

# Class XI Session 2025-26

## Subject - Accountancy

### Sample Question Paper - 8

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. The business documents which serves as the evidence of the business transactions are known as [1]
  - a) Notes
  - b) Source documents
  - c) Bills
  - d) First hand documents
2. The data is classified for creating groups of accounts in the heads of: [1]
  - a) Capital, Revenue and Expenses
  - b) Assets, Capital, Liabilities, Revenue and Expenses
  - c) Assets, Liabilities and Capital
  - d) Assets, Owners' equity, Revenue and Expenses
3. Due to the following transactions, the total of accounting equation will be: [1]
  - i. Commenced business with cash ₹ 4,00,000
  - ii. Purchased goods on credit ₹ 1,75,000
  - iii. Goods costing ₹ 1,00,000 sold at a profit of 20% for cash
  - iv. Rent paid ₹ 5,000
  - a) ₹ 4,90,000
  - b) ₹ 3,40,000
  - c) ₹ 4,40,000
  - d) ₹ 5,90,000

OR

Accounting equation is also known as \_\_\_\_\_ equation.

  - a) Balance sheet
  - b) Transactional
  - c) Arithmetic finance
  - d) Fundamental
4. **Assertion (A):** Accounting records only those transactions which can be measured in terms of money. [1]  
**Reason (R):** Transactions and events that are not measurable in terms of money can't be valued in Accounts.



- 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.

5. If purchaser of goods returns them, he will prepare [1]

- a) only credit note      b) Both Credit Note and Debit Note
- c) Debit Note      d) Credit Note

6. Accounts are generally divided into different segments. In how many segments, all accounts are divided based on the nature of transactions? [1]

- a) 5      b) 3
- c) 4      d) 2

OR

Which of the following is the limitation of accounting?

- A. Unrealistic Information
- B. Assistance to Management
- C. Replaces Memory
- D. Evidence in Court

- a) A only      b) B only
- c) C only      d) D only

7. Provision is a: [1]

- a) None of these      b) General Reserve
- c) Capital Reserve      d) Specific Reserve

8. Sundry Creditors Account is a: [1]

- a) Capital Account      b) Liability Account
- c) Revenue Account      d) Asset account

OR

Consider the following statements with regard to the accounting treatment of various accounts:

- i. Increase in asset is debited and decrease in asset is credited.
- ii. Increase in expenses/losses is debited and decrease in expenses/ losses is credited.
- iii. Increase in liabilities is credited and decrease in liabilities is debited.
- iv. Increase in capital is credited and decrease in capital is debited.

Identify the correct statement/statements:

- a) i and ii      b) i, ii, iii and iv
- c) i, iii and iv      d) ii and iii

9. Which of the following is not a concept of accounting: [1]

- a) Dual Aspect      b) Accounting standards
- c) Revenue Realisation      d) Historical Cost

10. Reserves can be meant for the purpose of: [1]



- a) All of these  
c) redeeming a long-term liability
- b) meeting a future contingency  
d) strengthening the general financial position of the business
11. Goods means [1]  
i. Items purchased for own consumption.  
ii. Items purchased for donation.  
iii. Items purchased for resale.  
iv. Items purchased for use in business.  
a) Statement (iv) is Correct. b) Statement (ii) is Correct.  
c) Statement (iii) is Correct. d) Statement (i) is Correct.
12. Total of Purchase Column in Purchase Book is posted to: [1]  
a) Purchases A/c - Dr. b) Sales A/c - Cr.  
c) Purchases A/c - Cr. d) Sales A/c - Dr.
13. As the effect of a transaction, capital of the company increased by ₹ 2,000 and assets also increased by ₹ 2000. [1]  
Identify the transaction.  
a) Goods purchased on credit ₹ 2,000 b) Commission received worth ₹ 2,000  
c) Goods costing ₹ 10,000 sold for ₹ 8,000 d) Both Goods costing ₹ 10,000 sold for ₹ 8,000 and Commission received worth ₹ 2,000
14. Livestock includes: [1]  
a) Goods b) Stock  
c) Life Insurance Policy d) Animals  
OR  
Fixed Liabilities include:  
a) Short-term loans b) Creditors  
c) Bank Overdraft d) Long-term Loans
15. Purchases Book is a part of: [1]  
a) The Journal b) The Trading Account  
c) The Ledger d) The Balance Sheet
16. A Provision is: [1]  
a) an appropriation of profits b) can be an appropriation of profits and a charge against profit  
c) Distribution of profits d) a charge against profit
17. Trial Balance is an evidence of the arithmetical accuracy of records. Is it a correct statement? Give reason. [3]  
OR

Prepare a trial balance with the following information

Sr. No	Name of Accounts	Amt (₹)	Sr. No	Name of Accounts	Amt (₹)
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(i)	Capital	5,00,000	(v)	Stock	70,000
(ii)	Cash	1,80,000	(vi)	Debtors	6,00,000
(iii)	Creditors	1,00,000	(vii)	Bank Loan	1,50,000
(iv)	Sales	3,00,000	(viii)	Purchases	2,00,000

18. What journal entry is passed in case of purchase of goods within the state? [3]

OR

Input IGST is ₹ 20,000, Output IGST is ₹ 15,000, Input CGST is ₹ 15,000, Output CGST is ₹ 12,000, and Input SGST is ₹ 15,000, Output SGST is ₹ 12,000. Pass the Journal entry for setting-off Input IGST.

19. Explain the following terms with examples: [3]

- Capital Expenditure
- Non-Current Assets

20. Why is ledger called the book of final entry? [3]

21. From the following particulars provided by Rishi, prepare a cash book with suitable column. [4]

2013		Amt (Rs.)
Mar 1	Cash in hand	85,000
	Bank Balance with ICICI	2,50,000
	Overdraft with (Axis)	1,75,000
Mar 3	Cash sales	70,000
Mar 5	Paid salary to staff by cheque on ICICI	1,00,000
Mar 8	Cheque received from Raj deposited with Axis	90,000
Mar 10	Cash deposited into ICICI	50,000
Mar 12	Amount transferred from ICICI to Axis by cheque	30,000
Mar 15	Cash withdrew from ICICI	80,000

22. Draw bank Reconciliation statement showing adjustment between your cash book and pass book as on 31st March 2023. [4]

- On 31st March, 2023 your passbook showed a balance of ₹ 6,000 to your credit.
- Before that date, you had issued cheques amounting to ₹ 1,500 of which cheques of ₹ 900 have been presented for payment.
- A cheque of ₹ 800 paid by you into the bank on 29th March 2023 is not yet credited in Passbook.
- There was a credit of ₹ 85 for interest on current account in the passbook.
- On 31st March 2023, a cheque for ₹ 510 received by you and was paid into bank but the same was omitted to be entered in cash book.

