

Class XI Session 2025-26
Subject - Accountancy
Sample Question Paper - 6

Time Allowed: 3 hours

Maximum Marks: 80

General Instructions:

1. This question paper contains 34 questions. All questions are compulsory.
2. This question paper is divided into two parts, Part A and B.
3. Questions 1 to 16 and 27 to 30 carry 1 mark each.
4. Questions 17 to 20, 31 and 32 carry 3 marks each.
5. Questions from 21, 22 and 33 carry 4 marks each
6. Questions from 23 to 26 and 34 carries 6 marks each

Part A

1. Document which records a transactions that entails multiple debit/credits and credit/debit is [1]
 - a) Cheque
 - b) Credit Note
 - c) Debit note
 - d) Compound Voucher
2. Credit means: [1]
 - a) an increase in liability
 - b) an increase in asset
 - c) a decrease in liability
 - d) a decrease in proprietor's equity
3. **Assertion (A):** Accounting is merely concerned with recording of the financial events. [1]
Reason (R): Accounting also provides insightful information that helps businesses in their decision making process.
 - a) Both A and R are true and R is the correct explanation of A.
 - b) Both A and R are true but R is not the correct explanation of A.
 - c) A is true but R is false.
 - d) A is false but R is true.
4. If the business's owner withdraws cash for his/her personal use what will be the effect on capital? [1]
 - a) Increase in capital
 - b) Decrease in capital
 - c) Remain the same
 - d) No effect on capital

OR

Voucher is prepared from:

 - a) Ledger Account
 - b) All of these
 - c) Source Documents
 - d) Journal Entry
5. If seller receives back the goods sold, he will prepare [1]

- a) Both Credit Note and Debit Note b) transfer voucher
c) Debit Note d) Credit Note
6. The supply of goods or services in exchange of money between two parties is known as: [1]
a) Service transactions b) Credit transactions
c) Business transactions d) Goods transactions
- OR
- Which stakeholder would be most interested in the ability of the firm to carry on providing a service or producing a product.
a) Management b) Suppliers and Creditors
c) Social responsibility groups d) Customers
7. The data is classified for creating groups of accounts in the heads of : [1]
a) Assets, Liabilities and Capital b) Assets, Owners' equity, Revenue and Expenses
c) Assets, Capital, Liabilities, Revenue and Expenses d) Capital, Revenue and Expenses
- OR
- Withdrawal of cash from the business by the proprietor is credited to:
a) Profit and Loss A/c b) Drawing A/c
c) Capital A/c d) Cash A/c
8. Accounting Standards are useful: [1]
a) All of these b) For outside Parties
c) For Auditors d) For Investors
9. Which of the following statements is not appropriate in relation to Provision? [1]
a. Provision is a charge against profit.
b. Provision is created for known liability.
c. Provision is created for strengthening the financial position of the business.
d. Creation of provision satisfies the principle of conservatism.
a) Statement (c) is correct. b) Statement (d) is correct.
c) Statement (b) is correct. d) Statement (a) is correct.
10. The arrangement is made for meeting future uncertainties: [1]
a) Provisions and Reserves b) Reserves
c) Provisions d) Investments
11. A liability arises because of: [1]
a) On recording the transaction b) credit transactions
c) cash transactions d) cash as well as credit transactions
12. Calculate the amount of sales return: 5 Tables @Rs.150 each, 10 Chairs @ Rs.100 each, Trade discount@10% [1]



Cash in Hand A/c	1,000
Opening Stock A/c	7,500
Salaries A/c	15,000
Rent A/c	3,000

21. Prepare a two - column Cash Book with cash and bank column with following information:

[4]

Date	Particulars	Amount (Rs)
01 - Apr - 14	Cash-in-hand	50,000
	Bank Overdraft	35,000
2 - Apr - 14	Cash Sales	30,000
4 - Apr - 14	Paid Salaries	5,000
8 - Apr - 14	Cash deposited into bank	10,000
10 - Apr - 14	Goods purchased from Ram Lal	10,000
12 - Apr - 14	Payment made to Ram Lal in full settlement	9,750
14 - Apr - 14	Goods sold to Ram	20,000
20 - Apr - 14	Received cheque from Ram and allowed him discount of Rs 200	19,800
24 - Apr - 14	Cheque received from Ram deposited into Bank	
25 - Apr - 14	Withdrew cash from Bank for personal use	500
28 - Apr - 14	Paid rent by Cheque	5,000

22. On 31st March, 2023, Bank Statement of Gopal shows credit balance of ₹ 33,570 whereas Cash Book showed debit balance of ₹ 53,000.

[4]

It was observed that the differences were because of the following:

- Cheques and drafts sent to the bank but not collected and credited, amounted to ₹ 7,900 while cheque for ₹ 2,000 was received unpaid.
- Three cheques drawn for ₹ 3,000; ₹ 1,500 and ₹ 2,000 respectively were not presented for payment till 30th April, 2023.
- Bank has paid a cheque of ₹ 10,000 but it has not been entered in the Cash Book and a cheque of ₹ 5,000 which was discounted with the bank was dishonoured by the drawee on the due date.
- Bank has charged ₹ 130 as its commission for collecting outstation cheques and had credited an interest of ₹ 100 in the account.
- A wrong debit of ₹ 5,000 was made by the bank, which was reversed on 4th April, 2023. Prepare Bank Reconciliation Statement as on 31st March, 2023.

OR

Prepare a bank reconciliation statement of Shri Bhandari as on March 31, 2017.

- The Payment of cheques for ₹ 550 was recorded twice in the passbook.
- Withdrawal column of the passbook undercast by ₹ 200.
- A Cheque of ₹ 200 has been debited in the bank column of the Cash Book but it was not sent to bank at all.
- A Cheque of ₹ 300 debited to Bank column of the cash book was not sent to the bank.



v. ₹ 500 in respect of dishonoured cheque were entered in the passbook but not in the cash book.

Overdraft as per pass book is ₹ 20,000.

