

Chapter 1

Final Accounts

Q.1

Trading Account of Ram Gopal & Sons
For the year ending on 31st March 2014

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		25,000	By Sales	3,50,000
To Purchases	2,00,000		Less: Returns	7,500
Less: Returns	<u>5,000</u>	1,95,000	By Closing Stock	35,000
To Wages and Salaries		12,500		
To Carriage		4,000		
To Gross Profit c/d		1,41,000		
		<u>4,27,000</u>		<u>3,77,500</u>

Q.1

**Trading and Profit and Loss Account of Ram Gopal & Sons
For the year ending on 31st March 2014**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		70,000	By Sales	4,00,000
To Purchases	2,60,000		Less: Returns	<u>8,000</u>
Less: Returns	<u>7,000</u>	2,53,000	By Closing Stock	35,000
To Wages	50,000			
Add: Outstanding	<u>6,000</u>	56,000		
To Carriage		5,000		
To Gross Profit c/d		43,000		
		<u>4,27,000</u>		<u>4,27,000</u>
To Salary	45,000		By Gross Profit b/d	43,000
Add: Outstanding Salary	<u>5,000</u>	50,000	By Discount Received	6,000
To Discount Allowed		7,000	By Provision for Doubtful Debts	
To Commission		15,000	Old Provision	13,000
To Interest on Bank Loan	12,000		Less: New Provision	<u>5,000</u>
Add: Outstanding Interest	<u>3,000</u>	15,000	By Net Loss transferred to Capital A/c	89,200
To Advertisement		15,000		
To Tax and Insurance		13,000		
To Depreciation on				
Land and Building		2,450		
Plant and Machinery		20,500		
Furniture		8,250		
		<u>1,46,200</u>		<u>1,46,200</u>

**Balance Sheet
As on 31st March 2014**

Liability	Rs.	Assets	Rs.
Creditors	25,000	Cash in hand	8,000
Bank Loan	1,50,000	Cash at Bank	20,000
Interest on Bank Loan outstanding	3,000	Debtors	50,000
Wages outstanding	5,000	Less: Provision for Doubtful Debts	<u>5,000</u>
Salaries outstanding	6,000	Closing Stock	35,000
Capital	3,50,000	Furniture	55,000
Less: Drawings	15,000	Less: Depreciation	<u>8,250</u>
Less: Net Loss	<u>89,200</u>	Plant & Machinery	2,05,000
	2,45,800	Less: Depreciation	<u>20,500</u>
		Land & Building	98,000
		Less: Depreciation	<u>2,450</u>
	<u>4,34,800</u>		95,550
			<u>4,34,800</u>

Q.2

**Trading and Profit and Loss Account of Mr. Banerjee
For the year ending on 31st March 2014**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Purchases (adjusted)	2,10,000		By Sales	3,85,000
Less: Returns	<u>2,500</u>	2,07,500	Less: Returns	<u>1,500</u>
To Wages		45,300		3,83,500
To Carriage inward		1,200		
To Gross Profit c/d		1,29,500		
		<u>3,83,500</u>		<u>3,83,500</u>
To Salaries		39,000	By Gross Profit b/d	1,29,500
To Office Expenses		15,400	By Discount Received	1,200
To Carriage outward		2,000	By Commission Received	1,500
To Discount Allowed		750		
To Insurance	1,500			
Less: Prepaid Insurance	<u>250</u>	1,250		
To Bad Debts	1,200			
Add: New Provision				
(40,000 × 2%)	<u>800</u>	2,000		
To Interest on Chatterji Loan o/s				
(Rs 25,000 @ 18% for 6 months)		2,250		
To Depreciation on :				
Land & Building	3,000			
Plant & Machinery	5,000			
Office Equipment	2,400			
Furniture & Fixture	<u>3,000</u>	13,400		
To Interest on Capital (1,15,000 × 10%)		11,500		
To Salary to Banerjee		15,000		
To Transfer to General Reserve		2,965		
(1,32,200 – 1,02,550) × 10%				
To Net profit transferred to Capital A/c		26,685		
		<u>1,32,200</u>		<u>1,32,200</u>

**Balance Sheet
As on 31st March 2014**

Liability	Rs.	Assets	Rs.
Bills Payable	12,350	Land & Building	50,000
Sundry Creditors	25,000	Less: Depreciation	<u>3,000</u>
Expenses Payable	3,300	Plant & Machinery	50,000
Catterji' Loan	25,000	Less: Depreciation	<u>5,000</u>
Add: Interest o/s	<u>2,250</u>	Furniture & Fixture	20,000
General Reserve	2,965	Less: Depreciation	<u>3,000</u>
Capital Account	1,15,000	Office Equipment	12,000
Add: Interest on Capital	11,500	Less: Depreciation	<u>2,400</u>
Salary	15,000	Stock	45,000
Net Profit	<u>26,685</u>	Sundry Debtors	40,000
	1,68,185	Less : New Provision	<u>800</u>
		Bills Receivable	20,000
		Prepaid Insurance	250
		Cash at Bank	16,000
	<u>2,39,050</u>		<u>2,39,050</u>

Q.3

Trading and Profit & Loss A/c
For the year ending 31st December 2011

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		4,500	By Sales	66,420
To Purchases	30,000		Add: Credit sales omitted	<u>2,000</u>
Less: Goods distributed as Free sample	1,000			68,420
Goods taken by Proprietor	<u>500</u>	28,500	By Closing Stock	6,000
To Wages		4,600	Less: Goods sold but not delivered	<u>1,000</u>
To Gross Profit c/d		35,820		5,000
		<u>73,420</u>		<u>73,420</u>
To Salaries		10,223	By Gross Profit b/d	35,820
To Interest on Loan	400		By Bad Debts Recovered	200
Add: Outstanding Interest	<u>100</u>	500	By Provision for Bad Debts:	
To Insurance Premium		900	Old Provision (given)	2,500
To Rent		1,520	Less: Bad Debts	<u>1,200</u>
To Depreciation on Furniture		2,500	Less: New Provision	<u>1,100</u>
To Carriage Outward		600		200
To Advertisement	500		By Discount Received	400
Add: Goods distributed as Free sample	1,000	1,500	By Interest on Investment	2,000
To Manager's Commission Payable		1,716	By Discount from Creditors	3,000
(36,620 - 17,743) × 10/110				
To Net Profit transfer to Capital A/c		22,161		
		<u>41,620</u>		<u>41,620</u>

Balance Sheet
As on 31-12-2011

Liability	Rs.	Assets	Rs.
Capital	50,000	Furniture	12,000
Add: Net Profit	22,161	Investment	40,000
	<u>77,161</u>	Cash at Bank	10,000
Less: Drawings	500	Debtors	20,000
Creditors	9,300	Add: Credit sales omitted	<u>2,000</u>
Less: Discount	<u>3,000</u>		22,000
Bills Payable	5,000	Less: Provision for Doubtful Debts	<u>1,100</u>
Outstanding Salary	500	Closing Stock (6,000 - 1,000)	5,000
10% Loan	10,000	Bills Receivable	6,377
Outstanding Interest on Loan	100	Accrued Interest	1,000
Manager's Commission Payable	1,716		
	<u>95,277</u>		<u>95,277</u>

Q.4

**Trading and Profit & Loss A/c of Mr. X
For the year ending 31st December 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	3,460	By Sales	15,450
To Purchases	5,475	Less: Sales Returns	<u>200</u>
Less: Purchase Return	<u>125</u>	By Closing Stock	3,250
	5,350		
Less : Purchase of Furniture	<u>100</u>		
To Gross Profit c/d	5,250		
	9,790		
	<u>18,500</u>		<u>18,500</u>
To Salary	3,300	By Gross Profit b/d	9,790
Add: Outstanding	<u>300</u>	By Commission	375
To Provision for doubtful debts:	3,600	Less: Received in advance	<u>125</u>
Bad debts	125		250
Add: Further Bad Debts	100		
New Provision	185		
Less: Old Provision	<u>200</u>		
To Advertisement	210		
To Interest	450		
To Tax & Insurance	118		
Add: Outstanding Tax	<u>120</u>		
	1,270		
Less: Prepaid Insurance	<u>100</u>		
To General Expenses	782		
To Interest of Bank Overdraft	85		
To Depreciation on:			
Building	375		
Furniture (64 +10)	74		
Machinery	<u>1,250</u>		
To Net Profit transferred to Capital A/c	1,699		
	<u>1,826</u>		
	<u>10,040</u>		<u>10,040</u>

**Balance Sheet
As on 31st December 2011**

Liability	Rs.	Assets	Rs.
Creditors	2,500	Building	7,500
Bank Overdraft	2,850	Less: Depreciation	<u>375</u>
Add: Interest payable	<u>85</u>		7,125
Outstanding Salary	2,935	Machinery	6,250
Outstanding Tax	300	Less: Depreciation	<u>1,250</u>
Commission Received in Advance	120		5,000
Capital	125	Furniture	640
Add: Net Profit	<u>1,826</u>	Add: Wrongly included in Purchase	<u>100</u>
	14,326		740
		Less: Depreciation	<u>74</u>
			666
		Debtors	3,800
		Less: Further Bad debts	<u>100</u>
			3,700
		Less: New Provision	<u>185</u>
			3,515
		Cash	650
		Stock	3,250
		Prepaid Insurance	100
	<u>20,306</u>		<u>20,306</u>

Q.5

**Trading and Profit & Loss A/c of Mr. Bharat
For the year ending 31st December 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	75,000	By Sales	8,10,000
To Purchases	4,20,000	Less: Return	16,000
Less: Return	20,000	Less: Sales Tax	<u>50,000</u>
Less: Purchase of Furniture	100	By Closing Stock	1,75,000
Less: Duty Drawback	<u>10,000</u>		
To Freight Inward	20,000		
To Gross Profit c/d	4,34,100		
	<u>9,19,000</u>		<u>9,19,000</u>
To Salaries	1,00,000	By Gross Profit b/d	4,34,100
Add: Outstanding	12,000	By Discount Received	18,000
Less: Prepaid	10,000	By Commission Received	14,000
Add: Employer Share's of P.F	<u>20,000</u>		
To Discount Allowed	16,000		
To Commission	12,000		
To Establishment	20,000		
To Interest	20,000		
To Rent, Rates & Taxes	40,000		
Add: Rent Wrongly included in Debtors	<u>1,200</u>		
To Postage, Telephone and Telegram	25,000		
To Depreciation on			
Furniture	35,010		
Brand Names and Design	12,000		
To Advertisement written off	20,000		
To Transfer to General Reserve (4,66,100 – 3,23,210) × 10%	14,289		
To Net Profit – transfer to Capital account	<u>1,28,601</u>		
	<u>4,66,100</u>		<u>4,66,100</u>