OR

Prepare Bank Reconciliation Statement from the following particulars and show the balance as per Cash Book on 31st March, 2023:

- Balance as per Pass Book on 31st March 2023 overdrawn ₹ 10,000.
- Cheques drawn in the last week of March 2023 but not cleared till 3rd April 2023 ₹ 20,000.



- iii. Interest on Bank overdraft not entered in the Cash Book ₹ 1,500.
- iv. Cheques of ₹ 20,000 deposited in the bank in March 2023 but not collected and credited till 3rd April 2023.
- v. ₹ 100 Insurance Premium paid by the bank under a standing order has not been entered in the Cash Book.
- vi. A draft of ₹ 10,000 favouring Amit & Co. was issued by the bank charging commission of ₹ 200. However, in the Cash Book entry was passed by ₹ 10,000.

23. On 1<sup>st</sup> April, 2023, Mohit started business with a capital of ₹ 50,000. He made the following transactions during the month of April: [6]

2023		₹
April 3	Purchased goods from Rani	20,000
April 4	Cash paid to Rani	10,000
April 6	Goods sold to Rahul,	25,000
April 8	Received cash from Rahul	20,000
April 12	Goods purchased from Rani	12,000
April 18	Cash paid to Rani	20,000
April 25	Goods sold to Rahul,	10,000
April 30	Received cash from Rahul	6,000

You are required to journalise the above transactions and show the respective Ledger accounts.

OR

Pass the Journal entries for the following transactions:

2023		₹
April 1	Pankaj started business with cash	1,00,000
April 2	Opened Bank Account with cheque from Savings Account	50,000
April 3	Purchased computer against cash	20,000
April 4	Paid for repairs of office	2,500
April 5	Purchased goods in cash	10,000
April 6	Purchased goods from Paras & Co.	1,00,000
April 7	Sold goods against cash	20,000
April 8	Sold goods to Deepak & Co.	75,000
April 9	Deepak & Co. returned goods, they being defective	15,000
April 10	Goods returned to Paras & Co.	8,000
April 11	Paid salaries	15,000

24. Give journal entries to rectify the following errors assuming that suspense account had been opened. [6]
- a. Goods distributed as free sample ₹ 5,000 were not recorded in the books.
  - b. Goods withdrawn for personal use by the proprietor ₹ 2,000 were not recorded in the books.
  - c. Bill receivable received from a debtor ₹ 6,000 was not posted to his account.



- d. Total of return inwards book ₹ 1,200 was posted to return outwards account.
- e. Discount allowed to Reema ₹ 700 on receiving cash from her was recorded in the books as ₹ 70.

OR

Pass necessary journal entries to rectify the following errors:

- Sales Return book overcast ₹ 1,000.
  - Machinery purchased ₹ 9,600 from Karan, wrongly entered in Purchase Book as ₹ 6,900.
  - Goods purchased from Rahil ₹ 5,000 wrongly entered in purchase return book. Although, Rahil's account correctly credited.
  - Rent paid to Landlord ₹ 12,000, wrongly debited to his personal account.
  - ₹ 3,000 received from a customer, whose account was already written off as bad debt. No entry has been passed in this regard.
25. After purchasing a second-hand machine for Rs 50,000, it was overhauled and installed on 1.1.2011; overhauling expenses being Rs 8,000. On 1.7.2011 another machine was purchased for Rs 30,000. On 1.7.2013 the Machine installed on 1.1.2011 was sold for Rs 25,000 dismantling charges being Rs 1,000. On the same date, another machine was purchased for Rs 75,000 which was erected on 30.09.2013. Accounts are closed on 31st December. Depreciation at 10% per annum on the original cost was written off. Show the Machinery Account from 2011 to 2013. [6]

OR

- On 1.1.2011 Machinery was purchased for Rs 80,000. On 1.7.2012 additions were made to the account of Rs 40,000. On 31.3.2013 machinery purchased on 1.7.2012 costing Rs 12,000 was sold for Rs 11,000 and on 30.6.2013 machinery purchased on 1.1.2011, costing Rs 32,000 was sold for Rs 26,700. On 1.10.2013 additions were made to the amount of Rs 20,000. Depreciation was provided at 10% p.a. on the Diminishing Balance Method. Show the Machinery Account for three years from 2011 to 2013 (Year ended 31st December).
26. Prepare Cash Book from the following transactions of Advance Technology, Mumbai for April, 2023 and post them in the Ledger Accounts: [6]

Date	Particulars	₹
2023 April 1	Cash in Hand	14,000
	Bank Overdraft	13,200
April 4	Wages paid	1,400
April 5	Cash sales	17,000
April 7	Purchased goods from Roshan, Kolkata for ₹ 15,000 less Trade Discount 20% and Cash Discount of 2% if paid in 7 days	
April 9	Purchased furniture for cash	10,000
April 10	Cash paid to Ronak ₹ 5,000 in settlement of his account of ₹ 5,100	
April 10	Issued cheque to Roshan in settlement	
April 13	Cheque issued to Roshan was dishonoured	
April 13	Cash sales	4,500



April 16	Bank charged interest on overdraft	500
April 18	Deposited in Bank	7,000
April 20	Paid telephone bill by cheque	600
April 25	Sold goods for ₹ 23,500 to Vimal and received cheque in settlement (Deposited same day), allowed him discount ₹ 500	
April 27	Paid rent	800
April 29	Drew cash for personal use	1,000
April 30	Paid salary.	2,000
April 30	Interest collected by bank	2,500

OR

Enter the following transactions in proper subsidiary books of Balram

2013		Amt (Rs.)
Jan 1	Sold goods to Ramesh	21,000
	Bought of Hari Ram,	31,200
Jan 2	Ramesh Returned goods	3,000
	Sold to Dina Nath	22,000
Jan 2	Purchased goods from Mangal	28,000
Jan 4	Returned goods to Mangal	4,000
Jan 4	Bought of Devi Dayal	13,000
Jan 4	Sold to Zakir Hussain	14,000
Jan 5	Zakir Hussain returned goods	1,800
Jan 6	Sold to Ram Saran	20,000
Jan 6	Sold to Ghanshyam	12,000
Jan 7	Ram Saran returned goods	2,000
Jan 7	Bought of Devi Dayal	28,000
Jan 8	Returned goods to Devi Dayal	3,000
Jan 9	Purchased goods from Raghu Nath subject to a trade discount of 10%	40,000
Jan 10	Sold to Raja Ram goods subject to trade discount of 5%	20,000

