Q.1 Following are the balances extracted from the books of Manish on 31st March, 2019:

	₹		₹
Capital	1,90,000	Cash at Bank	26,000
Drawing	7,000	Salaries	8,000
Plant and Machinery	1,20,000	Repairs	1,900
Delivery Vehicle	26,000	Stock on 1st April, 2018	16,000
Sundry Debtors	36,000	Rent	4,500
Sundry Creditors	26,000	Manufacturing Expenses	1,500
Purchases	20,000	Bills Payable	23,500
Sales	42,000	Bad Debts	5,000
Wages	8,000	Carriage	1,600

Prepare Trading and Profit and Loss Account and Balance Sheet as at 31st March, 2019 after following adjustments are made:

(i) Closing Stock was ₹ 16,000.

(ii) Depreciate Plant and Machinery @ 10% and Delivery Vehicle @ 15%.

(iii) Unpaid Rent amounted to ₹ 500.

The solution can be presented as follows

Trading Account

for the year ended March 31, 2019

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock	16,000	Sales	42,000
Purchases	20,000	Closing Stock	16,000
Wages	8,000		
Manufacturing Expenses	1,500		
Carriage	1,600		
Gross Profit (Balance Figure)	10,900		
	58,000		58,000





Profit and Loss Account

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Salaries	8,000	Gross Profit	10,900
Repairs	1,900	Net Loss (Balancing Figure)	24,900
Rent 4,5	00		
Add: Unpaid Rent 5	5,000		
Bad Debts	5,000		
Depreciation on:			
Plant and machinery 12,0	00		
Delivery Vehicle3,9	00 15,900		
	35,800		35,800
		1	

for the year ended March 31, 2019

Balance Sheet

as on March 31, 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	1,90,000		Fixed Assets		
Less: Drawings	(7,000)		Plant and Machinery	1,20,000	
Less: Net Loss	(24,900)		Less:10% Deprecation	(12,000)	1,08,000
		1,58,100	Delivery Vehicle	26,000	
			Less:15% Depreciation	(3,900)	22,100
Current Liabilities					
Sundry Creditors		26,000	Current Assets		
Bills Payable		23,500	Closing Stock		16,000
Unpaid Rent		500	Sundry Debtors		36,000
			Cash at Bank	_	26,000
		2,08,100			2,08,100



Q.2 Prepare Trading and Profit and Loss Account and Balance Sheet from the following balances, relating to the year ended 31st March, 2019:

	₹		₹
Capital	1,00,000	Wages	50,000
Creditors	12,000	Bank	10,000
Returns Outward	5,000	Repairs	500
Sales	1,64,000	Stock on 1st April, 2018	20,000
Bills Payable	5,000	Rent	4,000
Plant and Machinery	40,000	Manufacturing Expenses	8,000
Sundry Debtors	24,000	Trade Expenses	7,000
Drawings	10,000	Bad Debts	2,000
Purchases	1,05,000	Carriage	1,500
Returns Inward	3,000	Fuel and Power	1,000

Additional Information:

(i) Closing Stock was valued at ₹ 14,500.

(ii) Depreciate Plant and Machinery by ₹ 4,000.

(iii) Write off Bad Debts ₹ 5,000.

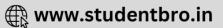
(iv) ₹ 400 is due for repairs.

The solution can be presented as follows

Trading Account

for the year ended March 31, 2019

Particulars		Amount (₹)	Particulars		Amount (₹)
Opening stock		20,000	Sales	1,64,000	
Purchases	1,05,000		Less: Return Inwards	(3,000)	1,61,000
Less: Return out words	(5,000)	1,00,000	Closing Stock		14,500
Wages		50,000	Gross Loss (Balancing Figure)		5,000
Manufacturing Expenses		8,000			
Carriage		1,500			
Fuel and Power		1,000			
		1,80,500			1,80,500



Profit and Loss Account

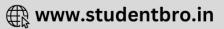
for the year ended March 31, 2019

Particulars		Amount (₹)	Particulars	Amount (₹)
Gross Loss		5,000		
Repairs	500			
Add: outstanding	400	900		
Rent		4,000		
Miscellaneous Expenses		7,000		
Bad Debts	2,000		Net Loss (Balancing Figure)	27,900
Add: Additional bad debts	5,000	7,000		
Depreciation on Plant and Machinery		4,000		
		27,900		27,900

Balance Sheet

as	on	March	31	2019
40	U 11	in a vii	× .,	2010

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	1,00,000		Fixed Assets		
Less: Drawings	(10,000)		Plant and Machinery	40,000	
Less: Net Loss	(27,900)	62,100	Less: Depreciation	(4,000)	36,000
Current Liabilities			Current Assets		
Creditors		12,000	Closing Stock		14,500
Bills Payable		5,000	Sundry Debtors	24,000	
Outstanding Repairs		400	Less: Further Bad Debts	(5,000)	19,000
			Bank		10,000
		79,500			79,500



Q.3 Following Trial Balance has been extracted from the books of Prasad on 31st March, 2019:

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Machinery	4,00,000	Capital	9,00,000
Cash at Bank	1,00,000	Sales	16,00,000
Cash in Hand	50,000	Sundry Creditors	4,50,000
Wages	1,00,000	Interest Received	30,000
Purchases	8,00,000		
Stock on 1st	6,00,000		
April, 2018			
Sundry	4,40,000		
Debtors			
Bills Receivable	2,90,000		
Receivable	45,000		
Commission	25,000		
General	80,000		
Expenses	00,000		
Salaries	50,000		
	29,80,000		29,80,000

Additional Information:

(i) Outstanding salaries were ₹ 45,000.

(ii) Depreciate Machinery at 10%.

(iii) Wages outstanding were ₹ 5,000.

(iv) Rent prepaid ₹ 10,000.

(v) Provide for interest on capital @ 5% per annum.

(vi) Stock on 31st March, 2019 ₹ 8,00,000.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date.