23. Journalise the following transactions:

[6]

2017		Amount (₹)
Dec.01	Hema started business with cash	1,00,000
Dec.02	Open a bank account with SBI	30,000
Dec.04	Purchased goods from Ashu	20,000
Dec.06	Sold goods to Rahul for cash	15,000
Dec.10	Bought goods from Tara for cash	40,000
Dec.13	Sold goods to Suman	20,000
Dec.16	Received cheque from Suman	19,500
	Discount allowed	500
Dec.20	Cheque given to Ashu on account	10,000
Dec.22	Rent paid by cheque	2,000
Dec.23	Deposited into bank	16,000
Dec.25	Machine purchased from Parigya	10,000
Dec.26	Trade expenses	2,000
Dec.28	Cheque issued to Parigya	10,000
Dec.29	Paid telephone expenses by cheque	1,200
Dec.31	Paid salary	4,500

OR

The following balances appeared in the books of Sumit Stores on 1st April, 2023:

Assets: Cash ₹ 15,000; Bank balance ₹ 5,000; Stock ₹ 40,000; Furniture ₹ 3,600; Debtors ₹ 24,000 (X ₹ 6,000; Y ₹ 8,000 and Z ₹ 10,000).

Liabilities Bank Loan ₹ 10,000; Creditors ₹ 12,500 (Ajit ₹ 5,000, Vinay ₹ 7,500).

Following transactions took place during April 2023:

April 2	Bought goods from Karim for ₹ 20,000 at a trade discount of 10% and cash discount of 2%. Paid 60% amount immediately
April 4	Sold goods to X for ₹ 9,000.
April 5	Received ₹ 14,800 from X in full settlement of his account.
April 6	Cash deposited into bank ₹10,000.
April	Cheque received from Y for ₹ 7,850 in full settlement of his account. This cheque was immediately

8	deposited into bank.
April 10	Received a cheque from Z ₹2,000.
April 12	Cheque received from Z deposited into bank.
April 15	Cheque received from Y dishonoured.
April 16	Cash sales ₹ 15,000; Out of this amount ₹ 12,000 deposited into bank.
April 16	Amount due to Ajit paid by Cheque.
April 18	Old newspapers sold ₹ 50.
April 18	Old furniture sold ₹ 750.
April 20	Z became insolvent and 40 paise in a rupee could be received from his estate by cheque which is deposited into bank.
April 22	Purchased goods from Govind and paid by cheque ₹ 8,000.
April 24	Sold half of the above goods to Chandu at a profit of 30% on cost.
April 25	Proprietor withdrew for private use ₹ 2,000 from office and ₹ 3,000 from the bank.
April 30	Paid salary to Moti by Cheque ₹ 2,000.
April 30	Paid Rent by cheque ₹ 1,500.
April 30	Paid trade expenses ₹ 500.

24. There was a difference of Rs. 8,595 in a trial balance. It has been transferred to debit side of suspense account. [6]
 Later on following errors were discovered. Pass the rectifying entries and prepare the suspense account.
- Rs 283 discount received from a creditor had been duly entered in his account but not posted to discount account.
 - Goods bought from a merchant for Rs 770 had been posted to the credit of his account as Rs. 7,700.
 - Rs 6,000 owing by a customer had been omitted from the schedule of sundry debtors.
 - An item of Rs 2,026 entered in the sales return book had been posted to the debit of the customer who returned the goods.



OR

Pass the necessary Journal entries to rectify the following errors:

- i. ₹ 25,000 paid as wages for the construction of office building debited to Salaries Account.
- ii. ₹ 20,000 spent on the purchases of material for the construction of building debited to Purchases Account.
- iii. ₹ 40,000 spent on the extension of building was debited to Building Repairs Account.
- iv. ₹ 25,000 spent on the whitewash of a new building was charged to Building Repairs Account.
- v. ₹ 4,000 paid as installation charges for newly purchased second-hand machinery posted to Cartage Account.
- vi. ₹ 10,000 paid as repairing charges on the reconditioning of a newly purchased second-hand machinery debited to General Expenses Account.
- vii. ₹ 6,000 paid as repairing charges of an existing machine in use charged to Machinery Account.
- viii. ₹ 10,000 paid by cheque for a printer was charged to the Office Expenses Account.

25. On 1st April 2019, a Company purchased 6 machines for ₹ 50,000 each. Depreciation at the rate of 10% p.a. is charged on Straight Line Method. The accounting year of the Company ends on 31st March and the depreciation is credited to a separate Provision for Depreciation Account. [6]

On 1st October, 2021, one machine was sold for ₹ 30,000 and on 1st April, 2022 a second machine was sold for ₹ 24,000.

You are required to prepare Machinery Account and Provision for Depreciation Account for four years ending 31st March, 2023.

OR

A company purchased a machine for ₹ 50,000 on 1st October 2020. Another machinery costing ₹ 10,000 was purchased on 1st December 2021. On 31st March 2023, the machinery purchased in 2020 was sold at a loss of ₹ 5,000. The company charges depreciation at the rate of 15% p.a. on Diminishing Balance Method. Accounts are closed on 31st March every year. Prepare Machinery Account for 3 years.

26. Enter the following transactions in a Two Column Cash Book: [6]

2023	
March 1	Opening balance: Cash ₹ 12,000 and Bank ₹ 36,000.
2	Cashed a cheque for ₹ 15,000 and paid salaries for the month of February in Cash ₹ 12,500
4	Direct deposit by Mr. Rajesh Lal in our bank account ₹ 3,000.
	Discount allowed ₹ 100
10	Received from an outstation customer a cheque of ₹ 9,500 in full settlement of 10,000.
	Cheque was deposited into the bank on 12 th March.
	The bank debited ₹ 20 as collection charges.
11	Sunny settled his account of ₹ 6,000 by cheque of ₹ 5,900.
	Cheque was deposited into the bank on 15 th March.
16	Settled Amit's Account of ₹ 8,200 after deducting ₹ 200 as discount, by giving a cheque for ₹ 6,000 and the balance in cash.
17	Withdrawn from Bank ₹ 15,000 and an Office Equipment



	(Typewriter) was purchased for ₹ 12,000 and the balance taken by the owner.
18	Sold goods to Sachin on Credit ₹ 8,000.
19	Sachin returned goods worth ₹ 500 and settled his account by a cheque.
22	Bank notifies that Sachin's cheque has been dishonoured and bank
	debited ₹ 20 towards its charges for this cheque.
24	Issued a cheque of ₹ 3,000 to Anish as advance against our order of furniture worth ₹ 5,000.
25	Received the amount of returned cheque and bank charges in cash from Sachin.
26	Goods worth ₹ 12,000 were purchased from Mohan on 15 th instant.
	Its payment was made today by cheque after deducting 5% cash discount.
28	Paid to Manoj ₹ 8,000 by cheque.
29	Cash sale to date ₹ 80,000 of which ₹ 60,000 banked.
30	Bank collects interest on securities ₹ 300.
31	Deposited into bank cash retaining ₹ 10,000.