### Part B

27. Single entry system of accounting is not reliable because

[1]

- a) Trial balance cannot be prepared
- b) Trading and profit and loss account cannot be prepared
- c) The balance sheet cannot be prepared
- d) All of these

OR



Single entry system is also known as

- a) Accounts from incomplete records
- b) Accounts from Auditors
- c) Accounts from complete records
- d) Accounts for Real and Nominal nature

28. If sale is Rs.21,000 and cost of goods sold is 15,000, what is the actual profit: [1]

- a) 7000
- b) 12000
- c) 5000
- d) 6000

29. Choose the Liquid Assets from the following: [1]

- a) Stock
- b) Loose Tools
- c) None of these
- d) Prepaid Expenses

30. Trial Balance contains the following information: [1]

15% Bank Loan	₹ 40,000
Interest Paid	₹ 4,500

Interest debited to P & L A/c will be:

- a) ₹ 1,500
- b) ₹ 3,000
- c) ₹ 4,500
- d) ₹ 6,000

OR

Debts that were earlier written off, if recovered, are transferred to the credit side of

- a) Profit & Loss Account
- b) Debtors Account
- c) Trading Account
- d) Provision for Doubtful Debts Account

31. State by giving reasons whether the following items of expenditure are Capital or Revenue: [3]

- i. Expenditure incurred for raising loans.
- ii. Expenditure of registration of a trade mark.
- iii. Carriage paid on goods purchased.
- iv. Commission paid on net profit of the company to manager.
- v. Travelling expenses of a director for trip abroad for purchasing capital goods.
- vi. Damages on account of contract.
- vii. Compensation paid to a retrenched employee.

32. What is meant by provision for discount on debtors? [3]

33. Following is the extract of Trial Balance as on 31<sup>st</sup> March, 2023: [4]

Heads of Accounts	Debit (₹)	Credit (₹)
Debtors	1,20,000	—

Adjustment: Create a Provision for Doubtful Debts @ 5% on Debtors. Pass necessary entry and show these items in the Profit and Loss Account and the Balance Sheet.

OR

Profit of a firm for the year ended 31<sup>st</sup> March, 2023 is ₹ 21,000 before charging commission. Manager of the firm is entitled to commission of 5% on profit. Calculate commission payable to the Manager under following alternative cases:





**Case 1.** If Manager is allowed commission on profit before charging such commission, and

**Case 2.** If Manager is allowed commission on profit after charging such commission.

Also, show the treatment in Final Accounts for the year ended 31<sup>st</sup> March, 2023.

34. From the following balances, prepare Trading, Profit and Loss A/c and a Balance Sheet as at 31<sup>st</sup> March 2023:- [6]

Particulars	₹	Particulars	₹
Opening Stock	20,000	Goodwill	16,000
Purchases	2,92,000	Furniture and Fittings	58,000
Fuel and Power	34,000	Repair Charges	2,900
Capital	1,60,000	Bank	18,000
Sales	5,90,000	Salaries	1,10,000
Rent	10,000	General Expenses	18,000
Returns Inwards	16,000	Debtors	2,30,000
Cash Discount allowed	15,000	Creditors	1,35,000
Cash Discount received	19,000	Output CGST	5,000
Drawings	58,100	Output SGST	5,000
		Input CGST	8,000
		Input SGST	8,000

Take the following adjustments into account:

- General expenses include ₹ 5,000 chargeable to Furniture purchased on 1st October 2022.
- Create a provision of 5% on debtors for Bad and Doubtful Debts after treating ₹ 30,000 as a Bad-debt.
- Depreciation on furniture and Fittings for the year is to be at the rate of 10% per annum.
- Closing Stock was ₹ 40,000, but there was a loss by fire on 20<sup>th</sup> March to the extent of ₹ 8,000. Insurance Company admitted the claim in full.
- Goods costing ₹ 2,500 were used by the proprietor.
  - Goods costing ₹ 1,500 were distributed as free samples.

Goods were purchased paying CGST and SGST @ 6% each.

OR

The trial balance of M/s Taj & Co as on 31st December, 2013 was as follows.

Name of Accounts	Amt(Rs)	Name of Accounts	Amt(Rs)
Purchases	1,62,505	Sales	2,52,400
Sundry debtors	50,200	Provision for doubtful debts	5,200
Opening stock	26,725	Sundry creditors	30,526
Wages	23,137	Bills payable	3,950
Salaries	5,575	Outstanding wages	2,000
Furniture	7 250	Trade expenses accrued but not paid	700

Postage	4,226	Capital A/c	10,000
Power and fuel	1350		
Trade expenses	5331		
Bad debts	525		
Loan to Suraj @ 10% per annum(1st September, 2013)	3,000		
Cash at bank	10,000		
Drawings A/c	4,452		
	3,04,776		3,04,776

Prepare the trading and profit and loss account for the year ended 31st December, 2013 and the balance sheet after considering the following information.

- i. Depreciation on Furniture to be charged @10%.
- ii. Debtors include an item of Rs 500 due from a customer who has become insolvent.
- iii. Provision for doubtful debts @ 5% on sundry debtors is to be maintained.
- iv. Goods valued at Rs 1,500 destroyed by fire and insurance company admitted a claim for Rs 1,000.
- v. Stock on 31st December, 2013 was Rs 12,550



# Solution

## Part A

1.  
**(b)** Source documents  
**Explanation:**  
Source documents
2.  
**(b)** Assets, Capital, Liabilities, Revenue and Expenses  
**Explanation:**  
Assets, Capital, Liabilities, Revenue and Expenses
3.  
**(d)** ₹ 5,90,000  
**Explanation:**  
₹ 5,90,000

OR

- (a)** Balance sheet  
**Explanation:**  
Accounting equation depicts the fundamental relationship among the components of balance sheet.
4. **(a)** Both A and R are true and R is the correct explanation of A.  
**Explanation:**  
Both A and R are true and R is the correct explanation of A.
5.  
**(c)** Debit Note  
**Explanation:**  
Debit Note
6.  
**(d)** 2  
**Explanation:**  
2

OR

- (a)** A only  
**Explanation:**  
Unrealistic Information is a limitation of accounting here we record only those transaction which related to business.
7. **(a)** None of these  
**Explanation:**  
Answer will be None of these.  
A provision is usually an amount that is set aside from a company's profits, usually to cover an expected liability or a decrease in the value of an asset, even though the specific amount of the same might be unknown. A provision should not be understood as a form of savings, instead, it is a recognition of an upcoming liability, in advance.
8.  
**(b)** Liability Account



**Explanation:**

Sundry Creditors are the trade payables who come under the current liability.

