(C) It is always redeemable

(D) It ranks below ordinary shares on winding-up

Lời giải chi tiết

Cumulative preference dividends that are missed roll forward as arrears, payable before any ordinary dividend in a later year; non-cumulative dividends missed in a year are forfeited permanently. **(B)**.

Bài tập luyện tập

Redeemable preference shares differ from irredeemable preference shares because:

(A) Redeemable shares must be re-paid/bought back by the company at or after a specified date, while irredeemable shares have no repayment date

(B) Redeemable shares carry voting rights

(C) Redeemable shares are always classified as a revenue reserve

(D) Irredeemable shares always carry a variable dividend

Lời giải chi tiết

"Redeemable" means the company has an obligation to buy the shares back at/after a set date; "irredeemable" shares have no such repayment obligation and remain part of share capital permanently. **(A)**.

Bài tập luyện tập

Orion Ltd's constitution authorises a maximum of $2{,}000{,}000$ ordinary shares of \$0.25 each. It has issued $1{,}200{,}000$ shares and called up \$0.20 per share. One shareholder holding $8{,}000$ shares has not paid the call. Calculate: (a) authorised share capital, (b) issued share capital, (c) called-up share capital, (d) calls in arrears, (e) paid-up share capital.

Lời giải chi tiết

(a) Authorised $= 2{,}000{,}000 \times \$0.25 = \boxed{\$500{,}000}$.

(b) Issued $= 1{,}200{,}000 \times \$0.25 = \boxed{\$300{,}000}$.

(c) Called-up $= 1{,}200{,}000 \times \$0.20 = \boxed{\$240{,}000}$.

(d) Calls in arrears $= 8{,}000 \times \$0.20 = \boxed{\$1{,}600}$.

(e) Paid-up $= \$240{,}000 - \$1{,}600 = \boxed{\$238{,}400}$.

Bài tập luyện tập

A share premium account arises when:

(A) Shares are issued below nominal value

(B) Shares are issued above nominal (par) value, the excess being credited to share premium

(C) A bonus issue is made

(D) Debentures are redeemed at a discount

Lời giải chi tiết

Share premium is the excess of the issue price over the nominal value of shares issued for cash. **(B)**.

Bài tập luyện tập

Pallas Ltd issues $90{,}000$ ordinary shares of \$0.20 each at \$0.35 per share for cash, fully subscribed. Calculate the cash received, the amount credited to share capital, and the amount credited to share premium, and give the journal entry.

Lời giải chi tiết

Cash received $= 90{,}000 \times \$0.35 = \boxed{\$31{,}500}$.
Share capital (nominal) $= 90{,}000 \times \$0.20 = \boxed{\$18{,}000}$.
Share premium $= \$31{,}500 - \$18{,}000 = \boxed{\$13{,}500}$.
Journal: Dr Bank \$31,500; Cr Ordinary share capital \$18,000; Cr Share premium \$13,500.

Bài tập luyện tập

Titan Ltd has $600{,}000$ ordinary shares of \$0.50 each in issue. It makes a rights issue of 1 new share for every 3 held, at \$0.80 per share, fully taken up. Calculate (a) the number of new shares issued, (b) the cash raised, (c) the amount credited to share capital, and (d) the amount credited to share premium.

Lời giải chi tiết

(a) $600{,}000 \div 3 = \boxed{200{,}000}$ new shares.
(b) Cash raised $= 200{,}000 \times \$0.80 = \boxed{\$160{,}000}$.
(c) Share capital (nominal) $= 200{,}000 \times \$0.50 = \boxed{\$100{,}000}$.
(d) Share premium $= \$160{,}000 - \$100{,}000 = \boxed{\$60{,}000}$.

Bài tập luyện tập

Continuing from the previous question: before the rights issue, Titan Ltd's shares traded (cum rights) at \$1.10. Using the 1-for-3 rights issue at \$0.80 per share, calculate the theoretical ex-rights price (TERP).

Lời giải chi tiết

Value 3 existing shares at \$1.10 $= \$3.30$; add 1 new share at \$0.80 $= \$0.80$; total value of 4 shares $= \$4.10$.

$$\text{TERP} = \frac{\$4.10}{4} = \boxed{\$1.025}.$$

Bài tập luyện tập

Which statement about a bonus (capitalisation) issue is correct?

(A) It raises new cash for the company

(B) It capitalises reserves into share capital; no cash is raised, and total equity is unchanged

(C) It always uses cash held at the bank to buy back shares

(D) It increases total equity by the market value of the new shares

Lời giải chi tiết

A bonus issue reclassifies existing reserves as share capital with no cash movement, so total equity is exactly unchanged. **(B)**.

Bài tập luyện tập

Juno Ltd's equity before a bonus issue: Ordinary share capital ($300{,}000$ shares of $1 each) $300,000; Share premium $25,000; General reserve $70,000; Retained earnings $140,000. The directors make a bonus issue of 1 new share for every 3 held, capitalising share premium first, then general reserve, then retained earnings as required. Show the equity before and after the bonus issue, and confirm total equity is unchanged.

Lời giải chi tiết

New shares $= 300{,}000 \div 3 = 100{,}000$; nominal value to capitalise $= 100{,}000 \times \$1 = \$100{,}000$. Capitalised from: share premium (fully) $25,000 + general reserve (fully) $70,000 + retained earnings (balance) $\$100{,}000 - \$25{,}000 - \$70{,}000 = \$5{,}000$.

	Before ($)	After ($)
Ordinary share capital	300,000	400,000
Share premium	25,000	0
General reserve	70,000	0
Retained earnings	140,000	135,000
Total equity	**535,000**	**535,000**

Total equity is $\boxed{\$535{,}000}$ both before and after – confirming no cash was raised.

Bài tập luyện tập

Neptune Ltd issues $220,000 of 4% debentures (redeemable 2034) at par, for cash. Give the journal entry and calculate the annual interest charge.

Lời giải chi tiết

Journal: Dr Bank $220,000; Cr 4% Debentures $220,000.
Annual interest $= 4\% \times \$220{,}000 = \boxed{\$8{,}800}$, charged as a finance cost every year regardless of the level of profit (or even if a loss is made).

Bài tập luyện tập

Debenture interest is normally shown in the statement of profit or loss:

(A) As a deduction in arriving at gross profit

(B) As a distribution cost

(C) As a finance cost, deducted after profit from operations

(D) As an appropriation of profit after tax

Lời giải chi tiết

Debenture interest is a finance cost, deducted after profit from operations to arrive at profit before tax. **(C)**.

Bài tập luyện tập

Which of the following is a capital reserve?

(A) General reserve
(B) Retained earnings
(C) Share premium
(D) Dividend equalisation reserve

Lời giải chi tiết

Share premium arises from a capital transaction (issuing shares above nominal value) and is a capital reserve, not distributable as cash dividend. **(C)**.

Bài tập luyện tập

Classify each of the following as a capital reserve or a revenue reserve: (a) Share premium; (b) Revaluation reserve; (c) General reserve; (d) Retained earnings.

Lời giải chi tiết

(a) $\boxed{\text{Capital reserve}}$ (arises from share issue). (b) $\boxed{\text{Capital reserve}}$ (arises from asset revaluation, unrealised gain). (c) $\boxed{\text{Revenue reserve}}$ (set aside from trading profit). (d) $\boxed{\text{Revenue reserve}}$ (accumulated undistributed trading profit).

Bài tập luyện tập

Under IAS 1 presentation, distribution costs and administrative expenses are deducted from gross profit to arrive at:

(A) Revenue
(B) Profit before tax
(C) Profit from operations
(D) Profit for the year

Lời giải chi tiết

Gross profit less distribution costs and administrative expenses gives profit from operations; finance costs and tax are deducted afterwards. **(C)**.

Bài tập luyện tập

Vesta Ltd, year ended 31 December 2025: Revenue \$540,000; Cost of sales \$342,000; Distribution costs \$46,000; Administrative expenses \$58,500; Finance costs (5% debentures of \$80,000); Tax \$22,140. Prepare the statement of profit or loss, showing gross profit, profit from operations, profit before tax, and profit for the year.

Lời giải chi tiết

Gross profit $= \$540{,}000 - \$342{,}000 = \boxed{\$198{,}000}$.

Profit from operations $= \$198{,}000 - \$46{,}000 - \$58{,}500 = \boxed{\$93{,}500}$.
Finance costs $= 5\% \times \$80{,}000 = \$4{,}000$.
Profit before tax $= \$93{,}500 - \$4{,}000 = \boxed{\$89{,}500}$.
Profit for the year $= \$89{,}500 - \$22{,}140 = \boxed{\$67{,}360}$.

Bài tập luyện tập

Ceres Ltd's equity at 1 January 2025: Share capital \$220,000; Share premium \$18,000; General reserve \$12,000; Retained earnings \$54,000. During the year: profit for the year \$46,300; a transfer of \$15,000 to general reserve; dividends paid \$21,000; and an issue of $40{,}000$ new \$1 ordinary shares at \$1.25 per share, for cash. Prepare the statement of changes in equity, and confirm total equity reconciles.

Lời giải chi tiết

Share issue: cash $= 40{,}000 \times 1.25 = \$50{,}000$; share capital $= 40{,}000 \times 1 = \$40{,}000$; share premium $= \$50{,}000 - \$40{,}000 = \$10{,}000$.

	Share cap. \$	Share prem. \$	Gen. res. \$	Ret. earn. \$
Balance b/d	220,000	18,000	12,000	54,000
Profit for the year	–	–	–	46,300
Transfer to reserve	–	–	15,000	(15,000)
Dividends paid	–	–	–	(21,000)
Issue of shares	40,000	10,000	–	–
Balance c/d	**260,000**	**28,000**	**27,000**	**64,300**

Opening total $= 220{,}000 + 18{,}000 + 12{,}000 + 54{,}000 = \$304{,}000$. Closing total $= 260{,}000 + 28{,}000 + 27{,}000 + 64{,}300 = \boxed{\$379{,}300}$. Check: $\$304{,}000 + \$46{,}300 - \$21{,}000 + \$50{,}000 = \$379{,}300$. Reconciles.

Bài tập luyện tập

Under IAS 10, a final dividend proposed by the directors after the reporting period, but not declared or approved by shareholders on or before the reporting date, should be:

(A) Accrued as a current liability at the reporting date

(B) Deducted in arriving at profit for the year

(C) Disclosed in the notes only; not recognised as a liability at the reporting date

(D) Added to share capital

Lời giải chi tiết

An unapproved proposed dividend is a non-adjusting event after the reporting period under IAS 10 – it is disclosed by note only, not accrued or deducted from profit. **(C)**.

Bài tập luyện tập

Minerva Ltd has $500{,}000$ shares in issue. It paid an interim dividend of \$0.03 per share on 30 June 2025. After the 31 December 2025 year end, on 15 February 2026 (before the accounts, authorised for issue on 20 March 2026), the directors proposed a final dividend of \$0.05 per share, not yet declared/approved at the year end. Explain, with figures, how each dividend is treated in the financial statements for the year ended 31 December 2025.

Lời giải chi tiết

Interim dividend $= 500{,}000 \times \$0.03 = \boxed{\$15{,}000}$ – paid during the year, so recognised as a deduction (appropriation) in the 2025 statement of changes in equity.

Proposed final dividend $= 500{,}000 \times \$0.05 = \$25{,}000$ – proposed only after the year end and not yet approved at 31 December 2025, so under IAS 10 it is **not** accrued as a liability and **not** deducted from 2025 profit; it is disclosed by note only, and will be recognised as an appropriation in the year in which it is actually declared (the year ending 31 December 2026).

Bài tập luyện tập

Rhea Ltd, year ended 31 December 2025: Revenue $780,000; Cost of sales $495,000; Distribution costs $62,000; Administrative expenses $71,400; Finance costs (6% debentures of $150,000); Tax $39,780. Equity at 1 January 2025: Share capital ($250{,}000$ shares of $1 each) $250,000; Share premium $20,000; General reserve $30,000; Retained earnings $60,000. During the year: a transfer of $12,000 to general reserve; dividends paid $28,000; and an issue of $50{,}000$ new $1 ordinary shares at $1.20 per share, for cash. At 31 December 2025: Trade payables $45,200; Property, plant and equipment (NBV) $560,000; Inventory $71,000; Trade receivables $68,300; Bank $30,500. Prepare (a) the statement of profit or loss, (b) the statement of changes in equity, and (c) the statement of financial position, confirming it balances.

Lời giải chi tiết

(a) Statement of profit or loss:
Gross profit $= \$780{,}000 - \$495{,}000 = \$285{,}000$.
Profit from operations $= \$285{,}000 - \$62{,}000 - \$71{,}400 = \$151{,}600$.
Finance costs $= 6\% \times \$150{,}000 = \$9{,}000$; Profit before tax $= \$151{,}600 - \$9{,}000 = \$142{,}600$.
Profit for the year $= \$142{,}600 - \$39{,}780 = \boxed{\$102{,}820}$.

(b) Statement of changes in equity:
Share issue: cash $= 50{,}000 \times 1.20 = \$60{,}000$; share capital $= 50{,}000 \times 1 = \$50{,}000$; share premium $= \$60{,}000 - \$50{,}000 = \$10{,}000$.

	Share cap. $	Share prem. $	Gen. res. $	Ret. earn. $
Balance b/d	250,000	20,000	30,000	60,000
Profit for the year	–	–	–	102,820
Transfer to reserve	–	–	12,000	(12,000)
Dividends paid	–	–	–	(28,000)
Issue of shares	50,000	10,000	–	–
Balance c/d	**300,000**	**30,000**	**42,000**	**122,820**

Closing total equity $= 300{,}000 + 30{,}000 + 42{,}000 + 122{,}820 = \boxed{\$494{,}820}$. Check: $360{,}000 + 102{,}820 - 28{,}000 + 60{,}000 = 494{,}820$ (opening total $250{,}000 + 20{,}000 + 30{,}000 + 60{,}000 = 360{,}000$). Reconciles.

(c) Statement of financial position at 31 December 2025:

Assets	$	$
Non-current assets (PPE, NBV)		560,000
Current assets: Inventory	71,000	
Trade receivables	68,300	
Bank	30,500	
		169,800
Total assets		**729,800**

Equity and liabilities	$	$
Share capital	300,000	
Share premium	30,000	
General reserve	42,000	
Retained earnings	122,820	
Total equity		494,820
Non-current liabilities: 6% Debentures		150,000
Current liabilities: Trade payables	45,200	
Tax payable	39,780	
		84,980
Total equity and liabilities		**729,800**

Total assets $\boxed{\$729{,}800}$ = Total equity and liabilities $\boxed{\$729{,}800}$ – the statement balances exactly.

Bài tập luyện tập

The par (nominal) value of a share is:

(A) The price at which it is currently trading on a stock exchange

(B) The fixed face value stated on the share certificate, used to compute share capital

(C) Always equal to its market value

(D) The redemption value of a preference share

Lời giải chi tiết

Nominal (par) value is the fixed face value used to compute share capital; it is normally quite different from the fluctuating market price. **(B)**.

Bài tập luyện tập

Immediately after a bonus issue (before any other transactions), total equity:

(A) Increases by the nominal value of the bonus shares

(B) Decreases because reserves are used up

(C) Is unchanged, since reserves are simply reclassified as share capital

(D) Increases by the market value of the bonus shares

Lời giải chi tiết

A bonus issue only reclassifies reserves into share capital; no new resources enter or leave the company, so total equity is unchanged. **(C)**.

Bài tập luyện tập

Pluto Ltd has issued $900{,}000$ ordinary shares of $0.10 each, having called up the full nominal value. Three shareholders holding a total of $15{,}000$ shares have not paid their calls. Calculate the called-up capital, calls in arrears, and paid-up capital.

Lời giải chi tiết

Called-up capital (full nominal value called) $= 900{,}000 \times \$0.10 = \boxed{\$90{,}000}$.

Calls in arrears $= 15{,}000 \times \$0.10 = \boxed{\$1{,}500}$.

Paid-up capital $= \$90{,}000 - \$1{,}500 = \boxed{\$88{,}500}$.

Bài tập luyện tập

Preference shareholders normally:

(A) Have voting rights superior to ordinary shareholders

(B) Receive their fixed dividend before ordinary shareholders are paid any dividend, but usually have no voting rights

(C) Are entitled to a variable dividend that grows in line with profit

(D) Rank below trade payables on winding-up

Lời giải chi tiết

Preference shareholders receive a fixed-rate dividend ahead of ordinary shareholders but usually cannot vote; they rank ahead of ordinary shareholders (but behind creditors, including debenture holders) on winding-up. **(B)**.

Bài tập luyện tập

State whether each feature below applies to a **Rights issue**, a **Bonus issue**, or **Both**: (a) cash is received by the company; (b) capitalises existing reserves; (c) increases the number of shares in issue; (d) is normally offered to existing shareholders in proportion to their current holding; (e) if a shareholder does not take up the offer, that shareholder's proportionate share of ownership can change.

Lời giải chi tiết

(a) $\boxed{\text{Rights issue only}}$ – shareholders pay for the new shares. (b) $\boxed{\text{Bonus issue only}}$ – reserves are capitalised, no cash involved. (c) $\boxed{\text{Both}}$ – both increase the total number of shares in issue. (d) $\boxed{\text{Both}}$ – both are normally allotted pro rata to existing holdings. (e) $\boxed{\text{Rights issue only}}$ – a shareholder who declines to take up (or sell) rights ends up with a smaller proportionate stake, whereas a bonus issue is allotted automatically to all holders pro rata, so proportionate ownership is unaffected.

Bài tập luyện tập

A revaluation reserve, arising when a non-current asset is revalued upward, is classified as:

(A) A revenue reserve, distributable as a cash dividend

(B) A capital reserve, not available for distribution as a cash dividend

(C) A current liability

(D) Part of retained earnings

Lời giải chi tiết

A revaluation gain is unrealised and arises from a capital transaction (an asset revaluation), not from trading – it is a capital reserve, unavailable for cash dividends. **(B)**.

Bài tập luyện tập

Saturn Ltd has $340,000 of 5% debentures in issue throughout the year. Corporation tax is charged at 20% of profit before tax. Profit from operations for the year is $184,000. Calculate profit before tax, tax, and profit for the year.

Lời giải chi tiết

Debenture interest $= 5\% \times \$340{,}000 = \$17{,}000$.
Profit before tax $= \$184{,}000 - \$17{,}000 = \boxed{\$167{,}000}$.

Tax $= 20\% \times \$167{,}000 = \boxed{\$33{,}400}$.

Profit for the year $= \$167{,}000 - \$33{,}400 = \boxed{\$133{,}600}$.

Bài tập luyện tập

Uranus Ltd's balances at 31 December 2025: Ordinary share capital $180,000; Share premium $22,000; General reserve $18,000; Retained earnings $47,500; 6% Debentures (2031) $90,000; Trade payables $31,200; Tax payable $16,800; Property, plant and equipment (NBV) $310,000; Inventory $33,000; Trade receivables $28,900; Bank $33,600. Prepare the statement of financial position and confirm it balances.

Lời giải chi tiết

Total equity $= \$180{,}000 + \$22{,}000 + \$18{,}000 + \$47{,}500 = \$267{,}500$.
Non-current liabilities $= \$90{,}000$. Current liabilities $= \$31{,}200 + \$16{,}800 = \$48{,}000$.
Total equity and liabilities $= \$267{,}500 + \$90{,}000 + \$48{,}000 = \boxed{\$405{,}500}$.

Total assets $= \$310{,}000 + \$33{,}000 + \$28{,}900 + \$33{,}600 = \boxed{\$405{,}500}$.

Assets	$	$
Non-current assets (PPE, NBV)		310,000
Current assets: Inventory	33,000	
Trade receivables	28,900	
Bank	33,600	
		95,500
Total assets		**405,500**

Equity and liabilities	$	$
Share capital	180,000	
Share premium	22,000	
General reserve	18,000	
Retained earnings	47,500	
Total equity		267,500
Non-current liabilities: 6% Debentures (2031)		90,000
Current liabilities: Trade payables	31,200	
Tax payable	16,800	
		48,000
Total equity and liabilities		**405,500**

Total assets $405,500 = Total equity and liabilities $405,500 – the statement balances exactly.

Analysis and Interpretation of Financial Statements

A2 Level

Mục tiêu Unit: Người sử dụng báo cáo tài chính và nhu cầu thông tin khác nhau của từng nhóm; toàn bộ các nhóm tỷ số tài chính – khả năng sinh lời (profitability), khả năng thanh toán (liquidity), hiệu quả hoạt động (efficiency) và chu kỳ vốn lưu động, đòn bẩy tài chính (gearing) và hiệu ứng đòn bẩy lên ROE, tỷ số cho nhà đầu tư (EPS, cổ tức, P/E); một ví dụ phân tích đầy đủ hai năm liên tiếp kèm nhận xét bằng văn bản; và những hạn chế cố hữu của phân tích tỷ số.

11.1 Users of Financial Statements

Financial statements are prepared primarily for the owners of a business, but in practice a wide range of parties – collectively called **stakeholders** – read and rely on them. Because each stakeholder group approaches the accounts with a different question in mind, the same set of statements is interpreted in different ways depending on who is reading them.

Stakeholders and their information needs

- **Owners / ordinary shareholders** – want to know whether the business is profitable and growing in value, and whether it is generating an adequate return on the capital they have invested.
- **Directors and managers** – need detailed, timely information to plan, control costs, set prices, and make investment decisions; they also use ratios to judge how their own performance compares with budget and with prior years.
- **Lenders and banks** – want reassurance that interest will be paid on time and that the principal will eventually be repaid; they focus heavily on liquidity and gearing.
- **Suppliers / trade payables** – want to know whether the business can pay what it owes when it falls due, particularly if they are being asked to extend trade credit.
- **Employees and trade unions** – are interested in job security, the ability of the business to pay wages, and the prospects for pay rises or bonuses.
- **Government and tax authorities** – use the accounts to assess taxable profit and to compile national statistics; regulators may also check compliance with reporting requirements.
- **Potential investors** – want to judge whether to buy shares, comparing profitability, growth and risk against alternative investments.
- **Competitors** – benchmark their own performance (margins, efficiency) against a rival's published results.

User	Typical question they want answered
Owners / shareholders	"Is my investment growing in value and earning a satisfactory return?"
Managers	"Are we meeting targets, and where should we cut costs or invest further?"
Lenders / banks	"Can this business safely repay interest and capital on a new loan?"
Suppliers	"Will I be paid on time if I grant 30–60 days' credit?"
Employees	"Is my job secure, and can the business afford a pay rise?"
Government / tax authorities	"How much tax is due, and is the business complying with regulations?"
Potential investors	"Is this a better place to put my money than alternative investments?"
Competitors	"How does our profitability and efficiency compare with theirs?"

Users of financial statements and the question each typically wants the accounts to answer.

VN GIẢI THÍCH TIẾNG VIỆT

Báo cáo tài chính được nhiều nhóm đối tượng khác nhau sử dụng, và mỗi nhóm quan tâm đến một khía cạnh khác nhau: **chủ sở hữu/cổ đông** quan tâm đến lợi nhuận và giá trị đầu tư; **nhà quản lý** cần thông tin chi tiết để ra quyết định điều hành; **ngân hàng/người cho vay** và **nhà cung cấp** quan tâm đến khả năng thanh toán (liquidity) và mức độ an toàn khi cho vay/cấp tín dụng; **người lao động** quan tâm đến sự ổn định việc làm; **cơ quan thuế** dùng báo cáo để tính thuế; **nhà đầu tư tiềm năng** so sánh cơ hội đầu tư; **đối thủ cạnh tranh** dùng để đối chiếu hiệu quả hoạt động. Vì vậy, cùng một bộ báo cáo tài chính có thể được "đọc" theo nhiều góc độ khác nhau tuỳ theo người sử dụng.

Ratio analysis is the main technique used by all of these stakeholders to extract meaning from a set of financial statements. A ratio expresses the relationship between two figures, and it becomes useful only when it is *compared* with something else – the same ratio last year, a target or budget, or the equivalent ratio for a competitor or the industry as a whole. This unit works through four broad categories of ratio (profitability, liquidity, efficiency and gearing), plus a fifth category aimed specifically at shareholders and potential investors, before finishing with a full comprehensive example and an honest look at the limitations of the whole technique.

11.2 Profitability Ratios

Profitability ratios measure how effectively a business turns revenue and capital into profit. Each ratio isolates a different stage of the income statement or a different capital base, so together they reveal not just *whether* a business is profitable but *where* in the business that profitability is being made or lost.

Gross profit margin $= \dfrac{\text{Gross profit}}{\text{Revenue}} \times 100$ – the percentage of revenue remaining after only the direct cost of the goods sold (cost of sales) has been deducted; it reflects buying and selling (trading) efficiency and pricing policy.

Profit margin (operating profit margin) $= \dfrac{\text{Profit from operations}}{\text{Revenue}} \times 100$ – the percentage of revenue remaining after *all* operating expenses (but before interest and tax) have been deducted; it reflects overall operating efficiency, including overhead control.

Profit for the year margin $= \dfrac{\text{Profit for the year}}{\text{Revenue}} \times 100$ – the percentage of revenue remaining after interest and tax as well, i.e. what is ultimately available to shareholders.

Return on capital employed (ROCE) $= \dfrac{\text{Profit from operations}}{\text{Capital employed}} \times 100$, where **capital employed** = total equity + non-current liabilities. ROCE measures how efficiently *all* long-term capital (both shareholders' and lenders') has been used to generate operating profit, and is often regarded as the single most important profitability ratio because it can be compared directly with the cost of borrowing.

Return on equity (ROE) $= \dfrac{\text{Profit for the year}}{\text{Ordinary shareholders' equity}} \times 100$ – measures the return earned specifically for ordinary shareholders, after interest and tax have already been deducted, on the capital that belongs to them alone.

An important identity links ROCE to two of the ratios above: **ROCE = operating profit margin × asset turnover**, where asset turnover (capital employed turnover) = Revenue ÷ Capital employed (expressed as "times"). This shows that a company can raise its ROCE either by improving its margin (charging more, or controlling costs better) or by using its capital more intensively (generating more revenue from the same capital base) – or both.