OR

From the following information, prepare the necessary subsidiary books of M/s Hira Lal

2013		Amt (Rs.)
Feb 1	Good sold to Sen	10,000
Feb 4	Purchases from Kamal	4,960
Feb 6	Sold to Manas	4,200
Feb 7	Sen returned goods	1,200
Feb 8	Returns to Kamal	560
Feb 10	Sold to Mohan	6,600
Feb 14	Purchased from Ram	10,400
Feb 17	Bought from Rakesh	8,120
Feb 20	Return to Ram	400
Feb 22	Return inwards from Mohan	500
Feb 24	Purchases goods from Kirti (-) 10% trade discount	11,400
Feb 25	Sold to Chand (-) 5% trade discount	13,200
Feb 26	Sold to Vinod	8,000
Feb 28	Return outwards to Kirti (-) 10% trade discount	2,000



Feb 28	Return from Vinod	1,000
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Part B

27. Calculate Fresh capital from the following information: Profit: Rs.2,800, Opening capital-Rs.20,000, Closing capital -Rs.25,000, Withdrawal - Rs.1,800 [1]

a) Rs.3,000 b) Rs.4,000

c) Rs.2,000 d) Rs.5,000

OR

Generally, accounts under single entry system are maintained by:

a) Company b) Sole trader

c) Society d) Government

28. After closing entries have been posted, the balance of Profit & Loss Account will be [1]

a) A debit if loss has been incurred b) A credit if loss has been incurred

c) A debit if profit has been earned d) A credit if profit has been earned

29. Which of the following is not shown in the Balance Sheet? [1]

a) Opening Stock b) Patents

c) Closing Stock d) Debtors

30. Indirect Expenses are transferred to [1]

a) Trading Account b) Profit & Loss Account

c) Trading Account and Balance Sheet d) Balance Sheet

OR

Accrued income is:

a) Revenue b) An Asset

c) A Liability d) An Expense

31. Explain the concept of cost of goods sold. [3]

32. Why is it necessary to create a provision for doubtful debts at the time of preparation of final accounts? [3]

33. Extracts of Trial Balance as at 31st March, 2023: [4]

	Dr. ₹	Cr. ₹
Sundry Debtors (including Dewan for dishonoured bill of ₹ 20,000)	4,80,000	—
Provision for Doubtful Debts	—	24,000
Bad Debts	10,000	—

Adjustments:

- $\frac{3}{4}$ th of Deepak's bill is irrecoverable.
- Create a provision of 6% on Sundry Debtors.

Show the effect on Profit and Loss Account and Balance Sheet.

OR

Give journal entries for the following adjustments in final accounts:



- i. Provision for discount on debtors
- ii. Closing stock
- iii. Outstanding Expenses
- iv. Prepaid expenses
- v. Accrued income
- vi. Income received in advance
- vii. Provision for doubtful debts
- viii. Depreciation

34. **Extract of Trial Balance** [6]
as on 31st March, 2013

Name of Accounts	Debit Balance(Rs)	Credit Balance(Rs)
Sundry Debtors	32,000	
Bad Debts	2,000	
Provision for doubtful Debts		3,500

Additional Information

Write-off further bad debts Rs 1,000 and create a provision for doubtful debts @ 5% on debtors. You are required to pass the necessary journal entries and its effect on final account.

OR

Prepare the trading and profit and loss account and a balance sheet of M/s Shine Ltd from the following particulars.

Account Title	Amt (₹)	Account Title	Amt (₹)
Sundry debtors	1,00,000	Bills Payable	85,550
Bad Debts	3,000	Sundry creditors	25,000
Trade expenses	2,500	Provision for Bad Debts	1,500
Printing and Stationery	5,000	Return outwards	4,500
Rent, rate and taxes	3,450	Capital	2,50,000
Freight	2,250	Discount received	3,500
Sales return	6,000	Interest received	11,260
Motor car	25,000	Sales	1,00,000
Opening Stock	75,550		
Furniture and fixtures	15,500		
Purchases	75,000		
Drawings	13,560		
Investments	65,500		
Cash in hand	36,000		
Cash at Bank	53,000		



	4,81,310	4,81,310
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Additional Information

- i. Closing stock was valued at ₹ 35,000.
- ii. Depreciation charged on furniture and fixtures @ 5%.
- iii. Further bad debts ₹ 1,000. Make a provision for bad debts @ 5% on sundry debtors.
- iv. Depreciation charged on motor car @ 10%.
- v. Interest on drawings @ 6%.
- vi. Rent, rates and taxes was outstanding ₹ 200.
- vii. Discount on debtors 2%



Solution

Part A

1.
(d) Compound Voucher
Explanation:
Any journal entry which affect more than multiple account is called compuned entry and these entry are recorded in compound voucher because these affect multiple debit credit.
2.
(a) an increase in liability
Explanation:
A credit is an accounting entry that results in either a decrease in assets or an increase in liabilities.
3.
(d) A is false but R is true.
Explanation:
A is false but R is true.
4.
(b) Decrease in capital
Explanation:
withdrawal amount for personal use is called drawings which decreases capital amount and assets too.

OR

- (c)** Source Documents
Explanation:
Source Documents
5.
(d) Credit Note
Explanation:
Credit Note
6.
(c) Business transactions
Explanation:
The supply of goods or services in exchange for money between two parties is known as business transactions.

OR

- (d)** Customers
Explanation:
Customers are interested in knowing whether the business is providing good quality product or services. So that they can take the decision to buy a product or not.
7.
(c) Assets, Capital, Liabilities, Revenue and Expenses
Explanation:



OR

(d) Cash A/c

Explanation:

Withdrawal of cash from the business by the proprietor for his personal use is credited to Cash A/c.

8. (a) All of these

Explanation:

All of these

9. (a) Statement (c) is correct.

Explanation:

Provision is created for strengthening the financial position of the business is an incorrect statement.

10.

(b) Reserves

Explanation:

Reserves

11.

(b) credit transactions

Explanation:

A liability arises because of credit transactions. for example Loan taken from bank.

12.