OR

(b) i, ii, iii and iv

**Explanation:**

i, ii, iii and iv

9.

(b) Accounting standards

**Explanation:**

Accounting Standard is a selected set of accounting policies or broad guidelines issued by an accounting body, regarding the principles and methods to be chosen out of several alternatives. They are norms and not accounting concept as a concept is logical consideration and a notion which is generally and widely accepted. They have generally accepted accounting principles.

10. (a) All of these

**Explanation:**

All of these

11.

(c) Statement (iii) is Correct.

**Explanation:**

Items purchased for resale

12. (a) Purchases A/c - Dr.

**Explanation:**

Purchases A/c - Dr.

13.

(b) Commission received worth ₹ 2,000

**Explanation:**

On assets side, cash is increased by ₹ 2,000. On capital side, income will increase the capital by ₹ 2,000 and liabilities are assumed to be unchanged since, question does not mention any information.

14.

(d) Animals

**Explanation:**

Animals

OR

(d) Long-term Loans

**Explanation:**

Long-term Loans

15. (a) The Journal

**Explanation:**

The Journal

16.

(d) a charge against profit

**Explanation:**

Provision is a charge against profit.

17. A Trial Balance essentially proves the arithmetical correctness of the books of account. If totals of both the sides of a Trial Balance match then it is proved that books are at least arithmetically correct.

OR

## Trial Balance

Name of Accounts	Debit Amount (Rs)	Credit Amount (Rs)
Capital		5,00,000
Stock	70,000	
Creditors		1,00,000
Cash	1,80,000	
Bank Loan		1,50,000
Debtors	6,00,000	
Sales		3,00,000
Purchases	2,00,000	
<b>Total</b>	<b>10,50,000</b> =====	<b>10,50,000</b> =====

18.

### Journal Entry

Date	Particulars	L.F.	Amount (Dr.)	Amount (Cr.)
	Purchase A/c	Dr.		
	Input CGST A/c	Dr.		
	Input SGST A/c	Dr.		
	To Cash/Creditor			
	(Goods Purchase within state)			

OR

Particulars		Dr. (₹)	Cr. (₹)
Output IGST A/c	Dr.	₹ 15,000	
Output CGST A/c	Dr.	₹ 5,000	
To Input IGST A/c (Input GST set-off Against Output GST)			₹ 20,000

19. a. **Capital expenditure:** refers to the expenditure on an asset that is expected to provide utility to a business for more than one reporting period. Examples of capital expenditures are as follows: Buildings (included extended part), Computer equipment (including installation charges).

b. **Non-current assets:** are a company's long-term investments for which the full value will not be realized within the accounting year. Examples of non-current assets include investments in other companies, intellectual property (e.g. patents), and property, plant and equipment.

20. A ledger is the principal book or computer file for recording and totalling economic transactions measured in terms of a monetary unit of account by account type, with debits and credits in separate columns and a beginning monetary balance and ending monetary balance for each account. The ledger is a permanent summary of all amounts entered in supporting journals which list individual transactions by date. Every transaction flows from a journal to one or more ledgers. A company's financial statements are generated from summary totals in the ledgers, i.e. Trial Balance, Trading, Profit & Loss A/c and Balance Sheet.

21.

## Cash Book

[illegible]

Bank						Bank					
Date	Particulars	L/F	Cash	ICICI	Axis	Date	Particulars	L/F	Cash	ICICI	Axis
			(Rs.)	(Rs.)	(Rs.)				(Rs.)	(Rs.)	(Rs.)
2013						2013					
Mar 1	To Balanced b/d		85,000	2,50,000		Mar 1	By Balance b/d				1,75,000
Mar 3	To Sales A/c		70,000			Mar 5	By Salaries A/c			1,00,000	
Mar 8	To Raj				90,000	Mar 10	By ICICI	C	50,000		
Mar 10	To Cash A/c	C		50,000		Mar 12	By Axis	C		30,000	
Mar 12	To ICICI	C			30,000	Mar 15	By Cash A/c	C		80,000	
Mar 15	To ICICI	C	80,000			Mar 15	By Balance c/d		1,85,000	90,000	
Mar 15	To Balance c/d				55,000						
			2,35,000 =====	3,00,000 =====	1,75,000 =====				2,35,000 =====	3,00,000 =====	1,75,000 =====
Mar 16	To Balance c/d		1,85,000	90,000		Mar 16	By Balance c/d				55,000

The cash book is used to record receipts and payments of cash. It works as a book of original entry as well as a ledger account. The entries related to receipt and payment of cash are first recorded in the cash book and then posted to the relevant ledger accounts.

22.

**Bank Reconciliation Statement  
as on March., 31 2023**

Particulars	Cr.	Dr.
Balance as per pass book (Cr.)	6,000	
Cheques not yet presented (1,500 - 900)		600
Cheque not yet credited by bank	800	
Bank Interest		85
Cheque not debited in cash book		510
Balance as per cash book (Dr.) (Balance figure)		5,605
	<b>6,800</b>	<b>6,800</b>

OR

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

Particulars	(+)	(-)
Unfavourable balance as per Pass Book (Dr.)	-	10,000
Cheques not yet presented	-	20,000
Interest on overdraft	1,500	-
Cheques not yet collected	20,000	-
Insurance premium paid by the bank as per standard instruction	100	-



Commission charged by bank	200	-
Unfavourable balance as per Cash book (Cr.)	8,200	-
	<b>30,000</b>	<b>30,000</b>

23.

