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**EXTRA EXERCISE FOR REVIEW INTERMEDIATE EXAM (13<sup>TH</sup> MAY 2021)**

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The firm "LOLAILO, Co." sells lollipops. The trial balance on **December 29, 2020** is the following:

	Balance (€)	Debit	Credit
Reserves	20,000		
Vehicles	22,000		
Purchases of goods (lollipops)	70,000		
Electricity expenses	2,000		
Issue premium	10,000		
Rent expenses	26,000		
Short term borrowings	15,000		
Sales of goods (lollipops)	100,000		
Inventory (goods)	7,000		
Accounts payable	12,000		
Long term borrowings	25,000		
Share Capital	300,000		
Office furniture	8,000		
Utilities expenses	5,000		
Land	220,000		
Building	100,000		
Accumulated depreciation	44,000		
Interests expense	1,250		
Cash	?		
Financial investment profits	1,000		
Accounts receivable	18,000		
<b>TOTALS</b>			

**WORK TO BE DONE:**

- 1) Organise the accounts bases on debit or credit balance and prepare the trial balance of the company.
- 2) Calculate the amount of "CASH" account.
- 3) If the final inventory is 10,000 euros, journalise the inventory adjustment and close the books.
- 4) Prepare the Balance sheet and the Income statement for 2021.