(d) Rs.1,575

Explanation:

Amount of sales return: Tables: Rs 750 (150 * 5)

Chairs: 1,000 (100* 10)

Total Return = 1,750

Less: Discount = (175)

Net Amount = 1,750 - 175 = Rs 1575

As we have received the goods after a trade discount, so we will return a reversing trade discount.

13.

(d) Assets = Capital + Liabilities

Explanation:

This equation is the base of accounting. This shows that the assets of the business is always equal to liability and capital .

14. (a) Deferred Revenue Expenditure

Explanation:

Expenditure of revenue nature that gives benefit for more than one accounting period is categorised as deferred revenue expenditure. It is written off more than one accounting period.

OR

(c) revenue expenditure

Explanation:

Revenue Expenditure:- Amount paid or payable against the purchase of goods is revenue expenditure.

15. (a) A debit entry in an Account

Explanation:

A debit note is issued for the value of the goods returned. In some cases, sellers may send debit notes only to be treated as an invoice.

- 16.

(b) Capital Reserves

Explanation:

Capital Reserves :- Capital reserves are those reserves which are created out of the capital profits which are not available for distribution as dividend.

17. **Posting or posting the Entries means:**

The process of transferring the information contained in a Journal to a Ledger is called Posting. The following procedure is followed for posting the debit and credit aspects of the transaction recorded in a Journal.

Posting of Account debited or credited in a Journal entry: The steps to be followed are:

- Identify in the Ledger the account to be debited or credited.
- Enter the date of the transaction in the 'Date' column on the debit or credit side of the account.
- Write the name of the account which has been credited or debited in the respective entry in the 'Particulars' column on the debit or credit side of the amount as 'To or by (name of account credited or debited)'.
- Record the page number of the Journal where the entry exists in the Journal folio (J.F) column.
- Enter the relevant amount in the 'Amount' column on the debit or credit side.

OR

Trade Discount is allowed by the seller on purchase of goods in large quantity. It is usually by the wholesalers to the retail shop owners who further sell the goods to the consumer. Trade Discount is deducted in the invoice from sale price and is not recorded in the books of account. Trade discount is allowed on sales, hence it is allowed on both cash and credit sales.

18. An accounting standard is a common set of principles, standards and procedures that define the basis of financial accounting policies and practices. Accounting standards improve the transparency of financial reporting in all countries. The Institute of Chartered Accountants of India is the accounting body in the case of India.

Advantages:

- It makes a comparison of a financial statement within or outside India easy.
- It helps in auditing.

OR

Journal Entry

Date	Particulars	L.F.	Amount (Dr.)	Amount (Cr.)
	Purchase A/c Dr.			
	Input IGST A/c Dr.			
	To Cash/ Creditor			
	(Goods Purchase from outside state)			

19. **Debtors** are the persons or organizations that are liable to pay money to a firm while **creditors** are the persons or organizations to whom the firm is liable to pay money

Profit is the excess of revenues over expenses during an accounting period. It is the result of business transactions that are of regular or routine nature in business while **gain** arises from events or transactions which are incidental to business such as the sale of a fixed asset or winning a lottery prize.

20. **TRIAL BALANCE OF SUBRATA MUKHERJEE**
as on 31st March 2023

Heads of Accounts	L.F.	Dr. Balance (₹)	Cr. Balance (₹)
Computers A/c		2,46,000	-
Capital A/c		-	2,50,000
Debtors A/c		28,000	-



Creditors A/c		-	26,000
Purchases A/c		35,000	-
Sales A/c		-	53,000
Returns Outward A/c		-	500
Cash in Hand		1,000	-
Bank Overdraft A/c		-	6,000
Opening Stock A/c		7,500	-
Salaries A/c		15,000	-
Rent A/c		3,000	-
Total		3,35,500	3,35,500

21. **Cashbook**

Dr.					Cr.				
Date	Particular	L.F.	Cash (Rs)	Bank (Rs)	Date	Particular	L.F.	Cash (Rs)	Bank (Rs)
01-Apr-14	To Balance b/d		50,000		01-Apr-14	By Balance b/d			35,000
02-Apr-14	To Sales A/c		30,000		04-Apr-14	By Salaries A/c		5,000	
08-Apr-14	To Cash A/c	C		10,000	08-Apr-14	By Bank A/c	C	10,000	
24-Apr-14	To Cheque in Hand A/c			19,800	12-Apr-14	By Ram Lal's A/c		9,750	
					25-Apr-14	By Drawings			500
					28-Apr-14	By Rent			5,000
30-Apr-14	By Balance c/d			10,700	30-Apr-14	By Balance c/d		55,250	
			80,000	40,500				80,000	40,500

22. **BANK RECONCILIATION STATEMENT**
as on 31st March, 2023

Particulars	Plus Items (₹)	Minus Items (₹)
Balance as per Bank Statement (Cr.)	33,570	
Cheques and drafts deposited but not yet collected and credited	7,900	
Cheque deposited returned unpaid (Dishonoured)		2,000
Cheques issued but not yet presented for payment		6,500
Cheque paid by the bank but not entered in the Cash Book	10,000	
Cheque discounted dishonoured	5,000	
Bank Commission not recorded in Cash Book	130	
Interest credited by the bank but not recorded in Cash Book		100
Wrong Debit by Bank	5,000	
Balance as per Cash Book (Dr.) (₹ 61,600 - ₹ 8,600)		53,000
	61,600	61,600

OR

BANK RECONCILIATION STATEMENT
as on 31st December, 2017

Particulars	Plus Items	Minus Items
	₹	₹



Overdraft as per Pass Book		20,000
(i) Payment of cheques recorded twice in the passbook	550	
(ii) Debit column of the passbook undercast		200
(iii) Cheque recorded in the cash book but omitted to be sent to bank for collection	200	
(iv) Cheque debited in the passbook but omitted to be recorded in cash book	300	
(v) Cheque Dishonoured by the Bank	500	
	1,550	20,200
Overdraft as per Cash Book		18,650

Balance as per pass book is given so any error can be rectified in pass book.

23.