VN GIẢI THÍCH TIẾNG VIỆT

Biên lợi nhuận gộp (gross profit margin) chỉ tính đến giá vốn hàng bán, phản ánh hiệu quả mua–bán và chính sách giá. **Biên lợi nhuận hoạt động (profit margin)** trừ thêm toàn bộ chi phí hoạt động, phản ánh hiệu quả kiểm soát chi phí chung. **Biên lợi nhuận trong kỳ** là phần còn lại sau lãi vay và thuế – chính là phần thuộc về cổ đông. **ROCE** đo hiệu quả sử dụng *toàn bộ* vốn dài hạn (vốn chủ sở hữu + nợ dài hạn) để tạo ra lợi nhuận hoạt động, còn **ROE** chỉ đo hiệu quả sử dụng phần vốn của riêng cổ đông thường (sau lãi vay và thuế). Đẳng thức quan trọng: ROCE = biên lợi nhuận hoạt động × vòng quay vốn – một doanh nghiệp có thể tăng ROCE bằng cách tăng biên lợi nhuận, tăng vòng quay vốn, hoặc cả hai.

Ví dụ mẫu · Sedge Trading plc – profitability ratios

Sedge Trading plc reports the following for the year ended 31 December 2025:

	$
Revenue	600,000
Cost of sales	(390,000)
Gross profit	210,000
Operating expenses	(96,000)
Profit from operations	114,000
Finance costs (10% loan notes $120,000)	(12,000)
Profit before tax	102,000
Taxation	(22,000)
Profit for the year	80,000

Total equity is $385,000 (500,000 ordinary shares of $0.50 each = $250,000, plus reserves of $135,000). Non-current liabilities (the 10% loan notes) total $120,000, so capital employed $= 385{,}000 + 120{,}000 = \$505{,}000$.

Gross profit margin $= \dfrac{210{,}000}{600{,}000} \times 100 = \mathbf{35.0\%}$.

Operating profit margin $= \dfrac{114{,}000}{600{,}000} \times 100 = \mathbf{19.0\%}$.

Profit for year margin $= \dfrac{80{,}000}{600{,}000} \times 100 = \mathbf{13.3\%}$.

ROCE $= \dfrac{114{,}000}{505{,}000} \times 100 = \mathbf{22.6}\%$.

ROE $= \dfrac{80{,}000}{385{,}000} \times 100 = \mathbf{20.8}\%$.

Cross-check via the identity: asset turnover $= \dfrac{600{,}000}{505{,}000} = 1.188$ times. Operating margin $\times$ asset turnover $= 19.0\% \times 1.188 = 22.6\%$, which agrees exactly with the ROCE computed directly – confirming both figures are correct. Sedge Trading plc converts every $1 of capital employed into $1.19 of revenue, and keeps $0.19 of every $1 of that revenue as operating profit, giving an overall return on capital employed of 22.6%, comfortably above the 10% cost of its loan notes.

Ví dụ mẫu · Trent Components Ltd – confirming the ROCE identity

Trent Components Ltd reports revenue of $450,000, profit from operations of $54,000, and capital employed of $360,000.

Operating profit margin $= \dfrac{54{,}000}{450{,}000} \times 100 = \mathbf{12.0}\%$.

Asset (capital employed) turnover $= \dfrac{450{,}000}{360{,}000} = \mathbf{1.25}$ times.

ROCE (direct) $= \dfrac{54{,}000}{360{,}000} \times 100 = \mathbf{15.0}\%$.

ROCE (via the identity) $= 12.0\% \times 1.25 = \mathbf{15.0}\%$ – the two routes agree exactly. This confirms that Trent Components Ltd's 15.0% ROCE is built from a modest 12.0% margin combined with a healthy 1.25 times turnover of capital – useful diagnostic information that the ROCE figure alone would not reveal.

(!) Lỗi thường gặp: A ratio calculated for a single year, on its own, tells you almost nothing. "ROCE $= 22.6\%$" is neither good nor bad in isolation – it only becomes meaningful once compared with *something*: the same company's ROCE last year, its cost of borrowing, a budgeted target, or a competitor's ROCE. Always ask "compared with what?" before drawing a conclusion from a single ratio.

11.3 Liquidity Ratios

Liquidity ratios test a business's ability to meet its short-term (current) liabilities as they fall due, using its short-term (current) assets. Poor liquidity – even in a profitable business – can force a company into distress if it cannot convert assets into cash quickly enough to pay what it owes.

> **Current ratio** = Current assets : Current liabilities – measures whether current assets, taken as a whole, are enough to cover current liabilities.
>
> **Quick (acid test) ratio** = (Current assets − Inventory) : Current liabilities – excludes inventory, the current asset that is normally slowest and least certain to convert into cash, giving a stricter test of immediate liquidity.

There is no single "correct" current ratio – the appropriate level varies by industry (a supermarket with fast-moving inventory and mostly cash sales can safely operate with a much lower current ratio than a manufacturer holding slow-moving raw materials). What matters more than the absolute figure is the *trend* and the comparison with similar businesses. Both extremes carry risk:

Too high versus too low

- **Too low** a current/quick ratio signals a real risk of **illiquidity**: the business may be unable to pay suppliers, employees, or short-term loans on time, potentially forcing it into distress sales of inventory, emergency borrowing, or insolvency, even if it is profitable on paper.
- **Too high** a current ratio is not automatically good news: it can indicate that too much capital is tied up unproductively in **idle current assets** – excess inventory sitting unsold, receivables not being chased for payment, or surplus cash sitting in a low-interest account – rather than being invested in the business to generate a return. This can depress ROCE and ROE even while liquidity looks comfortable.

VN GIẢI THÍCH TIẾNG VIỆT

Current ratio so sánh toàn bộ tài sản ngắn hạn với nợ ngắn hạn; **quick ratio (acid test)** loại bỏ hàng tồn kho (tài sản khó chuyển thành tiền mặt nhanh nhất) để có phép thử thanh khoản khắt khe hơn. Tỷ số **quá thấp** cho thấy rủi ro **mất khả năng thanh toán** – không đủ tiền trả nợ ngắn hạn dù có thể vẫn có lãi. Tỷ số **quá cao** lại không hẳn tốt: có thể do vốn bị "chôn" trong hàng tồn kho dư thừa, nợ phải thu chưa thu hồi, hoặc tiền mặt nhàn rỗi – tức là tài sản ngắn hạn đang được sử dụng *kém hiệu quả*, kéo ROCE và ROE xuống thấp.

Ví dụ mẫu · Too high a current ratio can dilute ROCE

Companies Y and Z operate identical trading businesses, each earning profit from operations of $40,000 and holding non-current assets of $300,000, financed entirely by equity (no debt). The only difference is how much is held in current assets: Company Y holds $200,000 of current assets (a large cash balance and slow-moving inventory), against current liabilities of $80,000; Company Z holds only $100,000 of current assets, against the same $80,000 of current liabilities.

Current ratio: Y $= 200{,}000/80{,}000 =$ **2.5** : **1**; Z $= 100{,}000/80{,}000 =$ **1.25** : **1**.

Capital employed: Y $= 300{,}000 + 200{,}000 = \$500{,}000$; Z $= 300{,}000 + 100{,}000 = \$400{,}000$.

ROCE: Y $= 40{,}000/500{,}000 \times 100 =$ **8.0**%; Z $= 40{,}000/400{,}000 \times 100 =$ **10.0**%.

Although Company Y's current ratio (2.5:1) looks far more comfortable than Company Z's (1.25:1), Y earns a noticeably lower ROCE (8.0% versus 10.0%) from otherwise identical operations, because $100,000 of extra cash and inventory is sitting idle rather than generating a trading return. A current ratio well above the norm is therefore not simply "better" – it can be a sign of capital tied up inefficiently.

Ví dụ mẫu · Sedge Trading plc – liquidity ratios

From Sedge Trading plc's statement of financial position at 31 December 2025: inventory $60,000, trade receivables $70,000, bank $5,000 (current assets $= \$135{,}000$); trade payables $36,000, tax payable $14,000 (current liabilities $= \$50{,}000$).

Current ratio $= \dfrac{135{,}000}{50{,}000} =$ **2.7** : **1**.

Quick ratio $= \dfrac{135{,}000 - 60{,}000}{50{,}000} = \dfrac{75{,}000}{50{,}000} =$ **1.5** : **1**.

Both ratios are comfortably above the conventional benchmarks of roughly 1.5–2.0:1 (current) and 1.0:1 (quick), suggesting Sedge Trading plc can meet its short-term obligations without difficulty. Because the gap between the two ratios (2.7:1 falling to 1.5:1) is only moderate, inventory is not dominating current assets – receivables and bank make up the bulk of the quick assets, which is a reassuring sign for a supplier deciding whether to grant credit.

11.4 Efficiency (Activity) Ratios

Efficiency ratios measure how quickly a business turns its working-capital items – inventory, trade receivables, and trade payables – into cash, and how well it manages the timing gap between paying cash out and receiving cash in.

Inventory turnover (times) $= \dfrac{\text{Cost of sales}}{\text{Inventory}}$ – how many times inventory is bought and sold in a year.

Inventory turnover (days) $= \dfrac{\text{Inventory}}{\text{Cost of sales}} \times 365$ – the average number of days inventory is held before being sold.

Trade receivables collection period $= \dfrac{\text{Trade receivables}}{\text{Revenue}} \times 365$ – the average number of days customers take to pay.

Trade payables payment period $= \dfrac{\text{Trade payables}}{\text{Cost of sales}} \times 365$ – the average number of days the business takes to pay its own suppliers.

Combining all three gives the **working capital cycle**, also called the **cash operating cycle**: the number of days that elapse, on average, between paying cash out for goods and receiving cash in from customers.

$$\text{Cash operating cycle} = \text{Inventory days} + \text{Receivables collection days} - \text{Payables payment days}$$

A *shorter* cash operating cycle is generally better: cash is tied up in working capital for fewer days, easing pressure on liquidity and reducing the need for expensive short-term financing (such as a bank overdraft). A business can shorten its cycle by selling inventory faster, collecting from customers sooner, or negotiating longer credit terms from its own suppliers – though pushing suppliers too hard risks damaging those relationships.

VN GIẢI THÍCH TIẾNG VIỆT

Vòng quay hàng tồn kho cho biết hàng tồn kho được bán ra bao nhiêu lần trong năm (times) hoặc được giữ trong kho bao nhiêu ngày trước khi bán (days). **Kỳ thu tiền bình quân** là số ngày trung bình khách hàng nợ trước khi thanh toán. **Kỳ trả nợ bình quân** là số ngày trung bình doanh nghiệp trả tiền cho nhà cung cấp. Kết hợp cả ba, ta có **chu kỳ vốn lưu động (cash operating cycle)** = số ngày tồn kho + số ngày thu tiền − số ngày trả nợ – đây chính là khoảng thời gian vốn bằng tiền bị "giam giữ" trong hàng tồn kho và nợ phải thu, trước khi được thu hồi thành tiền mặt. Chu kỳ càng ngắn, doanh nghiệp càng ít phải phụ thuộc vào vay ngắn hạn để tài trợ cho hoạt động kinh doanh.

Ví dụ mẫu · Sedge Trading plc – the cash operating cycle

Using the same figures as before (cost of sales \$390,000; revenue \$600,000; inventory \$60,000; trade receivables \$70,000; trade payables \$36,000):

Inventory turnover (times) $= \dfrac{390{,}000}{60{,}000} = \mathbf{6.5}$ times.

Inventory turnover (days) $= \dfrac{60{,}000}{390{,}000} \times 365 = \mathbf{56.2}$ days.

Trade receivables collection period $= \dfrac{70{,}000}{600{,}000} \times 365 = \mathbf{42.6}$ days.

Trade payables payment period $= \dfrac{36{,}000}{390{,}000} \times 365 = \mathbf{33.7}$ days.

Cash operating cycle $= 56.15 + 42.58 - 33.69 = \mathbf{65.0}$ days (using unrounded figures throughout the sum).

Interpretation: on average, Sedge Trading plc's cash is tied up for about 65 days between paying for goods and receiving cash from customers. This gap must be financed from the company's own working capital or from short-term borrowing (e.g. an overdraft). If management could negotiate a longer payment period from suppliers, or tighten credit control to collect from customers faster, the cycle – and the associated financing cost – would shorten.

The cash operating cycle: goods are paid for on day 0, sold after 56.2 days, and cash is finally received from customers after a further 42.6 days (day 98.7). Supplier credit of 33.7 days covers only part of this gap, leaving a net cash operating cycle of $56.2 + 42.6 - 33.7 \approx 65.0$ days that the business must fund itself.

11.5 Gearing Ratios

Gearing ratios measure the extent to which a business is financed by fixed-return debt (loan notes, debentures, bank loans) rather than by equity (share capital and reserves), and therefore how much financial risk falls on ordinary shareholders.

Gearing ratio $= \dfrac{\text{Non-current liabilities}}{\text{Capital employed}} \times 100$ (capital employed = total equity + non-current liabilities). A business is generally described as **highly geared** once gearing rises above roughly 50%, and **low geared** below roughly 25%, though the appropriate benchmark varies by industry.

Interest cover $= \dfrac{\text{Profit from operations}}{\text{Finance costs}}$ – the number of times operating profit could cover the interest charge for the period; a low figure (e.g. below 2–3 times) signals a thin safety margin.

Gearing and risk to ordinary shareholders

Interest on debt is a **fixed, contractual** obligation that must be paid regardless of how profitable (or unprofitable) the year has been, *before* any dividend can even be considered. The higher the gearing, the larger this fixed commitment relative to the company's capital base, so:

- in a **good** year, once interest is covered, all of the extra profit above the fixed interest charge still belongs to ordinary shareholders – gearing can amplify their returns;
- in a **poor** year, the fixed interest charge must still be paid in full, so a much smaller (or even negative) residual profit is left for ordinary shareholders – gearing amplifies their downside just as much as their upside, and in extreme cases can push a company towards default on its interest obligations.

This "amplifying" effect on the return to ordinary shareholders is called **financial leverage** (or the **gearing effect**), explored quantitatively below.

GIẢI THÍCH TIẾNG VIỆT

VN

Tỷ số đòn bẩy tài chính (gearing) đo tỷ trọng vốn vay dài hạn (có lãi suất cố định) trong tổng vốn dài hạn của doanh nghiệp; **hệ số khả năng trả lãi vay (interest cover)** đo mức độ an toàn khi trả lãi. Lãi vay là nghĩa vụ *cố định*, phải trả bất kể kết quả kinh doanh tốt hay xấu, và được trả *trước* khi cổ đông thường nhận cổ tức. Vì vậy, gearing càng cao thì rủi ro tài chính đối với cổ đông thường càng lớn: năm tốt thì lợi nhuận còn lại sau lãi vay tăng vọt (đòn bẩy có lợi), nhưng năm xấu thì phần còn lại cho cổ đông giảm mạnh hơn nhiều so với doanh nghiệp ít vay nợ (đòn bẩy bất lợi).

Ví dụ mẫu · Sedge Trading plc – gearing and interest cover

Capital employed $= \$505{,}000$ (equity \$385,000 $+$ 10% loan notes \$120,000); finance costs $= \$12{,}000$; profit from operations $= \$114{,}000$.

Gearing $= \dfrac{120{,}000}{505{,}000} \times 100 =$ **23.8**% – Sedge Trading plc is **low geared**, relying mainly on equity finance.

Interest cover $= \dfrac{114{,}000}{12{,}000} =$ **9.5** times – operating profit could fall by nearly 90% before it failed to cover the interest charge, a very comfortable safety margin.

Ví dụ mẫu · The leverage effect – high geared versus low geared

Two companies, Low-Gear plc and High-Gear plc, each have capital employed of \$500,000 and each earns the *same* ROCE of 20%, so profit from operations $= 20\% \times 500{,}000 = \$100{,}000$ for both. Both loan notes carry 8% interest, and the rate of tax on profits is 20% for both companies.

	Low-Gear plc	High-Gear plc
Equity	450,000	200,000
8% loan notes	50,000	300,000
Capital employed	500,000	500,000
Profit from operations	100,000	100,000
Interest (8%)	(4,000)	(24,000)
Profit before tax	96,000	76,000
Tax (20%)	(19,200)	(15,200)
Profit after tax	76,800	60,800
ROE $= \dfrac{\text{Profit after tax}}{\text{Equity}} \times 100$	$\dfrac{76{,}800}{450{,}000} =$ **17.1**%	$\dfrac{60{,}800}{200{,}000} =$ **30.4**%

Even though both companies earn an identical 20% ROCE, High-Gear plc's ordinary shareholders enjoy a substantially higher ROE (30.4% versus 17.1%). This is the leverage effect: because the 20% return earned on capital exceeds the 8% cost of the debt, every extra dollar of debt used in place of equity generates a surplus (20%−8%$= 12$ percentage points) that flows entirely to the smaller equity base, boosting ROE. The reverse would apply if ROCE fell below the 8% cost of debt – High-Gear plc's ROE would then fall *further* below Low-Gear plc's, since the fixed interest cost would erode a much larger share of a shrinking operating profit relative to its smaller equity base. High gearing therefore magnifies returns to ordinary shareholders in *both* directions.

VN **GIẢI THÍCH TIẾNG VIỆT**

Cả hai công ty có cùng ROCE $= 20\%$, nhưng công ty vay nợ nhiều hơn (High-Gear) lại có **ROE cao hơn hẳn** (30.4% so với 17.1%) vì lãi suất vay (8%) thấp hơn nhiều so với ROCE (20%) – phần chênh lệch 12 điểm phần trăm này "dồn" hết vào phần vốn chủ sở hữu nhỏ hơn, làm ROE tăng vọt. Đây chính là **hiệu ứng đòn bẩy tài chính (financial leverage)**: vay nợ có lợi cho cổ đông thường *miễn là* ROCE lớn hơn chi phí lãi vay; nếu ROCE giảm xuống dưới lãi suất vay, hiệu ứng sẽ đảo ngược và công ty vay nợ nhiều sẽ chịu thiệt hại về ROE nặng nề hơn.

(!) Lỗi thường gặp: Do not confuse **gearing** with **liquidity** – they measure two entirely different kinds of risk. Gearing is a measure of long-term **capital structure** (how much of the business is financed by long-term debt versus equity); liquidity ratios measure the ability to meet **short-term, immediate** obligations. A company can be highly geared (a large proportion of long-term debt) yet still hold strong short-term liquidity (plenty of cash and receivables relative to current liabilities) – and vice versa: a low-geared company with almost no long-term debt can still run into a short-term cash crisis if its current assets are tied up in slow-moving inventory or receivables.

11.6 Investment (Shareholder) Ratios

A final group of ratios is aimed specifically at existing and prospective ordinary shareholders, translating overall company profit into per-share terms that can be compared with the price they would pay (or have paid) for a share.

Earnings per share (EPS) $= \dfrac{\text{Profit for the year attributable to ordinary shareholders}}{\text{Number of ordinary shares in issue}}$ – the profit earned for each ordinary share, whether or not it is paid out as a dividend.

Dividend per share (DPS) $= \dfrac{\text{Total ordinary dividends for the year}}{\text{Number of ordinary shares in issue}}$ – the cash actually distributed per share.

Dividend cover $= \dfrac{\text{EPS}}{\text{DPS}} = \dfrac{\text{Profit for the year attributable to ordinary shareholders}}{\text{Total ordinary dividends}}$ – how many times the profit for the year could have paid the actual dividend; a low cover (close to or below 1.0) suggests the dividend may not be sustainable if profit falls.

Price/earnings (P/E) ratio $= \dfrac{\text{Market price per share}}{\text{EPS}}$ – how many years of current earnings, at the current share price, an investor is effectively paying for. Unlike the other ratios in this unit, the P/E ratio requires a **quoted market share price**, so it can only be calculated for a listed company whose shares are actively traded – it cannot be found from the financial statements alone, and is not available for a private company with no market in its shares.

VN GIẢI THÍCH TIẾNG VIỆT

Lãi cơ bản trên cổ phiếu (EPS) là lợi nhuận tạo ra cho mỗi cổ phiếu thường, bất kể có chia cổ tức hay không. **Cổ tức trên mỗi cổ phiếu (DPS)** là phần tiền mặt thực sự được chia. **Hệ số an toàn cổ tức (dividend cover)** cho biết lợi nhuận đủ để trả cổ tức bao nhiêu lần – càng thấp (gần 1 hoặc dưới 1) thì cổ tức càng khó duy trì nếu lợi nhuận giảm. **Tỷ số giá trên thu nhập (P/E)** so sánh giá cổ phiếu trên thị trường với EPS – lưu ý tỷ số này *cần có giá thị trường*, nên chỉ áp dụng được cho công ty niêm yết, không tính được cho công ty tư nhân không có giá giao dịch.

Ví dụ mẫu · Sedge Trading plc – investment ratios

Sedge Trading plc has 500,000 ordinary shares in issue, profit for the year of $80,000, total ordinary dividends paid of $40,000, and a current market price of $1.60 per share.

EPS $= \dfrac{80{,}000}{500{,}000} = \$\mathbf{0.16}$ per share.

DPS $= \dfrac{40{,}000}{500{,}000} = \$\mathbf{0.08}$ per share.

Dividend cover $= \dfrac{0.16}{0.08} = \mathbf{2.0}$ times (equivalently, $80{,}000/40{,}000 = 2.0$ times) – half of profit for the year is distributed and half is retained to reinvest in the business.

P/E ratio $= \dfrac{1.60}{0.16} = \mathbf{10}$ times – at the current share price, investors are paying the equivalent of 10 years of current earnings per share, reflecting the market's expectations about future growth and risk.

11.7 A Full Comprehensive Worked Example

The example below brings every ratio category together for one company over two consecutive years, followed by a written commentary – exactly the style of question set in the examination.

Ví dụ mẫu · Fenwick Manufacturing plc – two-year ratio analysis

Summarised income statement

Year ended 31 December	2026 $	2025 $
Revenue	720,000	640,000
Cost of sales	(468,000)	(416,000)
Gross profit	252,000	224,000
Operating expenses	(140,000)	(132,000)
Profit from operations	112,000	92,000
Finance costs	(18,000)	(12,000)
Profit before tax	94,000	80,000
Taxation	(18,800)	(16,000)
Profit for the year	75,200	64,000

Summarised statement of financial position

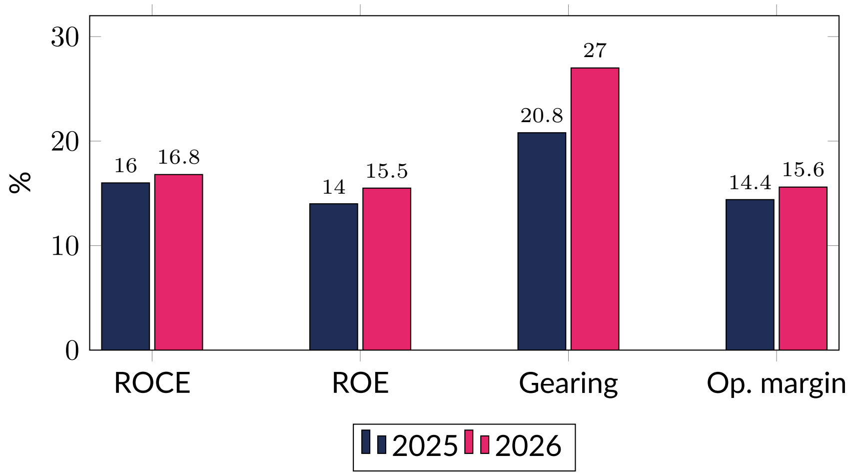
At 31 December	2026 $	2025 $
Non-current assets	560,000	480,000
Inventory	72,000	64,000
Trade receivables	96,000	80,000
Bank	8,000	12,000
Total assets	**736,000**	**636,000**
Total equity	486,000	456,000
Non-current liabilities (10% loan notes)	180,000	120,000
Trade payables	52,000	44,000
Tax payable	18,000	16,000
Total equity and liabilities	**736,000**	**636,000**

Ratio calculations (capital employed: 2026 $= 486{,}000 + 180{,}000 = \$666{,}000$; 2025 $= 456{,}000 + 120{,}000 = \$576{,}000$)

Ratio	2026	2025
Gross profit margin	35.0%	35.0%
Operating profit margin	15.6%	14.4%
Profit for year margin	10.4%	10.0%
ROCE	16.8%	16.0%
ROE	15.5%	14.0%
Current ratio	2.51:1	2.60:1
Quick ratio	1.49:1	1.53:1
Inventory turnover (times)	6.5 times	6.5 times
Inventory turnover (days)	56.2 days	56.2 days
Receivables collection period	48.7 days	45.6 days
Payables payment period	40.6 days	38.6 days
Cash operating cycle	64.3 days	63.2 days
Gearing	27.0%	20.8%
Interest cover	6.2 times	7.7 times

Full workings: e.g. 2026 ROCE $= 112{,}000/666{,}000 \times 100 = 16.8\%$; 2026 receivables period $= 96{,}000/720{,}000 \times 365 = 48.7$ days; 2026 cash operating cycle $= 56.2 + 48.7 - 40.6 = 64.3$ days (each ratio follows the formulas defined earlier in this unit, applied to the income statement and statement of financial position above).

Written commentary. Revenue grew by 12.5% between 2025 and 2026 ($720{,}000$ vs $640{,}000$), and the gross profit margin held perfectly steady at 35.0% in both years, showing that pricing and buying policy were unchanged even as the business expanded. The operating profit margin improved from 14.4% to 15.6%, and both ROCE (16.0% → 16.8%) and ROE (14.0% → 15.5%) rose accordingly – overall profitability strengthened. Inventory management was equally efficient in both years (turnover unchanged at 6.5 times, 56.2 days). However, two areas deserve attention: first, liquidity softened slightly, with the current ratio falling from 2.60:1 to 2.51:1 and the quick ratio from 1.53:1 to 1.49:1 – still healthy, but the direction is worth monitoring. Second, both the receivables collection period (45.6 → 48.7 days) and the cash operating cycle (63.2 → 64.3 days) lengthened, meaning slightly more cash is now tied up in working capital. Most significantly, gearing rose sharply from 20.8% to 27.0% and interest cover fell from 7.7 to 6.2 times, as Fenwick Manufacturing plc borrowed an additional $60,000 of loan notes to fund an $80,000 expansion of non-current assets. Taken together, the business is more profitable and still safely liquid and only moderately geared, but the combination of a lengthening cash cycle and rising reliance on debt finance is a trend that management – and any lender being asked for further credit – should watch closely if it continues into a third year.