The solution can be presented as follows





Financial Statement of M/s. Ram Prasad & Sons Trading Account

for the year ended March 31, 2019

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Opening Stock		6,00,000	Sales	16,00,000
Purchases		8,00,000	Closing Stock	8,00,000
Wages	1,00,000			
Add: Outstanding Wages	5,000	1,05,000		
Gross Profit (Balancing Figure)		8,95,000		
		24,00,000		24,00,000
		E .		

Financial Statement of M/s. Ram Prasad & Sons

Trading Account

for the year ended March 31, 2019

Particulars		Particulars	Amount (₹)
	6,00,000	Sales	16,00,000
	8,00,000	Closing Stock	8,00,000
1,00,000			
5,000	1,05,000		
	8,95,000		
	24,00,000		24,00,000
		8,00,000 1,00,000 <u>5,000</u> 1,05,000 8,95,000	(₹) Particulars 6,00,000 Sales 8,00,000 Closing Stock 1,00,000 1,05,000 5,000 1,05,000 8,95,000 8,95,000



Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	9,00,000		Fixed Assets		
Add: Net Profit	6,50,000	15,50,000	Machinery	4,00,000	
Current Liabilities			Less: 10% Depreciation	(40,000)	3,60,000
Sundry Creditors		4,50,000	Current Assets		
Outstanding Salary		45,000	Closing Stock		8,00,000
Outstanding Wages		5,000	Sundry Debtors		4,40,000
			Bills Receivable		2,90,000
			Prepaid Rent		10,000
			Cash at Bank		1,00,000
			Cash in Hand		50,000
		20,50,000			20,50,000

Balance Sheet

as on March 31, 2019

Q.4 From the following Trial Balance of Shradha as on 31st March, 2019, prepare Trading and Profit and Loss Account and Balance Sheet:

Heads of Accounts	Debit Balances (₹)	Credit Balances (₹)
Capital		80,000
Drawings	18,000	
Sales		1,55,000
Purchases	82,600	
Stock (1st April, 2018)	42,000	
Returns Outward		1,600
Carriage Inwards	1,200	••••
Wages	4,000	
Power	6,000	
Machinery	50,000	
Furniture	14,000	
Rent	22,000	
Salary	15,000	
Insurance	3,600	
8% Bank Loan	·	25,000
Debtors	20,600	
Creditors	·	18,900
Cash in Hand	1,500	·
Total	2,80,500	2,80,500



Adjustments:
(i) Closing Stock ₹ 64,000.
(ii) Wages outstanding ₹ 2,400.
(iii) Bad Debts ₹ 600.
(iv) Provision for Doubtful Debts to be 5%.
(v) Rent is paid for 11 months.
(vi) Insurance premium is paid per annum, ended 31st May, 2019.
(vii) Loan from the bank was taken on 1st October, 2018.
(viii) Provide Depreciation on machinery @ 10% and on Furniture @ 5%.

The solution can be presented as follows

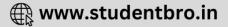
Financial statement of M/s. Shradha & Sons

Trading Account

for the year ended March 31, 2019

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Opening Stock		42,000	Sales	1,55,000
Purchases	82,600			
Less: Return Outwards	(1,600)	81,000		
Carriages Inwards		1,200	Closing Stock	64,000
Wages	4,000			
Add: Outstanding Wages	2,400	6,400		
Power		6,000		
Gross Profit (Balancing Figure)		82,400		
		2,19,000		2,19,000





Profit and Loss Account

Dr.		_	-	Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Rent	22,000		Gross Profit	82,400
Add: Outstanding for One month (22,000/11)	2,000	24,000		
Salary		15,000		
Insurance	3,600			
Less: Prepaid 2 month (3,600 × 2/12)	(600)	3,000		
Outstanding Interest on Bank Loan (25,000 × 8% × 6/12)		1,000		
Bad Debts	600			
Add: Provision for Doubtful Debts	1,000	1,600		
Depreciation on:				
Machinery	5,000			
Furniture	700	5,700		
Net Profit (Balancing Figure)		32,100		
		82,400		82,400

for the year ended March 31, 2019





Liabilities	Liabilities		Assets		Amount (₹)
Capital	80,000		Fixed Assets		
Add: Net Profit	32,100		Machinery	50,000	
Less: Drawings	(18,000)	94,100	Less: 10% Depreciation	(500)	45,000
8% Bank Loan	25,000		Furniture	14,000	
Add: Outstanding Interest	1,000	26,000	Less: 5% Deprecation	(700)	13,300
Current Liabilities			Current Assets		
Creditors		18,900	Closing Stock		64,000
Wages Outstanding		2,400	Debtors	20,600	
Rent Outstanding		2,000	Less: Bad Debts	(600)	
			Less: 5% Provision for doubtful Debts	(1,000)	19,000
			Prepaid Insurance		600
			Cash in hand		1,500
		1,43,400			1,43,400

Balance Sheet

as on March 31, 2019





Q.5 Trial Balance of a business as at 31st March, 2019 is given below:

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Stock on 1st April, 2018	25,000	Sales	2,27,800
Furniture	8,000	Commission	500
Plant and Machinery	1,50,000	Returns Outward	1,000
Debtors	30,000	Creditors	40,000
Wages	12,000	Capital	1,50,000
Salaries	20,000		
Bad Debts	1,000		
Purchases	1,20,000		
Electricity Charges	1,200		
Telephone Charges	2,400		
General Expenses	3,000		
Postage Expenses	1,800		
Returns Inward	900		
Insurance Premium	1,500		
Cash in Hand	2,500		
Cash at Bank	40,000		
	4,19,300]	4,19,300
		1	

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date after taking into account the following adjustments:

(i) Closing Stock was valued at ₹ 7,000.

(ii) Outstanding liabilities for wages were ₹ 600 and salaries ₹ 1,400.

(iii) Depreciation is to be provided @ 5% p.a. on fixed assets.

(iv) Included in Plant and Machinery is a machine purchased for ₹ 10,000 on 1st October, 2018.

(v) Insurance premium paid in advance ₹ 200.