Journal of Hema

Date	Particulars		L.F.	Debit (₹)	Credit (₹)
2017					
Dec. 01	Cash A/c	Dr.		1,00,000	
	To Capital A/c				1,00,000
	(Started business with cash)				
Dec. 02	Bank A/c	Dr.		30,000	
	To Cash A/c				30,000
	(Bank account opened with SBI)				
Dec. 04	Purchases A/c	Dr.		20,000	
	To Ashu				20,000
	(Goods purchased from Ashu)				
Dec. 06	Cash A/c	Dr.		15,000	
	To Sales A/c				15,000
	(Goods sold for cash)				
Dec. 10	Purchases A/c	Dr.		40,000	
	To Cash A/c				40,000
	(Goods purchased for cash)				
Dec. 13	Suman	Dr.		20,000	
	To Sales A/c				20,000
	(Goods goods to Suman)				
Dec. 16	Bank A/c	Dr.		19,500	
	Discount Allowed A/c	Dr.		500	
	To Suman				20,000
	(Cheque received from Suman and discount allowed)				
Dec. 20	Ashu	Dr.		10,000	
	To Bank A/c				10,000
	(Cheque forwarded to Ashu)				
Dec.b22	Rent A/c	Dr.		2,000	



	To Bank A/c				2,000
	(Rent paid by cheque)				
Dec.b23	Bank A/c	Dr.		16,000	
	To Cash A/c				16,000
	(Cash deposited into bank)				
Dec. 25	Machinery A/c	Dr.		10,000	
	To Parigya				10,000
	(Machinery purchased from Parigya)				
Dec. 26	Trade Expenses A/c	Dr.		2,000	
	To Cash A/c				2,000
	(Trade expenses paid)				
Dec. 28	Parigya	Dr.		10,000	
	To Bank A/c				10,000
	(Cheque issued to Parigya)				
Dec. 29	Telephone Expenses A/c	Dr.		1,200	
	To Bank A/c				1,200
	(Telephone expenses paid through cheque)				
Dec. 30	Salaries A/c	Dr.		4,500	
	To Cash A/c				4,500
	(Salary paid)				
	Total			3,00,700	3,00,700

OR

JOURNAL OF SUMIT STORES

Date	Particulars	L.F.	Amount Dr.	Amount Cr.
2023			₹	₹
April 1	Cash A/c	Dr.	15,000	
	Bank A/c	Dr.	5,000	
	Stock A/c	Dr.	40,000	
	Furniture A/c	Dr.	3,600	
	X	Dr.	6,000	
	Y	Dr.	8,000	
	Z	Dr.	10,000	
	To Loan from Bank			10,000
	To Ajit			5,000
	To Vinay			7,500
	To Capital (balancing figure) (Assets and liabilities brought forward)			65,100
April 2	Purchases A/c (20,000 × 90%)	Dr.	18,000	
	To Cash A/c (10,800-216)			10,584



	To Discount Received A/c (18,000x60% × 2%)			216
	To Karim (18,000 × 40%) (Goods purchased and discount received)			7,200
April 4	X A/c	Dr.	9,000	
	To Sales A/c (Goods sold on credit)			9,000
April 5	Cash A/c	Dr.	14,800	
	Discount Allowed A/c(15,000-14,800)	Dr.	200	
	To X (Cash received and discount allowed)			15,000
April 6	Bank A/c	Dr.	10,000	
	To Cash A/c (Cash deposited into Bank)			10,000
April 8	Bank A/c	Dr.	7,850	
	Discount Allowed A/c (8,000-7,850)		150	
	To Y (Cheque received and deposited into bank)			8,000
April 10	Cheques in Hand A/c	Dr.	2,000	
	To Z A/c (Cheque received)			2,000
April 12	Bank A/c	Dr.	2,000	
	To Cheques in Hand A/c (Cheque received from Z now deposited into Bank)			2,000
April 15	Y a/c	Dr.	8,000	
	To Bank A/c			7,850
	To Discount Allowed A/c (Cheque dishonoured, and discount withdrawn)			150
April 16	Cash A/c (15,000-12,000)	Dr.	3,000	
	Bank A/c	Dr.	12,000	
	To Sales A/c (Cash sales)			15,000
April 16	Ajit A/c	Dr.	5,000	
	To Bank A/c (Cheque given to Ajit)			5,000
April 18	Cash A/c (50+750)	Dr.	800	
	To Miscellaneous Income A/c			50
	To Furniture A/c (Old newspapers and old furniture sold)			750



April 20	Bank A/c (8,000 × 0.40)	Dr.		3,200	
	Bad Debts A/c (8,000-3,200)	Dr.		4,800	
	To Z a/c Amount received and bad-debts written off)				8,000
April 22	Purchases A/c	Dr.		8,000	
	To Bank A/c (Goods purchased by cheque)				8,000
April 24	Chandu	Dr.		5,200	
	To Sales A/c (8,000 × 50% × 130%) (Goods sold on credit)				5,200
April 25	Drawings A/c (2,000+3,000)	Dr.		5,000	
	To Cash A/c				2,000
	To Bank A/c (Amount withdrawn for private use)				3,000
April 30	Salary A/c	Dr.		2,000	
	Rent A/c	Dr.		1,500	
	To Bank A/c (1,500+2,000) (Expenses paid by cheque)				3,500
April 30	Trade Expenses A/c	Dr.		500	
	To Cash A/c (Expenses paid in cash)				500
	Total ₹			2,10,600	2,10,600

Note: (1)

	₹
Total Amount	20,000
Less: 10% Trade Discount	2,000
	18,000
Cash Purchase: 60% of ₹ 18,000	10,800
Less: Cash Discount (2% of 10,800)	216
Amount paid	10,584
Credit Purchase: 40% of ₹ 18,000	7,200

24.

Rectifying Entries

S. No.	Particulars		L.F.	Dr. (Rs.)	Cr. (Rs.)
1.	Suspense A/c	Dr.		283	
	To Discount Received A/c				283
	(Being Discount received Rs.283, not posted in the books, now corrected.)				
2.	Supplier A/c	Dr.		6930	
	To Suspense A/c				6930



	(Being brought goods for Rs.770, wrongly posted to supplier a/c as Rs.7700, now rectified.)				
3.	Debtors A/c	Dr.		6,000	
	To Suspense A/c				6,000
	(Being owing by a customer, not included in the list of Sundry Debtors, now rectified.)				
4.	Suspense A/c	Dr.		4,052	
	To Customer A/c				4,052
	(Being goods of Rs.2,026 returned by customer, wrongly debited to customer a/c now corrected.)				