**Balance Sheet
As on 31st March 2011**

Liability	Rs.	Assets	Rs.
Capital	3,80,000	Furniture	3,50,000
Add: Net Profit	1,28,601	Add: Additions	<u>100</u>
Less: Drawings	50,000		<u>3,50,100</u>
Less: Life Insurance Premium	<u>5,000</u>	Less: Depreciation	<u>35,010</u>
Sundry Creditors	75,000	Brand Names and Design	60,000
Loan	3,10,000	Less: Written off	<u>12,000</u>
Provident Fund		Debtors	1,20,000
Employer's share	20,000	Less: Amount wrongly included	<u>1,200</u>
Employee's share	<u>20,000</u>	Closing Stock	1,75,000
Sales Tax Payable	50,000	Cash in Hand	1,45,000
Salaries Outstanding	12,000	Cash at Bank	63,000
General Reserve	14,289	Advertisement	1,00,000
		Less: Written off	<u>20,000</u>
		Salary paid in Advance	10,000
	<u>9,54,890</u>		<u>9,54,890</u>

Working Note:- Calculation of Closing Stock

Trading A/c for the period 1-4-2011 to 7-4-2011

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock (Balancing figure)	1,75,000	By Sales	25,000
To Purchases	15,000	By Closing Stock	1,70,000
To Gross Profit (25,000 × 20%)	5,000		
	<u>1,95,000</u>		<u>1,95,000</u>

Q.6

Profit & Loss A/c of Mr. X
For the year ending 31st December 2011

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Salaries	14,000		By Trading A/c – Trading Profit	1,17,200
Add: Outstanding	<u>700</u>	14,700	By Interest on Loan	1,000
To Printing and Stationary		2,000	Add: Accrued Interest	<u>1,000</u>
To Discount		1,500	By Insurance Claim Received	5,000
To Insurance	3,000		By Provision for Doubtful debts	
Less: Prepaid	<u>400</u>	2,600	Existing Provision	4,800
To Office Rent		2,600	Less: Bad Debts	600
To Depreciation on:			Required Provision	<u>1,250</u>
Loose Tools	500		(5% of Rs 25,000)	2,950
Plant Machinery	11,500			
(1,15,000 × 10 %)				
Furniture and Fixtures				
(4,000 × 5%)	<u>200</u>	12,200		
To Net Profit transferred to Capital A/c		91,550		
		<u>1,27,150</u>		<u>1,27,150</u>

Balance Sheet
As on 31st December 2011

Liability		Rs.	Assets	Rs.
Capital	2,00,000		Freehold Property	2,60,000
Add: Profit of Last year	2,00,000		Plant and Machinery	1,00,000
Add: Net Profit	91,550		Add: Additions	<u>15,000</u>
Less: Drawings	<u>10,000</u>	4,81,550		1,15,000
Bills Payable		5,700	Less: Depreciation	<u>11,500</u>
Creditors		40,000	Furniture and Fixture	4,000
Creditors for Machinery		15,000	Less: Depreciation	<u>200</u>
Outstanding Wages		500	Loose Tools	2,000
Outstanding Salaries		700	Less: Depreciation	<u>500</u>
			Debtors	25,000
			Less: Provision	<u>1,250</u>
			Loan to Sudhir	<u>40,000</u>
			Add: Interest accrued	<u>1,000</u>
			Cash at bank	25,000
			Cash at hand	10,500
			Stock	74,000
			Prepaid Insurance	400
		<u>5,43,450</u>		<u>5,43,450</u>

Q.7

**Trading and Profit & Loss A/c of Mr. X
For the year ending 31st March 2003**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		11,460	By Sales	1,40,370
To Purchases	80,000		Less: Returns	<u>4,240</u>
Less: Returns	<u>2,820</u>	77,180	By Closing Stock	14,290
To Wages		6,280		
To Carriage inward		2,310		
To Gross Profit c/d		53,190		
		<u>1,50,420</u>		<u>1,50,420</u>
To Salary & Commission	9,870		By Gross Profit b/d	53,190
Add: Salary Outstanding	<u>570</u>	10,440	By Rent	2,100
To Rates & Insurance	1,300		Add: Rent Receivable	<u>200</u>
Less: Unexpired Insurance	<u>240</u>	1,060	By Discount	190
To Railway Freight and other Expenses on sales		16,940		
To Office Expenses		1,340		
To Printing & Stationary		660		
To Postage & Telegrams		820		
To Bad Debts	1,400			
Add: Further Bad debts	570			
Add: Provision for bad debts	<u>3,690</u>			
	<u>5,660</u>			
Less: Old Provision	<u>3,240</u>	2,420		
To Interest on Capital		5,000		
To Depreciation on Building				
Old	625			
New	<u>140</u>	765		
Office Furniture	<u>175</u>	940		
To Net Profit transferred to Capital A/c		16,060		
		<u>55,680</u>		<u>55,680</u>

**Balance Sheet
As on 31st March 2003**

Liability	Rs.	Assets	Rs.
Creditors	18,920	Cash in Hand	2,210
Salary Outstanding	570	Cash at Bank	12,400
Capital	1,00,000	Bills Receivable	1,240
Add: Interest on Capital	5,000	Debtors	62,070
Add: Net Profit	<u>16,060</u>	Less: Further Bad Debts	<u>570</u>
	1,21,060		61,500
Less: Drawings	<u>17,600</u>	Less: Provision for Doubtful Debts	<u>3,690</u>
	1,03,460	Closing Stock	14,290
		Accrued Rent	200
		Unexpired Insurance	240
		Office Furniture	3,500
		Less: Depreciation	<u>175</u>
		Building	25,000
		Add: Additions	7,000
		Less: Depreciation	<u>765</u>
			31,235
	<u>1,22,950</u>		<u>1,22,950</u>

Q.8

**Trading and Profit and Loss Account
For the year ending 31st March 2011**

Dr.		Cr.	
Particular	Rs.	Particulars	Rs.
To Opening Stock	10,000	By Sales	1,90,000
To Purchases	95,000	Less: Sale on Approval basis	<u>5,000</u>
To Wages	28,000	By Closing stock	<u>40,000</u>
Less: For erection of Machinery	<u>5,000</u>	Add: Cost of goods sold on approval	<u>4,000</u>
(Capitalized)	23,000		44,000
To Carriage Inward	6,000		
To Custom Duty on Purchase	16,000		
To Gross Profit c/d	79,000		
	<u>2,29,000</u>		<u>2,29,000</u>
To Salary	16,000	By Gross Profit b/d	79,000
To Rent Rates & Taxes	15,000	By Interest on Investment	2,000
Less: Prepaid	<u>2,000</u>	Add: Accrued Interest	<u>1,000</u>
To Bad Debts	6,000	By Provision for Doubtful Debts	
To Advertisement	30,000	Old Provision	2,000
Less: Carried forwards	<u>16,000</u>	Less : New Provision	<u>950</u>
To Trade Expenses	11,000		1,050
To Depreciation on Machine	5,500		
To Net Profit transferred to Capital A/c	17,550		
	<u>83,050</u>		<u>83,050</u>

Note :- Adjusted Debtors = Opening balance – Mutual Set-off of Debtors & Creditors + Dishonoured of Bills Receivable – Goods Sold on Approval Basis = 25,000 – 6,000 + 5,000 – 5,000 = Rs. 19,000

**Balance Sheet of Mr. Alok
As at 31st March 2011**

Liabilities	Rs.	Assets	Rs.
Capital	1,57,000	Land and Building	80,000
Add: Net Profit	<u>17,550</u>	Plant and Machinery	50,000
	1,74,550	Add: Erection Charges	<u>5,000</u>
Less: Life Insurance Policy	<u>4,000</u>		55,000
	1,70,550	Less: Depreciation	<u>5,500</u>
Less: Drawings	<u>5,000</u>	Furniture	20,000
Creditors	40,000	Stock at the end (40,000 + 4,000)	44,000
Less: Mutual Set off	<u>6,000</u>	15% Investments	20,000
Bank Overdraft	20,000	Add: Accrued Interest	<u>1,000</u>
Bills Payable	21,000	Bills Receivable	15,000
Sales Tax Payable	25,000	Less: Dishonoured Bill	<u>5,000</u>
		Debtors	25,000
		Less: Sale on Approval Basis	<u>5,000</u>
			20,000
		Less: Mutual Set off	<u>6,000</u>
			14,000
		Add: Dishonoured Bill	<u>5,000</u>
			19,000
		Less: Provision for Doubtful Debts	<u>950</u>
		Cash in Hand	5,000
		Prepaid Taxes	2,000
		Deferred Advertisement Expenditure	16,000
	<u>2,65,550</u>		<u>2,65,550</u>

Q.9

**Trading and Profit and Loss Account
For the year ending 31st March 2005**

Dr.			Cr.	
Particular		Rs.	Particulars	Rs.
To Opening Stock		12,800	By Sales	2,30,000
To Purchases	1,60,000		Less: Returns	2,100
Less: Samples	<u>800</u>	1,59,200	Less: Goods sent on Approval	
To Freight & Carriage		2,100	basis (at selling price)	<u>800</u>
To Wages		15,500	By Closing Stock	16,000
To Gross Profit c/d		54,200	Add: Stock on approval basis (at cost)	<u>700</u>
		2,43,800		16,700
				2,43,800
To Free Samples		800	By Gross Profit b/d	54,200
To Rent		5,000	By Interest on Investment	5,800
To General Expenses		1,480	By Interest on Loan	320
To Rates & Taxes		1,800		
To Insurance		900		
To Postage and Telegrams		3,800		
To Packing Charges		400		
To Bad Debts	1,280			
Add: Further Bad debts	350			
New Provision	<u>1,500</u>			
	3,130			
Less: Existing Provision	<u>250</u>	2,880		
To Goodwill written off		8,000		
To Depreciation on:				
Land & Building	750			
Plant and Machinery	<u>1,000</u>	1,750		
To Net profit transferred to Capital A/c		33,510		
		60,320		60,320

**Balance Sheet
As at 31st March 2005**

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Goodwill	40,000
Add: Net profit	<u>33,510</u>	Less: written off	<u>8,000</u>
	1,33,510	Land and Building	25,000
Less: Drawings	<u>6,000</u>	Less: Depreciation	<u>750</u>
Bank Overdraft	25,000	Plant and Machinery	10,000
Bills Payable	4,600	Less: Depreciation	<u>1,000</u>
Sundry Creditors	12,590	Investment	60,000
		Stock at the end	16,700
		Bills Receivable	6,200
		Sundry Debtors	16,500
		Less: Sent on approval	<u>800</u>
			15,700
		Less: Further Bad Debts	<u>350</u>
			15,350
		Less: New Provision	<u>1,500</u>
		Cash at Bank	3,700
		Loan to X	4,000
	1,69,700		1,69,700