The solution can be presented as follows





Trading Account for the year ended March 31, 2019

Dr.					Cr.
Particulars		Amount (₹)	Particula	ars	Amount (₹)
Opening Stock		25,000	Sales	2,27,800	
Purchases	1,20,000		Less: Returns	900	2,26,900
Less: Returns	1,000	1,19,000	Closing Stock		7,000
Wages	12,000				
Add: Outstanding Wages	600	12,600			
Gross Profit		77,300			
		2,33,900			2,33,900
				Ē	

Profit & Loss Account for the year ended March 31, 2019

Particulars		Amount (₹)	Particulars	Amount (₹)
Bad Debts		1,000	Gross Profit	77,300
Insurance Premium	1,500		Commission	500
Less: Prepaid	200	1,300		
Salaries	20,000			
Add: Outstanding Salaries	1,400	21,400		
Electricity Charges		1,200		
General Expenses		3,000		
Postage Expenses		1,800		
Telephone Charges		2,400		
Depreciation on:				
Furniture	400			
Plant & Machinery	7,250	7,650		
Net Profit		38,050		
		77,800		77,800
			Ē	





Balance Sheet as on March 31, 2019

Dr.			1	I	Cr.
Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors Outstanding Wages		40,000 600	Furniture Less: Depreciation	8,000 400	7,600
Outstanding Salaries Capital Add: Net Profit	1,50,000	1,400	Plant & Machinery Less: Depreciation Cash at Bank	1,50,000 7,250	1,42,750
Add. Net Profit	38,050	1,88,050	Cash in Hand Closing Stock		40,000 2,500 7,000
			Debtors Prepaid Insurance		30,000 200
		2,30,050		=	2,30,050

Q.6 Following are the balances extracted from the books of Narain on 31st March, 2019:

Particulars	Amount (₹)	Particulars	Amount (₹)
Narain's Capital	3,00,000	Sales	15,00,000
Narain's Drawings	50,000	Sales Return	20,000
Furniture and Fittings	26,000	Discounts (Dr.)	16,000
Bank Overdraft	42,000	Discounts (Cr.)	20,000
Creditors	1,38,000	Insurance	20,000
Business Premises	2,00,000	General Expenses	40,000
Stock on 1st April, 2018	2,20,000	Salaries	90,000
Debtors	1,80,000	Commission (Dr.)	22,000
Rent from Tenants	10,000	Carriage on Purchases	18,000
Purchases	11,00,000	Bad Debts Written off	8,000

Additional Information:

(i) Closing Stock as on 31st March, 2019 was ₹ 2,00,600, whereas its Net Realisable Value (Market Value) was ₹ 2,05,000.

(ii) Depreciate: Business Premises by ₹ 3,000 and Furniture and Fittings by ₹ 2,500.

(iii) Make a provision of 5% on debtors for doubtful debts.

(iv) Carry forward ₹ 2,000 for unexpired insurance.

(v) Outstanding salary was ₹ 15,000.

Prepare Trading and Profit and Loss Account for the year and Balance Sheet as at that date.





The solution can be presented as follows

Trading Account for the year ended March 31, 2019

Dr.	or the year chuck			Cr.
Particulars	Amount (₹)	Particulars		Amount (₹)
Opening Stock	2,20,000	Sales	15,00,000	
Purchases	11,00,000	Less: Returns	20,000	14,80,000
Carriage on Purchases	18,000	Closing Stock		2,00,600
Gross Profit	3,42,600			
	16,80,600			16,80,600
		1		

N.B: Closing stock is taken to be at the market value or the book value whichever is less as per the prudence concept,

Particulars		Amount (₹)	Particulars	Cr. Amount (₹)
Commission		22,000	Gross Profit	3,42,600
Insurance Premium	20,000		Discount	20,000
Less: Prepaid	2,000	18,000	Rent from Tenants	10,000
Salaries	90,000			
Add: Outstanding	15,000	1,05,000		
Salaries				
Bad Debts Written Off		8,000		
Provision for Doubtful Debts		9,000		
Discount		16,000		
General Expenses		40,000		
Depreciation on:				
Furniture	2,500			
Business Premises	3,000	5,500		
Net Profit		1,49,100		
		3,72,600	1	3,72,600
				,,,,

Profit & Loss Account for the year ended March 31, 2019





Balance Sheet

as	on	March	31,	2019
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Dr.					Cr.
Liabilities	5	Amount Assets			Amount (₹)
Bank Overdraft		42,000	Furniture & Fittings	26,000	
Creditors		1,38,000	Less: Depreciation	2,500	23,500
Outstanding Salaries		15,000	Business Premises	2,00,000	
Capital	3,00,000		Less: Depreciation	3,000	1,97,000
Less: Drawings	50,000		Debtors	1,80,000	
Add: Net Profit	1,49,100	3,99,100	Less: Provision	9,000	1,71,000
			Closing Stock		2,00,600
			Prepaid Insurance		2,000
		5,94,100			5,94,100
]		

Q.7 Following balances are taken from the books of Niranjan. Prepare Trading and Profit and Loss Account and Balance Sheet for the year ended 31st March, 2019:

Particulars	₹	Particulars	₹
Capital	12,00,000	Drawings	2,10,000
Opening Stock	4,50,000	Plant and Machinery	2,40,000
Furniture	15,000	Purchases	29,50,000
Sales	43,50,000	Insurances	15,000
Purchases Return	40,000	Sales Return	70,000
Rent	50,000	Trade Expenses	20,000
Salaries	2,40,000	Wages	4,00,000
Bad Debts	10,000	6% Investments	5,00,000
Sundry Debtors	4,00,000	Sundry Creditors	1,90,000
Bills Payable	8,000	Cash	1,22,000
Advertisement Expenses	60,000	Miscellaneous Income	12,000
Patents	48,000		

Adjustments:

(i) Closing Stock ₹ 7,50,000.

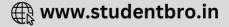
(ii) Depreciate Machinery by 10% and Furniture by 20%.

(iii) Wages ₹ 50,000 and salaries ₹ 20,000 are outstanding.