Suspense A/c

Particulars	Rs.	Particulars	Rs.
To Balance b/d	8,595	By Supplier	6,930
To Discount Received	283	By Debtors	6,000
To Customer	4,052		
	12,930		12,930

OR
Journal

Date	Particulars		L.F.	Debit Amount (₹)	Credit Amount (₹)
i)	Building A/c	Dr.		15,000	
	To Salaries A/c (correcting wages paid for construction of building debited to Salaries A/c)				15,000
ii)	Building A/c	Dr.		20,000	
	To Purchases A/c (correcting purchases of material on construction debited to Purchases A/c)				20,000
iii)	Building A/c	Dr.		50,000	
	To Building Repairs A/c (correcting amount spent on extension of building wrongly debited to Building Repairs A/c)				50,000
iv)	Building A/c	Dr.		25,000	
	To Building Repairs A/c (correcting amount spent on whitewash of new building debited to Building Repairs A/c)				25,000
v)	Machinery A/c	Dr.		1,000	
	To Cartage A/c (correcting installation charges on machinery wrongly debited to Cartage A/c)				1,000
vi)	Machinery A/c	Dr.		10,000	
	To General Expenses A/c (correcting repair charges to a newly paid second hand machinery wrongly debited to General Expenses A/c)				10,000



vii)	Repairs A/c	Dr.	5,000	
	To Machinery A/c (correcting repairs on existing machinery wrongly debited to Machinery A/c)			5,000
viii)	Printer A/c	Dr.	10,000	
	To Office Expenses A/c (correcting amount paid for Printer wrongly debited to Office Expenses A/c)			10,000

We can rectify journal entries by passing a journal entry giving the correct debit and credit to the accounts. In order to rectify an error, we need to cancel the effect of wrong debit or credit by reversing it and restore the effect of correct debit or credit.

25.

MACHINERY ACCOUNT

Dr.			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2019			2020		
Apr. 01	Bank A/c		Mar. 31	Balance c/d	
	Machine 1	50,000		Machine 1	50,000
	Machine 2	50,000		Machine 2	50,000
	Machine (3,4,5,6)	<u>2,00,000</u>		Machine 3	<u>2,00,000</u>
		<u>3,00,000</u>			<u>3,00,000</u>
2020			2021		
Apr. 01	Balance b/d		Mar. 31	Balance c/d	
	Machine 1	50,000		Machine 1	50,000
	Machine 2	50,000		Machine 2	50,000
	Machine (3,4,5,6)	<u>2,00,000</u>		Machine 3	<u>2,00,000</u>
		<u>3,00,000</u>			<u>3,00,000</u>
2021			2021		
Apr. 01	Balance b/d		Oct. 01	Provision for Depreciation A/c	12,500
	Machine 1	50,000	Oct. 02	Bank A/c (sale of Machine 1)	30,000
	Machine 2	50,000	Oct. 02	Profit and Loss A/c (Loss on Sale of Machine 1)	7,500
	Machine (3,4,5,6)	<u>2,00,000</u>	2022		
		<u>3,00,000</u>	Mar. 31	Balance c/d	
				Machine 2	50,000
				Machine 3	<u>2,00,000</u>
					<u>2,50,000</u>
					<u>3,00,000</u>
2022			2022		
Apr. 01	Balance b/d		Apr. 01	Provision for Depreciation A/c	15,000
	Machine 2	50,000	Apr. 01	Bank A/c (Sale of Machine 2)	24,000
	Machine (3,4,5,6)	<u>2,00,000</u>	Apr. 01	Profit and Loss A/c (Loss on Sale on Machine 2)	11,000
		<u>2,50,000</u>			



			2023		
			Mar. 31	Balance c/d (Machine 3,4,5,6)	<u>2,00,000</u>
		<u>2,50,000</u>			<u>2,50,000</u>

PROVISION FOR DEPRECIATION ACCOUNT

Dr.			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2020			2020		
Mar. 31	Balance c/d	30,000	Mar. 31	Depreciation A/c	
				Machine 1	5,000
				Machine 2	5,000
				Machine 3	<u>20,000</u>
		<u>30,000</u>			<u>30,000</u>
2021			2020		
Mar. 31	Balance c/d	60,000	Apr. 01	Balance b/d	30,000
			2021		
			Mar. 31	Depreciation A/c	
				Machine 1	5,000
				Machine 2	5,000
				Machine 3	<u>20,000</u>
		<u>60,000</u>			<u>60,000</u>
2021			2021		
Oct. 01	Machinery A/c (Machine 1) (5,000 + 5,000 + 2,500)	12,500	Apr. 01	Balance b/d	60,000
2022			Oct. 01	Depreciation A/c (Machine 1)	2,500
Mar. 31	Balance c/d	75,000	2022		
			Mar. 31	Depreciation A/c	
				Machine 2	5,000
				Machine 3	<u>20,000</u>
		<u>87,500</u>			<u>25,000</u>
					<u>87,500</u>
2022			2022		
Apr. 01	Machinery A/c (Machine 2)	15,000	Apr. 01	Balance b/d	75,000
	(5,000 + 5,000 + 5,000)				
2023			2023		



Mar. 31	Balance c/d	<u>80,000</u>	Mar. 31	Depreciation A/c (Machine 3)	<u>20,000</u>
		<u>95,000</u>			<u>95,000</u>

Working Notes:

WN1: Calculation of Profit & Loss on Sale of Machine 1

Particulars	Amount (₹)
Value of Machinery on Apr. 01, 2019	50,000
Less: Depreciation	(5,000)
Value of Machinery on Apr. 01, 2020	45,000
Less: Depreciation	(5,000)
Value of Machinery on Apr. 01, 2021	40,000
Less: Depreciation for 6 months	(2,500)
Value of Machinery on Oct. 01, 2021	37,500
Less: Sale Value	(30,000)
Loss on Sale	7,500

OR

MACHINERY ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2020				2021			
Oct. 1	To Bank A/c		50,000	Mar. 31	By Depreciation A/c (for 6 months)		3,750
					By Balance c/d		<u>46,250</u>
			<u>50,000</u>				<u>50,000</u>
2021				2022			
Apr. 1	To Balance b/d		46,250	Mar. 31	By Depreciation A/c		
Dec. 1	To Bank A/c		<u>10,000</u>		Machinery 1	6,938	
					Machinery 2	<u>500</u>	<u>7,438</u>
				Mar. 31	By Balance c/d		
					Machine 1	39,312	
					Machine 2	<u>9,500</u>	<u>48,812</u>
			<u>56,250</u>				<u>56,250</u>
2022				2023			
Apr. 1	To Balance b/d			Mar. 31	By Depreciation A/c		5,897
	Machine 1	39,312		"	By Bank A/c (Sale of Machine 1)		28,415
	Machine	<u>9,500</u>	<u>48,812</u>	"	By Profit and Loss A/c (Loss on Sale of machine		5,000