Fenwick Manufacturing plc: profitability ratios (ROCE, ROE, operating margin) all improved modestly from 2025 to 2026, but gearing rose noticeably more sharply as the expansion was funded largely by additional loan notes.

Category	Ratios covered
Profitability	Gross profit margin, operating (profit) margin, profit for year margin, ROCE, ROE
Liquidity	Current ratio, quick (acid test) ratio
Efficiency	Inventory turnover (times & days), receivables collection period, payables payment period, cash operating cycle
Gearing	Gearing ratio, interest cover
Investment	Earnings per share, dividend per share, dividend cover, price/earnings ratio

Quick-reference summary of every ratio category covered in this unit – useful for planning which ratios to calculate first in an examination question.

11.8 Limitations of Ratio Analysis

Ratio analysis is a powerful tool, but it has real limitations that both preparers and users of accounts must keep in mind – a well-calculated ratio can still lead to a wrong conclusion if these limitations are ignored.

Key limitations

- **Historical cost distortion:** most figures in the financial statements (particularly non-current assets) are recorded at historical cost, which may bear little relation to their current market value, especially for long-held assets such as freehold land and buildings – this distorts capital employed and therefore ROCE, and makes comparison between an old, established company and a newer one potentially misleading.
- **Differing accounting policies:** two companies may legitimately choose different, equally acceptable accounting policies – for example FIFO versus AVCO for inventory valuation, or straight-line versus reducing-balance depreciation – and these choices alone can produce materially different profit, asset, and ratio figures even where the underlying trading performance is identical.
- **Window dressing:** figures can be deliberately arranged just before the year end to flatter the reported position – for example delaying a planned credit purchase until after the year end (keeping trade payables and inventory artificially low) or using a short-term cash injection to clear payables and then reversing the transaction shortly afterwards – without any underlying improvement in the business.
- **Seasonal and year-end timing effects:** a single year-end snapshot may not represent the

business's typical position throughout the year, particularly for seasonal trades (e.g. a retailer's year-end figures taken just after its peak Christmas trading season will show unusually low inventory and unusually high cash compared with, say, October).

- **Ignoring non-financial (qualitative) factors:** ratios say nothing directly about staff morale, management quality, brand reputation, customer satisfaction, environmental or legal risk, or the state of the wider economy – all of which can be just as important to a decision as the numbers themselves.
- **Need for a comparator:** a ratio in isolation is meaningless. It only becomes useful when compared with a trend (the same company over several years), a budget or target, or a suitable external benchmark such as a direct competitor or industry average.

Ví dụ mẫu · How a valuation policy alone changes inventory turnover

During the year a company purchases inventory in three equal batches as prices rise: 100 units at \$10, then 100 units at \$12, then 100 units at \$14 (total cost $= \$3{,}600$ for 300 units). By the year end, 250 units have been sold, leaving 50 units in closing inventory. Compare the inventory turnover ratio under FIFO and under AVCO.

FIFO: the earliest costs are expensed first, so the 50 units remaining are treated as the most recently purchased – valued at \$14 each: closing inventory $= 50 \times 14 = \$700$; cost of sales $= 3{,}600 - 700 = \$2{,}900$.
Inventory turnover (FIFO) $= 2{,}900/700 = \mathbf{4.14}$ times.

AVCO: average cost per unit $= 3{,}600/300 = \$12$; closing inventory $= 50 \times 12 = \$600$; cost of sales $= 3{,}600 - 600 = \$3{,}000$.
Inventory turnover (AVCO) $= 3{,}000/600 = \mathbf{5.00}$ times.

The underlying purchases and sales are identical in both cases – only the accounting policy differs – yet the reported inventory turnover changes from 4.14 times (FIFO) to 5.00 times (AVCO). Comparing this company's turnover directly with a competitor using the other method could therefore create the false impression of a real difference in operational efficiency.

VN **GIẢI THÍCH TIẾNG VIỆT**

Phân tích tỷ số có nhiều **hạn chế** cần lưu ý: (1) số liệu dựa trên **giá gốc lịch sử**, có thể không phản ánh giá trị hiện tại của tài sản; (2) các công ty có thể áp dụng **chính sách kế toán khác nhau** (FIFO và AVCO, hoặc phương pháp khấu hao khác nhau) khiến việc so sánh trở nên khập khiễng dù cùng hợp lệ; (3) **"trang điểm" báo cáo (window dressing)** – sắp xếp giao dịch ngay trước ngày kết thúc năm tài chính để báo cáo trông đẹp hơn thực tế; (4) yếu tố **thời vụ và thời điểm chốt sổ**, khiến số liệu cuối năm không đại diện cho cả năm; (5) tỷ số **bỏ qua các yếu tố phi tài chính** như uy tín thương hiệu, tinh thần nhân viên; và (6) một tỷ số chỉ có ý nghĩa khi có **đối tượng để so sánh** – xu hướng qua các năm, chỉ tiêu ngân sách, hoặc đối thủ cùng ngành.

Ôn tập nhanh. Luôn nêu *công thức*, *phép tính*, và *kết luận bằng lời* khi trả lời câu hỏi phân tích tỷ số trong bài thi – không chỉ nêu con số. Ghi nhớ: ROCE = biên lợi nhuận hoạt động × vòng quay vốn; chu kỳ vốn lưu động = ngày tồn kho + ngày thu tiền − ngày trả nợ; gearing đo cơ cấu vốn dài hạn (không phải thanh khoản ngắn hạn); và mọi tỷ số đều cần một **đối tượng so sánh** để có ý nghĩa thực sự.

11.9 Problem Bank

Bài tập luyện tập

Which user of financial statements is primarily concerned with whether a business can continue to pay wages and offer secure employment?

(A) Competitors
(B) Employees
(C) Government tax authorities
(D) Potential investors

Lời giải chi tiết

Employees (and trade unions representing them) are most directly concerned with job security and the ability of the business to sustain wages and benefits. **(B)**.

Bài tập luyện tập

A bank considering whether to grant a five-year loan to a company would place the greatest weight on:

(A) The gearing ratio and interest cover
(B) The earnings per share trend
(C) The gross profit margin only
(D) The dividend per share

Lời giải chi tiết

A lender wants assurance that the business is not already overloaded with debt (gearing) and that operating profit comfortably covers interest payments (interest cover) – both bear directly on the safety of a new loan. **(A)**.

Bài tập luyện tập

A company reports revenue of $350,000 and cost of sales of $224,000, with profit from operations of $56,000. Calculate (a) the gross profit margin and (b) the operating profit margin.

Lời giải chi tiết

(a) Gross profit $= 350{,}000 - 224{,}000 = 126{,}000$; margin $= 126{,}000/350{,}000 \times 100 = \boxed{36.0\%}$.
(b) Operating profit margin $= 56{,}000/350{,}000 \times 100 = \boxed{16.0\%}$.

Bài tập luyện tập

A company has profit from operations of $84,000, total equity of $300,000, and 8% loan notes of $150,000. Calculate the return on capital employed (ROCE).

Lời giải chi tiết

Capital employed $= 300{,}000 + 150{,}000 = 450{,}000$. ROCE $= 84{,}000/450{,}000 \times 100 = \boxed{18.7\%}$ (to 1 decimal place).

Bài tập luyện tập

Return on equity (ROE) differs from return on capital employed (ROCE) mainly because ROE:

(A) Relates profit for the year (after interest and tax) to ordinary shareholders' equity only, rather than to total long-term capital

(B) Ignores taxation entirely

(C) Is always numerically higher than ROCE

(D) Includes non-current liabilities in its denominator

Lời giải chi tiết

ROE uses profit *after* interest and tax and divides it only by the equity belonging to ordinary shareholders, whereas ROCE uses profit from operations (before interest and tax) divided by total capital employed (equity plus non-current liabilities). **(A)**.

Bài tập luyện tập

A company's current assets total $180,000, including inventory of $70,000; current liabilities total $90,000. Calculate the current ratio and the quick ratio, and briefly comment on liquidity.

Lời giải chi tiết

Current ratio $= 180{,}000/90{,}000 = \boxed{2.0 : 1}$.
Quick ratio $= (180{,}000 - 70{,}000)/90{,}000 = 110{,}000/90{,}000 = \boxed{1.22 : 1}$.
Both ratios are within (or above) typical benchmark ranges (roughly 1.5–2.0:1 current, around 1.0:1 quick), so the company appears able to meet its short-term obligations comfortably, without an excessive proportion of current assets tied up in inventory.

Bài tập luyện tập

A current ratio far above the industry average (for example 4.5:1, when competitors average around 1.8:1) most likely indicates:

(A) Excellent liquidity with no possible concerns

(B) Current assets may be used inefficiently – for example excess inventory or idle cash not generating a return

(C) The company is insolvent

(D) The company has very high gearing

Lời giải chi tiết

An unusually high current ratio can mean too much capital is tied up unproductively in slow-moving inventory, uncollected receivables, or idle cash rather than being invested to generate a return – this can depress ROCE and ROE even though short-term liquidity looks very comfortable. **(B)**.

Bài tập luyện tập

A company's cost of sales is $500,000 and its average inventory held during the year is $50,000. Calculate the inventory turnover in (a) times per year and (b) days.

Lời giải chi tiết

(a) Inventory turnover $= 500{,}000/50{,}000 = \boxed{10.0 \text{ times}}$.
(b) Inventory turnover (days) $= 365/10 = \boxed{36.5 \text{ days}}$ (equivalently $50{,}000/500{,}000 \times 365 = 36.5$ days).

Bài tập luyện tập

A company's trade receivables are $60,000 and its revenue for the year is $450,000. Calculate the trade receivables collection period in days.

Lời giải chi tiết

Receivables collection period $= 60{,}000/450{,}000 \times 365 = \boxed{48.7 \text{ days}}$ (to 1 decimal place).

Bài tập luyện tập

A company's trade payables are $40,000 and its cost of sales for the year is $365,000. Calculate the trade payables payment period in days.

Lời giải chi tiết

Payables payment period $= 40{,}000/365{,}000 \times 365 = 40{,}000/1{,}000 = \boxed{40.0 \text{ days}}$.

Bài tập luyện tập

A company's inventory turnover period is 45 days, its trade receivables collection period is 50 days, and its trade payables payment period is 38 days. Calculate the cash operating cycle and briefly explain what it represents.

Lời giải chi tiết

Cash operating cycle $= 45 + 50 - 38 = \boxed{57 \text{ days}}$. On average, 57 days elapse between the company paying cash out for goods (net of the credit period its own suppliers allow) and receiving cash in from customers – this is the period the business must fund from its own working capital or short-term borrowing.

Bài tập luyện tập

Which of the following changes would, on its own, INCREASE (lengthen) a company's cash operating cycle?

(A) Selling inventory faster than before

(B) Collecting receivables in fewer days than before

(C) Suppliers insisting on a shorter payment period than before

(D) Reducing the credit period offered to customers

Lời giải chi tiết

A shorter payables payment period means the company must pay its own suppliers sooner, which is subtracted in the cash-cycle formula – a smaller amount subtracted lengthens the overall cycle. The other three options would all shorten the cycle. **(C)**.

Bài tập luyện tập

A company's profit from operations is $60,000 and its finance costs are $20,000. Calculate the interest cover and comment on the safety margin.

Lời giải chi tiết

Interest cover $= 60{,}000/20{,}000 = \boxed{3.0 \text{ times}}$. Operating profit could fall by only about two-thirds (a fall to $20,000, i.e. a 66.7% decrease) before it failed to cover the interest charge – a relatively thin, though not immediately alarming, safety margin; it would be worth comparing with prior years and with competitors.

Bài tập luyện tập

A company has total equity of $250,000 and 9% loan notes of $250,000. Calculate the gearing ratio and comment on the risk to ordinary shareholders.

Lời giải chi tiết

Capital employed $= 250{,}000 + 250{,}000 = 500{,}000$. Gearing $= 250{,}000/500{,}000 \times 100 = \boxed{50.0\%}$. This is at the boundary conventionally used to describe a company as highly geared: exactly half of long-term capital is fixed-return debt. Ordinary shareholders face a significant financial risk, since the fixed 9% interest charge ($22,500 per year) must be paid in full before any dividend is considered, and a downturn in trading profit would fall disproportionately on the residual return available to them.

Bài tập luyện tập

Which statement correctly distinguishes gearing from liquidity?

(A) A highly geared company always has poor short-term liquidity

(B) Gearing measures long-term capital structure risk, while liquidity ratios measure the ability to meet short-term obligations – a company can be highly geared yet still have strong short-term liquidity, or vice versa

(C) The current ratio and the gearing ratio measure exactly the same thing

(D) The quick ratio is simply a component of the gearing ratio

Lời giải chi tiết

Gearing and liquidity address different time horizons and different questions (long-term financing mix versus short-term ability to pay); a company's position on one says nothing certain about its position on the other. **(B)**.

Bài tập luyện tập

Two companies, P and Q, both have capital employed of $400,000 and both earn a return on capital employed (ROCE) of 15%. Company P is financed by equity of $350,000 and 8% loan notes of $50,000; Company Q is financed by equity of $150,000 and 8% loan notes of $250,000. The rate of tax on profits is 25% for both. Calculate the return on equity (ROE) for each company and comment on the result.

Lời giải chi tiết

Profit from operations (both companies) $= 15\% \times 400{,}000 = 60{,}000$.

Company P: interest $= 8\% \times 50{,}000 = 4{,}000$; profit before tax $= 56{,}000$; tax $(25\%) = 14{,}000$; profit after tax $= 42{,}000$. ROE $= 42{,}000/350{,}000 = \boxed{12.0\%}$.

Company Q: interest $= 8\% \times 250{,}000 = 20{,}000$; profit before tax $= 40{,}000$; tax $(25\%) = 10{,}000$; profit after tax $= 30{,}000$. ROE $= 30{,}000/150{,}000 = \boxed{20.0\%}$.

Because ROCE (15%) exceeds the 8% cost of debt, the more highly geared Company Q converts that surplus into a much higher ROE for its smaller equity base (20.0% versus 12.0%) – the positive leverage effect. The same gap would work against Company Q if ROCE ever fell below 8%.

Bài tập luyện tập

A company's profit for the year is $120,000 and it has 800,000 ordinary shares in issue. Total ordinary dividends paid for the year are $48,000. Calculate (a) earnings per share, (b) dividend per share, and (c) dividend cover.

Lời giải chi tiết

(a) EPS $= 120{,}000/800{,}000 = \boxed{\$0.15}$.

(b) DPS $= 48{,}000/800{,}000 = \boxed{\$0.06}$.

(c) Dividend cover $= 0.15/0.06 = \boxed{2.5 \text{ times}}$ (equivalently $120{,}000/48{,}000 = 2.5$).

Bài tập luyện tập

Using the EPS of $0.15 calculated in the previous question, the company's shares currently trade at $2.25 on the stock market. Calculate the price/earnings (P/E) ratio and state one limitation of this ratio.

Lời giải chi tiết

P/E ratio $= 2.25/0.15 = \boxed{15.0 \text{ times}}$. Limitation: the P/E ratio requires a quoted market share price, so it can only be calculated for a listed company whose shares are actively traded, and it cannot be derived from the financial statements alone; it also reflects market sentiment and expectations about future growth, which can change for reasons unrelated to the company's current reported performance.

Bài tập luyện tập

Which of the following is NOT generally considered a limitation of ratio analysis?

(A) Ratios are based on historical cost figures, which may not reflect current market values

(B) Ratios allow precise, directly comparable analysis between any two companies regardless of their accounting policies

(C) Year-end figures may not represent a seasonal business's typical position during the rest of the year

(D) Ratios ignore qualitative factors such as staff morale or brand reputation

Lời giải chi tiết

This statement is false, which is exactly why it is *not* a genuine limitation of ratio analysis as commonly described – in reality, differing accounting policies between companies (the opposite of what this option claims) are a recognised limitation, since they reduce, rather than enable, precise comparability. **(B)**.

Bài tập luyện tập

A retailer has a financial year end of 31 December, and the majority of its annual sales occur in the two months before Christmas. Explain, with reference to the current ratio, why ratios calculated from the 31 December statement of financial position might not be representative of the company's typical liquidity position throughout the year.

Lời giải chi tiết

At 31 December, immediately after the peak Christmas trading period, the retailer's inventory will typically be unusually low (having been sold down over the festive season) while cash and bank balances will be unusually high (boosted by the recent surge in cash and card sales). Earlier in the year – for example in October, when the retailer is building up inventory ahead of the Christmas season and has not yet generated the associated cash inflows – the current ratio could look considerably weaker. A ratio calculated at a single snapshot date therefore may not represent the business's typical liquidity position across the full trading year, and this is a particular risk for seasonal businesses whose year end happens to fall shortly after their peak trading period.

Bài tập luyện tập

Company A values its inventory using the AVCO (average cost) method, while its direct competitor, Company B, uses FIFO (first in, first out). Explain why comparing their inventory turnover ratios directly could be misleading, particularly in a period of changing prices.

Lời giải chi tiết

In a period of rising (or falling) prices, FIFO and AVCO produce different closing inventory valuations and different cost of sales figures for the same underlying physical transactions, because FIFO assumes the earliest (often cheaper, in a period of rising prices) costs are matched against cost of sales while AVCO smooths costs across all units held. Since inventory turnover $=$ cost of sales $\div$ inventory, a difference in either figure caused purely by the choice of accounting policy – not by any real difference in how efficiently inventory is managed – will distort the ratio and make a direct comparison between the two companies potentially misleading, even though both methods are equally acceptable under the applicable accounting standards.

Bài tập luyện tập

Explain briefly what is meant by "window dressing" of financial statements, and give one example of how a company could artificially improve the appearance of its current ratio just before the year end.

Lời giải chi tiết

Window dressing means deliberately arranging or timing transactions around the year-end date so that the financial statements present a more favourable position than the company's underlying, ongoing trend – without any real, lasting improvement in the business. Example: the company could delay a planned credit purchase of inventory until just after the year end, keeping trade payables (and inventory) artificially low at the reporting date, or it could use a short-term cash injection (for example, a short-term loan drawn down just before the year end) to pay off part of its trade payables early, temporarily boosting the current ratio, before reversing the effect shortly after the year end once the figures have been reported.

Bài tập luyện tập

A trade receivables collection period rises from 35 days to 55 days over one year, while revenue stays roughly constant. This change most likely indicates:

(A) Improved credit control over customers

(B) Customers are taking longer to pay, which could signal cash flow strain for the business or weakening credit control

(C) The company has become more liquid overall

(D) Gearing has decreased

Lời giải chi tiết

A longer collection period, with revenue unchanged, means the same amount of credit sales is now taking substantially longer to convert into cash – a warning sign for credit control and cash flow, not an improvement. **(B)**.

Bài tập luyện tập

A company's gearing ratio rose from 30% to 55% between two consecutive years, while its interest cover fell from 6.0 times to 2.5 times over the same period. Comment on the change in financial risk facing the company's ordinary shareholders.

Lời giải chi tiết

Both indicators point to a marked increase in financial risk. The rise in gearing from 30% to 55% means the company now relies on debt for over half of its long-term capital, a much larger fixed interest burden relative to its capital base than before. The fall in interest cover from 6.0 to 2.5 times shows a far thinner safety margin: at 6.0 times cover, profit from operations could have fallen by about 83% (from $6\times$interest down to $1\times$interest) before failing to cover the interest charge, whereas at only 2.5 times cover, profit from operations could fall by just 60% before the same happens. Ordinary shareholders now face a much greater risk that a downturn in trading profit would squeeze or eliminate the residual profit available for dividends, and in a severe downturn the company could struggle to meet its interest obligations at all, risking default or breach of loan covenants.

Bài tập luyện tập

A trade supplier is deciding whether to grant a new corporate customer 60 days' credit on a large recurring order. Which pieces of information from the customer's financial statements would be most directly useful to this decision?

(A) The customer's liquidity ratios (current ratio and quick ratio) and its recent trade payables payment period

(B) The customer's earnings per share trend over the last ten years

(C) The customer's dividend policy

(D) The customer's price/earnings ratio

Lời giải chi tiết

A supplier extending credit needs evidence that the customer can pay what it owes within a reasonable period – liquidity ratios and the customer's own payment history (payables period) speak directly to this; long-term shareholder-focused ratios such as EPS, dividend policy, or P/E are far less relevant to a short-term credit decision. **(A)**.

Bài tập luyện tập

A company's revenue is \$900,000, profit from operations is \$135,000, and capital employed is \$750,000. Calculate (a) the operating profit margin, (b) the asset (capital employed) turnover, and (c) the ROCE both directly and as the product of (a) and (b), confirming that the two approaches agree.

Lời giải chi tiết

(a) Operating profit margin $= 135{,}000/900{,}000 \times 100 = \boxed{15.0\%}$.
(b) Asset turnover $= 900{,}000/750{,}000 = \boxed{1.2 \text{ times}}$.
(c) Direct ROCE $= 135{,}000/750{,}000 \times 100 = \boxed{18.0\%}$. Via the identity: margin $\times$ turnover $= 15.0\% \times 1.2 = 18.0\%$ – the two approaches agree exactly, confirming both figures are correct and illustrating that ROCE can be improved either by raising the margin or by using capital more intensively (or both).

Bài tập luyện tập

Marlow Retail Ltd reports the following summarised data for two consecutive years:

Year ended 31 December	2026 \$	2025 \$
Revenue	300,000	250,000
Cost of sales	(210,000)	(175,000)
Gross profit	90,000	75,000
Profit from operations	36,000	30,000
Inventory	35,000	25,000
Trade receivables	30,000	20,000
Bank	15,000	10,000
Current liabilities	40,000	30,000

Calculate, for both years, (a) the gross profit margin, (b) the operating profit margin, (c) the current ratio, and (d) the quick ratio. Comment briefly on the trend.

Lời giải chi tiết

Current assets: 2026 $= 35{,}000 + 30{,}000 + 15{,}000 = 80{,}000$; 2025 $= 25{,}000 + 20{,}000 + 10{,}000 = 55{,}000$.

(a) Gross profit margin: 2026 $= 90{,}000/300{,}000 = \boxed{30.0\%}$; 2025 $= 75{,}000/250{,}000 = \boxed{30.0\%}$ – unchanged.
(b) Operating profit margin: 2026 $= 36{,}000/300{,}000 = \boxed{12.0\%}$; 2025 $= 30{,}000/250{,}000 = \boxed{12.0\%}$ – unchanged.
(c) Current ratio: 2026 $= 80{,}000/40{,}000 = \boxed{2.00 : 1}$; 2025 $= 55{,}000/30{,}000 = \boxed{1.83 : 1}$.
(d) Quick ratio: 2026 $= (80{,}000 - 35{,}000)/40{,}000 = 45{,}000/40{,}000 = \boxed{1.13 : 1}$; 2025 $= (55{,}000 - 25{,}000)/30{,}000 = 30{,}000/30{,}000 = \boxed{1.00 : 1}$.

Comment: both profitability margins were perfectly stable across the two years (30.0% gross, 12.0% operating), showing consistent pricing and cost control even as revenue grew by 20%. Liquidity improved noticeably over the same period, with the current ratio rising from 1.83:1 to 2.00:1 and the quick ratio from 1.00:1 to 1.13:1 – Marlow Retail Ltd is both maintaining its margins and strengthening its short-term financial position.

Bài tập luyện tập

Explain why comparing the ROCE of a long-established manufacturer, which owns freehold factory land and buildings recorded on its statement of financial position at their original cost from several decades ago, with a newly formed competitor that leases all of its premises, could be misleading – even if the two businesses are equally efficient in their day-to-day operations.

Lời giải chi tiết

The established manufacturer's freehold land and buildings are carried at historical cost, which after several decades is likely to be far below their current market value; this understates its true capital employed and therefore *overstates* its ROCE relative to the real economic value of capital tied up in the business. The newer competitor, having no owned freehold property, has a much smaller non-current asset base (and hence a smaller capital-employed figure, depending on how any leased assets are recognised), which affects its ROCE in the opposite direction. As a result, a simple comparison of the two ROCE figures reflects differences in *accounting history and asset ownership structure* as much as – or more than – genuine differences in operating efficiency, illustrating the historical-cost-distortion limitation of ratio analysis.

Cost and Management Accounting I: Costing Methods, Overhead Absorption & Marginal vs. Absorption Costing

A2 Level

Mục tiêu Unit: Phân loại chi phí theo bản chất, chức năng và cách ứng xử (cố định, biến đổi, hỗn hợp/bán biến đổi), kèm phương pháp **cao–thấp (high-low method)** để tách chi phí hỗn hợp, kể cả khi có bước nhảy chi phí cố định; tổng quan các phương pháp tính giá thành: theo đơn hàng (job), theo lô (batch), theo quy trình (process), theo dịch vụ/đơn vị (service/unit); phân bổ chi phí sản xuất chung qua hệ số OAR trên nhiều cơ sở khác nhau; hiện tượng phân bổ thiếu/thừa chi phí chung và cách xử lý trên báo cáo thu nhập; toàn bộ lý thuyết và ví dụ đối chiếu lợi nhuận giữa **kế toán chi phí biên (marginal costing)** và **kế toán chi phí toàn bộ (absorption costing)** khi tồn kho tăng và khi tồn kho giảm; ứng dụng chi phí biên trong quyết định ngắn hạn (tự làm hay mua ngoài, chấp nhận đơn hàng đặc biệt, xếp hạng theo yếu tố giới hạn); và phân tích hoà vốn (CVP) cho một sản phẩm và nhiều sản phẩm theo cơ cấu bán hàng.

12.1 Cost Classification and Cost Behaviour

12.1.1 Classification by nature, by function, and by behaviour

Cost and management accounting exists to help managers plan, control and make decisions – unlike financial accounting, it is not bound by a single statutory format. Before any cost can be used for these purposes it must be classified consistently. Three classification schemes recur throughout this unit.