(iv) Write off ₹ 50,000 as further Bad Debts and create 5% Provision for Doubtful Debts. Also, create a reserve for discount on Debtors @ 2%.

(v) Investments were made on 1st July, 2018 and no interest has been received so far.





The solution can be presented as follows

Financial statements of Mr. Niranjan

Trading Account

for the year ended March 31, 2019

Dr		-			Cr.
Particulars		Amount (₹)	Particular	S	Amount (₹)
Opening Stock		4,50,000	Sales	43,50,000	
Purchases	29,50,000		Less: Sales Return	(70,000)	42,80,000
Less: Purchases Return	(40,000)	29,10,000	Closing Stock		7,50,000
Wages	4,00,000				
Add: Outstanding	50,000	4,50,000			
wages					
Gross Profit (Balancing Figu	ıre)	12,20,000			
		50,30,000			50,30,000

Financial statements of Mr. Niranjan

Trading Account

for the year ended March 31, 2019

Dr.		-			Cr.
Particulars		Amount (₹)	Particulars		Amount (₹)
Opening Stock		4,50,000	Sales	43,50,000	
Purchases	29,50,000		Less: Sales Return	(70,000)	42,80,000
Less: Purchases Return	(40,000)	29,10,000	Closing Stock		7,50,000
Wages	4,00,000				
Add: Outstanding	50,000	4,50,000			
wages					
Gross Profit (Balancing Figur	e)	12,20,000			
		50,30,000			50,30,000



Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	12,00,000		Fixed Assets		
Less: Drawings	(2,10,000)		Patents		48,000
Add: Net Profit	7,38,350	17,28,350	Plant and Machinery	2,40,000	
Current Liabilities			Less: 10% Depreciation	(24,000)	2,16,000
Sundry Creditors		1,90,000	Furniture	15,000	
Wages Outstanding		50,000	Less: 20% Depreciation	(3,000)	12,000
Salaries Outstanding		20,000	6% Investment	5,00,000	
Bills Payable		8000	Add: Accrued Interest	22,500	5,22,500
			Current Assets		
			Closing Stock		7,50,000
			Debtors	4,00,000	
			Less: Further Bad Debts	(50,000)	
			Less: Provision for Doubtful Debts	(17,500)	
				3,32,500	
			Less: Provision for Discount	(6,650)	3,25,850
			Cash		1,22,000
		19,96,350			19,96,350

Balance Sheet

as on March 31, 2019



Q.8 From the following Trial Balance of Mahesh, prepare his Final Accounts for the year ended 31st March, 2019:

	Debit	Credit Balanc
Heads of Accounts	Balances	es
	(₹)	(₹)
Purchases	2,50,000	
Sales		5,00,000
Returns Inward	12,000	
Returns Outward		10,000
Carriage	8,000	
Wages	60,000	
Miscellaneous	2,000	
Expenses		
Insurance	1,200	
Repairs	8,000	
Debtors	1,15,000	
Creditors		1,00,000
Printing and	6,000	
Stationery		
Advertisement	15,000	
Bills Receivable	4,000	
Bills Payable		2,000
Opening Stock	30,000	
Cash in Hand	12,000	
Interest on Bank	2,800	
Loan		
Machinery	2,80,000	
Furniture	34,000	
Drawings	20,000	
Commission		1,000
12% Bank Loan		30,000
Capital		2,40,000
Rent Received		5,000
Cash at Bank	28,000	
Total	8,88,000	8,88,000

Additional Information:

(i) Closing Stock on 31st March, 2019 was ₹ 21,000.

(ii) Rent of ₹ 1,200 has been received in advance.

(iii) Outstanding liability for Miscellaneous expenses ₹ 12,000.

(iv) Commission earned during the year but not received was ₹ 2,100.

(v) Goods costing ₹ 2,000 were taken by the proprietor for his personal use but entry was not passed in the books of account.

The solution can be presented as follows





Financial Statement of Mahesh Trading Account

for the year ended March 31, 2019

Dr.		-			Cr.
Particulars		Amount (₹)	Particulars		Amount (₹)
Opening stock Purchases	2,50,000	30,000	Sales Less: Return Inwards	5,00,000	4 88 000
Less: Drawings Less: Return Outwards	(2,000) (10,000)	2,38,000	Closing Stock	(12,000)	4,88,000 21,000
Carriage		8,000			
Wages		60,000			
Gross Profit (Balancing Figure)		1,73,000			
		5,09,000			5,09,000

Profit and Loss Account

for the year ended March 31, 2019

Dr.			1		Cr.
Particulars		Amount (₹)	Particulars		Amount (₹)
Miscellaneous expenses	2,000		Gross Profit		1,73,000
Add: Outstanding Miscellaneous Expenses	12,000	14,000	Commission	1,000	
Insurance		1,200	Add: Accrued Commission	2,100	3,100
Repairs		8,000	Rent Received	5,000	
Advertisement		15,000	Less: Advance Rent	1,200	3,800
Interest on Bank Loan	2,800				
Add: Interest Outstanding	800	3,600			
Printing and Stationary		6,000			
Net Profit (Balancing Figure)		1,32,100			
		1,79,900			1,79,900





Balance Sheet						
as on March 31, 2019 Amount Amount Amount Liabilities (₹) (₹)						
Capital	2,40,000		Fixed Assets			
Less: Drawings	(22,000)		Machinery	2,80,000		
Add: Net Profit	1,32,100	3,50,100	Furniture	34,000		
10% Loan from Bank	30,000		Current Assets			
Add: Outstanding Interest	800	30,800	Closing Stock	21,000		
Current Liabilities			Debtors	1,15,000		
Creditors		1,00,000	Bills Receivable	4,000		
Bills Payable		2,000	Cash at Bank	28,000		
Advance Rent		1,200	Cash in Hand	12,000		
Outstanding Trade Expenses		12,000	Commission Accrued	2,100		
		4,96,100		4,96,100		

Working Notes:

Calculation of Outstanding Interest	on Loan
Interest on loan (30,000 × 12%)	= 3,600
Less: Interest Paid	= 2,800
Interest on Outstanding loan	= 3,600 - 2,800
	= 800





Q.9 Following balances were extracted from the books of Vijay on 31st March, 2019:

Particulars	₹	Particulars	₹
Capital	2,45,000	Loan	78,800
Drawings	20,000	Sales	6,53,600
General Expenses	47,400	Purchases	4,70,000
Building	1,10,000	Motor Car	20,000
Machinery	93,400	Provision for Doubtful Debts	9,000
Stock on 1st April, 2018	1,62,000	Commission (Cr.)	13,200
Insurance	13,150	Car Expenses	18,000
Wages	72,000	Bills Payable	38,500
Debtors	62,800	Cash	800
Creditors	25,000	Bank Overdraft	33,000
Bad Debts	5,500	Charity	1,050

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date after giving effect to the following adjustments:

(a) Stock as on 31st March, 2019 was valued at ₹ 2,30,000.

(b) Write off further ₹ 1,800 as Bad Debts and maintain the Provision for Doubtful Debts at 5%.

(c) Depreciate Machinery at 10%.

(d) Provide ₹ 7,000 as outstanding interest on loan.

The solution can be presented as follows

Financial Statement of Vijay Kumar Trading Account

for the year ended March 31, 2019

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	1,62,000	Sales	6,53,600
Purchases	4,70,000	Closing Stock	2,30,000
Wages	72,000		
Gross Profit (Balancing Figure)	1,79,600		
	8,83,600		8,83,600





Profit and Loss Account

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Taxes and Insurance		13,150	Gross Profit	1,79,600
Bad Debts	5,500		Commission	13,200
Add: Further Bad Debts	1,800			
Add: Provision for Doubtful Debts	3,050			
	10,350			
Less: Exiting Provision	9,000	1,350		
Car Expenses		18,000		
Charity		1,050		
Depreciation on Machinery		9,340		
Outstanding Interest on Loan		7,000		
General Expenses		47,400		
Net Profit (Balancing Figure)		95,510		
		1,92,800		1,92,800

for the year ended March 31, 2019

Balance Sheet

as on March 31, 2019					
Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	2,45,000		Fixed Assets		
Add: Net Profit	95,510		Building		1,10,000
Less: Drawings	(20,000)	3,20,510	Machinery	93,400	
Loan	78,800		Less:10% Depreciation	9,340	84,060
Add: Outstanding Interest	7,000	85,800	Motor Car		20,000
Current Liabilities			Current Assets		
Creditors		25,000	Closing Stock		2,30,000
Bills Payable		38,500	Debtors	62,800	
Bank Overdraft		33,000	Less: Bad Debts	(1,800)	
			Less: 5% Provision for Doubtful	(3,050)	57,950
			Debts	(3,050)	57,950
			Cash		800
		5,02,810			5,02,810





Q.10 From the following Trial Balance and other information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Particulars	Dr.	Cr.
T alticulars	(₹)	(₹)
Sundry Debtors	3,20,000	
Stock on 1st April, 2018	2,20,000	
Cash in Hand	350	
Cash at Bank	15,450	
Plant and Machinery	1,75,000	
Sundry Creditors		1,06,500
General Expenses	10,750	
Sales		13,45,00
		0
Salaries	22,250	
Carriage Outwards	4,000	
Rent	9,000	
Bills Payable		75,000
Purchases	11,88,70	
	0	
Discounts	11,000	
Premises	3,45,000	
Capital on 1st April,		7,95,000
2018		
Total	23,21,50	23,21,50
	0	0
		¥

Stock on 31st March, 2019 was ₹ 1,24,500. Rent was unpaid to the extent of ₹ 850 and ₹ 1,500 were outstanding for General Expenses; ₹ 4,000 are to be written off as bad debts out of the above debtors; and 5% is to be provided for doubtful debts. Depreciate Plant and Machinery by 10% and Premises by 2%. Manager is entitled to a commission of 5% on net profit after charging his commission.

The solution can be presented as follows





Financial Statement

Trading Account

for the year ended March 31, 2019

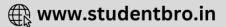
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	2,20,000	Sales	13,45,000
Purchases	11,88,700	Closing Stock	1,24,500
Gross Profit (Balancing Figure)	60,800		
	14,69,500		14,69,500

Profit and Loss Account

for the year ended March 31, 2019

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Rent	9,000		Gross Profit	60,800
Add: Outstanding Rent	850	9,850	Net Loss (Balancing Figure)	42,750
General Expenses	10,750			
Add: Outstanding General Expenses	1,500	12,250		
Bad Debts	4,000			
Add: Provision for Debts	15,800	19,800		
Depreciation on				
Plant and Machinery	17,500			
Business Premises	6,900	24,400		
Salaries		22,250		
Carriage Outwards		4,000		
Discount		11,000		
		1,03,550		1,03,550





Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	7,95,000		Fixed Assets		
Less: Net Loss	(42,750)	7,52,250	Plant and Machinery	1,75,000	
Current Liabilities			Less: 10% Depreciation	(17,500)	1,57,500
Sundry Creditors		1,06,500	Premises	3,45,000	
Bills Payable		75,000	Less: 2% Depreciation	(6,900)	3,38,100
Rent Outstanding		850	Current Assets		
General Expenses Outstanding		1,500	Closing Stock		1,24,500
			Sundry Debtors	3,20,000	
			Less: Bad Debts	(4,000)	
				3,16,000	
			Less: 5% Provision for Doubtful Debts	(15,80)	3,00,200
			Cash at Bank		15,450
			Cash in Hand		350
		9,36,100			9,36,100

Balance Sheet as on March 31, 2019

Note: Manager commission will be not payable as firm suffered loss





Q.11 From the following Trial Balance of Shubho, prepare final accounts for the year ended 31st March, 2019 and Balance Sheet as at that date:

Particulars	Dr. Balances (₹)	Cr. Balances (₹)
Land and Building	50,000	
Purchases (Adjusted)	2,10,000	
Stock (31st March, 2019)	45,000	
Returns Inward	1,500	
Returns Outward		2,500
Wages	45,300	
Salaries	39,000	
Office Expenses	15,400	
Carriage Inwards	1,200	
Carriage Outwards	2,000	
Discount allowed	750	
Discount received		1,200
Bad Debts	1,200	
Sales	-	3,85,000
Capital Account		1,15,000
Chatterji's Loan A/c (taken on 1st Oct.,		25,000
2018 @ 18% p.a.		,
Insurance	1,500	
Commission		1,500
Plant and Machinery	50,000	ŕ
Furniture and Fixtures	20,000	
Bills Receivable	20,000	
Sundry Debtors	40,000	
Sundry Creditors		25,000
Cash at Bank	16,000	· ·
Office Equipments	12,000	
Bills Payable	-	12,350
Expenses Payable		3,300
Total	5,70,850	5,70,850
	<u> </u>	· · ·

The following adjustments be taken care of:

(i) Depreciate Land and Building @ 6%, Plant and Machinery @ 10%, Office equipments @ 20% and Furniture and Fixtures @ 15%.

(ii) Calculate Provision for Doubtful Debts at 2% on Sundry Debtors.

(iii) Insurance premium includes ₹ 250 Insurance Premium paid in advance.

(iv) Provide salary to Shubho ₹ 15,000 p.a.

(v) Outstanding Salaries ₹ 11,500.

(vi) 10% of the final profit is to be transferred to General Reserve.





The solution can be presented as follows

Trading Account for the year ended March 31, 2019

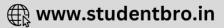
Dr.	101		1 Maron 01, 2010		Cr.
Particu	lars	Amount (₹)	Particul	lars	Amount (₹)
Purchases (Adjusted)	2,10,000		Sales	3,85,000	
Less: Returns	2,500	2,07,500	Less: Returns	1,500	3,83,500
Carriage Inwards		1,200			
Wages		45,300			
Gross Profit		1,29,500			
		3,83,500			3,83,500

Profit & Loss Account

for the year ended March 31, 2019

Dr.		let the y		Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Carriage Outwards		2,000	Gross Profit	1,29,500
Salaries	39,000		Commission	1,500
Add: Outstanding	11,500		Discount	1,200
Add: Payable to	15,000	65,500		
Proprietor				
Insurance Premium	1,500			
Less: Prepaid	250	1,250		
Discount		750		
Office Expenses		15,400		
Outstanding Interest on Loan		2,250		
Bad Debts	1,200			
Add: Provision for Doubtful	800	2,000		
Debts				
Depreciation on:				
Furniture & Fixtures	3,000			
Land & Building	3,000			
Office Equipment	2,400			
Plant & Machinery	5,000	13,400		
General Reserve		2,965		
Net Profit		26,685		
		1,32,200	1	1,32,200
				, <u>, , , , , , , , , , , , , , , , , , </u>





Balance Sheet as on March 31, 2019

Dr.			,		Cr.
Liabilities		Amount (₹)	Assets		Amount (₹)
Bills Payable		12,350	Furniture & Fixtures	20,000	
Creditors		25,000	Less: Depreciation	3,000	17,000
Expenses Payable		3,300	Land & Building	50,000	
Capital	1,15,000		Less: Depreciation	3,000	47,000
Add: Salary Payable	15,000		Debtors	40,000	
Add: Net Profit	26,685	1,56,685	Less: Provision	800	39,200
Chatterji's Loan	25,000	1	Plant & Machinery	50,000	
Add: Outstanding Interest	2,250	27,250	Less: Depreciation	5,000	45,000
General Reserve		2,965	Office Equipment	12,000	
Outstanding Salaries		11,500	Less: Depreciation	2,400	9,600
			Bills Receivable		20,000
			Closing Stock		45,000
			Cash at Bank		16,000
			Prepaid Insurance		250
		2,39,050		Γ	2,39,050

Q.12 Following is the Trial Balance as on 31st March, 2019. Prepare Trading and Profit and Loss Account and Balance Sheet:

	(₹)	(₹)
		(5)
Stock on 1 st April, 2018	8,000	
Sales		2,20,000
Purchases	1,26,000	
Productive Wages	56,500	
Salaries	16,000	
Stores Consumed	6,050	
Carriage	3,050	
Rent	5,200	
Insurance	1,320	
Machinery	52,000	
Building	67,000	
Capital Less Drawings		1,45,600
Sundry Debtors	44,000	
Sundry Creditors		20,000
Secured Loan		16,000
Furniture	3,350	
General Expenses	2,600	
Cash in Hand	1,930	
Bad Debts	1,020	
Bank	6,580	
Input CGST	3,000	
Input SGST	3,000	
Output CGST	,	2,500
Output SGST		2,500
Total	4,06,600	4,06,600
		, ,





Stock on 31st March, 2019, ₹ 20,600.

You are to make adjustments in respect of the following:

(a) Depreciate Machinery at 10% p.a.

(b) Make a provision @ 5% for Doubtful Debts.

(c) Provide discount on debtors @ 212/212%.

(d) Rent includes Rent deposit of ₹ 400.