	2				1)		
				Mar. 31	By Depreciation A/c (Machine 2)		1,425
				Mar. 31	By Balance c/d		<u>8,075</u>
			48,812				48,812
2023 Apr. 1	To Balance b/d		8,075				

Working Notes:

Particulars	Machine I	Machine II	Total
Cost	50,000	10,000	60,000
Less: Depreciation for 2020-21 @ 15%	<u>-3,750</u>		<u>3,750</u>
W.D.V.	46,250	10,000	56,250
Less: Depreciation for 2021-22 @ 15%	<u>-6,938</u>	<u>-500</u>	<u>7,438</u>
W.D.V.	39,312	9,500	48,812
Less: Depreciation for 2022-23 @ 15%	<u>-5,897</u>	<u>-1,425</u>	<u>7,322</u>
W.D.V.	33,415	8,075	
Less: Loss on sale	<u>-5,000</u>		
Sale Value	28,415		

Depreciation is calculated by Diminishing value method so it is calculated on balance value of asset or written down value of asset not on the cost of the asset.

26.

In the Books of _____
TWO COLUMN CASH BOOK

Dr.						Cr.					
Date	Particulars (Receipts)	V. No.	L.F.	Cash	Bank	Date	Particulars (Payments)	V. No.	L.F.	Cash	Bank
2023				₹	₹	2023				₹	₹
March 1	To Balance b/d			12,000	36,000	March 2	By Cash A/c		C		15,000
2	To Bank A/c		C	15,000		2	By Salaries A/c			12,500	
4	To Rajesh Lal A/c				3,000	12	By Bank Charges A/c				20
12	To Cheques in Hand A/c (Note 1)				9,500	16	By Amit A/c			2,000	6,000
15	To Cheques in Hand A/c (Note 2)				5,900	17	By Office Equip. A/c				12,000
19	To Sachin A/c (Note 3)				7,500	17	By Drawings A/c				3,000
25	To Sachin A/c			7,520		22	By Sachin A/c				7,520
29	To Sales A/c			20,000	60,000	24	By Anish A/c				3,000
30	To Interest A/c				300	26	By Mohan A/c				11,400
31	To Cash A/c		C		30,020	28	By Manoj A/c				8,000

									14,500	
				_____	_____	31	By Bank A/c	C	<u>30,020</u>	_____
				54,520	1,52,220				44,520	65,940
						31	By Balance c/d (b/f)		<u>10,000</u>	<u>86,280</u>
				<u>54,520</u>	<u>1,52,220</u>				<u>54,520</u>	<u>1,52,220</u>
April 1	To Balance b/d			<u>10,000</u>	<u>86,280</u>					

Note:

- i. Cheque received from Customer for ₹ 9,500 on 10th March will be recorded through Journal Entry

Cheques in Hand A/c	Dr.	9,500	
Discount Allowed A/c	Dr.	500	
To Customer's A/c			10,000

On 12th March, when it is deposited into bank, it will be recorded in the Bank Column of the Cash Book on the Dr. side.

- ii. Cheque received from Sunny for ₹ 5,900 will also be recorded in the same manner.
iii. It is assumed that the cheque was immediately deposited into bank.

OR

In the books of M/S Hira Lal

Purchase Book

Date	Invoice No.	Particulars	Details	Amount (Rs)
Feb 04, 2013		Kamal		4,960
Feb 14, 2013		Ram		10,400
Feb 17, 2013		Rakesh		8,120
Feb 24, 2013		Kirti	11,400	
		Less: Trade Discount @ 10%	1,140	10,260
		Total		33,740 =====

Sales Book

Date	Invoice No.	Particulars	Details	Amount (Rs)
Feb 01, 2013		Sen		10,000
Feb 06, 2013		Manas		4,200
Feb 10, 2013		Mohan		6,600
Feb 25, 2013		Chand	13,200	
		Less: Trade Discount @ 5%	660	12,540
Feb 26, 2013		Vinod		8,000
		Total		41,340 =====

Sales Return Book

Date	Invoice No.	Particulars	Details	Amount (Rs)



Feb 07, 2013		Sen		1,200
Feb 22, 2013		Mohan		500
Feb 28, 2013		Vinod		1,000
		Total		2,700 =====

Purchase Return Book

Date	Invoice No.	Particulars	Details	Amount (Rs)
Feb 08, 2013		Kamal		560
Feb 20, 2013		Ram		400
Feb 28, 2013		Kirti	2,000	
		Less: Trade Discount @10%	200	1,800
		Total		2,760 =====

A purchases day book is an accounting ledger in which purchasing transactions are recorded. This book is most commonly found in manual accounting systems, where purchases are recorded by hand in a ledger.

Part B

27.

(b) Rs.4,000

Explanation:

Calculation of additional capital introduced:

Closing capital	25,000
add: Withdrawal	1,800
less: Profit	2,800
less: Opening capital	20,000
Additional capital	4,000

OR

(b) Sole trader

Explanation:

Generally, accounts under a single entry system are maintained by the sole trader not by company.

28. **(a)** A debit if loss has been incurred

Explanation:

A debit if loss has been incurred

29. **(a)** Opening Stock

Explanation:

Opening Stock is transferred to Trading A/c, not in the balance sheet.

30.

(b) Profit & Loss Account

Explanation:

Profit & Loss Account

OR



(b) An Asset

Explanation:

accrued income is considered as current asset as it is the income due but not received.

31. Cost of goods sold is the cost incurred in the manufacturing of the goods intended to be sold. Cost of goods sold is ascertained as follows

Cost of Goods Sold = Opening Stock + Net Purchases - Closing Stock + Direct Labour/Expenses.

Cost of goods sold = Net sales - Gross profit

32. For recording business transactions, the convention of conservatism is followed which states that provision should be made for expected profit and gains should not be accounted for. As it is not possible to accurately know the amount of bad debts. Therefore, in order to bring an element of certainty in the amount of bad debts from debtors a provision for doubtful debts is created to cover the loss of possible bad debts. A firm must be convinced with the amount of net debtors which it is going to realize by the end of the financial year and for this purpose, provision for doubtful debts certainly provides a helping hand.