Q.10

**Trading and Profit and Loss Account
For the year ending 31st March 2005**

Dr.		Cr.	
Particular	Rs.	Particulars	Rs.
To Opening Stock	27,350	By Sales	1,85,000
To Purchases	1,57,000	By Closing Stock	15,000
To Wages	10,000		
Add: Outstanding	450		
To Carriage Inwards	1,120		
To Gross Profit c/d	4,080		
	<u>2,00,000</u>		<u>2,00,000</u>
To Sundry Expenses	1,990	By Gross Profit b/d	4,080
To Outstanding interest on loan from Ram	250	By Discount Received	535
To Bad Debts	100	By Dividend Accrued	135
Add: Further Bad Debts	300	By Bank Interest	75
Add: Provision for Bad Debts (New)	1,840	By Net Loss - transferred to Capital A/c	5,385
	<u>2,240</u>		
Less: Old Bad Debts Reserve	1,600		
To Rent & Rates	850		
Less: Prepaid Rates	100		
To Discount Allowed	630		
To Depreciation:			
Loose Tools	200		
Buildings	750		
Motor Van	5,000		
	<u>5,950</u>		
	<u>10,210</u>		<u>10,210</u>

**Balance Sheet
As at 31st March 2005**

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	19,000	Cash in Hand	335
Loan from Ram	2,500	Cash at Bank	16,200
Add: o/s Internet	250	Sundry Debtors	9,500
Bills Payable	10,000	Less: Further Bad Debts	300
Wages Outstanding	450		<u>9,200</u>
Capital	47,390	Less: New Provision	1,840
Less:		Closing Stock	15,000
Income Tax 1,025		Investment	6,500
Drawings 2,000		Dividend Accrued	135
Net Loss <u>5,385</u>	<u>8,410</u>	Loose tools	1,000
	38,980	Less: Depreciation	200
		Motor van	12,500
		Less: Depreciation	5,000
		Furniture	3,000
		Building	15,000
		Less: Depreciation	750
		Prepaid Rates	100
	<u>71,180</u>		<u>71,180</u>

Q.11

**Trading and Profit and Loss Account
For the year ending 31st March 2006**

Dr.			Cr.	
Particular		Rs.	Particulars	Rs.
To Opening Stock		2,50,000	By Sales	19,87,500
To Purchases	15,50,000		Less: Goods sent on Approval basis (at selling price)	<u>75,000</u>
Less: Drawings	25,000			19,12,500
Less: Purchase of Furniture	<u>50,000</u>	14,75,000	By Closing Stock	7,25,000
To Carriage Inwards		50,000	Add: Stock on approval basis (at cost)	<u>50,000</u>
To Wages		1,00,000		7,75,000
To Gross Profit c/d		8,12,500		
		<u>26,87,500</u>		<u>26,87,500</u>
To Salaries		1,60,000	By Gross Profit b/d	8,12,500
To Postage & Telephone		57,500		
To Insurance		45,000		
To Rates & taxes		25,000		
To General Expenses		70,000		
To Printing & Stationery		15,000		
To Depreciation on:				
Existing Furniture	11,000			
Additional Furniture	5,000			
Motor Car	<u>48,000</u>	64,000		
To Salesman's Commission	87,500			
Add: Outstanding com.	<u>8,125</u>	95,625		
(19,12,500 × 5%) – 87,500		85,000		
To Advertising		1,10,000		
To Carriage Outwards				
To Bad debts	10,000			
Add: Further Bad Debts	25,000			
Add: Required provision for doubtful Debts (5% of 4,00,000)	<u>20,000</u>	55,000		
To Cash Discount		20,000		
To Net Profit		10,375		
		<u>8,12,500</u>		<u>8,12,500</u>

**Balance Sheet
As at 31st March 2006**

Liabilities	Rs.	Assets	Rs.
Salesman's Commission outstanding	8,125	Furniture % Fittings	1,10,000
Sundry Creditors	2,00,000	Add: Additions during The year	<u>50,000</u>
Capital	14,43,000		1,60,000
Add: Net profit	<u>10,375</u>	Less: Depreciation	<u>16,000</u>
	14,53,375	Motor car	2,40,000
Less : Drawings	20,000	Less: Depreciation	<u>48,000</u>
Goods taken by proprietor	<u>25,000</u>	Closing stock	7,25,000
	14,08,375	Add: Stock on Approval	<u>50,000</u>
Less: Printing & Stationery of last year	<u>55,000</u>	Sundry Debtors	5,00,000
	13,53,375	Less: Goods sent on Approval	<u>75,000</u>
			4,25,000
		Less: Bad debts	<u>25,000</u>
			4,00,000
		Less: Provision for Doubtful debts	<u>20,000</u>
		Cash in Bank	60,000
		Cash in Hand	10,500
			3,80,000
			60,000
			10,500
			<u>15,61,500</u>
	<u>15,61,500</u>		<u>15,61,500</u>

Q.12

**Trading and Profit and Loss Account
For the year ending 31st March 2011**

Dr.			Cr.	
Particular		Rs.	Particulars	Rs.
To Opening Stock		1,00,000	By Sales	8,30,000
To Purchases	6,20,000		Less: Goods sent on Approval basis	<u>15,000</u>
Less: Drawings	<u>5,000</u>		By Closing Stock	1,45,000
	6,15,000		Add: Cost of goods sold on approval basis	<u>10,000</u>
Less: Furniture	<u>10,000</u>	6,05,000		1,55,000
To Carriage Inwards		20,000		
To Wages		40,000		
To Gross Profit c/d		2,05,000		
		9,70,000		9,70,000
To Salaries		64,000	By Gross Profit b/d	2,05,000
To Salesman's Commission	70,000		By Discount from Creditors	3,000
Add: Outstanding Commission	<u>11,500</u>	81,500	By Net Loss transferred to Capital A/c	1,75,800
To Postage & Telephone		23,000		
To Insurance		18,000		
To Advertisement		34,000		
To Printing & Stationery		6,000		
To Bad Debts	4,000			
Add: Further Bad Debts	5,000			
Add Provision for Doubtful Debts	<u>9,000</u>	18,000		
To Depreciation on:				
Furniture	8,100			
Motor Car	<u>19,200</u>	27,300		
To Discount		8,000		
To General Expenses		60,000		
To Carriage Outwards		44,000		
		3,83,800		3,83,800

**Balance Sheet
As on 31st March 2011**

Liabilities		Rs:	Assets	Rs.
Capital	5,77,200		Cash in Hand	4,200
Less: Drawings	8,000		Cash at Bank	24,000
Goods taken by Proprietor	<u>13,000</u>		Stock	1,45,000
	5,64,200		Add: Cost of Goods sold on Approval Basis	<u>10,000</u>
Less: Net Loss	<u>1,75,800</u>	3,88,400	Debtors	2,00,000
Creditors	80,000		Less: Sale of Goods on approval basis	<u>15,000</u>
Less: Discount from Creditors	<u>3,000</u>	77,000		1,85,000
Outstanding Commission		11,500	Less: Further Bad Debts	<u>5,000</u>
				1,80,000
			Less: Provision for Doubtful Debts	<u>9,000</u>
			Furniture	44,000
			Add: Purchase	<u>10,000</u>
				54,000
			Less: Depreciation	<u>8,100</u>
			Motor Car	96,000
			Less: Depreciation	<u>19,200</u>
				76,800
		4,76,900		4,76,900

Q.13

**Trading and Profit and Loss Account
For the year ending 31st March 2011**

Dr.		Cr.	
Particular	Rs.	Particulars	Rs.
To Opening Stock	30,000	By Sales	1,27,000
To Purchase	60,000	Less: Return	<u>1,000</u>
Less: Return	750	By Closing Stock	34,220
Less: Goods taken by Proprietor	5,000		
Less: Sample	1,000		
Less: Purchase of Furniture	<u>920</u>		
To Manufacturing Wages	10,000		
To Gross Profit c/d	67,890		
	<u>1,60,220</u>		<u>1,60,220</u>
To Salary	7,550	By Gross Profit b/d	67,890
To Rent, Rates and Taxes	10,000	By Discount Received	800
To Carriage Outwards	1,200	By Provision for Doubtful Debts	
To Advertisement	2,000	Old Provision	525
To Depreciation on Plant & Machinery	7,800	Less: New Provision	<u>500</u>
To Discount	425		25
To Advertisement (Sample)	1,000		
To Interest on Capital	10,000		
To Net Profit transferred to Capital A/c	28,740		
	<u>68,715</u>		<u>68,715</u>

**Balance Sheet
As on 31st December 2006**

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Plant & Machinery	78,000
Add: Interest on Capital	10,000	Less: Depreciation	<u>7,800</u>
Net profit	<u>28,740</u>	Furniture	2,000
	1,38,740	Add: Purchase of Furniture	<u>920</u>
Less: Drawings	<u>5,000</u>	Cash in hand	6,900
(Goods withdrawn for personal use)		Sundry Debtors	45,000
Sundry Creditors	25,000	Less: Provision for Bad Debts	<u>500</u>
		Closing Stock	34,220
	<u>1,58,740</u>		<u>1,58,740</u>

Q.14

**Trading and Profit and Loss Account
For the year ending 31st December 2011**

Dr.		Cr.	
Particular	Rs.	Particulars	Rs.
To Opening Stock	46,800	By Sales	3,89,600
To Purchases	3,21,700	Less: Returns	<u>8,600</u>
Add: Omitted Invoice	400	By Closing Stock	78,600
Less: Returns	5,800		
Less: Drawings	<u>600</u>		
To Freight & Carriage	18,600		
To Gross Profit c/d	78,500		
	<u>4,59,600</u>		<u>4,59,600</u>
To Rent & Taxes	5,700	By Gross Profit b/d	78,500
To Salaries & Wages	9,300	By Misc. Income	250
To Bank Interest	900	By Discount Received	4,190
Add: Due Interest	<u>300</u>		
To Printing & Advertisement	14,600		
Less: Prepaid	<u>3,650</u>		
To Discount Allowed	1,800		
To General Expenses	11,450		
To Insurance	1,300		
To Postage & Telegrams	2,330		
To Travelling Expenses	870		
To Provision for Doubtful Debts	1,150		
To Reserve for Discount on Debtors	437		
To Depreciation on Furniture	500		
To Net Profit transferred to Capital A/c	35,953		
	<u>82,940</u>		<u>82,940</u>