(e) Insurance Prepaid ₹ 120.

n--

The solution can be presented as follows

Trading Account for the year ended March 31, 2019

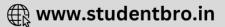
Particulars		Amount (₹)	Particula	ars	Amount (₹)
Purchases (Adjusted)	2,10,000		Sales	3,85,000	
Less: Returns	2,500	2,07,500	Less: Returns	1,500	3,83,500
Carriage Inwards		1,200			
Wages		45,300			
Gross Profit		1,29,500			
		3,83,500]		3,83,500
	Ī		1	Ī	

Profit & Loss Account for the year ended March 31, 2019

Particulars		Amount (₹)	Particulars	Amount (₹)
Salaries Insurance Premium Less: Prepaid Depreciation on Machinery Rent Less: Deposit Bad Debts Add: Provision for Doubtful Debts Add: Provision for Discount General Expenses	1,320 120 5,200 400 1,020 2,200 1,045	16,000 1,200 5,200 4,800 4,265 2,600	Gross Profit	41,000
Net Profit		6,935 1,32,200		1,32,200

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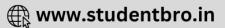
C-

		а	s on March 31, 2019		
Dr.					Cr.
Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		20,000	Bank		6,580
Secured Loan		16,000	Building		67,000
Capital	1,45,600		Closing Stock		20,600
Add: Net Profit	6,935	1,52,535	Cash in Hand		1,930
		1	Debtors	44,000	
			Less: Provision for DD	2,200	
			Less: Provision for Discount	1,045	40,755
			Machinery	52,000	
			Less: Depreciation	5,200	46,800
			Furniture		3,350
			Prepaid Insurance		120
			Rent Deposit		400
			Input CGST		500
			Input SGST		500
		1,88,535			1,88,535

Balance Sheet

Q.13 Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date from the following Trial Balance:

Particulars	Dr.	Cr.
	(₹)	(₹)
Capital		1,00,000
Cash	15,000	
Bank Loan		20,000
Purchases	1,20,000	
Sales		1,50,000
Sales Return	10,000	
Purchases Return		20,000
Establishment Expenses	22,000	
Taxes and Insurance	5,000	
Bad Debts	5,000	
Provision for Doubtful		7,000
Debts		
Debtors	50,000	
Creditors		20,000
Commission		5,000
Deposits	40,000	
Opening Stock	30,000	
Drawings	14,000	
Furniture	6,000	
Bills Receivable	32,000	
Bills Payable		25,000
Input CGST	10,000	
Input SGST	10,000	
Output CGST		8,000
Output SGST		8,000
Output IGST		6,000
Total	3,69,000	3,69,000



Adjustments:

(i) Taxes ₹ 3,000 are outstanding but Insurance ₹ 500 is prepaid.

(ii) Commission ₹ 1,000 received in advance for the next year.

(iii) Interest ₹ 2,100 is to be received on Deposits and Interest on Bank Loan ₹ 3,000 is to be paid.

(iv) Provision for Doubtful Debts to be maintained at ₹ 10,000.

(v) Depreciate Furniture by 10%.

(vi) Stock on 31st March, 2019 is ₹ 45,000.

(vii) A fire occurred on 1st April, 2019 destroying goods costing ₹ 10,000. These goods were purchased paying CGST and SGST @ 6% each.

The solution can be presented as follows

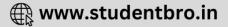
Financial Statements

Trading Account

for the year ended March 31, 2019

Dr.					Cr.
Particulars		Amount (₹)	Particula	rs	Amount (₹)
Opening Stock		30,000	Sales	1,50,000	
Purchases	1,20,000		Less: Return	(10,000)	1,40,000
Less: Return	(20,000)	1,00,000	Closing Stock		45,000
Gross Profit (Balancing Figure)		55,000			
		1,85,000			1,85,000





Profit and Loss Account

_Dr.					Cr.
Particulars		Amount (₹)	Particulars		Amount (₹)
Taxes and Insurance	5,000		Gross Profit		55,000
Add: Outstanding Taxes	3,000		Commission	5,000	
Less: Prepaid Insurance	(500)	7,500	Less: Advance Commission	(1,000)	4,000
			Interest Accrued on Investment		2,100
Bad Debts	5,000				
Add: Bad Debts Reserve	10,000				
Less: Existing Reserve	(10,000)	5,000			
Depreciation on Furniture		600			
Outstanding Interest on Loan		3,000			
Establishment Charges		25,000			
Net Profit (Balancing Figure)		20,000			
		61,100			61,100

for the year ended March 31, 2019

as on March 31, 2019					
Liabilities	Liabilities		Assets		Amount (₹)
Capital	1,00,000		Investments (Deposits)	40,000	
Less: Drawings	(14,000)		Add: Accrued Interest	2,100	42,100
Add: Net Profit	20,000	1,06,000	Furniture	6,000	
Bank Loan	20,000		Less: 10% Depreciation	(600)	5,400
Add: Interest Outstanding	3,000	23,000	Sundry Debtors	50,000	
Sundry Creditors		20,000	Less: Provision for Doubtful Debts	(10,000)	40,000
Advance Commission		1,000	Bills Receivable		32,000
Bills Payable		25,000	Prepaid Insurance		500
			Closing Stock		45,000
Taxes Outstanding		3,000	Cash in Hand		15,000
GST Payable		2,000			
		1,80,000			1,80,000



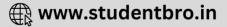
Working Notes:

(1) Loss of stock by fire has occurred on 1st April, 2019. Hence, it will not affect the Balance Sheet dated 31st March, 2019.

(2) GST Calculation

CGST Payable/(Receivable)=Output CGST-Input CGST =8,000-10,000= 2,000 SGST Payable/(Receivable)=Output SGST-Input SGST =8,000-10,000= 2,000 IGST Payable/(Receivable)=Output IGST-Input CGST-Input SGST =6,000-2,000-2,000=2,000GST Payable =Output IGST =2,000





Q.14 From the following Trial Balance of Ramesh, prepare Trading, Profit and Loss Account for the year ending 31st March, 2019 and a Balance Sheet as on that date:

