**Financial accounting**

***Basic transactions – closing transactions***

So Si La SA is a restaurant offering Thai dishes in Geneva.



The restaurant employs 2 people full time.

VAT must be considered on the sales for 8.1%. VAT on purchase also needs to be considered with the appropriate rate. VAT is booked on a net basis. Unless otherwise stated, amounts include VAT.

Food and beverage inventory management is based on periodic inventory.

All calculations must be rounded to the nearest franc. The depreciation rates are based on the IFD notice in the appendix.

Additional information:

- Building account includes the value of the land.

- The building is financed with a mortgage at Bank Migros. Interests are paid quarterly; the rate is 3.75% per annum. The annuity is only paid once a year for a total amount of 20’000 including interests of the last quarter in December.

Find below the account balances as of 30th of September:



# Few journal entries regarding the last quarter of the year:

1. The VAT statement for the previous quarter has been done. Make the necessary transfers/journal entries.
2. During the month of December, they have concluded sales in cash for a total amount of 90’000 CHF. 1/3 of the customers paid with a card. A commission of 3% must be considered and booked.
3. A regular customer organized his Christmas dinner at the restaurant. The final invoice is for 2’890 CHF. The restaurant gives him a discount of 10% CHF. The customer pays the invoice by bank transfer.
4. Butcher Bula SA sent us the invoice for the purchase of meat for 15’375. We have 60 days to pay the invoice and 5% discount if we pay within 10 days.
5. Purchase of food for 4’100 CHF in cash.
6. Payment of the VAT for the previous quarter.
7. Wine is bought on credit from a local winemaker for 5’200 CHF.
8. Debit advice received from the bank for 3'040 CHF (amount after discount/95%) regarding a payment done of beers already booked. A discount of 5% on the price excluding VAT has been deducted. Make sure VAT is adjusted accordingly.
9. Debt collection office informs us that one of our customers will only be able to pay us an amount of 450 CHF. The initial value of the invoice was 1'100 CHF. The difference is a loss.
10. We pay the invoice to Butcher Bula SA within 10 days. (please refer to entry 3.) please make sure VAT is adjusted
11. On November 1st, the restaurant vehicle is changed. The old vehicle is sold cash cash on autoscout24.ch for 4’000 CHF. He buys a new vehicle from the garage Tacot for 19’000 CHF. Payment is made as follows:
* a bank transfer of 10'000 CHF:
* the balance remains due to the garage.
1. Payment and booking of the annual insurance premium for the building, 3’600 CHF. (coverage 1st of December until end of November next year)
2. 31st of December, debit advice from the bank for the payment of everything relating to the mortgage at Bank Migros. (interests & amortization).

# Few inventories and closing transactions:

1. Allowance for doubtful debt should be 1'000 CHF
2. Increase of the building provision for 15’000 CHF.
3. Accrued interest on mortgage debt, if needed.
4. Some food stock is outdated/lost, and adjustment needs to be booked for 1’500CHF to lower the value.
5. Please book the adjustment on annual insurance premium if needed. (refer to journal entry 10)
6. Book the depreciation based on the IFD notice in the appendix and complete the table below.

|  |  |  |
| --- | --- | --- |
| Fixed assets | Depreciation rate | Amount of depreciation |
| Furniture (double declining) |  |  |
| IT infrastructure (double declining) |  |  |
| Vehicle (double declining) |  |  |
| Building (straight line) |  |  |

## Work to be done

* Book the journal entries in the general ledger.