**IN THE BOOKS OF MOHIT**  
**JOURNAL ENTRIES**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2023				
Apr. 01	Cash A/c	Dr.	50,000	
	To Capital A/c			50,000
	(Business started with cash as capital)			
Apr. 03	Purchases A/c	Dr.	20,000	
	To Rani A/c			20,000
	(Goods purchased from Rani on credit)			
Apr. 04	Rani A/c	Dr.	10,000	
	To Cash A/c			10,000
	(Cash paid to Rani)			
Apr. 06	Rahul A/c	Dr.	25,000	
	To Sales A/c			25,000
	(Goods sold to Rahul on credit)			
Apr. 08	Cash A/c	Dr.	20,000	
	To Rahul A/c			20,000
	(Cash received from Rahul)			
Apr. 12	Purchases A/c	Dr.	12,000	
	To Rani A/c			12,000
	(Goods purchased from Rani on credit)			
Apr. 18	Rani A/c	Dr.	20,000	
	To Cash A/c			20,000
	(Cash paid to Rani)			
Apr. 25	Rahul A/c	Dr.	10,000	
	To Sales A/c			10,000
	(Goods Sold to Rahul)			
Apr. 30	Cash A/c	Dr.	6,000	
	To Rahul A/c			6,000
	(Cash received from Rahul)			

**LEGDER ACCOUNTS**  
**IN THE BOOKS OF MOHIT**  
**CASH ACCOUNT**



Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 01	To Capital A/c		50,000	Apr. 04	By Rani A/c		10,000
Apr. 08	To Rahul A/c		20,000	Apr. 18	By Rani A/c		20,000
Apr. 30	To Rahul A/c		6,000	Apr. 30	By Balance c/d		<u>46,000</u>
			<u>76,000</u>				<u>76,000</u>
May. 01	To Balance b/d		46,000				

#### CAPITAL ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 30	To Balance c/d		<u>50,000</u>	Apr. 01	By Cash A/c		50,000
			<u>50,000</u>				<u>50,000</u>
				May. 01	By Balance b/d		50,000

#### PURCHASE ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 03	To Rani A/c		20,000	Apr. 30	By Balance c/d		32,000
Apr. 12	To Rani A/c		<u>12,000</u>				
			<u>32,000</u>				<u>32,000</u>
May. 01	To Balance b/d		32,000				

#### RANI ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 04	To Cash A/c		10,000	Apr. 03	By Purchases A/c		20,000
Apr. 18	To Cash A/c		20,000	Apr. 12	By Purchases A/c		12,000
Apr. 30	To Balance c/d		<u>2,000</u>				
			<u>32,000</u>				<u>32,000</u>
				May. 01	By Balance b/d		2,000

#### RAHUL ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 06	To Sales A/c		25,000	Apr. 08	By Cash A/c		20,000
Apr. 25	To Sales A/c		10,000	Apr. 30	By Cash A/c		6,000
				Apr. 30	By Balance c/d		<u>9,000</u>





			<u>35,000</u>			<u>35,000</u>
May. 01	To Balance b/d		9,000			

#### SALES ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
Apr. 30	To Balance c/d		35,000	Apr. 06	By Rahul A/c		25,000
				Apr. 25	By Rahul A/c		10,000
			<u>35,000</u>				<u>35,000</u>
				May. 01	By Balance b/d		35,000

OR

#### JOURNAL OF PANKAJ

Date	Particulars		L.F.	Dr. (₹)	Cr. (₹)
2023					
April 1	Cash A/c	Dr.		1,00,000	
	To Capital A/c (Capital introduced by Pankaj)				1,00,000
April 2	Bank A/c	Dr.		50,000	
	To Cash A/c (Bank account opened with personal cheque)				50,000
April 3	Computer A/c	Dr.		20,000	
	To Cash A/c (Computer purchased)				20,000
April 4	Repairs A/c	Dr.		2,500	
	To Cash A/c (Repairs expenses paid)				2,500
April 5	Purchases A/c	Dr.		10,000	
	To Cash A/c (Goods Purchased for cash)				10,000
April 6	Purchases A/c	Dr.		1,00,000	
	To Paras & Co. (Goods Purchased on credit)				1,00,000
April 7	Cash A/c	Dr.		20,000	
	To Sales A/c (Goods sold for cash)				20,000
April 8	Deepak & Co.	Dr.		75,000	
	To Sales A/c (Goods sold on credit)				75,000
April 9	Sales Return A/c	Dr.		15,000	



	To Deepak & Co. (Goods returned by Deepak & Co.)				15,000
April 10	Paras & Co.	Dr.		8,000	
	To Purchases Return A/c (Goods returned to Paras & Co.)				8,000
April 11	Salaries A/c	Dr.		15,000	
	To Cash A/c (Salaries paid)				15,000

24. The entries for rectification of the errors are as follows:

**Journal**

Date	Particulars	LF	Amt(Dr)	Amt(Cr)
	Advertising A/c	Dr	5,000	
	To Purchase A/c			5,000
	(Being goods distributed as free samples ₹ 5,000 were not recorded in the books, now rectified)			
	Drawings A/c	Dr	2,000	
	To Purchases A/c			2,000
	(Being goods withdrawn for personal use were not recorded, now rectified).			
	Suspense A/c	Dr	6,000	
	To Debtor's A/c			6,000
	(Being bills receivable received from debtors ₹ 6,000 was not posted to his account, now rectified)			
	Return Inwards A/c	Dr	1,200	
	Return Outwards A/c	Dr	1,200	
	To Suspense A/c			2,400
	(Being total of return inward book, posted to return outward book, now rectified)			
	Discount Allowed A/c	Dr	630	
	To Reema			630
	(Being discount allowed to Reema ₹ 700, wrongly recorded as ₹ 70 only, now rectified)			

OR

**Journal Entry**

S. No.	Particulars	L.F.	Amount (Dr.)	Amount (Cr.)
(i)	Suspense A/c	Dr.	1,000	
	To Sales return Book			1,000
	(Sales return Book over cost Rectified)			
(ii)	Machinery A/c	Dr.	9,600	
	To Purchase A/c			6,900
	To Karan A/c			2,700
	(wrongly entered in Purchase Book)			



(iii)	Suspense A/c	Dr.	5,000	
	Purchase A/c	Dr.	5,000	
	To Purchase return			10,000
	(wrongly entered in purchase return)			
(iv)	Rent A/c	Dr.	12,000	
	To Landlord			12,000
	(wrongly Debited to Landlord Account)			
(v)	Cash A/c	Dr.	3,000	
	To Bad Debt recovered			3,000
	(Bad debt recovered of ₹ 3,000)			

25.