Three ways of classifying the same cost

- **By nature** (what the cost actually is): **materials**, **labour**, and **expenses**. Each of these splits further into **direct** (traceable in full to one cost unit, e.g. the timber used in a specific piece of furniture) and **indirect** (shared across many cost units, e.g. factory supervisors' salaries).
- **By function** (which part of the business incurred it): **production** costs (factory), **administration** costs (head office, accounts department), and **selling and distribution** costs (marketing, delivery vehicles).
- **By behaviour** (how the cost reacts to a change in the level of activity): **fixed**, **variable**, and **semi-variable (mixed)** costs.

The same cost can be described three different ways at once: direct labour on the factory floor is, simultaneously, a *labour* cost by nature, a *production* cost by function, and typically a *variable* cost by behaviour.

Cost behaviour, precisely defined. A **fixed cost** (e.g. factory rent, straight-line depreciation, a supervisor's monthly salary) does not change in total as activity changes within the *relevant range*, but its amount *per unit* falls as output rises. A **variable cost** (e.g. direct materials, a royalty paid per unit, piece-rate labour) changes in direct proportion to activity, so it is constant *per unit* but changes in total. A **semi-variable (mixed) cost** (e.g. a telephone bill with a fixed line-rental charge plus a charge per minute, or electricity with a standing charge plus a rate per kWh) contains both a fixed element and a variable element and must be split before it can be used in marginal costing or break-even analysis.

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Cùng một khoản chi phí có thể được nhìn theo ba cách: **theo bản chất** (nguyên vật liệu, nhân công, chi phí khác – mỗi loại lại chia thành *trực tiếp* hoặc *gián tiếp*); **theo chức năng** (sản xuất, quản lý, bán hàng & phân phối); **theo cách ứng xử** (cố định, biến đổi, hỗn hợp). **Chi phí cố định** không đổi về tổng số trong phạm vi hoạt động phù hợp nhưng chi phí trên mỗi đơn vị giảm dần khi sản lượng tăng; **chi phí biến đổi** tỷ lệ thuận với sản lượng nên không đổi trên mỗi đơn vị nhưng tổng số thay đổi; **chi phí hỗn hợp** có cả hai phần và cần được tách riêng trước khi dùng trong kế toán chi phí biên hay phân tích hoà vốn.

12.1.2 Splitting a semi-variable cost: the high-low method

The **high-low method** estimates the fixed and variable elements of a semi-variable cost from just two data points – the period with the **highest level of activity** and the period with the **lowest level of activity** (*not* the highest and lowest *cost* – see the pitfall below).

$$\text{Variable cost per unit of activity} = \frac{\text{Cost at highest activity} - \text{Cost at lowest activity}}{\text{Highest activity} - \text{Lowest activity}}$$

Once the variable rate is known, substitute it into either data point to find the fixed element:

$$\text{Fixed cost} = \text{Total cost at that activity level} - (\text{Variable cost per unit} \times \text{Activity level}).$$

High-low method – basic application

A factory's power costs over the year show a highest month of $9{,}000$ machine hours costing \$48,000, and a lowest month of $5{,}000$ machine hours costing \$32,000. Split this semi-variable cost into its fixed and variable elements, and forecast the cost for a month with $7{,}500$ machine hours.

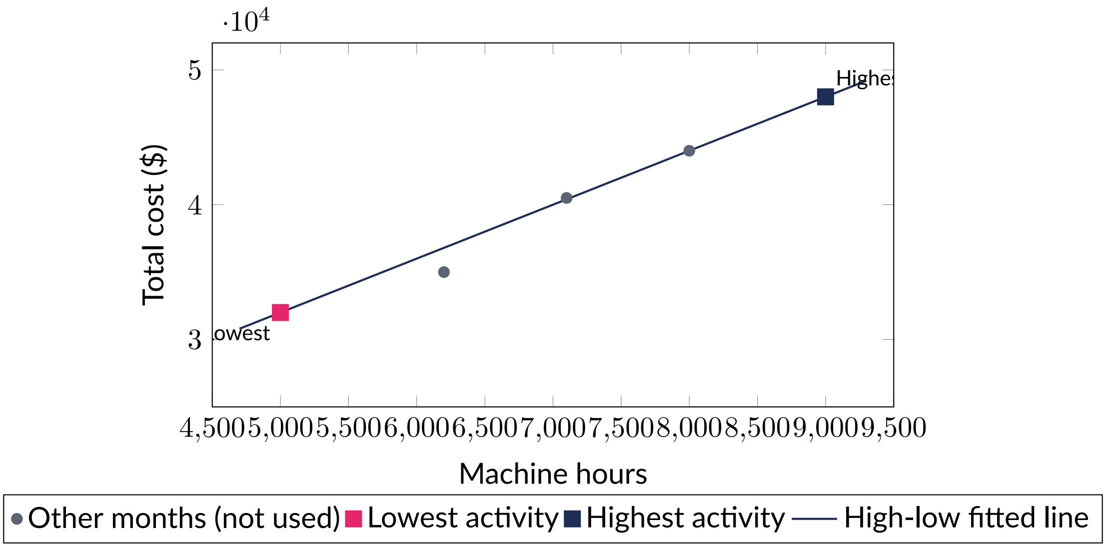
Variable rate:

$$\frac{48{,}000 - 32{,}000}{9{,}000 - 5{,}000} = \frac{16{,}000}{4{,}000} = \$4.00 \text{ per machine hour.}$$

Fixed cost (using the high point): $48{,}000 - (9{,}000 \times 4.00) = 48{,}000 - 36{,}000 = \$12{,}000$. Check with the low point: $32{,}000 - (5{,}000 \times 4.00) = 32{,}000 - 20{,}000 = \$12{,}000$ – consistent.

Cost equation: Total cost $= \$12{,}000 + \$4.00 \times$ machine hours.

Forecast at $7{,}500$ hours: $12{,}000 + (4.00 \times 7{,}500) = 12{,}000 + 30{,}000 = \boxed{\$42{,}000}$.



The high-low method uses only the two extreme activity levels to fit a straight line Cost = Fixed + Variable rate × Activity; other months' scatter (grey) is ignored even though it shows the cost is not perfectly linear in practice.

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Phương pháp cao–thấp (high-low method) chỉ dùng **hai điểm dữ liệu**: mức hoạt động **cao nhất** và mức hoạt động **thấp nhất** (không phải chi phí cao nhất/thấp nhất). Tốc độ biến đổi (biến phí đơn vị) = chênh lệch chi phí ÷ chênh lệch mức hoạt động giữa hai điểm đó; sau đó thay ngược vào một trong hai điểm để tìm phần chi phí cố định. Kết quả là một phương trình chi phí dạng $y = a + bx$ dùng để dự báo chi phí ở bất kỳ mức hoạt động nào trong phạm vi phù hợp.

High-low method with a step change in fixed cost

A company's monthly production overhead over four months was: Month 1, $2{,}000$ units, $24,000; Month 2, $3{,}500$ units, $34,500; Month 3, $5{,}000$ units, $50,000. Whenever output exceeds $4{,}500$ units, an additional supervisor is hired, adding a **step increase of $5,000** to fixed costs for that month. Determine the variable cost per unit and the fixed cost at each level of output.

The highest activity ($5{,}000$ units, Month 3) includes the $5,000 step; the lowest activity ($2{,}000$ units, Month 1) does not. Before applying the high-low formula, the two points must be placed on the *same* fixed-cost basis by removing the step from the high point:

$$\text{Adjusted cost at } 5{,}000 \text{ units} = 50{,}000 - 5{,}000 = \$45{,}000.$$

Variable rate:

$$\frac{45{,}000 - 24{,}000}{5{,}000 - 2{,}000} = \frac{21{,}000}{3{,}000} = \$7.00 \text{ per unit.}$$

Base fixed cost (output $\leq 4{,}500$ units): $24{,}000 - (7.00 \times 2{,}000) = 24{,}000 - 14{,}000 = \$10{,}000$.
Fixed cost above the threshold (output $> 4{,}500$ units): $10{,}000 + 5{,}000 = \$15{,}000$.

Check against Month 2 ($3{,}500$ units, below the threshold): $10{,}000 + (7.00 \times 3{,}500) = 10{,}000 + 24{,}500 = \$34{,}500$ – matches exactly.

(!) Lỗi thường gặp: Hai lỗi phổ biến khi áp dụng phương pháp cao–thấp: (1) chọn nhầm điểm dữ liệu – phải chọn theo **mức hoạt động** cao nhất/thấp nhất, *không* phải theo chi phí cao nhất/thấp nhất (hai điểm này có thể khác nhau nếu có bước nhảy chi phí); (2) bỏ quên **bước**

nhảy chi phí cố định (step change) – nếu một trong hai điểm đã bị ảnh hưởng bởi một khoản chi phí cố định phát sinh thêm (ví dụ thuê thêm giám sát viên khi sản lượng vượt ngưỡng), phải loại bỏ khoản đó trước khi tính biến phí đơn vị, rồi cộng lại khi xác định chi phí cố định ở mức sản lượng tương ứng.

12.2 Costing Methods: An Overview

Different production environments call for different ways of accumulating cost. The choice of **costing method** depends on how the product or service is made and sold, not on the type of business.

Four costing methods

- **Job costing** – each customer order is unique and is costed as a separate **job**, accumulating its own direct materials, direct labour, and a share of overhead absorbed via the OAR. Used for one-off work: bespoke furniture, a building contract, a print run to a customer's specification, vehicle repairs.
- **Batch costing** – a variant of job costing where a **batch** of identical units is costed as a single job; the cost per unit is simply the total batch cost divided by the number of units in the batch. Used where identical items are made together in economic batch sizes: bakery products, shoes, pharmaceuticals, printed stationery.
- **Process costing** – output is a continuous stream of identical (homogeneous) units passing through one or more processes; costs are accumulated *by process* for a period and then averaged over the units produced (a full treatment of normal/abnormal loss and equivalent units belongs to a later, more advanced unit – here we consider only the introductory case with no losses). Used for continuous, mass production: chemicals, food processing, oil refining.
- **Service (unit) costing** – used where the **cost unit** is a service rather than a physical product, so a suitable **composite cost unit** must be chosen (e.g. cost per patient-day, cost per tonne-kilometre, cost per room-night). Used by service organisations: hospitals, transport companies, hotels, utilities.

Job costing

Job No. 512 required direct materials of $2,400 and 60 direct labour hours at $15 per hour. Overhead is absorbed at $12 per direct labour hour. Calculate the total cost of Job 512.

Direct materials $2,400; direct labour $60 \times 15 = \$900$; overhead absorbed $60 \times 12 = \$720$.

$$\text{Total job cost} = 2{,}400 + 900 + 720 = \boxed{\$4{,}020}.$$

Batch costing

A batch of 800 identical toys cost $14,400 in direct materials, $9,600 in direct labour, and $4,800 in absorbed overhead. Find the cost per toy.

$$\text{Total batch cost} = 14{,}400 + 9{,}600 + 4{,}800 = \$28{,}800. \qquad \text{Cost per unit} = \frac{28{,}800}{800} = \boxed{\$36.00}.$$

Process costing – introductory, no losses

Process 1 of a chemical plant incurs materials of $45,000, labour of $18,000, and overhead of $12,000 in a month, and produces $10{,}000$ litres of output with no loss. Calculate the cost per litre.

Total process cost $= 45{,}000 + 18{,}000 + 12{,}000 = \$75{,}000$. Cost per litre $= \dfrac{75{,}000}{10{,}000} = \boxed{\$7.50}$.

Service (unit) costing

A hospital ward's total costs for the month are $186,000. The ward provided $1{,}240$ patient-days of care. Calculate the cost per patient-day.

$$\text{Cost per patient-day} = \frac{186{,}000}{1{,}240} = \boxed{\$150.00}.$$

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Job costing: mỗi đơn hàng là duy nhất, tính giá thành riêng cho từng công việc. **Batch costing**: một *lô* sản phẩm giống hệt nhau được tính như một "job", sau đó chia đều cho số lượng trong lô để ra giá thành đơn vị. **Process costing** (giai đoạn nhập môn, chưa có hao hụt): chi phí được cộng dồn theo từng *quy trình* trong kỳ rồi chia đều cho số lượng đầu ra. **Service/unit costing**: áp dụng cho dịch vụ, cần chọn một **đơn vị chi phí tổng hợp** phù hợp (ví dụ chi phí trên mỗi ngày-bệnh nhân, mỗi tấn-km vận chuyển) vì dịch vụ không có "sản phẩm vật lý" đếm được trực tiếp.

12.3 Overhead Absorption

12.3.1 Allocation, apportionment, and absorption

Direct costs are traced straight to a cost unit. **Indirect production costs (overheads)** – factory rent, machine depreciation, indirect labour, indirect materials – cannot be traced directly, so they must pass through three stages before they reach the cost of a job, batch, or unit.

1. **Allocation:** an overhead that belongs wholly to one cost centre (e.g. one department's supervisor salary) is charged to that centre in full.
2. **Apportionment:** an overhead shared by several cost centres (e.g. rent, based on floor area; machine insurance, based on machine value) is split between them on a fair basis.
3. **Absorption:** once each production cost centre's total overhead is known, it is charged into ("absorbed by") the cost units passing through that centre, using an **overhead absorption rate (OAR)**.

Overhead costs: rent, indirect labour, depreciation, indirect materials

↓

Allocation & apportionment to production cost centres

↓

Absorption into cost units via OAR (DLH, machine hrs, %, per unit)

The three stages of overhead treatment: allocation and apportionment share overheads fairly across cost centres; absorption then charges each production centre's overhead into the cost units that pass through it.

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VN Chi phí sản xuất chung (overhead) không thể quy trực tiếp cho từng sản phẩm nên phải trải qua ba bước: **phân bổ trực tiếp (allocation)** cho chi phí thuộc hẳn về một bộ phận; **phân bổ gián tiếp (apportionment)** cho chi phí dùng chung nhiều bộ phận (theo cơ sở hợp lý như diện tích, giá trị máy móc); và cuối cùng **hấp thụ (absorption)** – đưa tổng chi phí chung của từng bộ phận sản xuất vào giá thành của các đơn vị sản phẩm đi qua bộ phận đó, thông qua **hệ số hấp thụ chi phí chung (OAR)**.

12.3.2 Calculating the overhead absorption rate

The OAR is always calculated using **budgeted** figures, *before* the period begins, so that prices can be quoted and jobs costed as they happen:

$$\text{OAR} = \frac{\text{Budgeted production overhead}}{\text{Budgeted level of activity}}$$

Basis	Formula	Best suited when
Direct labour hours	OAR $=$ Budgeted overhead $\div$ Budgeted direct labour hours	production is labour-paced
Machine hours	OAR $=$ Budgeted overhead $\div$ Budgeted machine hours	production is machine-paced/automated
% of direct labour cost	OAR $=$ (Budgeted overhead $\div$ Budgeted direct labour cost) $\times 100\%$	wage rates vary but overhead still tracks pay
Rate per unit	OAR $=$ Budgeted overhead $\div$ Budgeted units of output	a single, homogeneous product

Common bases for the overhead absorption rate. Whichever basis is chosen, it should reflect what actually drives the overhead cost in that production department.

OAR based on direct labour hours

Department A's budgeted production overhead for the year is \$300,000; budgeted direct labour hours are $25{,}000$. Job 88 uses 48 direct labour hours. Calculate the OAR and the overhead absorbed into Job 88.

OAR $= \dfrac{300{,}000}{25{,}000} = \$12.00$ per direct labour hour. Overhead absorbed $= 48 \times 12.00 = \boxed{\$576}$.

OAR based on machine hours

Department B is highly automated. Budgeted production overhead is \$420,000; budgeted machine hours are $35{,}000$. Job 210 uses 76 machine hours. Calculate the OAR and the overhead absorbed.

OAR $= \dfrac{420{,}000}{35{,}000} = \$12.00$ per machine hour. Overhead absorbed $= 76 \times 12.00 = \boxed{\$912}$.

OAR based on a percentage of direct labour cost

Department C's budgeted production overhead is \$150,000; budgeted direct labour cost is \$500,000. A job incurred direct labour cost of \$620. Calculate the OAR and the overhead absorbed into the job.

OAR $= \dfrac{150{,}000}{500{,}000} \times 100\% = 30\%$ of direct labour cost. Overhead absorbed $= 620 \times 0.30 = \boxed{\$186}$.

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OAR luôn được tính từ số liệu **dự toán (budgeted)**, không phải số liệu thực tế, vì hệ số này cần có *trước* khi kỳ kinh doanh bắt đầu để báo giá và ghi nhận chi phí công việc ngay khi phát sinh. Có nhiều cơ sở để tính OAR: giờ công lao động trực tiếp (phù hợp khi sản xuất phụ thuộc lao động), giờ máy (phù hợp khi sản xuất tự động hoá), % chi phí nhân công trực tiếp, hoặc theo đơn vị sản phẩm (khi chỉ có một loại sản phẩm đồng nhất).

12.4 Under- and Over-Absorption of Overheads

Because the OAR is fixed in advance using budgeted overhead and budgeted activity, but overhead is then absorbed using the **actual** level of activity achieved, the total overhead absorbed almost never exactly equals the actual overhead incurred. The difference is **under-absorption** (absorbed less than incurred) or **over-absorption** (absorbed more than incurred).

$$\text{Overhead absorbed} = \text{Actual activity} \times \text{OAR}$$

$$\text{Under-/over-absorption} = \text{Overhead absorbed} - \text{Actual overhead incurred}$$

A **positive** result is **over-absorption** (a favourable adjustment, *added* to profit); a **negative** result is **under-absorption** (an adverse adjustment, *deducted* from profit) in the income statement.

Under- and over-absorption – full worked example

Department X budgets fixed overhead of \$220,000 and direct labour hours of $22{,}000$ for the year, giving OAR $= 220{,}000/22{,}000 = \$10.00$ per direct labour hour. During the year, actual overhead incurred was \$235,600 and actual direct labour hours worked were $21{,}400$. Calculate the overhead absorbed and the under-/over-absorption, and explain its treatment in the income statement.

$$\text{Overhead absorbed} = 21{,}400 \times 10.00 = \$214{,}000.$$

$$\text{Under-/over-absorption} = 214{,}000 - 235{,}600 = -\$21{,}600 \;\Rightarrow\; \textbf{under-absorbed by \$21,600.}$$

This \$21,600 shortfall is charged as an additional expense in the income statement (it reduces reported profit), because \$235,600 of overhead was actually incurred but only \$214,000 was recovered into production costs.

Why it happened (optional analysis): the shortfall combines an **expenditure effect** – actual overhead exceeded the budget by $235{,}600 - 220{,}000 = \$15{,}600$ – and a **volume effect** – actual hours fell short of budgeted hours by $22{,}000 - 21{,}400 = 600$ hours, at \$10 per hour $= \$6{,}000$ of overhead never generated. Together, $15{,}600 + 6{,}000 = \$21{,}600$, matching the total under-absorption exactly.

(!) Lỗi thường gặp: Hệ số OAR phải luôn được tính từ chi phí chung **dự toán** và mức hoạt động **dự toán** – không bao giờ dùng số liệu thực tế để tính OAR (vì OAR phải có sẵn từ đầu kỳ). Chính vì OAR cố định dựa trên số dự toán trong khi chi phí chung được "hấp thụ" theo mức hoạt động *thực tế*, nên hầu như luôn tồn tại chênh lệch phân bổ thiếu/thừa (under-/over-absorption) vào cuối kỳ, và khoản chênh lệch này phải được điều chỉnh (cộng nếu thừa, trừ nếu thiếu) trực tiếp vào lợi nhuận trên báo cáo thu nhập của kỳ đó.

12.5 Marginal Costing versus Absorption Costing

12.5.1 Why the two methods give different profit figures

Absorption (full) costing charges each unit produced with its share of **fixed** production overhead (via the OAR) in addition to variable production cost, so a unit's full production cost is materials + labour + variable overhead + fixed overhead absorbed. **Marginal costing** charges only the **variable** production cost to each unit and treats the whole of fixed production overhead as a cost of the *period*, written off in full regardless of how many units were made or sold.

The root cause of the profit difference

Whenever **production** and **sales** differ during a period, closing (or opening) inventory exists. Under absorption costing, that inventory is valued *including* a share of fixed overhead, so some of this period's fixed overhead is carried forward into next period's cost of sales (if inventory rises) or some of an earlier period's fixed overhead is brought back and charged this period (if inventory falls). Under marginal costing, inventory is valued at variable cost only, so *all* of the period's fixed overhead is always charged as an expense of that same period. The two profits are therefore identical only when opening inventory equals closing inventory (i.e. production exactly equals sales).

Reconciliation rule:

$$\text{Absorption profit} - \text{Marginal profit}$$
$$= (\text{Closing inventory units} - \text{Opening inventory units}) \times \text{Fixed OAR per unit.}$$

If inventory **increases** during the period, absorption profit is **higher**. If inventory **decreases**, absorption profit is **lower**.

VN GIẢI THÍCH TIẾNG VIỆT

Chi phí toàn bộ (absorption costing) đưa một phần chi phí cố định sản xuất vào giá trị từng đơn vị tồn kho, nên khi tồn kho **tăng** (sản xuất $>$ tiêu thụ), một phần chi phí cố định của kỳ này bị "giữ lại" trong tồn kho và chuyển sang kỳ sau – làm lợi nhuận kỳ này theo absorption costing **cao hơn** marginal costing. Ngược lại khi tồn kho **giảm** (sản xuất $<$ tiêu thụ), một phần chi phí cố định của kỳ trước (nằm trong tồn kho đầu kỳ) bị đưa ngược vào chi phí kỳ này, khiến lợi nhuận theo absorption costing **thấp hơn** marginal costing. Chênh lệch lợi nhuận luôn bằng đúng: thay đổi số lượng tồn kho $\times$ hệ số OAR cố định trên mỗi đơn vị.

12.5.2 Full worked reconciliation: inventory increases

Absorption vs. marginal costing – inventory increases

Meridian Ltd makes a single product. Selling price \$75/unit; direct materials \$18; direct labour \$14; variable production overhead \$6. Budgeted fixed production overhead \$180,000/period; normal (budgeted) output $9{,}000$ units/period, giving fixed OAR $= 180{,}000/9{,}000 = \$20$/unit.

Actual production this period is $10{,}000$ units; sales are $8{,}600$ units (no opening inventory). Actual fixed overhead incurred is $180,000. Prepare both profit statements and reconcile the difference.

Absorption cost/unit $= 18+14+6+20 = \$58$. Marginal cost/unit $= 18+14+6 = \$38$. Closing inventory $= 10{,}000 - 8{,}600 = 1{,}400$ units.

Absorption costing		Marginal costing	
Sales $(8{,}600 \times 75)$	645,000	Sales	645,000
Production $(10{,}000 \times 58)$	580,000	Production $(10{,}000 \times 38)$	380,000
Less: closing inv. $(1{,}400 \times 58)$	(81,200)	Less: closing inv. $(1{,}400 \times 38)$	(53,200)
Cost of sales	**498,800**	**Variable cost of sales**	**326,800**
Gross profit	**146,200**	**Contribution**	**318,200**
Add: over-absorption*	20,000	Less: fixed overhead (actual)	(180,000)
Profit	**166,200**	**Profit**	**138,200**

*Overhead absorbed $= 10{,}000 \times 20 = \$200{,}000$; actual fixed overhead $= \$180{,}000$; over-absorbed by $\$20{,}000$.

Reconciliation: $166{,}200 - 138{,}200 = \$28{,}000$. Change in inventory $= 1{,}400$ units (an *increase*, since opening inventory was nil) $\times \$20$ fixed OAR $= \$28{,}000$ – matches exactly. Because inventory rose, absorption costing profit is the higher figure.

12.5.3 Full worked reconciliation: inventory decreases

Absorption vs. marginal costing – inventory decreases

Castlebridge Ltd sells at $90/unit; direct materials $22; direct labour $16; variable production overhead $7. Budgeted fixed overhead $150,000/period; normal output $7{,}500$ units, giving fixed OAR $= 150{,}000/7{,}500 = \$20$/unit. Opening inventory is $1{,}200$ units. This period, actual production is $6{,}800$ units and sales are $7{,}600$ units. Actual fixed overhead incurred equals the budgeted $150,000 (i.e. no expenditure variance, so the only under-/over-absorption is caused by output differing from the normal level). Prepare both profit statements and reconcile the difference.

Absorption cost/unit $= 22+16+7+20 = \$65$. Marginal cost/unit $= 22+16+7 = \$45$. Closing inventory $= 1{,}200 + 6{,}800 - 7{,}600 = 400$ units – a **fall** of 800 units during the period.

Absorption costing		Marginal costing	
Sales $(7{,}600 \times 90)$	684,000	Sales	684,000
Opening inv. $(1{,}200 \times 65)$	78,000	Opening inv. $(1{,}200 \times 45)$	54,000
Production $(6{,}800 \times 65)$	442,000	Production $(6{,}800 \times 45)$	306,000
Less: closing inv. (400×65)	(26,000)	Less: closing inv. (400×45)	(18,000)
Cost of sales	**494,000**	**Variable cost of sales**	**342,000**
Gross profit	**190,000**	**Contribution**	**342,000**
Less: under-absorption*	(14,000)	Less: fixed overhead (actual)	(150,000)
Profit	**176,000**	**Profit**	**192,000**

*Overhead absorbed $= 6{,}800 \times 20 = \$136{,}000$; actual fixed overhead $= \$150{,}000$; under-absorbed by $\$14{,}000$.

Reconciliation: $192{,}000 - 176{,}000 = \$16{,}000$. Change in inventory $= 800$ units (a *decrease*) $\times \$20$ fixed OAR $= \$16{,}000$ – matches exactly. Because inventory fell, absorption costing profit is the **lower** figure, by precisely the fixed overhead carried in the units drawn out of opening inventory.

12.6 Marginal Costing for Short-Term Decision-Making

12.6.1 Contribution and relevant costs

Contribution per unit = Selling price per unit − Variable cost per unit. Contribution is what remains from each additional unit sold to first cover fixed costs and then generate profit. For short-term decisions, only **relevant** (incremental, avoidable, future cash-flow) costs matter – fixed costs already committed and unaffected by the decision are irrelevant to the choice, even though they must still be covered in total for the business to be viable in the long run.

Make-or-buy decision

A company currently makes component Z in-house: direct materials $12, direct labour $8, variable overhead $4, and fixed overhead absorbed $6 per unit (full absorption cost $30/unit). Annual requirement is $5{,}000$ units. A supplier offers to supply the component at $22/unit. The fixed overheads are unavoidable regardless of the decision (the factory and its supervision continue either way). Should the company make or buy?