**Balance Sheet
As on 31st December 2011**

Liabilities	Rs.	Assets	Rs.
Capital	86,690	Furniture and Fittings	5,000
Add: Net Profit	35,953	Less: Depreciation	<u>500</u>
	1,22,643	Sundry Debtors	24,000
Less: Drawings	(40,000)	Less: Mutual Set off	<u>1,000</u>
Less: Goods taken by Proprietor	<u>(600)</u>		23,000
Bank Loan	20,000	Less : Provision for Doubtful Debts	<u>1,150</u>
Interest Due on Bank Loan	300		21,850
Creditors	14,800	Less : Reserve for Discount on Debtors	<u>437</u>
Less: Mutual Set off	<u>1,000</u>	Stock	78,600
	13,800	Prepaid Printing & Stationery	3,650
Add: Purchase Omitted	<u>400</u>	Cash in Hand	380
	14,200	Cash at Bank	8,000
	<u>1,16,543</u>		<u>1,16,543</u>

Q.15

**Trading and Profit and Loss Account
For the year ended 31st March 2012**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	21,300	By Sales	1,40,000
To Purchases	80,000	Less: Returns	<u>5,000</u>
Less: Returns Outward	<u>6,000</u>	By Goods Destroyed by Fire	10,000
	74,000	By Closing Stock	27,300
Less: Drawings	<u>2,000</u>		
	72,000		
Add: Purchase omitted	<u>6,000</u>		
To Carriage	10,000		
To Gross Profit c/d	63,000		
	<u>1,72,300</u>		<u>1,72,300</u>
To Salaries and Wages	18,500	By Gross Profit b/d	63,000
To Interest on Loan Outstanding	1,350	By Provision for Discount on Debtors	
To Sundry Expenses	600	Old Provision	380
To Printing and Stationery	500	Less: New Provision	<u>342</u>
To Insurance	1,000	By Provision for Discount on creditors	38
Less: Prepaid	<u>200</u>		360
To Trade Expenses	800		
To Goods Lost by Fire	4,000		
To Depreciation on			
Land and Building	1,800		
Plant and Machinery	4,000		
Furniture	<u>250</u>		
	6,050		
To Bad Debts	400		
Add: Further Bad Debts	<u>400</u>		
	800		
Add: New Provision	<u>900</u>		
	1,700		
Less: Old Provision	<u>1,000</u>		
To Net Profit transferred to Capital A/c	30,098		
	<u>63,398</u>		<u>63,398</u>

**Balance Sheet
As on 31st March 2012**

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Cash in Hand	1,280
Add: Net Profit	<u>30,098</u>	Cash at Bank	4,600
	1,30,098	Prepaid Insurance	200
Less: Drawings	<u>14,000</u>	Closing Stock	27,300
	1,16,098	Insurance Company	6,000
Creditors	12,000	Debtors	18,400
Add: Purchase Omitted	<u>6,000</u>	Less: Further Bad Debts	<u>(400)</u>
	18,000		18,000
Less:- Provision for Discount on Creditors	<u>360</u>	Less: Provision for Doubtful Debts	<u>(900)</u>
	17,640		17,100
6% Loan from Gajanan	30,000	Less: Provision for Discount on Debtor	<u>(342)</u>
Outstanding Interest on Loan	1,350		16,758
		Furniture	<u>5,000</u>
		Less: Depreciation	<u>250</u>
			4,750
		Land and Buildings	90,000
		Less: Depreciation	<u>1,800</u>
			88,200
		Plant and Machinery	20,000
		Less: Depreciation	<u>4,000</u>
			16,000
	<u>1,65,088</u>		<u>1,65,088</u>

Q.16

**Trading and Profit and Loss Account
For the year ending 31st December 2011**

Dr.		Rs.	Cr.	
Particulars			Particulars	Rs.
To Purchase (Adjusted)	2,90,000		By Sales	5,29,500
Less : Drawings	<u>1,500</u>	2,88,500		
To Wages		10,000		
To Gross Profit c/d		2,31,000		
		5,29,500		5,29,500
To Salaries	9,200		By Gross Profit b/d	2,31,000
Add: Outstanding Salary	<u>1,000</u>		By Apprentice Premium	500
	10,200			
Less: Prepaid Salary	<u>800</u>	9,400		
To Bad Debts		2,000		
To Rent		5,000		
To Insurance	5,000			
Less: Prepaid Insurance	<u>2,000</u>	3,000		
To Provision for Doubtful Debts		2,500		
To Depreciation on				
Furniture and Fitting	6,000			
Building	<u>14,580</u>	20,580		
To Net Profit transferred to Capital A/c		1,89,020		
		2,31,500		2,31,500

**Balance Sheet
As on 31st December 2011**

Liabilities		Rs.	Assets		Rs.
Capital	30,000		Building	2,00,000	
Add: Net Profit	<u>1,89,020</u>		Less: Provision for Depreciation		
	2,19,020		(54,200 + 14,580)	<u>68,780</u>	1,31,220
Less: Drawings	<u>6,500</u>	2,12,520	Furniture and Fittings	60,000	
Sundry Creditors		20,000	Less: Provision for Depreciation		
Wages Outstanding		8,000	(12,000 + 6,000)	<u>18,000</u>	42,000
Salaries Outstanding		1,000	Sundry Debtors	25,000	
			Less: Provision for Doubtful Debts	<u>2,500</u>	22,500
			Closing Stock		40,000
			Prepaid Rent		3,000
			Salaries paid in Advance		800
			Prepaid Insurance		2,000
		2,41,520			2,41,520

Q.17

**Trading and Profit and Loss Account
For the year ended 31st March, 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Purchases (Adjusted) 1,90,000		By Sales	3,31,700
Less: Over Valuation of Stock <u>1,000</u>	1,89,000		
To Wages	24,400		
To Carriage Inwards	1,750		
To Gross Profit c/d	1,16,550		
	<u>3,31,700</u>		<u>3,31,700</u>
To Salaries	21,000	By Gross Profit b/d	1,16,550
To Salary to Maneet (Proprietor)	12,000		
To Interest on Capital 10% on 69,000 (70,000 – 1,000)	6,900		
To Postage and Stationery	1,750		
To Carriage Outward	1,000		
To Bad Debts	950		
To Provision for Doubtful Debts			
New Provision 765			
Less: Old Provision <u>350</u>	415		
To Office Charges	1,500		
To Depreciation on			
Plant and Machinery 7,500			
Freehold Premises <u>1,000</u>	8,500		
To General Reserve (1,16,550 – 54,015) × 10%	6,254		
To Net Profit Transferred to Capital A/c (62,535 – 6,254)	56,281		
	<u>1,16,550</u>		<u>1,16,550</u>

**Balance Sheet
As on 31st March 2011**

Liabilities	Rs.	Assets	Rs.
Capital 70,000		Debtors 30,600	
Less: Over Valuation of Stock <u>1,000</u>		Less: Provision for Doubtful Debts <u>765</u>	29,835
	69,000	Plant and Machinery <u>75,000</u>	67,500
Add: Net profit <u>56,281</u>		Less: Depreciation <u>7,500</u>	
	1,25,281	Freehold premises <u>50,000</u>	49,000
Interest on Capital <u>6,900</u>		Less: Depreciation <u>1,000</u>	
	1,32,181	Bills Receivable	5,000
Salary to Proprietor <u>12,000</u>	1,44,181	Cash in hand	800
General Reserve 20,000		Cash at Bank	5,300
Add: Additions to Reserve <u>6,254</u>	26,254	Closing Stock	30,000
Creditors 10,000			
Bills Payable 7,000			
	<u>1,87,435</u>		<u>1,87,435</u>

Q.18

**Trading and Profit and Loss A/c
For the year ended 31st March 2011**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		1,50,000	By Sales	16,20,000
To Purchases	8,40,000		Less: Returns	<u>32,000</u>
Less: Returns	<u>40,000</u>			15,88,000
	8,00,000		Less : Sales Taxes	<u>1,00,000</u>
Less: Duty Drawback	<u>20,000</u>	7,80,000	By Closing Stock	3,40,000
To Freight Inward		40,000		
To Gross Profit c/d		8,58,000		
		<u>18,28,000</u>		<u>18,28,000</u>
To Discount		32,000	By Gross Profit b/d	8,58,000
To Commission		24,000	By Discount	56,000
To Salaries	2,40,000		By Commission	28,000
Add : Outstanding	<u>24,000</u>			
	2,64,000			
Less: Advance	<u>20,000</u>	2,44,000		
To Rent Rates and Taxes		80,000		
To Postage, Telegrams and Telephone		50,000		
To Interest on Loan		40,000		
To Advertisement		40,000		
To Depreciation on Furniture		70,000		
To Brand Name and Design Written off		24,000		
To Net Profit - Transferred to Capital A/c		3,38,000		
		<u>9,42,000</u>		<u>9,42,000</u>

**Balance Sheet
As at 31st March 2011**

Liabilities		Rs.	Assets		Rs.
Capital	8,00,000		Furniture	7,00,000	
Add : Net Profit	<u>3,38,000</u>		Less: Depreciation	<u>70,000</u>	6,30,000
	11,38,000		Brand Name and Design	<u>1,20,000</u>	
Less : Drawings	<u>1,00,000</u>	10,38,000	Less: Written off	<u>24,000</u>	96,000
Creditors		1,50,000	Sundry Debtors		2,40,000
Loan		6,00,000	Closing Stock		3,40,000
Salaries Outstanding		24,000	Advertisement not written off		1,60,000
Sales tax payable		1,00,000	Salaries Paid in Advance		20,000
			Cash at Bank		3,00,000
			Cash at Hand		1,26,000
		<u>19,12,000</u>			<u>19,12,000</u>

Q.19

**Trading and Profit and Loss Account
For the year ending 31st March 2011**

Dr.		Cr.	
Particular	Rs.	Particulars	Rs.
To Opening Stock	30,000	By Sales	4,07,000
To Purchases	2,60,000	Less: Returns	<u>6,000</u>
Less: Return	<u>5,750</u>	By Closing Stock	35,000
To Wages	40,000		
To Carriage Inwards	750		
To Gross Profit c/d	1,11,000		
	<u>4,36,000</u>		<u>4,36,000</u>
To Salaries	26,800	By Gross Profit b/d	1,11,000
To Discount	350	By Discount	800
To Bank Charges	75	By Provision for Bad Debts	
To Carriage Outward	1,200	Old Provision	525
To Rent, Rates and Taxes	10,000	Less: New Provision	<u>500</u>
To Advertisement	2,000		25
To Depreciation on			
Plant and Machinery	12,000		
Furniture	<u>2,000</u>		
To Interest on Capital @ 10%	9,000		
To General Reserve	7,260		
(1,11,825 – 63,425) × 15%			
To Net Profit – Transferred to Capital A/c	41,140		
	<u>1,11,825</u>		<u>1,11,825</u>