Interview (₹) (₹) Drawings 15,000 3,50,000 Capital 2,05,000 3,50,000 Plant and Machinery 2,05,000 28,000 Dreditors 50,000 28,000 Returns Inward 8,000 7,000 Returns Outward 7,000 7,000 Discount Allowed 7,000 6,000 Commission 15,000 6,000 Interest on Bank Loan 12,000 13,000 Furniture 55,000 13,000 Provision for Doubtful Debts 13,000 4,00,000 Salaries 45,000 4,00,000 Sales 2,60,000 50,000 Sales 2,60,000 4,00,000 Stock on 1st April, 2018 70,000 4,00,000 Carriage 5,000 4,00,000 Land and Building 9,000 1,50,000 Cash at Bank 20,000 1,50,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 9,00	Heads of Accounts	Dr.	Cr.
Capital3,50,000Plant and Machinery2,05,000Debtors50,000Creditors28,000Returns Inward8,000Returns Outward7,000Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales5,000Cash in Hand8,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000		, , ,	(₹)
Plant and Machinery Debtors2,05,000 50,000Creditors28,000Returns Inward8,000Returns Outward7,000Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Carriage5,000Land and Building98,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000		15,000	
Debtors50,000Creditors28,000Returns Inward8,000Returns Outward7,000Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Carriage5,000Land and Building98,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000			3,50,000
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Returns Inward8,000Returns Outward7,000Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Debtors	50,000	
Returns Outward7,000Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Creditors		28,000
Discount Allowed7,000Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000		8,000	
Discount Received6,000Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales50,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20189,000Input CGST9,000Input SGST9,000	Returns Outward		7,000
Commission15,000Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales4,00,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Discount Allowed	7,000	
Interest on Bank Loan12,000Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales2,60,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20189,000Input CGST9,000Input SGST9,000	Discount Received		6,000
Furniture55,000Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales2,60,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20189,000Input CGST9,000Input SGST9,000	Commission		
Provision for Doubtful Debts13,000Wages50,000Salaries45,000Advertisement15,000Rent and Taxes13,000Purchases2,60,000Sales2,60,000Stock on 1st April, 201870,000Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Interest on Bank Loan	12,000	
Wages 50,000 Salaries 45,000 Advertisement 15,000 Rent and Taxes 13,000 Purchases 2,60,000 Sales 4,00,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Furniture	55,000	
Salaries 45,000 Advertisement 15,000 Rent and Taxes 13,000 Purchases 2,60,000 Sales 2,60,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Provision for Doubtful Debts		13,000
Advertisement 15,000 Rent and Taxes 13,000 Purchases 2,60,000 Sales 2,60,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Wages	50,000	
Rent and Taxes 13,000 Purchases 2,60,000 Sales 2,60,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Salaries	45,000	
Purchases 2,60,000 Sales 4,00,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Advertisement	15,000	
Sales 4,00,000 Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Rent and Taxes	13,000	
Stock on 1st April, 2018 70,000 Carriage 5,000 Land and Building 98,000 Cash in Hand 8,000 Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Purchases	2,60,000	
Carriage5,000Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Sales		4,00,000
Land and Building98,000Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Stock on 1st April, 2018	70,000	
Cash in Hand8,000Cash at Bank20,00010% Bank Loan as on 1st April, 20181,50,000Input CGST9,000Input SGST9,000	Carriage	5,000	
Cash at Bank 20,000 10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Land and Building	98,000	
10% Bank Loan as on 1st April, 2018 1,50,000 Input CGST 9,000 Input SGST 9,000	Cash in Hand	8,000	
Input CGST 9,000 Input SGST 9,000	Cash at Bank	20,000	
Input SGST 9,000	10% Bank Loan as on 1st April, 2018		1,50,000
	Input CGST	9,000	
Output IGST 15 000	Input SGST	9,000	
	Output IGST		15,000
Total 9,69,000 9,69,000	Total	9,69,000	9,69,000

Adjustments:

(i) Cost of stock on 31st March, 2019 was ₹ 37,000. However, its market value was ₹ 35,000.

(ii) Wages outstanding were ₹ 6,000 and salaries outstanding were ₹ 5,000 on 31st March, 2019.

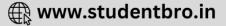
(iii) Depreciate Land and Building @ 212/12%, Plant and Machinery @ 10% p.a. and Furniture @ 15% p.a.

(iv) Purchase includes purchase of machinery for ₹ 10,000 on 1st October, 2018.

(v) Debtors include bad debts of ₹ 2,000. Maintain a provision for doubtful debts @ 10% on Debtors.

The solution can be presented as follows





Trading Account for the year ended March 31, 2019

Dr.		•			Cr.
Particula	rs	Amount (₹)		Particulars	Amount (₹)
Opening Stock		70,000	Sales	4,00,000	
Purchases	2,60,000		Less:	8,000	3,92,000
			Returns		
Less: Machinery	10,000		Closing Stock		35,000
Less: Returns	7,000	2,43,000	Ū		
Carriage		5,000			
Wages	50,000				
Add: Outstanding	6,000	56,000			
Gross Profit		53,000			
		4,27,000		Ī	4,27,000
				Ē	

Profit & Loss Account for the year ended March 31, 2019

Dr.		ine year endee	- March 01, 2010		Cr.
Particulars		Amount (₹)	Particulars		Amount (₹)
Interest on Bank Loan	12,000		Gross Profit		53,000
Add: Outstanding	3,000	15,000	Discount Received		6,000
Salaries	45,000		Old Provision for DD	13,000	
Add: Outstanding	5,000	50,000	Less: Provision for DD	4,800	8,200
Advertisement		15,000	Net Loss		81,500
Commission		15,000			
Discount Allowed		7,000			
Further Bad Debts		2,000			
Rent and Taxes		13,000			
Depreciation on:					
Land & Building	2,450				
Plant & Machinery	21,000				
Furniture	8,250	31,700			
		1,48,700		[1,48,700





		as on March	h 31, 2019		
Dr.					Cr.
Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		28,000	Plant &Machinery	2,05,000	
Wages Outstanding		6,000	Add: Purchases	10,000	
Capital	3,50,000		Less: Depreciation	21,000	1,94,000
Less: Drawings	15,000		Furniture	55,000	
Less: Net Loss	81,500	2,53,500	Less: Depreciation	8,250	46,750
Outstanding Salaries		5,000	Debtors	50,000	
Bank Loan	1,50,000		Less: FBD	2,000	
Add: Outstanding Interest	3,000	1,53,000	Less: Provision	4,800	43,200
			Closing Stock		35,000
			Cash at Bank		20,000
			Land &Building	98,000	
			Less: Depreciation	2,450	95,550
			Input SGST		3,000
			Cash in Hand		8,000
		4,45,500	1		4,45,500

Balance Sheet



