

Profit and Loss (extract)

	\$		\$
Bad debts (1200 + 400)	1600	Doubtful debts	250

Balance Sheet (extract)

	\$		\$
<u>Current Assets</u>			
Debtors (13400 – 400)	13000		
Less provision for doubtful debts	<u>1950</u>		
	11050		

Homework

Trial Balance

	\$		\$
Debtors	15700	Provision for doubtful debts	1600

Additional Information

1. Wrote off bad debts \$1300
2. The provision for doubtful debts is to be 10% of debtors

Required:

- a. Prepare the journal entries
- b. Prepare Profit and Loss Extract
- c. Balance Sheet Extract