**In the Books of...  
Machinery Account**

Dr.				Cr.			
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2011 Jan 1	To Cash Account (M1)		50,000	2011 Dec. 31	By Depreciation Account		
	To Cash Account (M1)		8,000		(M1)		5,800
2011 Jan 1	To Cash Account (M2)		30,000		(M2)		1,500
				2011 Dec. 31	By Balance c/d		
					Machine (1)		52,200
					Machine (2)		28,500
			<b>88,000</b>				<b>88,000</b>
2012 Jan 1	To Balance b/d			2012 Dec. 31	By Depreciation Account		
	Machine (1)	52,200			(1)		5,800
	Machine (2)	28,500	80,700		(2)		3,000
				2012 Dec. 31			
					Machine (1)		46,400
					Machine (2)		25,500
			<b>80,700</b>				<b>80,700</b>
2013 Jan 1	To Balance b/d			2013 July 1	By Bank Account (Sales)		24,000
	Machine (1)	46,400			By Depreciation Account		2,900
	Machine (2)	25,500	71,900		By Profit and Loss Account (Loss on Sale)		19,500
2013 July	To Cash Account		75,000	2013 Dec	By Depreciation Account		



1	(M3)			31			
					Machine (2)	3,000	
					Machine (3)	1,875	4,875
				2013 Dec 31	By Balance c/d		
					Machine (2)	22,500	
					Machine (3)	73,125	95,625
			<b>1,46,900</b>				<b>1,46,900</b>

Working Notes:

i. Total Sale Price = Rs 25,000 - Rs 1,000 dismantling charges = Rs. 24,000

ii. Total loss on sale = Rs 46,400 - Rs 2,900 = Rs. 43,500 - 24,000 = Rs. 19,500

OR

**In the Books of ...  
Machinery Account**

Dr.				Cr.			
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
1.1.11	To Bank A/c (M1)		80,000	31.12.11	By Depreciation A/c (M1)		8,000
				31.12.11	By Balance c/d		72,000
			<b>80,000</b>				<b>80,000</b>
1.1.12	To Balance b/d		72,000	31.12.12	By Depreciation A/c		
1.7.12	To Bank A/c (M2)		40,000		(M1)	7,200	
					(M2)	2,000	9,200
				31.12.12	By Balance c/d		
					(M1)	64,800	
					(M2)	38,000	1,02,800
			<b>1,12,000</b>				<b>1,12,000</b>
1.1.13	To Balance b/d			31.3.13	By Depreciation A/c		285
	( M1 ) 64,800			31.3.13	By Bank A/c (Sales)		11,000
	( M2 ) 38,000		1,02,800	31.3.13	By Profit & Loss A/c (Loss on sale)		115
30.6.13	To Profit & Loss A/c (Profit on Sale)		2,076	30.6.13	By Depreciation A/c		1,296
1.10.13	To Bank A/c (M3)		20,000	30.6.13	By Bank A/c (Sale of machinery )		26,700
				31.12.13	By Depreciation A/c		
					( M1 )	3,888	
					( M2 )	2,660	
					( M3 )	500	7,048
				31.12.13	By Balance c/d		78,432
			<b>1,24,876</b>				<b>1,24,876</b>



1.1.14	To Balance b/d		78,432						
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#### Working Notes:

S. No.	Particular	Amount (Rs)
1.	Depreciation on Rs. 40,000 for 6 months = $40,000 \times \frac{10}{100} \times \frac{6}{12} =$	2,000
2.	Cost of Machinery (1.7.2012)	12,000
	Less: Depreciation for 6 months (Value on 1.1.2013)	600
		<b>11,400</b>
	Depreciation for 3 months = $11,400 \times \frac{10}{100} \times \frac{3}{12} =$ Rs 285	
3.	Loss on Sale of Machinery cost on 1.1.2013 (12,000 - 600)	11,400
	Less: Depreciation (for 3 months)	285
	Net Value of assets on 1.3.2013	11,115
	Less: Sale Price of machinery	11,000
	Loss on Sale of machinery	115
4.	Cost of Machinery (1.1.2011)	32,000
	Less: Depreciation Cost on 1.4.2012	3,200
		28,800
	Less: Depreciation Cost on 1-4-2013	2,880
		25,920
	For 6 Months ( $25,920 \times \frac{10}{100} \times \frac{6}{12}$ )	(1,296)
	Value of machinery on 30.6.2013	<b>24,624</b>
5.	Sale Price of machinery	26,700
	Less: Cost Price of machinery as on 30.6.13	24,624
	Profit on Sale of machinery	<b>2,076</b>
6.	Depreciation on 1st Machinery: Cost (1.1.2013)	64,800
	(-) Cost of Machinery sold as on 1.1.2013	25,920
	Balance of machinery	<b>38,880</b>
	Depreciation = $38,880 \times \frac{10}{100} =$ Rs 3,888	
7.	Depreciation on 2nd Machinery:	
	Cost of machinery on (1.1.2013)	38,000
	(-) Cost of Machinery sold	11,400
	Book value of machinery	<b>26,600</b>
	Depreciation = $26,600 \times \frac{10}{100} =$ Rs 2,660	
8.	Depreciation on 3rd Machinery: $20,000 \times \frac{10}{100} \times \frac{3}{12} =$ Rs 500	

26.

#### In the Books of Advance Technology, Mumbai

#### CASH BOOK

Dr.					Cr.				
Date	Particulars	L.F.	Cash	Bank (₹)	Date	Particulars	L.F.	Cash (₹)	Bank (₹)



			(₹)					
2023					2023			
April 1	To Balance b/d		14,000	-	April 1	By Balance b/d	-	13,200
April 5	To Sales A/c		17,000	-	April 4	By Wages A/c	1,400	-
April 13	To Roshan		-	11,760	April 9	By Furniture A/c	10,000	-
April 13	To Sales A/c		4,500	-	April 10	By Ronak	5,000	-
April 18	To Cash A/c	C	-	7,000	April 10	By Roshan	-	11,760
April 25	To Vimal		-	23,000	April 16	By Interest A/c	-	500
April 30	To Interest Received A/c		-	2,500	April 18	By Bank A/c	C	7,000
					April 20	By Telephone Expenses A/c	-	600
					April 27	By Rent A/c	800	-
					April 29	By Drawings A/c	1,000	-
					April 30	By Salary A/c	2,000	-
					April 30	By Balance c/d	8,300	18,200
			35,500	44,260			35,500	44,260
May 1	To Balance b/d		8,300	18,200				

Note: Transaction of 7th April, 2023 being purchase of goods is a credit transaction. Hence, will not be recorded in Cash Book.