The $6 fixed overhead absorbed is **not** relevant – it is incurred whether the component is made or bought. The relevant cost of making is the **variable** cost only:

$$\text{Relevant make cost} = 12 + 8 + 4 = \$24 \text{ per unit.}$$

Buying at $22/unit is $2/unit cheaper than the relevant cost of making:

$$\text{Annual saving from buying} = 5{,}000 \times (24 - 22) = \boxed{\$10{,}000} \Rightarrow \textbf{buy.}$$

Extension: if the factory capacity released by buying-in can instead be used to make another product earning $9,500 of additional annual contribution, the total benefit of buying rises to $10{,}000 + 9{,}500 = \$19{,}500$.

Accepting a special order

A company's normal selling price is $60/unit; variable cost is $38/unit; fixed costs of $120,000/period are unaffected by this decision because **spare capacity** already exists. An overseas customer offers a one-off order for $1{,}500$ units at a special price of $42/unit, which will not be repeated and will not affect regular sales at the normal price. Should the order be accepted?

Because spare capacity exists, fixed costs are already covered by normal business and remain unchanged either way, so they are irrelevant to this decision – only the incremental contribution matters, even though $42 is well below the normal selling price of $60:

$$\text{Incremental contribution} = 1{,}500 \times (42 - 38) = \boxed{\$6{,}000} \Rightarrow \textbf{accept; profit rises by \$6,000.}$$

(!) Lỗi thường gặp: Trong các quyết định ngắn hạn (chi phí biên), chi phí cố định **không** được phân bổ vào từng đơn vị khi so sánh phương án – chỉ biến phí và doanh thu tăng thêm (incremental) mới liên quan. Tuy nhiên đừng suy diễn rằng chi phí cố định "không quan trọng": về **tổng số**, doanh nghiệp vẫn phải tạo đủ tổng số dư đảm phí để trang trải toàn bộ chi phí cố định trong dài hạn (xem phần hoà vốn ở dưới) – chi phí cố định chỉ *không liên quan cho quyết định biên (per-unit)*, không có nghĩa là bỏ qua khi lập báo cáo lợi nhuận tổng thể hay khi đánh giá khả năng tồn tại lâu dài của doanh nghiệp.

12.6.2 Limiting (key) factor analysis

When one resource (machine hours, labour hours, material, or space) is insufficient to meet demand for all products, it is called the **limiting factor** (or **key factor**). Products should then be ranked by **contribution per unit of the scarce resource**, not by contribution per unit or by selling price, and production is planned by satisfying demand for the highest-ranked product first.

Limiting factor ranking – three products

Hartley Manufacturing makes products P, Q and R. Next period only $8{,}500$ machine hours are available (the limiting factor). Data per unit:

Product	Contribution/unit	Machine hrs/unit	Contribution/hr	Maximum demand	Hours needed
P	$20	2	$10.00	2,000 units	4,000
Q	$18	3	$6.00	1,800 units	5,400
R	$15	1	$15.00	3,000 units	3,000

Total hours needed to meet all demand $= 4{,}000 + 5{,}400 + 3{,}000 = 12{,}400$, which exceeds the $8{,}500$ hours available, so machine hours must be rationed. Fixed costs for the period are $60,000.

Ranking by contribution per machine hour: R ($15) $>$ P ($10) $>$ Q ($6).

Production plan:

Rank	Product	Units made	Hours used (cumulative)
1st	R	3,000 (full demand)	3,000 (remaining $8{,}500 - 3{,}000 = 5{,}500$)
2nd	P	2,000 (full demand)	4,000 (remaining $5{,}500 - 4{,}000 = 1{,}500$)
3rd	Q	$1{,}500 \div 3 = 500$ (part of demand)	1,500 (remaining 0)

Total contribution: $R : 3{,}000 \times 15 = 45{,}000$; $P : 2{,}000 \times 20 = 40{,}000$; $Q : 500 \times 18 = 9{,}000$.

Total contribution $= 45{,}000 + 40{,}000 + 9{,}000 = \$94{,}000$. Profit $= 94{,}000 - 60{,}000 = \boxed{\$34{,}000}$.

GIẢI THÍCH TIẾNG VIỆT

VN Khi một nguồn lực bị giới hạn (yếu tố giới hạn/key factor – ví dụ giờ máy, giờ công, nguyên vật liệu), doanh nghiệp không thể đáp ứng hết nhu cầu của mọi sản phẩm. Nguyên tắc quyết định là xếp hạng sản phẩm theo **số dư đảm phí trên một đơn vị nguồn lực khan hiếm** (không phải theo số dư đảm phí đơn vị hay giá bán), rồi ưu tiên sản xuất sản phẩm có thứ hạng cao nhất cho đến khi đủ nhu cầu, tiếp theo mới đến sản phẩm thứ hai, v.v., cho đến khi hết nguồn lực khan hiếm.

12.7 Break-Even (Cost-Volume-Profit) Analysis

12.7.1 Single-product break-even

Contribution per unit $=$ Selling price $-$ Variable cost per unit. **Break-even point (units)** $= \dfrac{\text{Fixed costs}}{\text{Contribution per unit}}$. **Break-even revenue** $=$ Break-even units $\times$ Selling price.

Margin of safety (units) $=$ Budgeted sales $-$ Break-even sales; expressed as a % of budgeted sales it shows how far sales can fall before a loss occurs. **Units for a target profit** $= \dfrac{\text{Fixed costs} + \text{Target profit}}{\text{Contribution per unit}}$.

Break-even and target profit

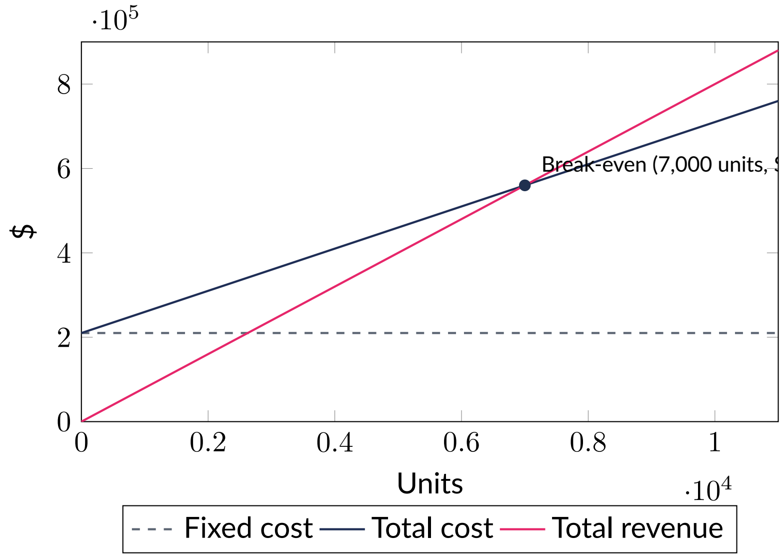
Selling price \$80/unit; variable cost \$50/unit; fixed costs \$210,000/period; budgeted sales $9{,}000$ units; target profit \$90,000.

Contribution $= 80 - 50 = \$30$/unit.

$$\text{Break-even (units)} = \frac{210{,}000}{30} = \boxed{7{,}000 \text{ units}} \qquad (\text{revenue} = 7{,}000 \times 80 = \$560{,}000).$$

$$\text{Margin of safety} = 9{,}000 - 7{,}000 = 2{,}000 \text{ units} = \frac{2{,}000}{9{,}000} = 22.2\% \text{ of budgeted sales.}$$

$$\text{Units for target profit} = \frac{210{,}000 + 90{,}000}{30} = \frac{300{,}000}{30} = \boxed{10{,}000 \text{ units}}.$$



Break-even chart: total revenue meets total cost at $7{,}000$ units; beyond this point every extra unit sold adds \$30 of profit (its contribution).

GIẢI THÍCH TIẾNG VIỆT VN

Số dư đảm phí đơn vị (contribution per unit) $=$ Giá bán $-$ Biến phí đơn vị. Điểm hoà vốn (đơn vị) $=$ Chi phí cố định $\div$ Số dư đảm phí đơn vị; doanh thu hoà vốn $=$ số lượng hoà vốn $\times$ giá bán. Biên độ an toàn (margin of safety) $=$ Doanh số dự kiến $-$ Doanh số hoà vốn, cho biết doanh số có thể giảm bao nhiêu trước khi doanh nghiệp bắt đầu lỗ. Số lượng cần bán để đạt lợi nhuận mục tiêu $=$ (Chi phí cố định $+$ Lợi nhuận mục tiêu) $\div$ Số dư đảm phí đơn vị.

12.7.2 Multi-product break-even: the sales mix

When a business sells several products together in a fixed **sales mix** (ratio), break-even analysis uses a **weighted average contribution per unit**, based on that mix, and then splits the break-even total according to the same ratio.

Multi-product break-even with a fixed sales mix

Ridgeway Traders sells Product A and Product B in a fixed mix of $3:2$ (i.e. for every 5 units sold, 3 are A and 2 are B). Product A: selling price \$40, variable cost \$25, contribution \$15/unit. Product B: selling price \$60, variable cost \$42, contribution \$18/unit. Total fixed costs are \$194,400/period. Find the break-even point in total units, split between A and B, and the break-even revenue.

Weighted average contribution per basket of 5 units (3A + 2B):

$$(3\times15)+(2\times18) = 45+36 = 81 \text{ per basket of } 5 \text{ units} \Rightarrow \frac{81}{5} = \$16.20 \text{ per unit (weighted average)}.$$

Break-even (total units):

$$\frac{194{,}400}{16.20} = \boxed{12{,}000 \text{ units}}.$$

Split by the sales mix ($3 : 2$, i.e. $\frac{3}{5}$ and $\frac{2}{5}$ of the total): $A = 12{,}000 \times \frac{3}{5} = 7{,}200$ units; $B = 12{,}000 \times \frac{2}{5} = 4{,}800$ units.

Check: contribution from $A = 7{,}200 \times 15 = \$108{,}000$; from $B = 4{,}800 \times 18 = \$86{,}400$; total $= \$194{,}400$, exactly equal to fixed costs – confirming break-even.

Break-even revenue: $A = 7{,}200 \times 40 = \$288{,}000$; $B = 4{,}800 \times 60 = \$288{,}000$; total $= \boxed{\$576{,}000}$.

VN GIẢI THÍCH TIẾNG VIỆT

Khi doanh nghiệp bán nhiều sản phẩm theo một **cơ cấu bán hàng (sales mix)** cố định, không thể tính điểm hoà vốn cho từng sản phẩm riêng lẻ – phải tính **số dư đảm phí bình quân gia quyền** theo đúng tỷ lệ cơ cấu, rồi lấy tổng chi phí cố định chia cho số dư đảm phí bình quân này để ra tổng số lượng hoà vốn, sau đó chia lại theo đúng tỷ lệ cơ cấu ban đầu cho từng sản phẩm. Nếu cơ cấu bán hàng thực tế thay đổi so với giả định, điểm hoà vốn tính toán ở trên sẽ không còn chính xác.

12.8 Problem Bank

Bài tập luyện tập

Which of the following is a classification of cost by **nature** rather than by function?

(A) Administration expenses
(B) Selling and distribution costs
(C) Direct materials
(D) Production overhead

Lời giải chi tiết

Direct materials describes *what* the cost is (a material), independent of which department incurred it. Administration, selling/distribution, and production overhead are all classifications by *function*. **(C)**.

Bài tập luyện tập

A cost that increases in direct proportion to the level of activity, and is zero at zero activity, is best described as:

(A) Fixed
(B) Variable
(C) Semi-variable
(D) Stepped fixed

Lời giải chi tiết

By definition a variable cost changes in direct proportion to activity (constant per unit, changing in total), reaching zero when activity is zero. **(B)**.

Bài tập luyện tập

A company's overhead cost was \$50,000 in a month with $7{,}000$ machine hours, and \$38,000 in a month with $4{,}000$ machine hours (these are the highest and lowest activity levels recorded). Using the high-low method, find the variable cost per machine hour, the fixed cost, and the forecast total cost at $6{,}000$ machine hours.

Lời giải chi tiết

Variable rate: $(50{,}000 - 38{,}000)/(7{,}000 - 4{,}000) = 12{,}000/3{,}000 = \$4.00$ per hour.
Fixed cost: $50{,}000 - (7{,}000 \times 4.00) = 50{,}000 - 28{,}000 = \$22{,}000$ (check: $38{,}000 - (4{,}000 \times 4.00) = 38{,}000 - 16{,}000 = \$22{,}000$, consistent).
Forecast at $6{,}000$ hours: $22{,}000 + (4.00 \times 6{,}000) = 22{,}000 + 24{,}000 = \boxed{\$46{,}000}$.

Bài tập luyện tập

A company's overhead over three months was: $2{,}000$ units, \$24,000; $3{,}500$ units, \$34,500; $5{,}000$ units, \$50,000. Whenever output exceeds $4{,}500$ units, an additional \$5,000 step increase in fixed cost is incurred. Find the variable cost per unit, and the fixed cost at output levels below and above the threshold.

Lời giải chi tiết

Highest activity is $5{,}000$ units (\$50,000, includes the \$5,000 step); lowest is $2{,}000$ units (\$24,000, no step). Remove the step from the high point first: $50{,}000 - 5{,}000 = \$45{,}000$.
Variable rate: $(45{,}000 - 24{,}000)/(5{,}000 - 2{,}000) = 21{,}000/3{,}000 = \$7.00$ per unit.
Base fixed cost (output $\leq 4{,}500$): $24{,}000 - (7.00 \times 2{,}000) = 24{,}000 - 14{,}000 = \$10{,}000$.
Fixed cost above the threshold: $10{,}000 + 5{,}000 = \boxed{\$15{,}000}$.
Check against $3{,}500$ units: $10{,}000 + (7.00 \times 3{,}500) = 10{,}000 + 24{,}500 = \$34{,}500$ – matches.

Bài tập luyện tập

Job costing is most appropriate for costing:

(A) Continuous mass production of identical litres of a chemical

(B) A one-off customer order made to a unique specification

(C) A homogeneous month of electricity supplied to a city

(D) A hospital ward's care of many patients

Lời giải chi tiết

Job costing accumulates cost separately for each unique, one-off order. Continuous identical output uses process costing; electricity supply and hospital care use service (unit) costing. **(B)**.

Bài tập luyện tập

A batch of 500 identical components cost \$18,500 in total to produce (materials, labour, and absorbed overhead combined). Calculate the cost per component.

Lời giải chi tiết

$$\text{Cost per unit} = \frac{18{,}500}{500} = \boxed{\$37.00}.$$

Bài tập luyện tập

Under process costing (ignoring losses), the cost per unit of output is calculated as:

(A) Total process cost $\div$ direct labour hours
(B) Total process cost $\div$ units of output
(C) Total process cost $\times$ OAR
(D) Prime cost $\div$ overhead

Lời giải chi tiết

With no losses, all input costs become output cost, so unit cost is simply total process cost spread evenly over the units produced. **(B)**.

Bài tập luyện tập

A haulage company's total costs for the month were \$84,000, and it carried a total of $140{,}000$ tonne-kilometres. Calculate the cost per tonne-kilometre.

Lời giải chi tiết

$$\text{Cost per tonne-km} = \frac{84{,}000}{140{,}000} = \boxed{\$0.60}.$$

Bài tập luyện tập

Budgeted production overhead is \$300,000 and budgeted direct labour hours are $25{,}000$. Job 88 uses 48 direct labour hours. Calculate the OAR and the overhead absorbed into Job 88.

Lời giải chi tiết

$$\text{OAR} = \frac{300{,}000}{25{,}000} = \$12.00 \text{ per DLH.} \qquad \text{Absorbed} = 48 \times 12.00 = \boxed{\$576}.$$

Bài tập luyện tập

Budgeted production overhead is \$420,000 and budgeted machine hours are $35{,}000$. Job 210 uses 76 machine hours. Calculate the OAR and the overhead absorbed into Job 210.

Lời giải chi tiết

$$\text{OAR} = \frac{420{,}000}{35{,}000} = \$12.00 \text{ per machine hour.} \qquad \text{Absorbed} = 76 \times 12.00 = \boxed{\$912}.$$

Bài tập luyện tập

Budgeted production overhead is $150,000 and budgeted direct labour cost is $500,000. A job's direct labour cost is $620. Calculate the OAR (as a percentage of direct labour cost) and the overhead absorbed into the job.

Lời giải chi tiết

$$\text{OAR} = \frac{150{,}000}{500{,}000} \times 100\% = 30\%. \qquad \text{Absorbed} = 620 \times 0.30 = \boxed{\$186}.$$

Bài tập luyện tập

The overhead absorption rate should always be calculated using:

(A) Actual overhead and actual activity

(B) Budgeted overhead and budgeted activity

(C) Actual overhead and budgeted activity

(D) Budgeted overhead and actual activity

Lời giải chi tiết

The OAR must be set in advance, before actual results are known, so both the numerator (overhead) and denominator (activity) must be budgeted figures. **(B)**.

Bài tập luyện tập

Budgeted fixed overhead is $264,000 and budgeted machine hours are $24{,}000$ (OAR $= \$11$/hour). Actual overhead incurred is $270,000 and actual machine hours are $25{,}500$. Calculate the overhead absorbed, the under-/over-absorption, and state its treatment in the income statement.

Lời giải chi tiết

$$\text{Overhead absorbed} = 25{,}500 \times 11 = \$280{,}500.$$

$$\text{Absorbed}(280{,}500) - \text{Incurred}(270{,}000) = +\$10{,}500 \;\Rightarrow\; \textbf{over-absorbed by \$10,500.}$$

This $10,500 is a favourable adjustment, **added** to profit in the income statement, because more overhead was recovered into production costs than was actually spent.

Bài tập luyện tập

An under-absorption of overhead arises when:

(A) Actual overhead incurred exceeds overhead absorbed

(B) Overhead absorbed exceeds actual overhead incurred

(C) Budgeted overhead equals actual overhead

(D) Actual activity exceeds budgeted activity

Lời giải chi tiết

Under-absorption means insufficient overhead was recovered into production costs to cover what was actually spent, i.e. actual overhead incurred is greater than overhead absorbed. **(A)**.

Bài tập luyện tập

Sirocco Ltd: selling price \$95/unit; direct materials \$28; direct labour \$19; variable production overhead \$8. Budgeted fixed overhead \$220,000/period; normal output $11{,}000$ units, giving fixed OAR $=$ $\$20$/unit. No opening inventory. Actual production is $12{,}000$ units; sales are $11{,}300$ units; actual fixed overhead incurred is \$220,000. Prepare both profit statements and reconcile the difference.

Lời giải chi tiết

Absorption cost/unit $= 28+19+8+20 = \$75$. Marginal cost/unit $= 28+19+8 = \$55$. Closing inventory $= 12{,}000 - 11{,}300 = 700$ units.

Absorption: Sales $11{,}300 \times 95 = 1{,}073{,}500$. Production $12{,}000 \times 75 = 900{,}000$; less closing inv. $700 \times 75 = 52{,}500$; cost of sales $= 847{,}500$. Gross profit $= 1{,}073{,}500 - 847{,}500 = 226{,}000$. Overhead absorbed $= 12{,}000 \times 20 = 240{,}000$; actual $= 220{,}000$; over-absorbed \$20,000. Profit $= 226{,}000 + 20{,}000 = \boxed{\$246{,}000}$.

Marginal: Variable production $12{,}000 \times 55 = 660{,}000$; less closing inv. $700 \times 55 = 38{,}500$; variable cost of sales $= 621{,}500$. Contribution $= 1{,}073{,}500 - 621{,}500 = 452{,}000$. Less fixed overhead (actual) $220{,}000$. Profit $= 452{,}000 - 220{,}000 = \boxed{\$232{,}000}$.

Reconciliation: $246{,}000 - 232{,}000 = \$14{,}000 = 700$ units $\times \$20$ fixed OAR (inventory increased). Matches exactly.

Bài tập luyện tập

Talbot Ltd: selling price \$120/unit; direct materials \$34; direct labour \$22; variable production overhead \$9. Budgeted fixed overhead \$175,000/period; normal output $8{,}750$ units, giving fixed OAR $= \$20$/unit. Opening inventory is 900 units; actual production this period is $8{,}000$ units; sales are $8{,}500$ units; actual fixed overhead incurred equals the budgeted \$175,000. Prepare both profit statements and reconcile the difference.

Lời giải chi tiết

Absorption cost/unit $= 34+22+9+20 = \$85$. Marginal cost/unit $= 34+22+9 = \$65$. Closing inventory $= 900 + 8{,}000 - 8{,}500 = 400$ units – a fall of 500 units.

Absorption: Sales $8{,}500 \times 120 = 1{,}020{,}000$. Opening inv. $900 \times 85 = 76{,}500$; production $8{,}000 \times 85 = 680{,}000$; total $756{,}500$; less closing inv. $400 \times 85 = 34{,}000$; cost of sales $= 722{,}500$. Gross profit $= 1{,}020{,}000 - 722{,}500 = 297{,}500$. Overhead absorbed $= 8{,}000 \times 20 = 160{,}000$; actual $= 175{,}000$; under-absorbed \$15,000. Profit $= 297{,}500 - 15{,}000 = \boxed{\$282{,}500}$.

Marginal: Opening inv. $900 \times 65 = 58{,}500$; production $8{,}000 \times 65 = 520{,}000$; total $578{,}500$; less closing inv. $400 \times 65 = 26{,}000$; variable cost of sales $= 552{,}500$. Contribution $= 1{,}020{,}000 - 552{,}500 = 467{,}500$. Less fixed overhead (actual) $175{,}000$. Profit $= 467{,}500 - 175{,}000 = \boxed{\$292{,}500}$.

Reconciliation: $292{,}500 - 282{,}500 = \$10{,}000 = 500$ units $\times \$20$ fixed OAR (inventory decreased, so absorption profit is lower). Matches exactly.

Bài tập luyện tập

When production exceeds sales during a period (inventory increases), compared with marginal costing, absorption costing profit will be:

(A) Higher
(B) Lower
(C) The same
(D) Cannot be determined

Lời giải chi tiết

Rising inventory carries fixed overhead forward under absorption costing, deferring part of the period's fixed overhead charge, so absorption profit is higher. **(A)**.

Bài tập luyện tập

The reconciling difference between absorption costing profit and marginal costing profit equals:

(A) Change in inventory units $\times$ selling price
(B) Change in inventory units $\times$ fixed overhead absorption rate per unit
(C) Change in inventory units $\times$ variable cost per unit
(D) Total fixed overhead incurred

Lời giải chi tiết

The only difference between the two methods is how fixed overhead is carried in inventory, so the reconciling amount is the change in inventory quantity multiplied by the fixed OAR per unit. **(B)**.

Bài tập luyện tập

A component currently costs \$12 materials, \$8 labour, \$4 variable overhead, and \$6 fixed overhead absorbed per unit (full cost \$30). A supplier offers to supply it at \$22/unit; annual requirement is $5{,}000$ units; fixed overheads are unavoidable whichever option is chosen. Should the company make or buy, and what is the annual financial effect?

Lời giải chi tiết

The \$6 fixed overhead is irrelevant (unavoidable either way). Relevant cost of making $= 12 + 8 + 4 = \$24$/unit. Buying at \$22/unit saves $\$24 - \$22 = \$2$/unit.

$$\text{Annual saving} = 5{,}000 \times 2 = \boxed{\$10{,}000} \Rightarrow \textbf{buy.}$$

Bài tập luyện tập

Normal selling price is \$60/unit; variable cost is \$38/unit; fixed costs of \$120,000/period are unaffected because spare capacity exists. A one-off order for $1{,}500$ units at \$42/unit is offered, with no effect on regular sales. Should it be accepted, and what is the effect on profit?

Lời giải chi tiết

Fixed costs are unaffected either way (irrelevant); only the incremental contribution matters.

$$\text{Incremental contribution} = 1{,}500 \times (42 - 38) = \boxed{\$6{,}000} \Rightarrow \textbf{accept; profit rises by \$6,000.}$$

Bài tập luyện tập

In limiting factor analysis, products should be ranked by:

(A) Contribution per unit

(B) Contribution per unit of the scarce resource

(C) Selling price per unit

(D) Total customer demand

Lời giải chi tiết

Since the scarce resource restricts total output, the best use of each unit of that resource – contribution per unit of the limiting factor – determines the most profitable production plan. **(B)**.

Bài tập luyện tập

A company has $6{,}000$ labour hours available next period (the limiting factor). Data: Product X, contribution \$24/unit, 4 hours/unit, maximum demand 900 units; Product Y, contribution \$27/unit, 3 hours/unit, maximum demand 700 units; Product Z, contribution \$10/unit, 2 hours/unit, maximum demand $1{,}000$ units. Rank the products, determine the optimal production plan, and calculate the total contribution earned.

Lời giải chi tiết

Contribution per labour hour: X $= 24/4 = \$6.00$; Y $= 27/3 = \$9.00$; Z $= 10/2 = \$5.00$. **Ranking:** Y $>$ X $>$ Z.

Total hours needed for full demand $= 700 \times 3 + 900 \times 4 + 1{,}000 \times 2 = 2{,}100 + 3{,}600 + 2{,}000 = 7{,}700 > 6{,}000$ available, so rationing is required.

Plan: Y first – full demand 700 units $\times 3 = 2{,}100$ hours (remaining $6{,}000 - 2{,}100 = 3{,}900$). X next – full demand 900 units $\times 4 = 3{,}600$ hours (remaining $3{,}900 - 3{,}600 = 300$). Z last – $300 \div 2 = 150$ units (out of demand $1{,}000$; remaining hours $= 0$).

Total contribution: $Y : 700 \times 27 = 18{,}900$; $X : 900 \times 24 = 21{,}600$; $Z : 150 \times 10 = 1{,}500$.

$$\text{Total} = 18{,}900 + 21{,}600 + 1{,}500 = \boxed{\$42{,}000}.$$

Bài tập luyện tập

Selling price \$65/unit; variable cost \$41/unit; fixed costs \$132,000/period; budgeted sales $7{,}000$ units; target profit \$48,000. Calculate the break-even point (units and revenue), the margin of safety (units and %), and the units required for the target profit.