**Balance Sheet
As at 31st March 2011**

Liabilities	Rs.	Assets	Rs.
Capital	90,000	Plant & Machinery	80,000
Add: Net Profit	<u>41,140</u>	Less: Depreciation	<u>12,000</u>
	1,31,140	Furniture & Fittings	20,000
Add: Interest on Capital	<u>9,000</u>	Less: Depreciation	<u>2,000</u>
Creditors	25,000	Debtors	45,000
General Reserve	7,260	Less: Provision	<u>500</u>
		Closing Stock	35,000
		Cash in Hand	900
		Cash at Bank	6,000
	<u>1,72,400</u>		<u>1,72,400</u>

Q.20

**Trading and Profit and Loss A/c
For the year ended 31st March 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	10,000	By Sales	1,90,000
To Purchases	95,000	Less: Sale of Furniture	<u>10,000</u>
To Wages	8,000	By Closing Stock	60,000
Less: For erection of Machine	<u>6,000</u>		
2,000			
To Custom Duty on Purchase	16,000		
To Gross Profit c/d	1,17,000		
	<u>2,40,000</u>		<u>2,40,000</u>
To Salaries	16,000	By Gross Profit b/d	1,17,000
To Rent and Rates	15,000	By Bad Debts Recovered	500
To Carriage Outwards	6,000	By Appreciation on building	4,000
To Fire Insurance	15,000	(10% of Rs. 40,000)	
To Advertisement	20,000	By Interest for Late Payment	200
To Bad Debts	6,000	By Interest on Investment :	
Add: Additional Bad Debts	<u>4,000</u>	(2,000 – 200)	<u>1,800</u>
10,000		Add: Accrued Interest	<u>1,200</u>
Less: Provision for Doubtful Debts	<u>2,000</u>		3,000
8,000			
To Loss on Sale of Furniture	2,000		
To Depreciation on			
Machinery	2,600		
Furniture	1,600		
To Net Profit transferred to Capital A/c	38,500		
	<u>1,24,700</u>		<u>1,24,700</u>

**Balance Sheet
As on 31st March 2011**

Liabilities	Rs.	Assets	Rs.
Capital	60,000	Cash in Hand	8,000
Add: Net Profit	<u>38,500</u>	Land and Building	40,000
98,500		Add: Appreciation (10%)	<u>4,000</u>
Less: Drawings	<u>5,000</u>	Plant and Machinery	20,000
93,500		Add: Wages on erection	<u>6,000</u>
Creditors	60,000	26,000	
Bills Payable	21,000	Less: Depreciation	<u>2,600</u>
Custom Duty Payable	25,000	Furniture	20,000
		Less: Sale of Furniture	<u>12,000</u>
		8,000	
		Less: Depreciation (20%)	<u>1,600</u>
		Debtors	25,000
		Add: Bad debts recovered wrongly deducted	<u>500</u>
		Investment	20,000
		Accrued Interest on Investment	1,200
		Bills Receivable	15,000
		Less: Bad Debts	<u>4,000</u>
		Closing Stock	60,000
	<u>1,99,500</u>		<u>1,99,500</u>

Q.21

**Trading and Profit and Loss A/c
For the year ended 30-9-2011**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		30,000	By Sales	1,27,000
To Purchase	60,000		Less: Returns	<u>1,000</u>
Less: Returns	<u>750</u>		By Closing Stock	34,200
	59,250			
Less: Drawings	<u>5,000</u>			
	54,250			
Less: Sample	<u>1,000</u>	53,250		
To Manufacturing Wages		10,000		
To Gross Profit c/d		66,970		
		<u>1,60,220</u>		<u>1,60,220</u>
To Salaries	7,550		By Gross Profit b/d	66,970
Add: Outstanding Salary	<u>450</u>	8,000	By Dividend Received	800
To Carriage outwards		1,200	Add: Accrued Dividend	<u>135</u>
To Advertisement		2,000	By Provision for Bad Debts	
To Rent Rates and Taxes	10,000		Old Provision	525
Less: Rates Paid in advance	<u>1,000</u>	9,000	Less: New Provision	<u>500</u>
To Depreciation on				25
Plant and machinery (78,000 × 10 %)		7,800		
To Discount Allowed		425		
To Advertisement		1,000		
To Interest on Capital		10,000		
To Net Profit - Transferred to Capital A/c		28,505		
		<u>67,930</u>		<u>67,930</u>

Balance Sheet As on 30-9-2011

Liabilities		Rs.	Assets		Rs.
Capital	1,00,000		Plant and Machinery	78,000	
Add: Net Profit	<u>28,505</u>		Less: Depreciation	<u>7,800</u>	70,200
	1,28,505		Investment		2,000
Add: Interest on Capital	<u>10,000</u>		Cash		6,900
	1,38,505		Sundry Debtors	45,000	
Less: Drawings	<u>5,000</u>	1,33,505	Less: Provision for Doubtful Debts	<u>500</u>	44,500
(Goods for personal use)			Closing Stock		34,220
Sundry Creditors		25,000	Dividend Accrued on Investment		135
Salary Outstanding		450	Rates paid in Advance		1,000
		<u>1,58,955</u>			<u>1,58,955</u>

Q.22

**Profit and Loss A/c
For the year ended 31-3-2012**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Salaries	14,000	By Trading Profit	1,17,200
To Printing and Stationery	2,000	- Gross Profit b/d	
To Discount	1,500	By Bad Debts Recovered	300
To Insurance	3,000	By Commission Received	4,000
To Rent	6,600	By Interest on Loan Paid	1,000
Add: Outstanding Rent	<u>600</u>	Accrued Interest on Loan	<u>2,000</u>
	7,200	By Insurance Claim received for lost goods	5,000
Less: Drawings	<u>3,600</u>	By Profit on Sale of Furniture	3,000
	3,600	(12,000 – 9,000)	
To Depreciation on		By Provision for Doubtful Debts	
Plant and Machinery		Old Provision	4,800
Old	10,000	Less: Bad Debts	1,600
New	2,500	New Provision	<u>1,930</u>
Loose Tools (2,800 – 1,600)	1,200		1,270
Furniture & Fittings	<u>1,500</u>		
(24,000 – 9,000) × 10%	15,200		
To Net Profit – Transferred to Capital A/c	94,470		
	<u>1,33,770</u>		<u>1,33,770</u>

**Balance Sheet
As on 31-3-2012**

Liabilities	Rs.	Assets	Rs.
Capital	2,00,000	Free hold Properties	60,000
Add: Net Profit	94,470	Plant and Machinery	1,00,000
	<u>2,94,470</u>	Add: Additions	50,000
Less: Drawings	10,000	Less: Depreciation	<u>(12,500)</u>
Rent of House	3,600	Furniture & Fittings	24,000
Income Tax	<u>4,000</u>	Less: W.D.V. of Sale of Furniture	9,000
Bills Payable	25,700		<u>15,000</u>
Creditors	40,000	Less: Depreciation	<u>1,500</u>
Less: Mutual Set off	<u>6,000</u>	Loose Tools	13,500
	34,000	Debtors	25,000
Outstanding Wages	500	Less: Mutual Set off	<u>6,000</u>
VAT Payable	1,800		19,000
Rent Payable	600	Add: Bad Debts Recovered	
Creditors for Machinery	50,000	wrongly Credited to Debtors	<u>300</u>
			19,300
		Less: Provision for Doubtful Debts	<u>1,930</u>
		Loan to Sharma	40,000
		Accrued Interest on Loan	2,000
		Closing Stock	70,000
		Cash at Bank	35,500
		Debtors for Furniture	12,000
	<u>3,89,470</u>		<u>3,89,470</u>

Q.23

**Trading and Profit and Loss A/c
For the year ended 31st December 2011**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		40,000	By Sales	1,80,500
To Purchase	1,30,295		Less: Returns	<u>2,400</u>
Less: Return	195		By Closing Stock	40,925
Less: Purchase of Machine	<u>4,000</u>	1,26,100		
To Wages	22,525			
Less: Erection of Machine	<u>2,000</u>	20,525		
To Octroi		500		
To Gross Profit c/d		31,900		
		<u>2,19,025</u>		<u>2,19,025</u>
To Salary	8,000		By Gross Profit b/d	31,900
Add: Unpaid Salary	<u>800</u>	8,800	By Discount Received	530
To Repair		1,675		
To Bad Debts	2,310			
Add: Further Bad Debts	<u>400</u>	2,710		
		800		
To Discount Allowed				
To Interest on Loan	600	2,400		
Add: Outstanding	<u>1,800</u>	800		
To Postage and Telegram				
To Insurance	1,000	700		
Less: Prepaid	<u>300</u>	125		
To Charity				
To Rent	2,000	1,600		
Less: Prepaid	<u>400</u>			
To Depreciation on Building				
On Rs. 16,000 @ 10%	1,600	1,900		
On Rs. 6,000 @ 10% for 6 month	<u>300</u>			
To Provision for Doubtful Debts		9,440		
(29,600 × 6%)				
To Net Profit transferred to Capital A/c				
		<u>32,430</u>		<u>32,430</u>

**Balance Sheet
As at 31st December 2011**

Liability		Rs.	Assets		Rs.
Capital	37,500		Machinery	16,000	
Add: Net Profit	<u>9,440</u>	46,940	Add: Additions	4,000	
Creditors		30,305	Erection Charges	<u>2,000</u>	
Loan @ 12% p.a.		20,000		22,000	
Outstanding Interest on Loan		1,800	Less: Depreciation (1,600 + 300)	<u>1,900</u>	20,100
Unpaid Salary		800	Debtors	30,000	
			Less: Further Bad Debts	<u>400</u>	
				29,600	
			Less: Provision for Doubtful Debts	<u>1,480</u>	28,120
			Closing Stock		40,925
			Cash in Hand		500
			Cash at Bank		9,500
			Prepaid Rent		400
			Unexpired Insurance		300
		<u>99,845</u>			<u>99,845</u>

Q.24

**Trading and Profit and Loss A/c
For the year ended 31-12-2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Purchases (Adjusted)	6,99,200	By Sales	7,40,000
To Wages	900	Less: Sale of Furniture	<u>200</u>
Add: Employee's Contribution	150		7,39,800
Add: Rental Value of Building	<u>500</u>		
To Carriage in	400		
To Gross Profit c/d	38,650		
	<u>7,39,800</u>		<u>7,39,800</u>
To National Insurance (Employer's Contribution)	150	By Gross Profit b/d	38,650
To Carriage out	500	By Discount	600
To Rates and Insurance	400	By Dividend earned	300
Less: Prepaid	<u>150</u>	By Rental value of building occupied by employees	500
To Lighting	600		
To Discount Allowed	100		
To Loss on Sale of Furniture	70		
To Depreciation on Building	1,500		
Furniture	<u>1,570</u>		
To Manager's Commission Payable	5,835		
$(39,750 - 4,740) \times \frac{20}{120}$	29,475		
To Net Profit			
	<u>40,050</u>		<u>40,050</u>