Journal entries for Discount Received and Discount Allowed are:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2023				
April 10	Ronak Dr.		100	
	To Discount Received A/c (Discount received on payment)			100
April 10	Roshan Dr.		240	
	To Discount Received A/c (Discount received on payment)			240
April 13	Discount Received A/c Dr.		240	
	To Roshan (Discount received from Roshan reversed on cheque being dishonoured)			240
April 25	Discount Allowed A/c Dr.		500	
	To Vimal (Discount allowed on receipts)			500

#### Ledger

#### WAGES ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹



2023							
April 4	To Cash A/c		1,400				

#### SALES ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
				2023			
				April 5	By Cash A/c		17,000
				April 13	By Cash A/c		4,500
				April 25	By Vimal		23,500

#### Roshan

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
April 10	To Bank A/c		11,760	April 13	To Bank A/c		11,760
April 10	To Discount Received A/c		240	April 13	By Discount Received A/c		240

#### Vimal

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
April 25	To Sales A/c		23,500	April 25	By Bank A/c		23,000
				April 25	By Discount Allowed A/c		500

#### FURNITURE ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 9	To Cash A/c		10,000				

#### Ronak

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 10	To Cash A/c		5,000				
April 10	To Discount Received A/c		100				

#### INTREST ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 16	To Bank A/c		500				

#### TELEPHONE EXPENSES ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹



2023							
April 20	To Bank A/c		600				

#### RENT ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 27	To Cash A/c		800				

#### DRAWINGS ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 29	To Cash A/c		1,000				

#### SALARY ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 30	To Cash A/c		2,000				

#### DISCOUNT ALLOWED ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023							
April 25	To Vimal		500				

#### INTEREST RECEIVED ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
				2023			
				April 30	By Bank A/c		2,500

#### DISCOUNT RECEIVED ACCOUNT

Dr.				Cr.			
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2023				2023			
April 13	To Roshan		240	April 10	By Ronak		100
				April 10	By Roshan		240

OR

**Subsidiary Books** are those books of original entry in which transactions of similar nature are recorded at one place and in chronological order. In a big concern, recording of all transactions in one Journal and posting them into various ledger accounts will be very difficult and involve a lot of clerical work.

In this question there is a need to draw Purchase Book, Sales Book, Sales Return Book, & Purchase Return Book.

**Purchase Book** is that book in which we record all the business credit transactions related to the purchase of goods only. It is an original entry book like a Cash Book. ... It is also known as purchase register, purchase day book, purchase journal and purchase invoice book.





**Sales book** is a book in which non-cash sales are recorded with details of customer, invoice, amount and date; these details are later posted to each customer's account in the sales ledger.

At times the buyer may return goods due to poor quality, inaccurate quantity, untimely delivery or other reasons. It is also called returns inwards and an appropriate **sales return** or a returns inward book is maintained.

**Purchases returns book** is a book in which the goods returned to suppliers are recorded. It is also called returns outward book or purchases returns day book. Goods may be returned because they are of the wrong kind or not up to sample or because they are damaged etc.

The above mentioned all books are prepared as follows:-

#### Purchase Book

Date	Particulars		Invoice No.	LF	Details (Rs.)	Total Amt (Rs.)
2013						
Jan 1	Hari Ram					31,200
Jan 2	Mangal					28,000
Jan 4	Devi Dayal					13,000
Jan 6	Devi Dayal					28,000
Jan 6	Raghu Nath		40,000			
Jan 10	(-) Trade Discount 10%		4,000			36,000
	<b>Purchase A/c</b>	<b>Dr</b>				<b>1,36,200</b>

#### Sales Book

Date	Particulars		Invoice No.	LF	Details (Rs.)	Total Amt (Rs.)
2013						
Jan 1	Ramesh					21,000
Jan 2	Dina Nath					22,000
Jan 4	Zakir Hussain					14,000
Jan 6	Ram Saran					20,000
Jan 6	Ghanshyam					12,000
Jan 10	Raja Ram				20,000	
	(-) Trade Discount @ 5%				1,000	19,000
	<b>Sales A/c</b>	<b>Cr</b>				<b>1,08,000</b>

#### Purchase Returns Book

Date	Particulars		Debit Note No.	LF	Details (Rs.)	Total Amt (Rs.)
2013						
Jan 4	Mangal					4,000
Jan 8	Devi Dayal					3,000
	<b>Purchases Returns A/c</b>	<b>Cr</b>				<b>7,000</b>

#### Sales Returns Book

Date	Particulars		Credit Note No.	LF	Details (Rs.)	Total Amt (Rs.)
2013						



Jan 2	Rajesh					3,000
Jan 5	Zakir Hussain					1,800
Jan 7	Ram Saran					2,000
	Sales Returns A/c	<b>Dr</b>				<b>6,800</b>

**Part B**

27.

**(d)** All of these

**Explanation:**

Accounts from incomplete records system' sometimes for certain transaction both aspects are recorded, for others one aspects are recorded and some transactions are not even recorded. Therefore this system of accounting is not reliable, but it is a simple method.

OR

**(a)** Accounts from incomplete records

**Explanation:**

every transaction in single entry system has only one effect. only personal and real account are there in single entry system. nominal account is not there.

28.

**(d)** 6000

**Explanation:**

sale - cost will give us the profit i.e.  $21000 - 15000 = 6000$

29.

**(c)** None of these

**Explanation:**

None of these

30.

**(d)** ₹ 6,000

**Explanation:**

₹ 6,000

OR

**(a)** Profit & Loss Account

**Explanation:**

Profit & Loss Account

31.
  - i. Capital expenditure, reason its benefit exhaust more than a accounting period.
  - ii. Capital expenditure, reason expense related to registration is added to cost of trade mark.
  - iii. Revenue expenditure, reason its a normal course of business activity.
  - iv. Revenue expenditure, reason Its a operating expense.
  - v. Capital expenditure, reason it's included in the cost of capital goods.
  - vi. Revenue expenditure, reason it's a normal course of business expense.
  - vii. Revenue expenditure, reason it's a operating expense.
32. Provision for discount on debtors is created to enable the firm to provide for the foreseen loss in terms of a discount to be allowed to the debtors. It is debited to Profit and Loss Account. It is calculated on the net value of debtors i.e. after subtracting bad debts and provision for doubtful debts from the value of debtors.

33.

**In the Books of...**

**Profit and Loss Account**

**for the year ended 31<sup>st</sup> March, 2023**



Particulars	Amount (₹)	Particulars	Amount (₹)
To New provision for Doubtful Debts (₹ 1,20,000 × $\frac{5}{100}$ )	6,000		

**Balance Sheet of ...**  
**as at 31<sup>st</sup> March, 2023**

Liabilities	Amount (₹)	Assets	Amount (₹)
		<b>Current Assets:</b>	
		Debtors	1,20,000
		Less: New Provision Doubtful Debts @ 5%	6,000
			1,14,000

**Journal Entries in the books of ...**

Date	Particulars	L.F.	Debit	Credit
2023 March 31	Profit and Loss A/c	Dr.	6,000	
	To Provision for Doubtful Debts A/c (Provision made for Doubtful Debts)			6,000

OR

**Case 1:** Commission allowed on profit before charging such commission:

$$\text{Commission} = \text{Profit before charging such commission} \times \frac{\% \text{ of Commission}}{100}$$

$$= ₹ 21,000 \times \frac{5}{100} = ₹ 1,050$$

**Case 2:** Commission allowed on profit after charging such commission:

$$\text{Commission} = \text{Profit before charging such commission} \times \frac{\% \text{ of Commission}}{100 + \% \text{ of Commission}}$$

$$= ₹ 21,000 \times \frac{5}{105} = ₹ 1,000$$

**PROFIT & LOSS ACCOUNT for the year ended 31<sup>st</sup> March, 2023**

Dr.			Cr.
Particulars	₹	Particulars	₹
To Manager's Commission Outstanding	1,000		

**BALANCE SHEET as at 31<sup>st</sup> March, 2023**

Liabilities	₹	Assets	₹
Manager's Commission Outstanding	1,000		

34.