Lời giải chi tiết

Contribution $= 65 - 41 = \$24$/unit.

$$\text{Break-even (units)} = \frac{132{,}000}{24} = \boxed{5{,}500 \text{ units}} \qquad (\text{revenue} = 5{,}500 \times 65 = \$357{,}500).$$

$$\text{Margin of safety} = 7{,}000 - 5{,}500 = 1{,}500 \text{ units} = \frac{1{,}500}{7{,}000} = 21.4\% \text{ of budgeted sales.}$$

$$\text{Units for target profit} = \frac{132{,}000 + 48{,}000}{24} = \frac{180{,}000}{24} = \boxed{7{,}500 \text{ units}}.$$

Bài tập luyện tập

Products M and N are sold in a fixed mix of $2 : 3$. Product M: selling price $45, variable cost $30, contribution $15/unit. Product N: selling price $68, variable cost $45, contribution $23/unit. Total fixed costs are $198,000/period. Find the weighted average contribution per unit, the break-even point in total units split between M and N, and the break-even revenue.

Lời giải chi tiết

Weighted average contribution per basket of 5 units (2M + 3N):

$$(2 \times 15) + (3 \times 23) = 30 + 69 = 99 \text{ per basket} \;\Rightarrow\; \frac{99}{5} = \$19.80 \text{ per unit.}$$

$$\text{Break-even (total units)} = \frac{198{,}000}{19.80} = \boxed{10{,}000 \text{ units}}.$$

Split by mix ($\frac{2}{5} : \frac{3}{5}$): $M = 10{,}000 \times \frac{2}{5} = 4{,}000$ units; $N = 10{,}000 \times \frac{3}{5} = 6{,}000$ units.
Check: contribution $= 4{,}000 \times 15 + 6{,}000 \times 23 = 60{,}000 + 138{,}000 = \$198{,}000 =$ fixed costs – confirmed.
Break-even revenue: $M = 4{,}000 \times 45 = 160{,}000$; $N = 6{,}000 \times 68 = 408{,}000$; total $= \boxed{\$568{,}000}$.

Bài tập luyện tập

A fall in the margin of safety, with fixed costs and contribution per unit unchanged, indicates that:

(A) Budgeted sales have moved further from break-even

(B) Budgeted sales have moved closer to break-even

(C) The break-even point has fallen

(D) Fixed costs have decreased

Lời giải chi tiết

The margin of safety is the gap between budgeted sales and break-even sales; if it falls (with break-even unchanged), budgeted sales must have moved closer to the break-even point. **(B)**.

Bài tập luyện tập

Classify each of the following costs as fixed, variable, or semi-variable: (a) straight-line depreciation of factory machinery; (b) a royalty paid to a designer per unit produced; (c) an electricity bill with a fixed standing charge plus a rate per kWh consumed; (d) direct labour paid on a piece-rate (per unit produced) basis.

Lời giải chi tiết

(a) **Fixed** – a constant amount each period regardless of output. (b) **Variable** – paid per unit, so it changes in direct proportion to output. (c) **Semi-variable** – contains both a fixed standing charge and a variable per-kWh element. (d) **Variable** – paid per unit produced.

Bài tập luyện tập

Which statement about marginal costing is correct?

(A) Fixed costs are absorbed into unit cost via a predetermined rate

(B) Closing inventory is valued at variable production cost only

(C) Profit is unaffected by changes in inventory levels under any costing method

(D) Fixed costs vary directly with output

Lời giải chi tiết

Under marginal costing, inventory is valued only at variable production cost, with fixed overhead written off in full as a period cost. **(B)**.

Bài tập luyện tập

Budgeted fixed overhead is \$96,000, based on budgeted output of $8{,}000$ units (OAR $=$ $\$12$/unit). Actual output is $8{,}700$ units; actual fixed overhead incurred is \$101,000. (a) Calculate the overhead absorbed. (b) Calculate the under-/over-absorption. (c) State whether reported profit rises or falls as a result, and by how much.

Lời giải chi tiết

(a) Overhead absorbed $= 8{,}700 \times 12 = \$104{,}400.$
(b) Absorbed$(104{,}400)$ − Incurred$(101{,}000) = +\$3{,}400 \;\Rightarrow$ **over-absorbed by \$3,400.**
(c) Over-absorption is a favourable adjustment, so reported profit **increases** by \$3,400 relative to what it would be with no such adjustment.

Ôn tập nhanh: (1) Phân loại chi phí theo bản chất/chức năng/cách ứng xử là ba lăng kính khác nhau cho cùng một khoản chi phí. (2) High-low: luôn dùng mức **hoạt động** cao nhất/thấp nhất, chú ý loại bỏ bước nhảy chi phí trước khi tính. (3) OAR luôn dựa trên số liệu **dự toán**; chênh lệch với thực tế tạo ra phân bổ thiếu/thừa, điều chỉnh trực tiếp vào lợi nhuận. (4) Absorption trừ marginal luôn bằng thay đổi tồn kho $\times$ OAR cố định – tồn kho tăng thì absorption cao hơn, tồn kho giảm thì absorption thấp hơn. (5) Quyết định ngắn hạn dùng chi phí biên (bỏ qua chi phí cố định không đổi); yếu tố giới hạn xếp hạng theo số dư đảm phí trên một đơn vị nguồn lực khan hiếm. (6) Hoà vốn nhiều sản phẩm dùng số dư đảm phí bình quân gia quyền theo đúng cơ cấu bán hàng.

Cost and Management Accounting II: Budgeting, Standard Costing & Investment Appraisal

A2 Level

Mục tiêu Unit: Mục đích của lập ngân sách (hoạch định, phối hợp, kiểm soát, tạo động lực, đánh giá thành tích) và quy trình lập ngân sách (uỷ ban ngân sách, yếu tố giới hạn ngân sách); các ngân sách chức năng (bán hàng, sản xuất, mua nguyên vật liệu, lao động) liên kết với nhau; ngân sách tiền mặt đầy đủ với độ trễ thu/chi thực tế; ngân sách linh hoạt (flexible budget) và biến động ngân sách đã điều chỉnh; toàn bộ hệ thống chi phí tiêu chuẩn và phân tích biến động (nguyên vật liệu, lao động, biến phí sản xuất chung, định phí sản xuất chung kể cả biến động công suất và hiệu suất) cùng báo cáo hoạt động đối chiếu lợi nhuận ngân sách với lợi nhuận thực tế; và thẩm định dự án đầu tư (thời gian hoàn vốn có nội suy, tỷ suất lợi nhuận kế toán ARR, giá trị hiện tại thuần NPV, khái niệm tỷ suất hoàn vốn nội bộ IRR) cùng các yếu tố phi tài chính cần cân nhắc.

13.1 Budgeting: Purposes and the Budgeting Process

13.1.1 Why organisations prepare budgets

A **budget** is a quantified financial plan, prepared in advance for a defined future period, that sets out the resources an organisation intends to acquire and use in pursuit of its objectives. Budgeting serves several distinct purposes simultaneously.

Purposes of budgeting

- **Planning:** forces management to look ahead systematically and translate strategic objectives into detailed, quantified operational targets before the period begins, rather than reacting to events as they occur.
- **Coordination:** ensures that the plans of different departments (sales, production, purchasing, personnel, finance) are mutually consistent – e.g., the production budget must be capable of supplying exactly what the sales budget promises to sell.
- **Control:** provides a benchmark against which actual performance can be compared; significant variances between budget and actual results trigger investigation and corrective action.
- **Motivation:** agreed, achievable targets can motivate managers and staff to strive toward organisational goals, particularly where budgets are used in performance-related reward schemes.
- **Communication:** budgets communicate management's plans and priorities down through the organisation, and communicate departmental constraints and opportunities back up to senior management.

- **Performance evaluation:** actual results are frequently judged against the budget (rather than against last year's results alone), giving a more relevant, forward-looking yardstick for evaluating a manager's performance.

GIẢI THÍCH TIẾNG VIỆT

VN

Ngân sách (budget) là kế hoạch tài chính được lượng hoá trước cho một kỳ tương lai xác định. Lập ngân sách phục vụ nhiều mục đích cùng lúc: **hoạch định** (buộc quản lý phải nhìn xa và lượng hoá mục tiêu thành chỉ tiêu cụ thể); **phối hợp** (đảm bảo kế hoạch của các phòng ban nhất quán với nhau, ví dụ ngân sách sản xuất phải đáp ứng đúng những gì ngân sách bán hàng cam kết bán); **kiểm soát** (làm chuẩn để so sánh với kết quả thực tế, từ đó phát hiện và xử lý sai lệch); **tạo động lực** (mục tiêu hợp lý, khả thi thúc đẩy nhân viên phấn đấu, đặc biệt khi gắn với đánh giá thành tích); và **đánh giá thành tích** (so với ngân sách cho cái nhìn hướng tới tương lai hơn là chỉ so với kết quả năm trước).

13.1.2 The budgeting process: budget committee and the principal budget factor

In most organisations, budgets are coordinated by a **budget committee**, typically chaired by a senior manager (often the finance director) and including the heads of the main functional departments. The committee issues a **budget manual** (setting out timetables, responsibilities and formats), reviews and reconciles the functional budgets submitted by each department, resolves conflicts between departments, and ultimately approves the **master budget** – the budgeted income statement, budgeted statement of financial position, and cash budget taken together.

Before any functional budget can be prepared, the organisation must identify its **principal budget factor** (also called the **limiting factor**): the single factor that restricts the volume of activity the organisation can achieve in the budget period. For most organisations this is **sales demand** – an organisation typically cannot sell more than the market will buy, so the sales budget is prepared first and every other functional budget is built around it. Occasionally a different factor is the true constraint – for example, a shortage of a key raw material, a fixed maximum of machine hours or skilled labour hours, or limited factory floor space – in which case that factor must be budgeted for first, and the sales budget is scaled back to whatever the constrained factor can support.

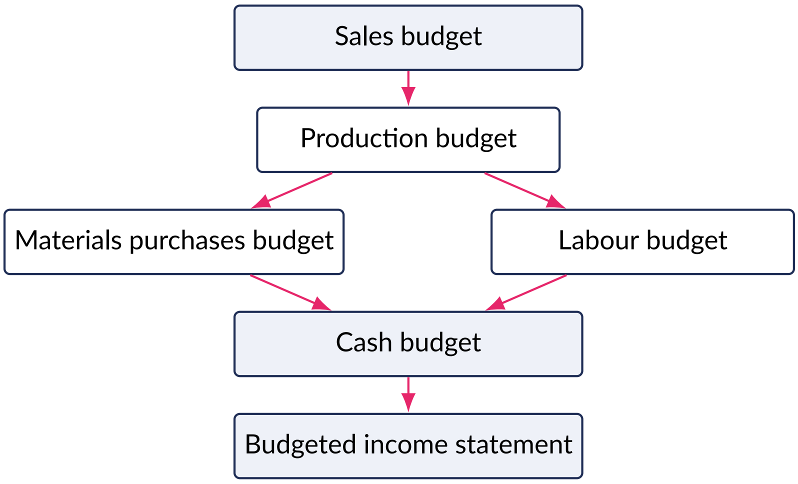
GIẢI THÍCH TIẾNG VIỆT

VN

Uỷ ban ngân sách (budget committee) điều phối toàn bộ quy trình lập ngân sách: ban hành sổ tay ngân sách, tổng hợp và đối chiếu các ngân sách chức năng do từng phòng ban đệ trình, giải quyết mâu thuẫn, và phê duyệt **ngân sách tổng thể (master budget)**. **Yếu tố giới hạn ngân sách (principal budget factor)** là yếu tố duy nhất giới hạn quy mô hoạt động của doanh nghiệp trong kỳ ngân sách – thường là nhu cầu thị trường (khi đó lập ngân sách bán hàng trước), nhưng đôi khi là nguyên vật liệu khan hiếm, số giờ máy/giờ lao động tối đa, hoặc diện tích nhà xưởng hạn chế – yếu tố này phải được xác định và lập ngân sách trước tiên.

13.2 Functional Budgets

Once the principal budget factor (usually sales) has been identified, a chain of **functional budgets** is built, each depending on the one before it.



The budgeting hierarchy: the sales budget (built around the principal budget factor) drives the production budget, which drives the materials purchases and labour budgets; these in turn feed the cash budget and, together with the production budget, the budgeted income statement.

VN **GIẢI THÍCH TIẾNG VIỆT**

Các ngân sách chức năng luôn nối tiếp nhau theo một chuỗi: ngân sách bán hàng (dựa trên yếu tố giới hạn, thường là nhu cầu thị trường) → ngân sách sản xuất → ngân sách mua nguyên vật liệu và ngân sách lao động → ngân sách tiền mặt → báo cáo thu nhập theo ngân sách. Sai một khâu trong chuỗi này sẽ khiến toàn bộ các ngân sách phía sau sai theo.

13.2.1 The sales budget, production budget, materials purchases budget and labour budget

Formulas for the functional budgets

Sales budget: budgeted sales units × budgeted selling price, by product and by period.

Production budget (units):

$$\text{Production} = \text{Budgeted sales} + \text{Desired closing inventory} - \text{Opening inventory}$$

Materials purchases budget: first find the material *usage* required by the production budget (production units × material required per unit), then:

$$\text{Purchases} = \text{Material usage} + \text{Desired closing material inventory} - \text{Opening material inventory}$$

Purchases cost = purchases (kg) × standard price per kg.

Labour budget: production units × standard labour hours per unit = budgeted hours; budgeted hours × standard rate per hour = budgeted labour cost.

VN **GIẢI THÍCH TIẾNG VIỆT**

Ngân sách sản xuất (theo đơn vị) = Bán hàng theo ngân sách + Tồn kho cuối kỳ mong muốn − Tồn kho đầu kỳ – công thức này đảm bảo doanh nghiệp sản xuất đủ để bán VÀ giữ đúng mức tồn kho mong muốn. Ngân sách mua nguyên vật liệu áp dụng cùng logic nhưng ở cấp độ nguyên vật liệu: trước tiên tính lượng NVL cần dùng cho sản xuất, sau đó cộng/trừ chênh lệch tồn kho NVL mong muốn. Ngân sách lao động đơn giản là số giờ công tiêu chuẩn nhân với đơn giá giờ công tiêu chuẩn.

Ví dụ mẫu 1 · Sales budget

Delta Manufacturing budgets sales of Product D at 4,000 units in January, 4,500 units in February, and 5,000 units in March, at a selling price of $25 per unit.

	January	February	March
Budgeted sales units	4,000	4,500	5,000
Selling price	$25	$25	$25
Sales revenue	**$100,000**	**$112,500**	**$125,000**

Ví dụ mẫu 2 · Production budget

Delta's inventory policy is to hold closing inventory of finished goods equal to 20% of the *following* month's budgeted sales units. Opening inventory on 1 January is 800 units. Estimated April sales are 5,200 units (needed to set March's closing inventory).

	January	February	March
Budgeted sales (units)	4,000	4,500	5,000
Add: desired closing inventory	900	1,000	1,040
	4,900	5,500	6,040
Less: opening inventory	(800)	(900)	(1,000)
Production (units)	**4,100**	**4,600**	**5,040**

Each month's closing inventory becomes next month's opening inventory (900 and 1,000 carry forward correctly above), so the chain is internally consistent.

Ví dụ mẫu 3 · Materials purchases budget

Each unit of Product D requires 3 kg of raw material X, costing $4.00 per kg. Desired closing material inventory is 10% of the *following* month's material usage; opening material inventory on 1 January is 1,230 kg. Estimated material usage in April is 15,600 kg.

	January	February	March
Production (units, from above)	4,100	4,600	5,040
Material usage (kg) at 3 kg/unit	12,300	13,800	15,120
Add: desired closing material inventory	1,380	1,512	1,560
	13,680	15,312	16,680
Less: opening material inventory	(1,230)	(1,380)	(1,512)
Purchases (kg)	**12,450**	**13,932**	**15,168**
× standard price $4.00/kg			
Purchases cost ($)	**49,800**	**55,728**	**60,672**

Ví dụ mẫu 4 · Labour budget

Each unit of Product D requires 0.5 direct labour hours, paid at $12.00 per hour.

	January	February	March
Production (units, from above)	4,100	4,600	5,040
Labour hours at 0.5 hr/unit	2,050	2,300	2,520
× standard rate $12.00/hour			
Labour cost ($)	**24,600**	**27,600**	**30,240**

The four functional budgets above chain together perfectly: the sales budget drove the production budget, which in turn drove both the materials purchases budget and the labour budget – exactly the sequence shown in the diagram above.

VN GIẢI THÍCH TIẾNG VIỆT

Ví dụ trên minh hoạ chuỗi ngân sách hoàn chỉnh: số liệu bán hàng (Ví dụ 1) quyết định số lượng cần sản xuất sau khi điều chỉnh tồn kho thành phẩm (Ví dụ 2); số lượng sản xuất đó lại quyết định lượng nguyên vật liệu cần mua sau khi điều chỉnh tồn kho NVL (Ví dụ 3) và số giờ công cần thiết (Ví dụ 4). Luôn kiểm tra: tồn kho cuối kỳ của tháng này phải bằng tồn kho đầu kỳ của tháng sau.

13.3 The Cash Budget

The **cash budget** (cash flow forecast) predicts the timing of cash receipts and payments, month by month, so that management can identify in advance any period in which the business is expected to run short of cash (and needs to arrange overdraft or short-term finance) or has a temporary cash surplus (which could be invested). Unlike the budgeted income statement, the cash budget includes only *cash* transactions in the period they are actually expected to be received or paid – it excludes non-cash items such as depreciation, and it times credit transactions according to when cash actually changes hands, not when the sale or purchase was made.

Cash budget layout, each period:

$$\text{Closing balance} = \text{Opening balance} + \text{Total receipts} - \text{Total payments}$$

This period's closing balance becomes next period's opening balance. A negative closing balance signals a projected **overdraft**.

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Ngân sách tiền mặt dự báo THỜI ĐIỂM thực tế tiền vào/ra, khác với báo cáo thu nhập (ghi nhận theo nguyên tắc dồn tích). Khấu hao KHÔNG xuất hiện trong ngân sách tiền mặt vì không phải là dòng tiền thực tế. Số dư cuối kỳ = Số dư đầu kỳ + Thu − Chi, và số dư cuối kỳ này chính là số dư đầu kỳ của kỳ tiếp theo.

Ví dụ mẫu 5 · Cash budget with timing lags and capital expenditure

Orion Retail forecasts total sales revenue of $40,000 (February), $45,000 (March), $50,000 (April), $55,000 (May) and $60,000 (June). Of each month's sales, 30% is for cash (received immediately) and 70% is on credit, collected one month later. Purchases (all on credit, paid one month later) are forecast at $28,000 (March), $30,000 (April), $32,000 (May) and $34,000 (June). Wages of $8,000 and other overheads of $5,500 are paid as incurred each month. A new delivery van costing $20,000 will be paid for in May. The opening cash balance on 1

April is $6,000. Prepare the cash budget for April, May and June, and identify any period of projected overdraft.

Receipts:

	April $	May $	June $
Cash sales (30%)	15,000	16,500	18,000
Credit sales collected (70%, 1 month arrears)	31,500	35,000	38,500
Total receipts	**46,500**	**51,500**	**56,500**

Payments and cash budget:

	April $	May $	June $
Payments to suppliers (1 month arrears)	28,000	30,000	32,000
Wages	8,000	8,000	8,000
Other overheads	5,500	5,500	5,500
New delivery van	–	20,000	–
Total payments	**41,500**	**63,500**	**45,500**
Net cash flow	**5,000**	**(12,000)**	**11,000**
Opening balance	6,000	11,000	(1,000)
Closing balance	**11,000**	**(1,000)**	**10,000**

The budget reveals a projected overdraft of $1,000 in **May** only (the month of the van purchase); by June the business is back in a healthy cash position. Management should arrange short-term overdraft facilities in advance of May, or consider deferring the van purchase or financing it separately (e.g., by hire purchase) to avoid the overdraft altogether.

(!) Lỗi thường gặp: Never confuse the cash budget with the budgeted income statement. Credit sales/purchases are timed by when **cash** is received/paid, not when the sale/purchase occurred; depreciation, accrued expenses not yet paid, and other non-cash adjustments are excluded entirely; and one-off capital expenditure (like the van above) appears in full in the month paid, not spread over its useful life as depreciation would be.

13.4 Flexible Budgets

A **fixed budget** is prepared for one single, planned level of activity and is not adjusted regardless of the volume actually achieved. Comparing actual results directly against a fixed budget is misleading whenever actual output differs from the budgeted output, because variable costs are expected to change with volume – a business that produces more than budgeted will naturally spend more in total on materials and labour, and a naive comparison would flag this as an "adverse" variance even though unit costs may be perfectly under control.

A **flexible budget** solves this by first separating each cost into its **fixed** and **variable** elements, then recalculating ("flexing") the budget to the *actual* level of activity achieved before comparing it with actual costs. The resulting difference is the **flexed-budget variance** – a much more meaningful measure of cost control than a naive fixed-budget comparison.

Flexing a budget

1. Identify the variable cost per unit (fixed budget total ÷ fixed budget output) for each variable cost element.
2. Flexed variable cost = variable cost per unit × actual output.
3. Fixed costs remain unchanged in total (that is what "fixed" means) regardless of the output level used for flexing.
4. Flexed-budget variance = Actual cost − Flexed budget cost, for each cost element and in total.

VN **GIẢI THÍCH TIẾNG VIỆT**

Ngân sách cố định (fixed budget) chỉ lập cho MỘT mức hoạt động dự kiến và không điều chỉnh theo sản lượng thực tế – so sánh trực tiếp với thực tế dễ gây hiểu lầm vì biến phí đương nhiên tăng/giảm theo sản lượng. Ngân sách linh hoạt (flexible budget) khắc phục bằng cách tách chi phí thành biến phí và định phí, sau đó "linh hoạt hoá" ngân sách theo ĐÚNG mức sản lượng thực tế đạt được trước khi so sánh – biến động ngân sách đã điều chỉnh (flexed-budget variance) phản ánh đúng hiệu quả kiểm soát chi phí hơn nhiều so với so sánh ngân sách cố định thô.

Ví dụ mẫu 6 · Flexing a budget and calculating the flexed-budget variance

The original (fixed) budget was prepared for an output of 8,000 units: direct materials $32,000, direct labour $48,000, variable overhead $16,000, and fixed overhead $40,000. Actual output achieved was 8,800 units, with actual costs: materials $36,800, labour $53,500, variable overhead $18,200, and fixed overhead $41,000.

	Fixed budget (8,000 units) $	Flexed budget (8,800 units) $	Actual $	Flexed-budget variance $
Materials ($4/unit)	32,000	35,200	36,800	1,600 A
Labour ($6/unit)	48,000	52,800	53,500	700 A
Variable overhead ($2/unit)	16,000	17,600	18,200	600 A
Fixed overhead (unchanged)	40,000	40,000	41,000	1,000 A
Total	**136,000**	**145,600**	**149,500**	**3,900 A**

Each variable cost per unit was found by dividing the fixed-budget total by 8,000 units (e.g., materials $32,000 ÷ 8,000 = $4/unit), then multiplied by the actual 8,800 units to flex it. Note that a naive comparison of actual ($149,500) against the *original* fixed budget ($136,000) would show an adverse variance of $13,500 – mostly an illusion caused by the 10% higher volume, not poor cost control. The flexed-budget comparison isolates the genuine adverse variance of only $3,900, caused by real overspending relative to the volume actually achieved.

13.5 Standard Costing and Variance Analysis

13.5.1 The standard cost card

A **standard cost** is a carefully predetermined cost, per unit of output, based on efficient operating conditions – the standard *quantity* of each input expected to be used per unit, multiplied by the standard *price* expected to be paid per unit of that input. These are assembled into a **standard cost card**.

Standard cost card – structure

- **Direct materials:** standard quantity per unit × standard price per kg.
- **Direct labour:** standard hours per unit × standard rate per hour.
- **Variable production overhead:** standard hours per unit × standard variable overhead rate per hour.
- **Fixed production overhead:** standard hours per unit × standard fixed overhead absorption rate (OAR) per hour, where the OAR = budgeted fixed overhead ÷ budgeted output (in hours or units).

Summing these four elements gives the **standard (full) cost per unit**; deducting this from the standard selling price gives the **standard profit per unit**.

VN **GIẢI THÍCH TIẾNG VIỆT**

Chi phí tiêu chuẩn (standard cost) là chi phí định mức được tính trước cho mỗi đơn vị sản phẩm, dựa trên điều kiện vận hành hiệu quả: LƯỢNG tiêu chuẩn của từng yếu tố đầu vào nhân với GIÁ tiêu chuẩn của yếu tố đó. Thẻ chi phí tiêu chuẩn (standard cost card) gồm 4 dòng: nguyên vật liệu trực tiếp, lao động trực tiếp, biến phí sản xuất chung, và định phí sản xuất chung (dùng tỷ lệ phân bổ định phí OAR = Định phí sản xuất chung theo ngân sách ÷ Sản lượng theo ngân sách).

13.5.2 Variance formulas

Materials: Price variance = (SP × AQ) − Actual cost; Usage variance = (Std qty for actual output − AQ) × SP.

Labour: Rate variance = (SR × AH) − Actual cost; Efficiency variance = (Std hrs for actual output − AH) × SR.

Variable overhead: Expenditure variance = (SR × AH) − Actual variable OH cost; Efficiency variance = (Std hrs for actual output − AH) × SR.

Fixed overhead: Expenditure variance = Budgeted fixed OH − Actual fixed OH; Volume variance = (Actual output − Budgeted output) × std FOH rate per unit. Volume variance splits further into: Capacity variance = (Actual hours − Budgeted hours) × std FOH rate per hour; Efficiency variance = (Std hrs for actual output − Actual hours) × std FOH rate per hour.

(SP = standard price, SR = standard rate, AQ = actual quantity, AH = actual hours.) A positive result (standard > actual cost, or output/hours above budget) is **Favourable (F)**; a negative result is **Adverse (A)**. Sub-variances of a cost element always sum exactly to that element's total variance.