**Balance Sheet of Shri Ganesh
As on 31st December 2011**

Liability	Rs.	Assets	Rs.
Sundry Creditors	20,000	Cash in Hand and Bank	1,750
Manager's Commission Payable	5,835	Sundry Debtors	6,000
Capital	48,500	Closing Stock	61,250
Add: Net Profit	<u>29,475</u>	Prepaid Insurance	150
	77,975	Furniture	8,000
		Less: Book Value of furniture sold	<u>(300)</u>
			7,700
		Less: Depreciation	<u>1,540</u>
		Buildings	30,000
		Less: Depreciation	<u>1,500</u>
	<u>1,03,810</u>		28,500
			<u>1,03,810</u>

Q.25

**Trading and Profit and Loss Account
For the year ending 31st March 2012**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		15,500	By Sales	2,07,000
To Purchases	1,06,000		Less: Returns	<u>5,100</u>
Less: Returns	<u>2,100</u>	1,03,900	By Closing Stock	14,900
To Wages	26,000			
Less: Erection Charges	3,000			
Add: Outstanding Wages	<u>2,100</u>	25,100		
To Freight on Purchase		2,800		
To Gross Profit c/d		69,500		
		<u>2,16,800</u>		<u>2,16,800</u>
To Salaries		11,000	By Gross Profit b/d	69,500
To General Expenses	2,500		By Sundry Incomes	1200
Less: Prepaid Insurance	<u>150</u>	2,350		
To Rent		3,000		
To Postage and Telegram		1,400		
To Stationery		1,300		
To Repairs		4,500		
To Cartage on Sales		4,000		
To Bad Debts	600			
Add: Required Provision	<u>1,500</u>			
	<u>2,100</u>			
Less: Existing Provision	<u>300</u>	1,800		
To Depreciation on				
Land & Building	700			
Machinery				
Old	4,000			
New	<u>650</u>	4,650		
Furniture & Fixture	<u>750</u>	6,100		
To Net Profit		35,250		
		<u>70,700</u>		<u>70,700</u>

**Balance Sheet
As on 31st March 2012**

Liability	Amount	Assets	Amount
Capital	90,000	Land and Building	35,000
Add: Net Profit	<u>35,250</u>	Less: Depreciation	<u>700</u>
Wages Outstanding	2,100	Machinery	53,000
Sundry Creditors	9,600	Less: Depreciation	<u>4,650</u>
		Furniture and Fixtures	5,000
		Less: Depreciation	<u>750</u>
		Sundry Debtors	30,000
		Less: Provision for Doubtful Debts	<u>1,500</u>
		Closing Stock	14,900
		Cash in Hand	100
		Cash at Bank	6400
		Prepaid Insurance	150
	<u>1,36,950</u>		<u>1,36,950</u>

Q.26

**Trading and Profit and Loss A/c
For the year ended 31st March 2010**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		16,000	By Sales	2,20,000
To Purchases	90,000		Less: Sale on Approval Basis	<u>5,000</u>
Less: Purchase of Furniture	<u>5,000</u>			2,15,000
	85,000		Less: Sales Taxes	<u>10,000</u>
Less: Free Sample	<u>4,000</u>	81,000	By Closing Stock	30,000
To Wages		33,000	Add: Cost of Goods sold on Approval Basis	<u>4,000</u>
To Gross Profit c/d		1,09,000		34,000
		<u>2,39,000</u>		<u>2,39,000</u>
To Salary		20,000	By Gross Profit b/d	1,09,000
To Bad Debts	10,000		By Interest on loan to Ashok	1,000
Add: Further Bad Debts	<u>2,000</u>	12,000	Add: Accrued Interest	<u>600</u>
To Provision for Doubtful Debts		3,600		1,600
To Rent Rates and Taxes		15,000		
To Advertisement		18,000		
To Discount		1,000		
To Free Sample		4,000		
To Depreciation on				
Furniture	2,500			
Office Machinery	<u>3,500</u>	6,000		
To Net profit transferred to Capital A/c		31,000		
		<u>1,10,600</u>		<u>1,10,600</u>

**Balance Sheet
As on 31-3-2010**

Liabilities		Rs.	Assets		Rs.
Capital	1,98,000		Land and Buildings		1,20,000
Add: Net Profit	<u>31,000</u>		Office Machinery	70,000	
	2,29,000		Less: Depreciation	<u>3,500</u>	66,500
Less: Drawings	<u>5,000</u>	2,24,000	Furniture and Fittings	20,000	
Creditors		40,000	Add: Purchase of Furniture	<u>5,000</u>	
Wages Payable		2,000		25,000	
Bank Overdraft	40,000		Less: Depreciation	<u>2,500</u>	22,500
Add: Dishonoure of Cheque	<u>8,000</u>	48,000	Loan to Ashok		20,000
			Bills Receivable		10,000
			Trade Marks		8,000
			Debtors	35,000	
			Less: Sale on Approval Basis	<u>5,000</u>	
				30,000	
			Less: Further Bad Debts	<u>2,000</u>	
				28,000	
			Add: Dishonoure of Cheque	<u>8,000</u>	
				36,000	
			Less: Provision for Doubtful Debts	<u>3,600</u>	32,400
			Accrued Interest		600
			Closing Stock	30,000	
			Add: Cost of Goods sold on Approval Basis	<u>4,000</u>	34,000
					<u>3,14,000</u>
		<u>3,14,000</u>			<u>3,14,000</u>

Q.27

**Trading and Profit and Loss A/c
For the year ended 31st March 2010**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	1,00,000	By Sales	3,02,000
To Purchases	1,23,500	Less: Sales on Approval	<u>6,000</u>
Less: Purchase of Furniture	<u>1,000</u>	By Loss of stock by fire	25,000
To Wages	28,000	By Stock in Hand	20,000
To Gross Profit c/d	95,500	Add : Stock on approval	<u>5,000</u>
	3,46,000		3,46,000
To Salaries	4,600	By Gross Profit b/d	95,500
To Depreciation	4,500	By Discount	4,000
To Interest on Loan	1,000		
Add: Outstanding	<u>1,000</u>		
To Loss of Stock by Fire	15,000		
To Rent	1,200		
To Loss on Sale of Furniture	2,000		
To Provision for Doubtful Debts	3,240		
To Net Profit transferred to Capital A/c	66,960		
	99,500		99,500

**Balance Sheet
As on 31st March 2012**

Liability	Amount	Assets	Amount
Capital	1,60,000	Sundry Assets	2,02,500
Less: Income Tax	<u>10,500</u>	Less: Adjustment	<u>1,000</u>
	1,49,500	Closing Stock: in Hand	20,000
Add: Net Profit	<u>66,690</u>	On approval	5,000
Salaries Outstanding	2,000	Accrued Income	1,500
Bank overdraft:		Insurance Company	10,000
Bank balance	2,000	Debtors	40,000
Less: dishonored cheque	<u>5,000</u>	Less: Approval	(6,000)
	3,000	Landlord	(1,200)
Loan	10,000	Bad Debts	(3,000)
Add: Interest Outstanding	<u>1,000</u>	Common Debts	<u>(5,000)</u>
Creditors	35,100		24,800
Less: Common Debts	<u>5,000</u>	Less: Provision	<u>1,240</u>
	30,100		23,560
		Add: Recoverable amount of	
		Dishonoured cheque	1,000
	2,62,560		24,560
			2,62,560

Q.28

**Trading and Profit & Loss Account of Mr. X
For the year ended on 31.3.2013**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	37,000	By Sales	2,49,000
To Purchase (less Return)	1,23,500	Less: Sale on Approval Basis	<u>6,000</u>
To Wages	28,000	By Closing Stock	30,000
To Gross Profit c/d	89,500	Add: Cost of sale on Approval Basis	<u>5,000</u>
	2,78,000		2,78,000
To Salaries	4,000	By Gross profit b/d	89,500
To Rent	1,200	By Provision for Bad debts	760
To Depreciation on:		By Discount on Purchase	4,000
Plant and Machinery	2,000		
Building	<u>2,500</u>		
To Repairs to Plant	1,600		
To General Manager's Commission	7,214		
To Works Manager's Commission	3,607		
To Net Profit transferred to Capital A/c	72,139		
	94,260		94,260

**Balance Sheet of Mr. X
As on 31st March 2013**

Liability	Rs.	Assets	Rs.
Capital Account	60,000	Plant and Machinery	20,000
Add: Net Profit	72,139	Less: Depreciation	<u>2,000</u>
	1,32,139	Land	24,500
Less: Drawings	<u>500</u>	Building	52,500
Commission payable to Gen. Manager	7,214	Less: Depreciation	<u>2,500</u>
Commission payable to Works Manger	3,607	Closing Stock	30,000
Sundry creditors	23,300	Add: Goods sent on Approval	<u>5,000</u>
Bills Payable	3,000	Sundry Debtors	24,800
Bank overdraft	13,800	Less: Provision	<u>1,240</u>
Salaries outstanding	2,000	Bills Receivable	30,000
		Cash in Hand	2,000
		Accrued Income	1,500
	1,84,560		1,84,560

Q.29

**Trading and Profit and Loss A/c
For the year ended 31st March 2010**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To opening Stock		75,000	By Sales	12,00,000
To Purchases	8,00,000		Less: Returns Inwards	<u>7,500</u>
Less: Return Outwards	<u>6,000</u>	7,94,000	By Closing Stock	60,000
To Wages	1,25,000			
Less: Advance Wages	<u>5,000</u>	1,20,000		
To Gross Profit c/d		2,63,500		
		<u>12,52,500</u>		<u>12,52,500</u>
To Car Expenses		42,000	By Gross Profit b/d	2,63,500
To Rent	5,500		By Provision for Doubtful Debts	
Add: Outstanding Rent	<u>500</u>	6,000	Old Provision	8,100
To Salaries	35,200		Less: Bad Debs	<u>1,500</u>
Add: Outstanding Salaries	<u>3,200</u>	38,400	Further Bade Debts	2,000
To Insurance	8,400		New Provision for Doubtful Debts	<u>4,000</u>
Less: Advance	<u>1,200</u>	7,200	By Commission	4,600
To Interest on X's Loan	1,500		Less: Advance	<u>1,600</u>
Add: Outstanding	<u>300</u>	1,800		3,000
To Depreciation on:				
Furniture	3,000			
Motor Car	<u>30,000</u>	33,000		
To Net Profit transferred to Capital Account		1,38,700		
		<u>2,67,100</u>		<u>2,67,100</u>