33. **Profit and Loss Account**

for the year ended March 31st, 2023

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
Old Bad Debts	10,000			
Add: Further Bad Debts	15,000			
Add: New Provision	27,600			
Less: Old Provision	(24,000)	28,600		

Balance Sheet

as on March 31st, 2023

Liabilities	Amount (₹)	Assets		Amount (₹)
		Current Assets		
		Debtors	4,80,000	
		Less: Bad Debts	(15,000)	
		Less: Provision for Doubtful Debts	(27,600)	4,37,400

Working Note:-

Calculation of Provision for Doubtful debts:-

Provision for doubtful debts = Sundry Debtors - Further Bad debts - Amount recovered × Rate

Provision for doubtful debts = (₹ 4,80,000 - ₹ 15,000 - ₹ 5,000) × 6 %

Provision for doubtful debts = ₹ 27,600

Bad debts and provision given in trial balance are not deducted in the balance sheet from debtors since already adjusted from debtors.

OR

JOURNAL

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
(i)	Profit & Loss A/c	Dr.		—	
	To Provision for Discount on Debtors A/c (Provision made for a discount on debtors)				—
(ii)	Closing Stock A/c	Dr.		—	
	To Trading A/c				—



	(Closing stock brought into books)				
	Expenses A/c	Dr.		—	
(iii)	To Outstanding Expenses A/c (Adjustment entry passed for outstanding expenses)				—
	Prepaid Expenses A/c	Dr.		—	
(iv)	To Expenses A/c (Adjustment entry passed for prepaid expenses)				—
	Accrued Income A/c	Dr.		—	
(v)	To Income A/c (Adjustment entry passed for accrued income)				—
	Income A/c	Dr.		—	
(vi)	To Income Received in Advance A/c (Adjustment entry passed for income received in advance)				—
	Profit & Loss A/c	Dr.		—	
(vii)	To Provision for Doubtful Debts A/c (Provision made for doubtful debts)				—
	Depreciation A/c	Dr.		—	
(viii)	To Asset A/c (Depreciation charged on Asset)				—

34. **JOURNAL**

Date	Particulars		LF	Amt(Dr)	Amt(Cr)
	Bad Debts A/c	Dr		1,000	
	To Sundry Debts A/c (Being further bad debts)				1,000
	Provision for Doubtful Debts A/c	Dr		3,000	
	To Bad Debts A/c (Being bad debts adjusted against the provision)				3,000
	Profit and Loss a/c	Dr		1,050	
	To Provision for Doubtful Debts A/c (Being amount charged from profit and loss account)				1,050

Effects on Final Account

Profit and Loss Account

for the year ended 31st March, 2005

Dr				Cr
Particulars		Amt(Rs)	Particulars	Amt(Rs)
To Provision for Doubtful Debts A/c				
Bad Debts	2,000			
(+) Further Bad Debts	1,000			
(+) New Provision	1,550			
	4,550			



(-) Old Provision	3,500	1,050		
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Balance Sheet

as at 31st March, 2005

Liabilities	Amt(Rs)	Assets		Amt(Rs)
		Sundry Debtors	32,000	
		(-) Further Bad Debts	1,000	
		(-) Provision for Doubtful Debts	<u>1550</u>	29,450

Working notes:

1. Calculation of provision for doubtful debts

Debtors 32,000 less bad debts = 31,000

Rate of interest = 5%

Provision for Doubtful debts = $31,000 \times 5/100 = 1,550$

2. Bad debts 2000

Add: Further bad debts = 1000

Add: New provision = 1550

Less: Old provision = 3500

$2000 + 1000 + 1550 - 3500 = 1050$

OR

Trading and Profit and loss Account of M/s Shine Ltd.

for the year ended.....

Dr.					Cr
Particulars		Amt (₹)	Particulars		Amt (₹)
To Opening Stock		75,550	By Sales	1,00,000	
To Purchases	75,000		Less : Return Inwards	(6,000)	94,000
Less : Returns Outwards	(4,500)	70,500	By Closing Stock		35,000
To Freight		2,250	By Gross Loss transferred to Profit & Loss A/c		19,300
		1,48,300			1,48,300
To Gross Loss b/d			By Discount Received		3,500
To Bad Debts	3,000		By Interest Received		11,260
Add : Further Bad Debts	1,000		By Interest on Drawings		814
Add : Provision for Bad Debts	4,950		By Net Loss Transferred to Capital A/cs		27,482
	8,950				
Less : Old provision	(1,500)	7,450			
To Trade Expenses		2,500			
To printing and stationary		5,000			
To Rent, Rates and Taxes	3,450				
Add : Outstanding Rent, Rates & Taxes	200	3,650			
To Depreciation on furniture		775			
To Depreciation on Motor car		2,500			
To Discount on Debtors		1,881			
		43,056			43,056



Balance Sheet of M/s Shine Ltd.

as at.....

Liabilities		Amt (₹)	Assets		Amt (₹)
Capital	2,50,000		Cash in hand		36,000
Less : Net Loss transferred from Profit & Loss A/c	(27,482)		Cash at Bank		53,000
	2,22,518		Investment		65,500
Less : Drawings	(13,560)		Motor car	25,000	
Less : Interest on drawings	(814)	2,08,144	Less : Depreciation @10%	(2,500)	22,500
Bills Payable		85,550	Furniture and fixtures	15,500	
Sundry Creditors		25,000	Less : Depreciation @5%	(775)	14,725
			Debtors	1,00,000	
Outstanding rent, Rates and Taxes		200	Less : Bad Debts	(1,000)	
			Less : Provision for Bad Debts	(4,950)	
			Less : Provision for Discount on Debtors	(1,881)	92,169
			Closing Stock		35,000
		3,18,894			3,18,894

Working Note :

Calculation of amount due from Debtors:

Discount on Debtors will be provided only to the good debtors remaining after charging bad-debts & provision for bad-debts. This is shown by the following table :

Particulars	₹
Sundry Debtors	1,00,000
(-) Further Bad Debts	(1,000)
	99,000
(-) Provision for Doubtful Debts (5% on ₹ 99,000)	(4,950)
	94,050
(-) Provision for Discount (2% on ₹ 94,050)	(1,881)
Net Amount due from Debtors	92,169