VN **GIẢI THÍCH TIẾNG VIỆT**

Biến động GIÁ/ĐƠN GIÁ (price/rate variance) đo chênh lệch do giá mua/thuê thực tế khác tiêu chuẩn (giữ lượng cố định ở mức thực tế). Biến động LƯỢNG/HIỆU SUẤT (usage/efficiency variance) đo chênh lệch do dùng nhiều/ít hơn định mức tiêu chuẩn cho SẢN LƯỢNG THỰC TẾ (giữ giá cố định ở mức tiêu chuẩn). Với định phí sản xuất chung, biến động khối lượng (volume variance) đo ảnh hưởng của việc sản xuất khác mức ngân sách lên phần định phí đã phân bổ; biến động này tách tiếp thành biến động CÔNG SUẤT (chênh lệch giữa số giờ thực tế làm việc và số giờ theo ngân sách – đo việc nhà máy có hoạt động đủ công suất hay không) và biến động HIỆU SUẤT (chênh lệch giữa số giờ tiêu chuẩn cho sản lượng thực tế và số giờ thực tế – đo tốc độ làm việc). ”F” (favourable) = có lợi cho lợi nhuận, ”A” (adverse) = bất lợi.

(!) Lỗi thường gặp: The fixed overhead absorption rate (OAR) is always calculated using **budgeted** (planned/normal) output or hours, **never** actual output. This is precisely why a fixed overhead *volume* variance arises whenever actual output differs from budgeted output – the volume variance simply measures the profit effect of over- or under-absorbing fixed overhead relative to the budgeted level used to fix the OAR in the first place.

13.5.3 Worked example: a full set of variances and the operating statement

Ví dụ mẫu 7 · Standard cost card for Widget X

Cost element	Standard	$
Direct materials	5 kg @ $3.00/kg	15.00
Direct labour	3 hours @ $10.00/hour	30.00
Variable production overhead	3 hours @ $2.00/hour	6.00
Fixed production overhead	3 hours @ $8.00/hour	24.00
Standard cost per unit		**75.00**
Standard selling price		100.00
Standard profit per unit		**25.00**

Budgeted output for the period is 2,000 units (so budgeted hours = $6,000$; budgeted fixed overhead = $2,000 \times \$24 = \$48,000$; budgeted profit = $2,000 \times \$25 = \$50,000$).

Actual results: output and sales = $1,900$ units (selling price unchanged at $100/unit); materials used = $9,800$ kg costing $28,500; labour = $5,750$ hours costing $58,650; variable overhead cost = $\$12,000$; fixed overhead cost = $\$50,000$.

Ví dụ mẫu 8 · Material variances

Material price variance	
Standard price × actual qty ($3.00 \times 9{,}800$)	29,400
Less: actual cost	(28,500)
Variance	**900 F**

Material usage variance	
Std. qty for output ($1{,}900 \times 5 = 9{,}500$) vs. actual (9,800) × standard price $3.00	(300) kg
Variance	**900 A**

Check: standard cost of actual output = $9{,}500 \times 3.00 = \$28{,}500$; actual cost = $\$28{,}500$; total material variance = $\$28{,}500 - \$28{,}500 = \boxed{\$0}$ (net nil) = 900F − 900A. A favourable price gain (cheaper material bought) was exactly offset by adverse usage (more material used than standard) – possibly the cheaper material caused more wastage.

Ví dụ mẫu 9 · Labour variances

Labour rate variance	
Standard rate × actual hrs $(10.00 \times 5{,}750)$	57,500
Less: actual cost	(58,650)
Variance	**1,150 A**

Labour efficiency variance	
Std. hrs for output $(1{,}900 \times 3 = 5{,}700)$ vs. actual (5,750)	(50) hrs
× standard rate $10.00	
Variance	**500 A**

Check: standard cost of actual output $= 5{,}700 \times 10.00 = \$57{,}000$; actual cost $= \$58{,}650$; total labour variance $= 57{,}000 - 58{,}650 = \boxed{\$1{,}650\text{ A}} = 1{,}150\text{A} + 500\text{A}$. Matches exactly.

Ví dụ mẫu 10 · Variable and fixed overhead variances

Variable OH expenditure variance	
Standard rate × actual hrs $(2.00 \times 5{,}750)$	11,500
Less: actual variable OH cost	(12,000)
Variance	**500 A**

Variable OH efficiency variance	
Std. hrs for output (5,700) vs. actual (5,750)	(50) hrs
× standard rate $2.00	
Variance	**100 A**

Check: standard cost of actual output $= 5{,}700 \times 2.00 = \$11{,}400$; actual $= \$12{,}000$; total variable OH variance $= \boxed{\$600\text{ A}} = 500\text{A} + 100\text{A}$.

Fixed OH expenditure variance	
Budgeted fixed overhead	48,000
Less: actual fixed overhead	(50,000)
Variance	**2,000 A**

Fixed OH volume variance	
(Actual output − budgeted output)	(100) units
× standard FOH rate $24.00/unit	
Variance	**2,400 A**

The volume variance splits into capacity and efficiency (standard FOH rate per hour $= \$24 \div 3 = \$8.00$):

Capacity variance	
(Actual hrs 5,750 − budgeted hrs 6,000)	(250) hrs
× $8.00/hour	
Variance	**2,000 A**

Efficiency variance (FOH)	
(Std hrs 5,700 − actual hrs 5,750)	(50) hrs
× $8.00/hour	
Variance	**400 A**

Check: $2{,}000\text{A} + 400\text{A} = 2{,}400\text{A} =$ volume variance above. **Total fixed OH variance** $= 2{,}000\text{A} + 2{,}400\text{A} = \boxed{\$4{,}400\text{ A}}$ (also confirmed by: FOH absorbed $= 1{,}900 \times 24 = \$45{,}600$; actual $= \$50{,}000$; difference $= \$4{,}400$ A).

Ví dụ mẫu 11 · Operating statement: reconciling budgeted profit to actual profit

	$	$
Budgeted profit (2,000 units × $25)		50,000
Sales volume profit variance: $(1{,}900 - 2{,}000) \times \$25$		(2,500) A
Standard profit on actual sales (1,900 × $25)		47,500
Cost variances:	Favourable	Adverse
Material price	900	
Material usage		900
Labour rate		1,150
Labour efficiency		500
Variable overhead expenditure		500
Variable overhead efficiency		100
Fixed overhead expenditure		2,000
Fixed overhead volume		2,400
Totals	**900**	**7,550**
Net cost variance		**(6,650) A**
Actual profit		**40,850**

Direct check: actual revenue $= 1{,}900 \times \$100 = \$190{,}000$; actual total cost $= \$28{,}500 + \$58{,}650 + \$12{,}000 + \$50{,}000 = \$149{,}150$; actual profit $= \$190{,}000 - \$149{,}150 = \boxed{\$40{,}850}$ – exactly matching the reconciliation above.

13.6 Investment Appraisal

Investment appraisal techniques help management decide whether a proposed capital project (e.g., buying new machinery, opening a new outlet) is worthwhile, and to rank competing projects when funds are limited.

13.6.1 Payback period

Payback period

The **payback period** is the time taken for the cumulative net cash inflows from a project to equal the initial investment. Where payback falls between two whole years, interpolate:

$$\text{Payback} = \text{Full years elapsed} + \frac{\text{Investment} - \text{Cumulative cash flow to start of year}}{\text{Cash inflow during that year}} \times 12 \text{ months}$$

Shorter payback is generally preferred (faster recovery of capital, lower exposure to risk), but payback **ignores all cash flows after the payback date** and takes no account of the time value of money.

(!) Lỗi thường gặp: Payback period completely ignores what happens to cash flows *after* the payback date. A project with a very short payback but poor cash flows thereafter can appear more attractive than a project with a slightly longer payback but very strong cash flows in later years – payback alone can therefore lead to a poor investment decision if used without also considering NPV or ARR.

13.6.2 Accounting rate of return (ARR)

ARR

$$\text{ARR (on initial investment)} = \frac{\text{Average annual accounting profit}}{\text{Initial investment}} \times 100$$

where average annual profit = (total net cash inflows over the project's life − total depreciation) ÷ number of years. An alternative basis divides by the **average investment** instead:

$$\text{Average investment} = \frac{\text{Initial investment} + \text{Residual value}}{2}$$

$$\text{ARR (average investment)} = \frac{\text{Average annual profit}}{\text{Average investment}} \times 100$$

The resulting ARR percentage is compared with a target rate of return set by management; the higher the ARR, the more attractive the project.

13.6.3 Net present value (NPV) and internal rate of return (IRR)

NPV and IRR

Net present value (NPV) discounts every future cash flow of a project back to its present value, using a discount rate reflecting the organisation's cost of capital, then deducts the initial investment:

$$\text{NPV} = \sum (\text{Net cash flow}_t \times \text{Discount factor}_t) - \text{Initial investment}$$

A **positive** NPV means the project is expected to earn more than the cost of capital and adds value to the business – it should be **accepted**. A **negative** NPV means the project should be **rejected**. Where two mutually exclusive projects both have positive NPV, the one with the **higher** NPV should normally be chosen, as it creates more value.
The **internal rate of return (IRR)** is the discount rate at which a project's NPV is exactly zero – the "break-even" cost of capital for the project. If the organisation's actual cost of capital is below the IRR, the project has a positive NPV and is worth accepting; if the cost of capital exceeds the IRR, NPV is negative and the project should be rejected.

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Thời gian hoàn vốn (payback) = thời gian để dòng tiền tích luỹ bù đắp vốn đầu tư ban đầu; càng ngắn càng an toàn nhưng bỏ qua hoàn toàn dòng tiền SAU điểm hoàn vốn và không tính đến giá trị thời gian của tiền. **ARR** = Lợi nhuận kế toán bình quân/năm chia cho vốn đầu tư (ban đầu hoặc bình quân). **NPV** chiết khấu TẤT CẢ dòng tiền tương lai về giá trị hiện tại rồi trừ vốn đầu tư ban đầu – NPV dương nghĩa là dự án tạo thêm giá trị nên được chấp nhận; giữa hai dự án loại trừ nhau, chọn dự án có NPV cao hơn. **IRR** là tỷ lệ chiết khấu khiến NPV đúng bằng 0 – nếu chi phí sử dụng vốn thực tế thấp hơn IRR thì dự án có NPV dương và đáng thực hiện.

(!) Lỗi thường gặp: ARR is based on **accounting profit** (after depreciation) and ignores the time value of money entirely, while NPV explicitly discounts **cash flows**. The two methods can give conflicting signals – a project may show an attractive ARR yet a negative NPV, or vice versa. Where methods conflict, NPV is theoretically superior because it directly measures the increase in shareholder wealth the project is expected to create; base the final recommendation on NPV whenever the two disagree, but still report ARR and payback as they answer different, complementary questions (profitability rate, and speed of cash recovery, respectively).

Ví dụ mẫu 12 · Payback, ARR and NPV for a single project

Machine Alpha requires an initial investment of $120,000 (no residual value, 5-year life). Forecast net cash inflows: Year 1 $30,000; Year 2 $35,000; Year 3 $40,000; Year 4 $35,000; Year 5 $25,000. Discount factors at 8%: 0.926, 0.857, 0.794, 0.735, 0.681.

Payback: cumulative cash flows 30,000 / 65,000 / 105,000 / 140,000 – payback occurs during Year 4:

$$3\text{ years} + \frac{120{,}000 - 105{,}000}{35{,}000} \times 12 = 3\text{ years} + \frac{15{,}000}{35{,}000} \times 12 \approx \boxed{3\text{ years } 5.1\text{ months}}.$$

ARR (initial investment basis): total inflows $= 165{,}000$; total depreciation $= 120{,}000$ (straight line, 5 years, no residual); total profit $= 45{,}000$; average annual profit $= 9{,}000$.

$$\text{ARR} = \frac{9{,}000}{120{,}000} \times 100 = \boxed{7.5\%}.$$

ARR (average investment basis): average investment $= (120{,}000 + 0)/2 = 60{,}000$; ARR $= 9{,}000/60{,}000 \times 100 = \boxed{15\%}$.

NPV (at 8%):

Year	Cash flow $	Discount factor	Present value $
1	30,000	0.926	27,780
2	35,000	0.857	29,995
3	40,000	0.794	31,760
4	35,000	0.735	25,725
5	25,000	0.681	17,025
Total PV of inflows			**132,285**
Less: initial investment			(120,000)
NPV			**12,285**

NPV is positive ($12,285), so the project earns more than the 8% cost of capital and should be **accepted**. Since NPV is positive at 8%, the project's IRR must lie somewhat above 8% – the discount rate would have to rise further before NPV falls to zero.

Ví dụ mẫu 13 · Comparing two mutually exclusive projects

A company must choose between two mutually exclusive projects, Project M and Project N, each requiring an initial investment of $100,000. Discount rate 10%; discount factors: 0.909, 0.826, 0.751, 0.683. Project M cash inflows: Y1 $40,000, Y2 $35,000, Y3 $30,000, Y4 $25,000. Project N cash inflows: Y1 $20,000, Y2 $30,000, Y3 $40,000, Y4 $50,000.

	Y1 PV	Y2 PV	Y3 PV	Y4 PV
Project M ($40{,}000 \times 0.909$, etc.)	36,360	28,910	22,530	17,075
Project N ($20{,}000 \times 0.909$, etc.)	18,180	24,780	30,040	34,150

Project M: total PV $= 36{,}360+28{,}910+22{,}530+17{,}075 = 104{,}875$; NPV$_M = 104{,}875-100{,}000 = \boxed{\$4{,}875}$.

Project N: total PV $= 18{,}180+24{,}780+30{,}040+34{,}150 = 107{,}150$; NPV$_N = 107{,}150-100{,}000 = \boxed{\$7{,}150}$.

Payback comparison: Project M recovers \$100,000 by cumulative 40,000/75,000/105,000 – payback in Year 3, $= 2$ yrs $+ \frac{25{,}000}{30{,}000} \times 12 \approx 2$ years 10 months. Project N recovers by cumulative 20,000/50,000/90,000/140,000 – payback in Year 4, $= 3$ yrs $+ \frac{10{,}000}{50{,}000} \times 12 = 3$ years 2.4 months.

Recommendation: Project N has the higher NPV (\$7,150 $>$ \$4,875) and should be selected, since it creates more value in present-value terms even though its cash flows are more heavily backloaded. Payback alone would favour Project M (faster cash recovery, 2 years 10 months versus 3 years 2.4 months) – this is a clear example of two appraisal methods pointing in different directions; the NPV-based recommendation (Project N) should prevail unless the business has an overriding liquidity concern that makes faster payback the priority.

13.6.4 Non-financial and qualitative factors

Purely quantitative appraisal (payback, ARR, NPV, IRR) never captures the full picture. Before a final decision, management should also weigh **qualitative factors**: the effect on staff morale, job security and training needs; the reliability and reputation of a supplier or technology partner; the environmental and regulatory impact of the project; strategic fit with the organisation's long-term direction and brand; the risk of the underlying cash flow forecasts being wrong (sensitivity/risk analysis); and the effect on customer service quality and competitive position. A project with a marginally lower NPV may still be preferred if it carries substantially less risk or fits strategy better.

VN GIẢI THÍCH TIẾNG VIỆT

Ngoài các chỉ số tài chính, quyết định đầu tư còn cần cân nhắc các yếu tố phi tài chính: ảnh hưởng đến tinh thần và việc làm của nhân viên, độ tin cậy của nhà cung cấp/đối tác công nghệ, tác động môi trường và pháp lý, mức độ phù hợp với chiến lược dài hạn, độ rủi ro của các dự báo dòng tiền, và ảnh hưởng đến chất lượng dịch vụ khách hàng. Một dự án có NPV thấp hơn một chút vẫn có thể được ưu tiên nếu rủi ro thấp hơn đáng kể hoặc phù hợp chiến lược hơn.

13.7 Problem Bank

Bài tập luyện tập

Which of the following is *not* normally regarded as a purpose of budgeting?

(A) Planning future operations

(B) Coordinating the activities of different departments

(C) Providing a permanent record of every historical transaction

(D) Motivating managers and staff toward agreed targets

Lời giải chi tiết

Keeping a permanent record of historical transactions describes the ledger/double-entry bookkeeping system, not a purpose of budgeting (which is forward-looking). **(C)**.

Bài tập luyện tập

A company can sell as many units as it can produce, but its factory machinery can run for a maximum of 30,000 machine hours per year, which is less than the hours needed to meet full sales demand. The principal budget factor here is:

(A) Sales demand

(B) Direct materials availability

(C) Machine capacity

(D) Cash availability

Lời giải chi tiết

Since machine hours are the factor that actually restricts output below what could otherwise be sold, machine capacity is the principal budget factor (limiting factor), and the production budget must be built around it first. **(C)**.

Bài tập luyện tập

A company budgets sales of Product Y at 3,000 units in April, 3,400 units in May, and 3,800 units in June, at a selling price of $18 per unit. Prepare the sales budget (units and value) for each month and state the total value for the quarter.

Lời giải chi tiết

April: $3{,}000 \times 18 = \$54{,}000$. May: $3{,}400 \times 18 = \$61{,}200$. June: $3{,}800 \times 18 = \$68{,}400$. Total for the quarter: $54{,}000 + 61{,}200 + 68{,}400 = \boxed{\$183{,}600}$ (also checked as total units $10{,}200 \times \$18 = \$183{,}600$).

Bài tập luyện tập

Budgeted sales of Product K for the third quarter are: July 5,000 units, August 5,500 units. The company holds closing inventory equal to 10% of the *same* month's budgeted sales; opening inventory on 1 July is 400 units. Calculate the production budget (units) for July and August.

Lời giải chi tiết

Closing inventory: July $= 10\% \times 5{,}000 = 500$; August $= 10\% \times 5{,}500 = 550$.
Production = Sales + closing inventory − opening inventory.
July: $5{,}000 + 500 - 400 = \boxed{5{,}100 \text{ units}}$.
August: $5{,}500 + 550 - 500 = \boxed{5{,}550 \text{ units}}$ (July's closing inventory of 500 carries forward as August's opening inventory).

Bài tập luyện tập

Product K requires 4 kg of material per unit, costing $2.50 per kg. Using July's production of 5,100 units (from the previous question), desired closing material inventory is 5% of July's material usage, and opening material inventory on 1 July is 1,000 kg. Calculate the materials purchases budget for July, in kg and in $.

Lời giải chi tiết

Material usage $= 5{,}100 \times 4 = 20{,}400$ kg. Desired closing inventory $= 5\% \times 20{,}400 = 1{,}020$ kg. Purchases (kg) $= 20{,}400 + 1{,}020 - 1{,}000 = \boxed{20{,}420 \text{ kg}}$.

Purchases cost $= 20{,}420 \times \$2.50 = \boxed{\$51{,}050}$.

Bài tập luyện tập

Each unit of Product K requires 0.25 direct labour hours, paid at $16.00 per hour. Using August's production of 5,550 units (from the earlier question), calculate the labour budget (hours and cost) for August.

Lời giải chi tiết

Labour hours $= 5{,}550 \times 0.25 = \boxed{1{,}387.5 \text{ hours}}$.

Labour cost $= 1{,}387.5 \times \$16 = \boxed{\$22{,}200}$.

Bài tập luyện tập

Beta Co's sales are all on credit, collected two months after the month of sale: Jan $50,000; Feb $55,000; Mar $60,000; Apr $65,000; May $70,000. Purchases are all on credit, paid one month after purchase: Feb $32,000; Mar $34,000; Apr $36,000. Wages of $6,000 and overheads of $3,000 are paid as incurred each month; new equipment costing $15,000 will be paid for in April. Opening cash balance on 1 March is $4,000. Prepare the cash budget for March, April and May.

Lời giải chi tiết

Receipts (collected two months in arrears): March $=$ Jan sales $= \$50{,}000$; April $=$ Feb sales $= \$55{,}000$; May $=$ Mar sales $= \$60{,}000$.
March: payments $= 32{,}000 + 6{,}000 + 3{,}000 = 41{,}000$; net $= 50{,}000 - 41{,}000 = 9{,}000$; opening $= 4{,}000$; closing $= \boxed{\$13{,}000}$.
April: payments $= 34{,}000 + 6{,}000 + 3{,}000 + 15{,}000 = 58{,}000$; net $= 55{,}000 - 58{,}000 = (3{,}000)$; opening $= 13{,}000$; closing $= \boxed{\$10{,}000}$.
May: payments $= 36{,}000 + 6{,}000 + 3{,}000 = 45{,}000$; net $= 60{,}000 - 45{,}000 = 15{,}000$; opening $= 10{,}000$; closing $= \boxed{\$25{,}000}$. No overdraft is projected in any month.

Bài tập luyện tập

Gamma Traders forecasts sales of $36,000 (May), $40,000 (June) and $44,000 (July), of which 50% is cash (received immediately) and 50% is credit (collected the following month). Purchases (all credit, paid one month later): May $20,000; June $24,000. Wages $7,000/month and rent $2,500/month are paid as incurred. New equipment costing $20,000 will be paid for in July. Opening cash balance on 1 June is $1,500. Prepare the cash budget for June and July, and identify any period of projected overdraft.

Lời giải chi tiết

Receipts: June $=$ cash sales $(40{,}000 \times 50\% = 20{,}000)$ $+$ credit collected (May credit $= 36{,}000 \times 50\% = 18{,}000$) $= \$38{,}000$. July $=$ cash sales $(44{,}000 \times 50\% = 22{,}000)$ $+$ credit collected (June

credit $= 40{,}000 \times 50\% = 20{,}000) = \$42{,}000$.
June: payments $= 20{,}000 + 7{,}000 + 2{,}500 = 29{,}500$; net $= 38{,}000 - 29{,}500 = 8{,}500$; opening $= 1{,}500$; closing $= \boxed{\$10{,}000}$.
July: payments $= 24{,}000 + 7{,}000 + 2{,}500 + 20{,}000 = 53{,}500$; net $= 42{,}000 - 53{,}500 = (11{,}500)$; opening $= 10{,}000$; closing $= 10{,}000 - 11{,}500 = \boxed{\$(1{,}500)}$ – a projected **overdraft of $1,500 in July**, driven by the equipment purchase.

Bài tập luyện tập

A fixed budget for output of 10,000 units included: materials $50,000 (variable), labour $80,000 (variable), variable overhead $20,000, and fixed overhead $60,000. Actual output was 9,200 units; actual costs were: materials $47,000; labour $75,500; variable overhead $18,800; fixed overhead $61,000. Flex the budget to 9,200 units and calculate the total flexed-budget variance.

Lời giải chi tiết

Variable rates: materials $5/unit, labour $8/unit, variable overhead $2/unit (fixed overhead unchanged at $60,000).
Flexed budget at 9,200 units: materials $= 5 \times 9{,}200 = 46{,}000$; labour $= 8 \times 9{,}200 = 73{,}600$; variable OH $= 2 \times 9{,}200 = 18{,}400$; fixed OH $= 60{,}000$. **Total flexed budget** $= \$198{,}000$.
Actual total $= 47{,}000 + 75{,}500 + 18{,}800 + 61{,}000 = \$202{,}300$.
Variance by line: materials $1{,}000$A; labour $1{,}900$A; variable OH 400A; fixed OH $1{,}000$A.
Total flexed-budget variance $= 202{,}300 - 198{,}000 = \boxed{\$4{,}300 \text{ Adverse}}$ (matches $1{,}000 + 1{,}900 + 400 + 1{,}000$).

Bài tập luyện tập

When flexing a budget to a new activity level, which cost should remain unchanged in total?

(A) Direct materials
(B) Direct labour
(C) Fixed production overhead
(D) Variable overhead

Lời giải chi tiết

By definition, a fixed cost does not change in total as activity changes (within the relevant range), so fixed production overhead is carried forward unchanged when flexing. **(C)**.

Bài tập luyện tập

The standard price of material is $6.00 per kg. Actual purchases were 2,000 kg, costing $11,600 in total. The material price variance is:

(A) $400 Favourable
(B) $400 Adverse
(C) $2,000 Favourable
(D) $2,400 Adverse

Lời giải chi tiết

SP $\times$ AQ $= 6.00 \times 2{,}000 = 12{,}000$. Actual cost $= 11{,}600$. Variance $= 12{,}000 - 11{,}600 = \boxed{\$400 \text{ Favourable}}$ (paid less than standard). **(A)**.

Bài tập luyện tập

Standard material usage is 4 kg per unit at \$6.00 per kg. Actual production was 1,200 units, using 5,000 kg of material. Calculate the material usage variance.

Lời giải chi tiết

Standard quantity for actual output $= 1{,}200 \times 4 = 4{,}800$ kg. Actual $= 5{,}000$ kg, i.e. 200 kg more than standard. Variance $= 200 \times \$6.00 = \boxed{\$1{,}200 \text{ Adverse}}$.

Bài tập luyện tập

The standard labour rate is \$14.00 per hour. During the period, 3,000 actual hours were worked at a total cost of \$45,600. The labour rate variance is:

(A) \$3,600 Adverse

(B) \$3,600 Favourable

(C) \$600 Adverse

(D) \$2,400 Adverse

Lời giải chi tiết

SR $\times$ AH $= 14.00 \times 3{,}000 = 42{,}000$. Actual $= 45{,}600$. Variance $= 42{,}000 - 45{,}600 = \boxed{\$3{,}600 \text{ Adverse}}$. **(A).**

Bài tập luyện tập

Standard time allowed is 2.5 hours per unit at \$14.00 per hour. Actual production was 1,150 units, taking 2,900 actual hours. Calculate the labour efficiency variance.

Lời giải chi tiết

Standard hours for actual output $= 1{,}150 \times 2.5 = 2{,}875$ hours. Actual $= 2{,}900$ hours, i.e. 25 hours more than standard. Variance $= 25 \times \$14.00 = \boxed{\$350 \text{ Adverse}}$.

Bài tập luyện tập

The standard variable overhead absorption rate is \$3.00 per labour hour. Actual hours worked were 4,000, and actual variable overhead cost was \$12,500. The variable overhead expenditure variance is:

(A) \$500 Adverse

(B) \$500 Favourable

(C) \$1,500 Adverse

(D) \$12,000 Adverse

Lời giải chi tiết

SR $\times$ AH $= 3.00 \times 4{,}000 = 12{,}000$. Actual $= 12{,}500$. Variance $= 12{,}000 - 12{,}500 = \boxed{\$500 \text{ Adverse}}$. **(A).**

Bài tập luyện tập

Using the data in the previous question, standard time allowed for actual production was 3,850 hours, while actual hours worked were 4,000. Calculate the variable overhead efficiency variance (standard rate $3.00 per hour).