**Balance Sheet
As on 31st March 2012**

Liability	Rs.	Assets	Rs.
Sundry Creditors	91,300	Cash in Hand	16,400
Loan from X	10,000	Sundry Debtors	82,000
Outstanding		Less: Further Bad Debts	<u>2,000</u>
Rent	500	80,000	
Salaries	3,200	Less: Provision for Doubtful debts	<u>4,000</u>
Interest on Loan	<u>300</u>	76,000	
Commission Received in Advance	1,600	Motor Car	1,50,000
Capital	2,50,000	Less: Depreciation	<u>30,000</u>
+ Net Profit	<u>1,38,700</u>	1,20,000	
	3,88,700	Land and Building	2,00,000
		Prepaid : Wages	5,000
		Insurance	<u>1,200</u>
		6,200	
		Furniture	20,000
		Less: Depreciation	<u>3,000</u>
		17,000	
		Closing Stock	60,000
	<u>4,95,600</u>		<u>4,95,600</u>

Q.30

**Trading and Profit and Loss Account
For the year ended 31st March, 2012**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	40,000	By Sales	11,00,000
To Purchases	7,50,000	Less: Return	<u>45,000</u>
Less: Purchases Return	<u>30,000</u>	By Closing Stock	35,000
	7,20,000	By Goods Destroyed by Fire	20,000
Less: Drawings	<u>13,000</u>		
To Freight on Purchases	8,000		
To Gross Profit c/d	3,55,000		
	<u>11,10,000</u>		<u>11,10,000</u>
To Salaries	7,500	By Gross Profit b/d	3,55,000
To Depreciation on:			
Land and Building	20,000		
Machinery	35,000		
Furniture	15,000		
To Interest on Bank Loan	20,000		
To Bad Debts	12,000		
Add: Further Bad Debts	4,000		
Add: New Provision	<u>4,000</u>		
	20,000		
Less: Old Provision	<u>11,000</u>		
To Insurance Premium	9,000		
To Trade Expenses	40,000		
To Office Expenses	28,500		
To Loss by fire (20,000-15,000)	5,000		
To Net Profit transferred Capital Account	1,66,000		
	<u>3,55,000</u>		<u>3,55,000</u>

**Balance Sheet
As on 31st March 2012**

Liability	Amount	Assets	Amount
Creditors	62,000	Land and Building	1,80,000
Bank Loan	2,00,000	Machinery	3,00,000
Outstanding Interest on Bank Loan	5,000	Furniture	74,000
Capital	2,92,000	Debtors	84,000
Add: Profit	<u>1,66,000</u>	Less: Further Bad Debts	<u>4,000</u>
Less: Drawings	4,58,000		80,000
Cash	11,000	Less: Provision for Doubtful Debts	<u>4,000</u>
Goods	13,000	Insurance Claim Receivable	15,000
Income Tax	<u>21,000</u>	Closing Stock	35,000
	45,000		
	<u>4,13,000</u>		
	<u>6,80,000</u>		<u>6,80,000</u>

Q.31

**Trading and Profit and Loss Account
For the year ended 31st March, 2008**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock		54,000	By Sales	1,65,000
To Purchases	84,000		Less: Return	5,000
Less: Purchases Return	<u>4,000</u>	80,000	Less: Goods on approval	<u>10,000</u>
To Freight Inwards		5,000	By Closing Stock	61,500
To Wages & Salaries		1,000	Add: with the Customer	8,000
To Gross Profit c/d		1,00,000	Add: Goods-in-transit	<u>10,500</u>
			By Goods Destroyed by Fire	10,000
		<u>2,40,000</u>		<u>2,40,000</u>
To Bad Debts		5,000	By Gross Profit b/d	1,00,000
To Freight Outwards		7,000	By Bad debts recovered	26,000
To Discount		2,000	By Discount Received	1,000
To Commission		4,000	By Commission Received	3,000
To Rent		3,000	By Rent Received	4,000
To Interest		2,500	By Interest Received	3,000
To Office & Administration Expenses		6,000	By Interest on Drawings	450
To Selling & Distribution Expense		10,000	(10,000×9/10×9/12)	
To Depreciation on Plant & Machinery		11,000		
To Interest on capital				
(1,60,000 × 6/100)	9,600			
(10,000× 6/100 × 6/12)	<u>300</u>	9,900		
To Goods Lost by Fire		4,000		
To Manager's Commission Payable		3,500		
To Net Profit		70,000		
		<u>1,37,900</u>		<u>1,37,900</u>

**Balance Sheet
As on 31st March 2008**

Liability	Rs.	Assets	Rs.
Capital	1,70,000	Plant and Machinery	1,10,000
Add: Net Profit	70,000	Less: Depreciation	<u>11,000</u>
Add: Interest on Capital	<u>9,900</u>	Debtors	2,15,000
	2,49,900	Less: Goods sent on Approval	<u>10,000</u>
Less: Drawing	10,000	Bills Receivable	10,000
Less: Interest on drawing	<u>450</u>	Loan	20,000
	2,39,450	Investment	50,000
Creditors	2,02,000	Cash in Hand	5,000
Bills Payable	5,600	Cash at Dena Bank	45,550
Loan	50,000	Closing Stock	61,000
Bank Overdraft at Canara Bank	20,000	Add: Goods with customer	8,000
Manager's Commission payable	3,500	Add: Stock in transit	<u>10,500</u>
		Insurance Claim Receivable	6,000
	<u>5,20,550</u>		<u>5,20,550</u>

Q.32

**Trading and Profit and Loss Account of Ajit Traders
For the year ended 31st March, 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	46,800	By Sales	3,89,000
To Purchases	3,21,700	Less: Return	8,600
Less: Purchases Return	5,800	By Closing Stock	78,600
Add: Omitted	400		
Less: Goods taken by proprietor	600		
To Carriage inwards	19,600		
To Gross Profit c/d	77,500		
	4,59,600		4,59,600
To Discount	1,800	By Gross Profit b/d	77,500
To Rent & Taxes	9,300	By Discount Received	4,110
To Salaries & Wages	4,000		
To Printing & Stationery	8,700		
Less: Unused	3,600		
To Interest on Bank Loan	1,100		
Add: Unpaid	1,700		
To Travelling Expenses	870		
To Postage & Telephone	2,000		
To Insurance	6,400		
To General Expenses	12,750		
To Depreciation on Furniture	500		
To Provision for Doubtful Debts (23,000 × 5%)	1,150		
To Provision for Discount on Debtors (23,000 – 1,150) × 2%	437		
To Net Profit transferred to Capital A/c	34,503		
	81,610		81,610

**Balance Sheet of Ms. Ajit Traders
As on 31st March 2011**

Liability	Rs.	Assets	Rs.
Capital	65,690	Debtors	24,000
Less: Goods taken	600	Less: Mutual set off	1,000
Less: Drawings	19,000		23,000
Add: Net Profit	34,503	Less: Provision for Doubtful Debts	1,150
Creditors	14,800		21,850
Add: Purchase Omitted	400	Less: Provision for Discount	437
Less: Mutual set off	1,000	Furniture	5,000
Bank Loan	20,000	Less: Depreciation	500
Interest on Bank Loan Unpaid	1,700	Cash in Hand	380
		Bank Balance	8,000
		Stationery unused	3,600
		Closing Stock	78,600
	1,16,493		1,16,493

Q.33

**Trading and Profit and Loss Account
For the year ended 31st March, 2011**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	40,000	By Sales	2,64,000
To Purchases	1,70,000	Less: Goods sent on Approval basis	<u>1,200</u>
Less: Free Samples	<u>2,000</u>	By Closing Stock	<u>30,000</u>
To Carriage inward	400	Add: Stock with Customer at cost	<u>1,000</u>
To Wages	30,000		
Less: Installation Charges	<u>1,000</u>		
To Gross Profit c/d	56,400		
	<u>2,93,800</u>		<u>2,93,800</u>
To Salaries	14,800	By Gross Profit b/d	56,400
To Postage & Telephone	3,000	By Discount Received	1,200
To Rent, Rates & Taxes	7,200		
To Insurance	1,600		
To Travelling Expenses	1,000		
To Sundry Expenses	600		
To Interest on Loan	300		
Add: Accrued Interest	<u>300</u>		
To Advertisement	2,000		
To Bad Debts	800		
Add: Further Bad Debts	200		
Add: New provision for Doubtful Debts	<u>950</u>		
To Provision on Discount Debtors	361		
To Depreciation			
Plant & Machinery:			
Old	12,000		
New	800		
Furniture	800		
Patents	<u>4,000</u>		
To Net Profit transferred to Capital A/c	6,889		
	<u>57,600</u>		<u>57,600</u>

**Balance Sheet of Sachin
As on 31st March 2011**

Liability	Rs.	Assets	Rs.
Capital	1,60,000	Cash in Hand	13,250
Add: Net profit	6,889	Cash at Bank	20,500
Less: Drawings	<u>24,000</u>	Closing Stock	30,000
Loan from Kapil	20,000	Add: On Approval	<u>1,000</u>
Add: Accrued Interest	<u>300</u>	Sundry Debtors	20,400
Sundry Creditors	24,000	Add: On Approval	1,200
Creditors for Machinery	3,000	Less: Bad Debts	200
Bank overdraft	15,000	Less: Provision for Doubtful Debts	950
		Less: Provision for Discount on Debtors	<u>361</u>
		Furniture and Fixture	8,000
		Less: Depreciation	<u>800</u>
		Plant & Machinery	60,000
		Add: New Machinery (3,000 + 1,000)	4,000
		Less: Depreciation (12,000 + 800)	<u>12,800</u>
		Patents	40,000
		Less: Written off	<u>4,000</u>
		Land	28,350
	<u>2,05,189</u>		<u>2,05,189</u>

Q.34

**Trading and Profit and Loss Account
For the year ended 31st March, 2013**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	5,00,000	By Sales	41,50,000
To Purchases	31,00,000	Less: Sales Return	55,000
Less: Purchases Return	45,000	Less: Sales on approval basis	<u>1,50,000</u>
Less: Purchase of Furniture	1,00,000	By Closing Stock	1,45,000
Less: Drawings	<u>50,000</u>	Add: Sale on approval basis	<u>1,00,000</u>
To Wages	50,000		39,45,000
To Carriage Inwards	10,000		2,45,000
To Gross Profit c/d	7,25,000		
	<u>41,90,000</u>		<u>41,90,000</u>
To Salaries	95,000	By Gross Profit b /d	7,25,000
To Rates & Taxes	50,000	By Discounts	75,000
To Postage & Telephone	1,05,000	By Net Loss – transferred to Capital A/c	5,02,300
To Insurance	90,000		
To Salesman’s Commission	78,000		
Add: Outstanding	<u>3,16,500</u>		
To Printing & Stationery	95,500		
To Advertisement	1,70,000		
To Discounts	50,000		
To General Expenses	65,700		
To Carriage Outward	22,000		
To Depreciation on			
Furniture & Fittings	65,000		
Motor Car	<u>9,600</u>		
To Further Bad Debts	50,000		
Add: Provision for Doubtful Debts	<u>40,000</u>		
	<u>13,02,300</u>		<u>13,02,300</u>