**Trading Account**

**for the year ended March 31<sup>st</sup>, 2023**

Dr.				Cr.
Particulars		Amount (₹)	Particulars	Amount (₹)
To Opening Stock		20,000	By Sales	5,90,000
To Purchases	2,92,000		Less: Return Inwards	(16,000)
Less: Goods Destroyed by Fire	(8,000)		By Closing Stock	40,000
Less: Drawings	(2,500)			
Less: Advertisements	(1,500)	2,80,000		
To Fuel and Power		34,000		



To Gross Profit c/d (Balancing Figure)		2,80,000			
		<b>6,14,000</b>			<b>6,14,000</b>

**Profit and Loss Account**  
for the year ended March 31<sup>st</sup>, 2023

Dr.			Cr.		
Particulars		Amount (₹)	Particulars		Amount (₹)
To Depreciation on Furniture		6,050	By Gross Profit b/d		2,80,000
To General Expenses	18,000		By Discount Received		19,000
Less: Furniture	(5,000)	13,000			
To Rent		10,000			
To Further Bad Debts	30,000				
Add: New Provision	10,000	40,000			
To Discount Allowed		15,000			
To Repair Charges		2,900			
To Advertisement (Free Samples)		1,680			
To Salaries		1,10,000			
To Net Profit (Balancing Figure) (transfer to capital account)		1,00,370			
		<b>2,99,000</b>			<b>2,99,000</b>

**Balance Sheet**  
as at March 31, 2023

Liabilities		Amount (₹)	Assets		Amount (₹)
Capital	1,60,000		<b>Fixed Assets</b>		
Add: Net Profit	1,00,370		Furniture & Fittings	58,000	
Less: Drawings	(60,900)	1,99,470	Add: Additions	5,000	
<b>Current Liabilities</b>			Less: Depreciation	(6,050)	56,950
Creditors		1,35,000	Goodwill		16,000
			<b>Current Assets</b>		
			Closing Stock		40,000
			Insurance company (8,000 + 12% GST)		8,960
			Input CGST (8,000 - 240 - 480) = 7,280		
			Less: Output CGST = 5,000		2,280
			Input CGST (8,000 - 240 - 480) = 7,280		
			Less: Output CGST = 5,000		2,280
			Cash at Bank		18,000
			Debtors	2,30,000	
			Less: Bad Debts	(30,000)	
			Less: Prov. for Bad Debts	(10,000)	1,90,000



		3,34,470			3,34,470
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**Working Note:-**

Calculation of Drawings = ₹ 58,100 + ₹ 2,800 (2,500 + 300 (GST)) = ₹ 60,900

**Calculation of Depreciation:**

Depreciation on Furniture (i) = 58,000 × 10% = 5,800

Depreciation on Furniture (ii) = 5,000 × 10% ×  $\frac{6}{12}$  = 250

Total Depreciation = ₹ 5,800 + ₹ 250 = ₹ 6,050

**Calculation of outstanding rent:**

Outstanding Rent = 10,000 ×  $\frac{2}{10}$  = ₹ 2,000

**Calculation of Provision for Doubtful debts:-**

Provision for doubtful debts = Sundry Debtors - further Bad debts × Rate

Provision for doubtful debts = (₹ 2,30,000 - ₹ 30,000) × 5 %

Provision for doubtful debts = ₹ 10,000

When adjustments are given in trial balance all the adjustments will be taken in the balance sheet only. Adjustments that are given after trial balance will be shown both in trading and profit and loss account and balance sheet.

OR

**Trading and Profit and loss Account**

for the year ended 31st December, 2013

Dr					Cr
Particulars		Amt(Rs)	Particulars		Amt(Rs)
To Opening Stock		26,725	By Sales		2,52,400
To purchases	1,62,505		By Closing Stock		12,550
Less : goods lost by fire	(1,500)	1,61,005			
To Wages		23,137			
To Power and Fuel		1,350			
To Gross Profit transferred to Profit & Loss A/c		52,733			
		2,64,950			2,64,950
To Depreciation on Furniture		725	By Gross Profit b/f from Trading A/c		52,733
To Loss on goods destroyed by fire(1,500 - 1,000)		500	By Provision for Doubtful Debts (Old)	5,200	
To Salaries		5,575	Less :Bad Debts(525 + 500)	(500)	
To postage		4,226	Further Bad-debts	(525)	
To Trade Expenses		5,831	Less: Provision for Bad Debts( @5% on Rs.49,700)	(2,485)	1,690
To Net Profit Transferred to Capital A/c		37,666	By Accrued Interest on Loan(3,000 × 10/100 × 4/12)		100
		54,523			54,523

**Balance Sheet**

as at 31st March,2013

Liabilities		Amt(Rs)	Assets		Amt(Rs)
<b>Current Liabilities</b>			<b>Fixed Assets</b>		
Outstanding wages*		2,000	Furniture	7,250	
Trade Expenses not paid*		700	(-)Depreciation	(725)	6,525



Sundry Creditors		30,526	<b>Current Assets</b>		
Bills Payable		3,950	Cash at Bank		10,000
<b>Capital</b>		200	Insurance Claim for goods lost in fire		1,000
Opening Balance	10,000		Closing Stock		12,550
Less : Drawings	(4,452)		Sundry Debtors	50,200	
	5,548		(-)Further Bad Debts	500	
Add : Net Profit	37,666	43,214		49,700	
			(-)Provision for Doubtful Debts( $49,700 \times 5/100$ )	2,485	
			Loan to Suraj	3,000	
			(+)Accrued Interest on Loan	100	3,100
		80,390			80,390

\*Note : As Outstanding wages and outstanding trade expenses are given inside the Trial Balance, these are shown in Liabilities side only. These are not debited to Profit & Loss A/c.