Lời giải chi tiết

Difference $= 4{,}000 - 3{,}850 = 150$ hours more than standard (adverse). Variance $= 150 \times \$3.00 = \boxed{\$450 \text{ Adverse}}$.

Bài tập luyện tập

Budgeted fixed overhead for the period is $84,000. Actual fixed overhead incurred was $81,500. The fixed overhead expenditure variance is:

(A) $2,500 Favourable
(B) $2,500 Adverse
(C) $84,000 Favourable
(D) $165,500 Adverse

Lời giải chi tiết

Variance = Budgeted − Actual $= 84{,}000 - 81{,}500 = \boxed{\$2{,}500 \text{ Favourable}}$ (spent less than budgeted). **(A)**.

Bài tập luyện tập

Budgeted output for the period was 4,000 units, with standard fixed overhead of $15.00 per unit. Actual output achieved was 3,700 units. Calculate the fixed overhead volume variance.

Lời giải chi tiết

Variance = (Actual − Budgeted) × std rate $= (3{,}700 - 4{,}000) \times \$15.00 = (300) \times 15 = \boxed{\$4{,}500 \text{ Adverse}}$ (produced less than budgeted, so less fixed overhead was absorbed).

Bài tập luyện tập

Continuing the previous question: budgeted hours were 8,000 (standard 2 hours per unit), and actual hours worked were 7,600, for actual output of 3,700 units. Split the $4,500 Adverse fixed overhead volume variance into capacity and efficiency sub-variances (standard FOH rate per hour $= \$15.00 \div 2 = \$7.50$).

Lời giải chi tiết

Capacity variance = (Actual hrs − Budgeted hrs) $\times \$7.50 = (7{,}600 - 8{,}000) \times 7.50 = (400) \times 7.50 = \boxed{\$3{,}000 \text{ Adverse}}$.
Standard hours for actual output $= 3{,}700 \times 2 = 7{,}400$. Efficiency variance = (Std hrs − Actual hrs) $\times \$7.50 = (7{,}400 - 7{,}600) \times 7.50 = (200) \times 7.50 = \boxed{\$1{,}500 \text{ Adverse}}$.
Check: $3{,}000$A + $1{,}500$A = $4,500 Adverse = volume variance. Matches.

Bài tập luyện tập

A favourable material price variance combined with an adverse material usage variance of greater magnitude most likely indicates that:

(A) The firm negotiated a bulk discount, but the cheaper material was of lower quality, causing more wastage in production

(B) The standard cost card is completely wrong and should be discarded

(C) The firm always saves money on materials regardless of circumstances

(D) Usage variances are irrelevant whenever price variances are favourable

Lời giải chi tiết

A cheaper price per kg (favourable price variance) that leads to using more material than standard to make the same output (adverse usage variance) is a classic sign that quality was traded off for a lower price – exactly the pattern seen in Worked Example 8 above. **(A)**.

Bài tập luyện tập

Product Zeta has the following standard cost card: materials 2 kg @ \$8.00/kg = \$16.00; labour 1.5 hours @ \$12.00/hour = \$18.00; variable overhead 1.5 hours @ \$4.00/hour = \$6.00; fixed overhead 1.5 hours @ \$10.00/hour = \$15.00 (standard cost \$55.00; selling price \$75.00; standard profit \$20.00 per unit). Budgeted output is 3,000 units. Actual results: output and sales 3,150 units (selling price unchanged); materials used 6,500 kg costing \$50,700; labour 4,700 hours costing \$58,750; variable overhead cost \$19,300; fixed overhead cost \$44,000. Calculate all material, labour, variable overhead and fixed overhead variances (including splitting the fixed overhead volume variance into capacity and efficiency), and prepare an operating statement reconciling budgeted profit to actual profit.

Lời giải chi tiết

Budgeted figures: budgeted hours $= 3{,}000 \times 1.5 = 4{,}500$; budgeted fixed OH $= 3{,}000 \times 15 = \$45{,}000$; budgeted profit $= 3{,}000 \times 20 = \$60{,}000$.

Material price: SP × AQ $= 8 \times 6{,}500 = 52{,}000$; actual $= 50{,}700$; variance $= 52{,}000 - 50{,}700 =$ $\boxed{\$1{,}300 \text{ F}}$.

Material usage: std qty $= 3{,}150 \times 2 = 6{,}300$ kg; actual $= 6{,}500$ kg (200 kg more, adverse); variance $= 200 \times 8 =$ $\boxed{\$1{,}600 \text{ A}}$.

Total material variance $= 1{,}300\text{F} - 1{,}600\text{A} =$ $\boxed{\$300 \text{ A}}$ (check: $6{,}300 \times 8 = 50{,}400$ vs actual $50{,}700$, diff $= 300$A).

Labour rate: SR × AH $= 12 \times 4{,}700 = 56{,}400$; actual $= 58{,}750$; variance $= 56{,}400 - 58{,}750 =$ $\boxed{\$2{,}350 \text{ A}}$.

Labour efficiency: std hrs $= 3{,}150 \times 1.5 = 4{,}725$; actual $= 4{,}700$ (25 hrs less, favourable); variance $= 25 \times 12 =$ $\boxed{\$300 \text{ F}}$.

Total labour variance $= 2{,}350\text{A} - 300\text{F} =$ $\boxed{\$2{,}050 \text{ A}}$ (check: $4{,}725 \times 12 = 56{,}700$ vs actual $58{,}750$, diff $= 2{,}050$A).

Variable OH expenditure: SR × AH $= 4 \times 4{,}700 = 18{,}800$; actual $= 19{,}300$; variance $= 18{,}800 - 19{,}300 =$ $\boxed{\$500 \text{ A}}$.

Variable OH efficiency: std hrs $4{,}725$ vs actual $4{,}700$ (25 hrs less, favourable); variance $= 25 \times 4 =$ $\boxed{\$100 \text{ F}}$.

Total variable OH variance $= 500\text{A} - 100\text{F} = \boxed{\$400\text{ A}}$ (check: $4{,}725 \times 4 = 18{,}900$ vs actual $19{,}300$, diff $= 400$A).

Fixed OH expenditure: $45{,}000 - 44{,}000 = \boxed{\$1{,}000\text{ F}}$.

Fixed OH volume: $(3{,}150-3{,}000) \times 15 = 150 \times 15 = \boxed{\$2{,}250\text{ F}}$ (produced more than budgeted).

Std FOH rate/hr $= 15/1.5 = \$10$. **Capacity:** $(4{,}700 - 4{,}500) \times 10 = 200 \times 10 = \boxed{\$2{,}000\text{ F}}$.

Efficiency (FOH): $(4{,}725 - 4{,}700) \times 10 = 25 \times 10 = \boxed{\$250\text{ F}}$; check $2{,}000\text{F} + 250\text{F} = 2{,}250\text{F} =$ volume variance.
Total fixed OH variance $= 1{,}000\text{F} + 2{,}250\text{F} = \boxed{\$3{,}250\text{ F}}$ (check: FOH absorbed $= 3{,}150 \times 15 = 47{,}250$ vs actual $44{,}000$, diff $= 3{,}250$F).

Operating statement:

	$	$
Budgeted profit ($3{,}000 \times 20$)		60,000
Sales volume profit variance: $(3{,}150 - 3{,}000) \times 20$		3,000 F
Standard profit on actual sales ($3{,}150 \times 20$)		63,000
	Favourable	Adverse
Material price	1,300	
Material usage		1,600
Labour rate		2,350
Labour efficiency	300	
Variable OH expenditure		500
Variable OH efficiency	100	
Fixed OH expenditure	1,000	
Fixed OH volume	2,250	
Totals	4,950	4,450
Net cost variance		500 F
Actual profit		**63,500**

Direct check: actual revenue $= 3{,}150 \times 75 = 236{,}250$; actual costs $= 50{,}700 + 58{,}750 + 19{,}300 + 44{,}000 = 172{,}750$; actual profit $= 236{,}250 - 172{,}750 = \boxed{\$63{,}500}$ – matches the reconciliation exactly.

Bài tập luyện tập

A project costs \$90,000 and generates net cash inflows of \$30,000 in Year 1, \$35,000 in Year 2, and \$25,000 in Year 3. What is the payback period?

(A) 2 years
(B) 2.5 years
(C) 3 years
(D) It never pays back

Lời giải chi tiết

Cumulative cash flows: $30{,}000/65{,}000/90{,}000$ – the cumulative total reaches exactly \$90,000 at the end of Year 3, so payback is exactly **3 years**. **(C)**.

Bài tập luyện tập

A project requires an initial investment of \$150,000. Forecast net cash inflows: Year 1 \$45,000; Year 2 \$50,000; Year 3 \$50,000; Year 4 \$40,000. Calculate the payback period, interpolating to the nearest month.

Lời giải chi tiết

Cumulative cash flows: $45{,}000/95{,}000/145{,}000/185{,}000$. Payback occurs during Year 4: amount still to recover after Year 3 $= 150{,}000 - 145{,}000 = 5{,}000$.

$$\text{Payback} = 3 \text{ years} + \frac{5{,}000}{40{,}000} \times 12 = 3 \text{ years} + 1.5 \text{ months} = \boxed{3 \text{ years } 1.5 \text{ months}}.$$

Bài tập luyện tập

A project requires an initial investment of \$200,000 with no residual value, generating total net cash inflows of \$260,000 over 4 years. Using straight-line depreciation and ARR on the initial investment, the ARR is:

(A) 7.5%
(B) 13%
(C) 15%
(D) 30%

Lời giải chi tiết

Total profit $= 260{,}000 - 200{,}000 = 60{,}000$. Average annual profit $= 60{,}000/4 = 15{,}000$. ARR $= 15{,}000/200{,}000 \times 100 = \boxed{7.5\%}$. **(A)**.

Bài tập luyện tập

A project requires an initial investment of \$180,000 and has a residual value of \$20,000 at the end of its 5-year life. Total net cash inflows over the 5 years are \$260,000. Calculate ARR using (a) the initial investment basis and (b) the average investment basis.

Lời giải chi tiết

Total depreciation $= 180{,}000 - 20{,}000 = 160{,}000$ over 5 years. Total profit $= 260{,}000 - 160{,}000 = 100{,}000$. Average annual profit $= 100{,}000/5 = 20{,}000$.
(a) ARR (initial investment) $= 20{,}000/180{,}000 \times 100 = \boxed{11.1\%}$.
(b) Average investment $= (180{,}000 + 20{,}000)/2 = 100{,}000$; ARR (average investment) $= 20{,}000/100{,}000 \times 100 = \boxed{20\%}$.

Bài tập luyện tập

A project requires \$50,000 initial investment and generates a net cash inflow of \$18,000 per year for 4 years. Discount factors at 10%: 0.909, 0.826, 0.751, 0.683 (sum $= 3.169$). The NPV is closest to:

(A) \$7,042 – positive, accept
(B) \$7,042 – negative, reject
(C) \$0
(D) \$50,000

Lời giải chi tiết

PV of inflows $= 18{,}000 \times 3.169 = 57{,}042$. NPV $= 57{,}042 - 50{,}000 = \boxed{\$7{,}042}$, positive, so the project should be accepted. **(A)**.

Bài tập luyện tập

A project requires an initial investment of $95,000. Forecast net cash inflows: Year 1 $28,000; Year 2 $32,000; Year 3 $35,000; Year 4 $20,000. Discount factors at 9%: 0.917, 0.842, 0.772, 0.708. Calculate the NPV and advise whether the project should be accepted.

Lời giải chi tiết

PV: Y1 $28{,}000 \times 0.917 = 25{,}676$; Y2 $32{,}000 \times 0.842 = 26{,}944$; Y3 $35{,}000 \times 0.772 = 27{,}020$; Y4 $20{,}000 \times 0.708 = 14{,}160$.
Total PV $= 25{,}676 + 26{,}944 + 27{,}020 + 14{,}160 = 93{,}800$. NPV $= 93{,}800 - 95{,}000 = \boxed{\$(1{,}200)}$, i.e. negative. The project should be **rejected** at a 9% cost of capital, since it would destroy rather than create value.

Bài tập luyện tập

Projects P and Q each require an initial investment of $80,000. Discount rate 11%; discount factors: 0.901, 0.812, 0.731, 0.659. Project P cash inflows: Y1 $25,000, Y2 $28,000, Y3 $30,000, Y4 $22,000. Project Q cash inflows: Y1 $35,000, Y2 $25,000, Y3 $20,000, Y4 $18,000. Calculate the NPV of each project and recommend which (if either) should be accepted.

Lời giải chi tiết

Project P: PV $= 25{,}000(0.901) + 28{,}000(0.812) + 30{,}000(0.731) + 22{,}000(0.659) = 22{,}525 + 22{,}736 + 21{,}930 + 14{,}498 = 81{,}689$. NPV$_P = 81{,}689 - 80{,}000 = \boxed{\$1{,}689}$.
Project Q: PV $= 35{,}000(0.901) + 25{,}000(0.812) + 20{,}000(0.731) + 18{,}000(0.659) = 31{,}535 + 20{,}300 + 14{,}620 + 11{,}862 = 78{,}317$. NPV$_Q = 78{,}317 - 80{,}000 = \boxed{\$(1{,}683)}$.
Project P has a positive NPV ($1,689) while Project Q has a negative NPV ($(1,683)); since the projects are mutually exclusive, **Project P** should be accepted and Project Q rejected, even though Project Q's cash inflows are more front-loaded.

Bài tập luyện tập

The internal rate of return (IRR) of a project is best described as:

(A) The accounting rate of return calculated on the average investment

(B) The discount rate at which the project's net present value equals exactly zero

(C) The payback period expressed as a percentage of the project's life

(D) The budgeted profit margin on sales

Lời giải chi tiết

By definition, the IRR is the discount rate at which NPV $= 0$; if the actual cost of capital is below the IRR, the project's NPV is positive. **(B)**.

Bài tập luyện tập

Which of the following is a qualitative (non-financial) factor relevant to an investment appraisal decision, rather than a purely financial one?

(A) The net present value of the project

(B) The payback period in years

(C) The impact of new machinery on staff morale and job security

(D) The accounting rate of return

Lời giải chi tiết

NPV, payback and ARR are all quantitative financial measures; the effect on staff morale and job security is a qualitative factor that should also be weighed before a final decision is made. **(C)**.

Ôn tập nhanh:

- Phương trình kế toán luôn cân: Tài sản $=$ Vốn chủ sở hữu $+$ Nợ phải trả – mọi bảng cân đối kế toán phải thoả mãn đẳng thức này.
- Nguyên tắc dồn tích (accruals): ghi nhận doanh thu/chi phí khi phát sinh, không phải khi thu/chi tiền thực tế – chi phí dồn tích (accrued) thì CỘNG thêm vào báo cáo thu nhập, chi phí trả trước (prepaid) thì TRỪ RA.
- FIFO ghi giá vốn theo lô nhập trước; khi giá nguyên vật liệu/hàng hoá tăng, FIFO cho giá vốn thấp hơn AVCO nên lợi nhuận báo cáo theo FIFO cao hơn.
- Chênh lệch lợi nhuận giữa marginal costing và absorption costing $=$ thay đổi số lượng tồn kho (đơn vị) $\times$ tỷ lệ phân bổ định phí sản xuất chung (OAR) trên mỗi đơn vị.
- Quy ước biến động (variance): Favourable (F) $=$ có lợi cho lợi nhuận, Adverse (A) $=$ bất lợi; luôn kiểm tra tổng các biến động con (giá/lượng, hoặc công suất/hiệu suất) bằng đúng biến động tổng của khoản mục đó.
- NPV dương $\Rightarrow$ dự án tạo thêm giá trị, nên chấp nhận; giữa các dự án loại trừ nhau, chọn dự án có NPV cao hơn – NPV được xem là phương pháp thẩm định đầu tư đáng tin cậy nhất vì tính đến giá trị thời gian của tiền và toàn bộ dòng tiền dự án.
- Tài khoản kiểm soát (control account) tổng hợp và đối chiếu số dư của toàn bộ các tài khoản chi tiết trong một sổ cái phụ (ví dụ sổ cái bán hàng), giúp phát hiện sai sót nhanh mà không cần dò từng tài khoản cá nhân.
- Khi thay đổi tỷ lệ chia lợi nhuận giữa các thành viên hợp danh, goodwill được ghi Nợ cho từng thành viên theo tỷ lệ CŨ và ghi Có theo tỷ lệ MỚI (old ratio in, new ratio out) qua tài khoản vốn của từng người.

Đồng hành cùng 8020 English

Cảm ơn bạn đã học cùng bộ giáo trình quốc tế 8020. **Điểm thật · Thầy thật · Kết quả thật** — nhiều học viên chỉ cần 1–2 khoá để đạt kết quả mong muốn.

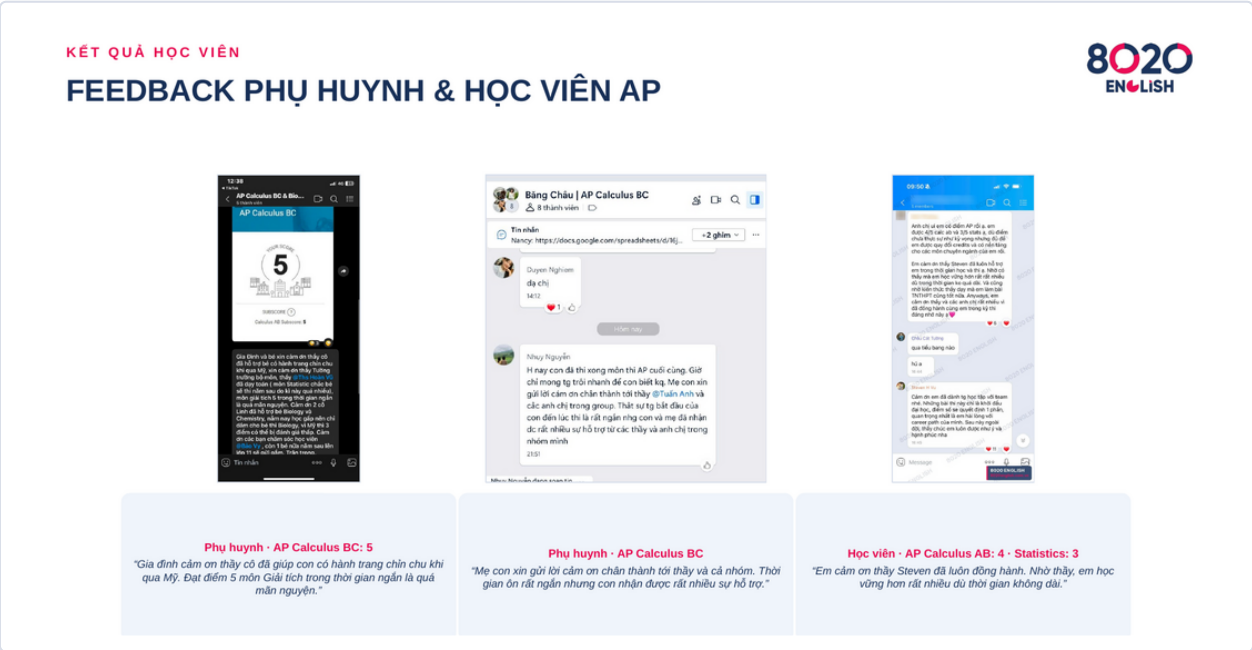
Cảm nhận học viên & phụ huynh

> *“Bạn đã cải thiện được tư duy Writing — kỹ năng từng là nỗi sợ lớn nhất — và cuối cùng đã đậu vào trường top như mong muốn. Thái độ học tập cực kỳ nghiêm túc; ngay cả khi nằm viện vẫn cố gắng học đều đặn.”*
>
> — Phan Thị Thanh Hằng · IELTS Overall 8.5

> *“Cần tất cả kỹ năng trên 7.5 để xét vào trường top 1 Anh Quốc về Y học (chương trình UKFPO của NHS) — và đã đạt mục tiêu sau khi học Writing 1-1.”*
>
> — Trần Hoàng Bảo Ngọc · IELTS Overall 8.0 (Writing 6.0 → 7.5)

> *“Gia đình và bé xin cảm ơn thầy cô đã giúp con có hành trang chỉn chu khi qua Mỹ. Đạt điểm 5 môn Giải tích trong thời gian ngắn là quá mãn nguyện.”*
>
> — Phụ huynh · AP Calculus BC 5/5

> *“Em cảm ơn thầy đã luôn đồng hành. Nhờ thầy, em học vững hơn rất nhiều dù thời gian ôn không dài.”*
>
> — Học viên · AP Calculus AB 4



Feedback phụ huynh & học viên AP — nhiều môn đạt điểm 4 & 5

Điểm thi thật của học viên

KẾT QUẢ HỌC VIÊN

ĐIỂM SỐ AP

AP Biology: 4 · AP Chemistry: 4

AP Calculus AB: 5

AP Calculus BC: 5

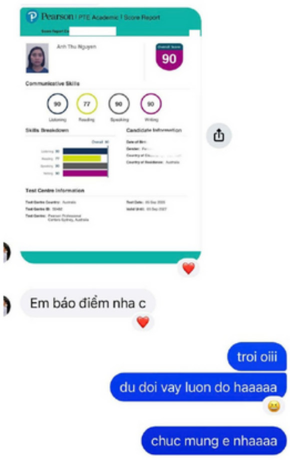
AP Chemistry: 5

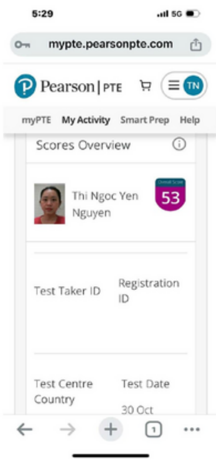
Bảng điểm AP thật của học viên – nhiều môn đạt điểm 4 & 5

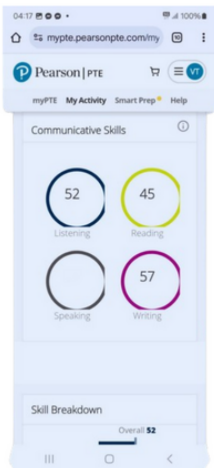
Bảng điểm AP thật — Calculus AB/BC 5/5 · Biology & Chemistry 4–5 (College Board)

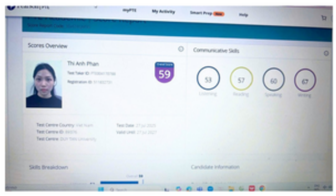
KẾT QUẢ HỌC VIÊN

ĐIỂM SỐ PTE









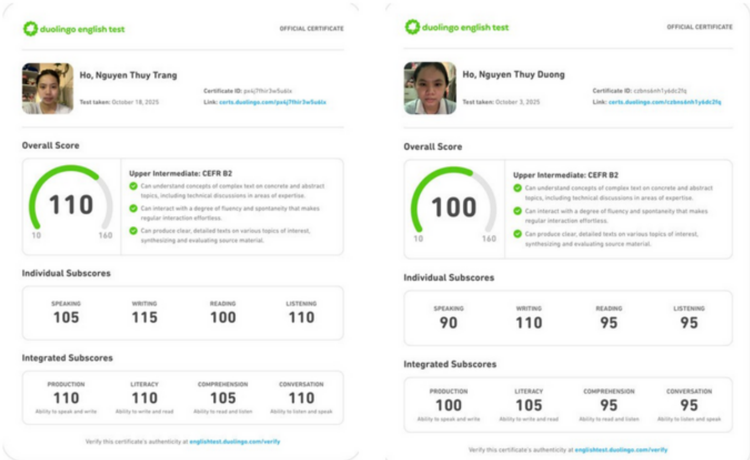
Bảng điểm PTE thật của học viên

Học viên 8020 — PTE Academic 90

KẾT QUẢ HỌC VIÊN

ĐIỂM SỐ DUOLINGO

8020 ENGLISH



Duolingo English Test – 110 & 100

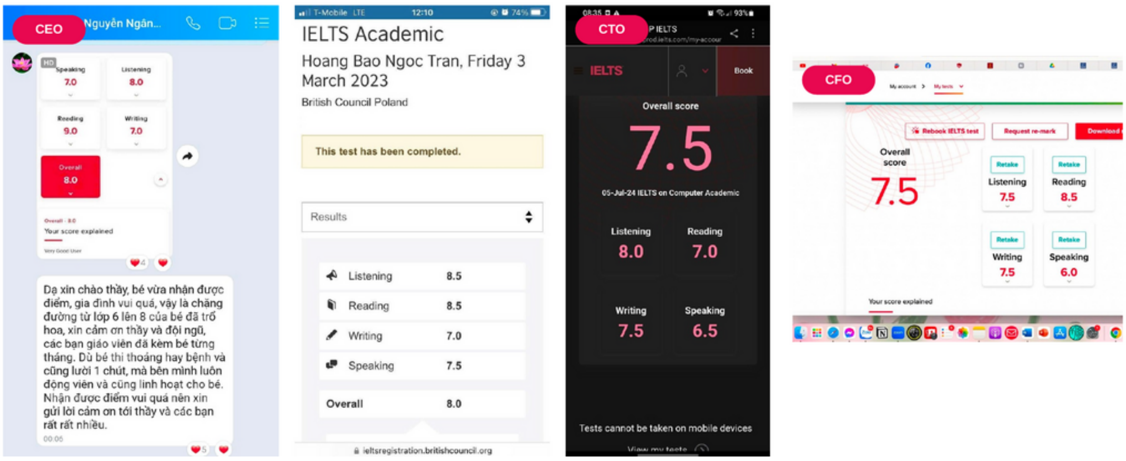
Học viên 8020 — Duolingo English Test 110 & 100

KẾT QUẢ HỌC VIÊN

THÀNH TÍCH HỌC VIÊN

8020 ENGLISH

Bảng điểm thi thật – chất lượng được giám sát nghiêm ngặt. Một số học viên chỉ cần 1–2 khóa để đạt kết quả mong muốn.



Học viên 8020 — IELTS 8.0 / 7.5 / 8.5 (báo điểm thật)