**Balance Sheet of Mr. X
As on 31st March 2013**

Liability	Rs.	Assets	Rs.
Capital	22,59,200	Furniture & Fittings	5,50,000
Less: Net Loss	5,02,300	Add: Additions	1,00,000
Less: Drawings	45,000	Less: Depreciation	<u>65,000</u>
Less: Drawings in goods	<u>50,000</u>	Motor Car	48,000
Creditors	4,00,000	Less: Depreciation	<u>9,600</u>
Salesman’s Commission o/s	3,16,500	Debtors	10,00,000
		Less: Goods sold on approval basis	<u>1,50,000</u>
			8,50,000
		Less: Further Bad Debts	<u>50,000</u>
			8,00,000
		Less: Provision for Doubtful Debts	<u>40,000</u>
		Closing Stock	1,45,000
		Add: Sale on approval basis	<u>1,00,000</u>
		Cash in Hand	2,50,000
		Cash at Bank	5,00,000
	<u>23,78,400</u>		<u>23,78,400</u>

Q.35

**Trading and Profit and Loss Account
For the year ended 31st December, 2012**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	12,000	By Sales	3,22,000
To Purchases	2,50,000	Less: Returns	<u>12,000</u>
Less: Returns	<u>10,000</u>	By Closing Stock	23,000
To Gross Profit c/d	81,000		
	<u>3,33,000</u>		<u>3,33,000</u>
To Rent	6,000	By Gross Profit b/d	81,000
To Establishment	16,000		
To Provident Fund contribution	1,000		
To Interest	2,000		
Add: Outstanding	<u>1,000</u>		
To Electricity	1,000		
To Phone	1,000		
To Commission	6,000		
To Insurance	1,000		
To Bad debts	2,000		
To Machine destroyed by fire	10,000		
Less: Insurance Claim received	<u>8,000</u>		
To Depreciation:			
Building	2,500		
Machinery	3,000		
Furniture	<u>1,000</u>		
To Reserve for Doubtful Debts	2,500		
To Manager's Commission	3,000		
To Net Profit	30,000		
	<u>81,000</u>		<u>81,000</u>

**Balance Sheet
As on 31st December 2012**

Liability	Rs.	Assets	Rs.
Capital	52,000	Building	50,000
Add: Net Profit	<u>30,000</u>	Less: Depreciation	<u>2,500</u>
Loan	30,000	Machinery	22,000
Outstanding Interest	1,000	Add: Amount received from insurance company	<u>8,000</u>
Sundry creditors	40,000		30,000
P.F. Contribution:		Less: Machinery Destroyed	<u>10,000</u>
Employee	1,000		20,000
Employer	<u>1,000</u>	Less: Depreciation	<u>3,000</u>
Outstanding Manager's Commission	3,000	Furniture	10,000
		Less : Depreciation	<u>1,000</u>
		Stock in Hand	23,000
		Debtors	50,000
		Less: Reserve for Doubtful Debts	<u>2,500</u>
		Bills Receivable	4,000
		Cash in Hand	1,000
		Cash in bank	9,000
	<u>1,58,000</u>		<u>1,58,000</u>

Working Note:- Calculation of Closing Stock

Trading A/c for the period 1-4-2012 to 7-4-2012

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock (Balancing figure)	23,000	By Sales	25,000
To Purchases	15,000	By Closing Stock	18,000
To Gross Profit (25,000 × 20%)	5,000		
	<u>1,95,000</u>		<u>43,000</u>

Q.36

**Trading and Profit and Loss Account
For the year ended 31st December, 2013**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	10,000	By Sales	2,05,000
To Purchases	1,80,000	By Goods destroyed	5,000
Less: Cost of the scooter	<u>5,000</u>	Less: Insurance claim received	<u>4,000</u>
	1,75,000	By Stock at the end	12,000
Less: Drawings	<u>1,000</u>		
To Wages	3,000		
Less: Erection charges of Machinery	<u>1,000</u>		
To Gross Profit c/d	32,000		
	<u>2,18,000</u>		<u>2,18,000</u>
To Salary paid in Cash	5,400	By Gross Profit	32,000
Add: Provident fund contribution:			
Employee	600		
Employer	<u>600</u>		
	6,600		
To Rent	2,750		
Add: Outstanding	<u>250</u>		
	3,000		
To Electricity	550		
Add: Outstanding	<u>50</u>		
	600		
To Trade Expenses	1,500		
To Interest	900		
Add: Outstanding	<u>100</u>		
	1,000		
To Commission	200		
To Bad Debts	500		
To Provision for Bad Debts	1,000		
To Loss on Sale of Machine	1,000		
To Depreciation on:			
Building	1,500		
Machinery	2,900		
Scooter	500		
Furniture	<u>500</u>		
	5,400		
To Net Profit transferred to Capital A/c	11,200		
	<u>32,000</u>		<u>32,000</u>

**Balance Sheet
As on 31st December 2013**

Liability	Rs.	Assets	Rs.
Capital	55,000	Building	30,000
Add: Net Profit	11,200	Less: Depreciation	<u>1,500</u>
Less: Drawings	5,000	Machinery	29,000
Goods taken by proprietor	<u>1,000</u>	Add: Erection charges	<u>1,000</u>
	60,200		30,000
Creditors	15,000	Less: Loss on sales	<u>1,000</u>
Loan 10%	10,000		29,000
Outstanding Expenses:		Less: Depreciation	<u>2,900</u>
Interest	100	Scooter	5,000
Rent	250	Less: Depreciation	<u>500</u>
Electricity	<u>50</u>	Furniture	5,000
	400	Less : Depreciation	<u>500</u>
P.F. Contribution:		Stock	12,000
Employee	600	Cash	1,200
Employer	<u>600</u>	Debtors	10,500
	1,200	Less: Bad Debts	500
			<u>10,000</u>
		Less: Provision for Doubtful Debts	<u>1,000</u>
			9,000
	<u>85,800</u>		<u>85,800</u>

Q.37

**Trading and Profit and Loss Account
For the year ended on 31-3-12012**

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	23,400	By Sales	1,44,800
To Purchases	1,21,550	Less: Returns	4,300
Less: Purchase of Furniture	1,000	Sales Returns omitted	<u>1,500</u>
Less: Returns	<u>2,900</u>	By Closing Stock	39,300
To Carriage Inwards	9,300		
To Gross Profit c/d	27,950		
	<u>1,78,300</u>		<u>1,78,300</u>
To Rent	2,850	By Gross Profit b/d	27,950
To Salaries	4,650	By Interest Received	725
To Interest Paid	450	Add: Interest Accrued	<u>1,000</u>
Add: Outstanding	<u>300</u>	By Discount Received	1,795
To Printing and Stationery	1,700		
To Advertisement	5,600		
To Discount Allowed	3,770		
To General Expenses	1,960		
To Audit Fees	350		
To Fire Insurance Premium	300		
To Travelling Expenses	1,165		
To Postage and Telegram	435		
To Depreciation on Furniture 13% p.a. on 900 for 12 months	117		
on 1,000 or 3 months	<u>33</u>		
To Provision for Doubtful Debts	475		
To Net Profit –transferred to Capital A/c	7,015		
	<u>31,170</u>		<u>31,170</u>

**Balance Sheet
As on 31st March 2012**

Liability	Rs.	Assets	Rs.
Capital	54,050	Furniture	900
Add: Net Profit	<u>7,015</u>	Add: Purchase	<u>1,000</u>
	61,065		1,900
Less: Drawings	<u>5,000</u>	Less: Depreciation (177 + 33)	<u>150</u>
Sundry Creditors	7,400	Investment	2,500
Less: Mutual Set off	<u>1,000</u>	Closing Stock	39,300
Loan from Dena Bank		Sundry Debtors	12,000
Opening Balance	5,000	Less: Sales Return unrecorded	<u>1,500</u>
Add: Further taken on 31-3-2012	<u>5,000</u>		10,500
Interest Outstanding on Bank Loan	300	Less: Mutual Set off	<u>1,000</u>
			9,500
		Less: Provision for Doubtful Debts	<u>475</u>
		Interest Receivable	1,000
		Deposit	15,000
		Cash at Bank	4,000
		Cash at Bank	190
	<u>72,765</u>		<u>72,765</u>

Q.38

**Trading and Profit & Loss A/c
For the year ending 31st March 2012**

Dr.			Cr.	
Particulars		Rs.	Particulars	Rs.
To Opening Stock	55,000		By Sales	2,93,500
Less: Stock of Stationery	<u>180</u>	54,820	By Closing Stock	80,000
To Purchase	1,92,500		Less: Closing Stock of Stationery	<u>80</u>
Less: Purchase of Stationery	<u>300</u>	1,92,200		79,920
To Wages and Salary		12,500		
To Carriage Inwards		4,000		
To Gross Profit c/d		<u>1,09,900</u>		
		3,73,420		3,73,420
To Insurance		3,500	By Gross Profit b/d	1,09,900
To Commission		4,000	By Accrued Commission on Consignment	4,000
To Interest		3,500	By Discount Received	200
To Trade Expenses	3,450			
Less: Paid for Stationery	<u>2,250</u>	1,200		
To Rent and Taxes		12,750		
To Loss on Sales of Furniture		300		
To Bad Debts		150		
To Provision for Doubtful Debts		7,505		
To Stationery Consumed		2,450		
To Net Profit transferred to Capital A/c		<u>78,745</u>		
		1,14,100		1,14,100

**Balance Sheet
As on 31st March 2012**

Liability		Rs.	Assets		Rs.
Capital	89,500		Furniture	6,000	
Add: Net Profit	<u>78,745</u>		Less: Sold	<u>1,300</u>	4,700
	1,68,245		Debtors	1,50,150	
Less: Drawings	<u>700</u>	1,67,545	Less: Provision for Doubtful Debts	<u>7,505</u>	1,42,645
Bills Payable		18,500	Cash in hand and Bank		42,250
Creditors		92,950	Bills Receivable	22,500	
Creditors for Stationery		300	Less: Dishonoured	<u>800</u>	21,700
Consignor		12,000	Stock at the end		79,920
			Stock of Stationery		80
		2,91,295			2,91,295