

CLASS –XI
ASSIGNMENT- 16

SUBJECT – ACCOUNTANCY
TOPIC – FINANCIAL STATEMENTS

- Q1) What are financial statements? Enumerate the users of such statements.
Q2) Explain with the help of an example, the meaning of contingent liability.
Q3) Distinguish between:
- a) Trading and Profit and Loss A/c and Balance sheet
 - b) Tangible assets and intangible assets
 - c) Fixed assets and current assets
 - d) Trial balance and Balance sheet
 - e) Capital expenditure and revenue expenditure.
- Q4) Opening stock- Rs. 5,000; sales- Rs. 16,000; carriage inward- Rs.1,000; sales return- Rs.1,000; gross profit- Rs.6,000; purchases- Rs.10,000; purchase returns- Rs.900. Calculate the closing stock and the cost of goods sold.
- Q5) Following are the extracts of a trial balance as at 31st March, 2002

Particulars	Dr.(Rs.)	Cr.(Rs.)
Plant & Machinery	80,000	
Accumulated depreciation on plant & machinery		30,000
Wages	5,000	

A machinery costing Rs.20,000 was purchased on 1st October, 2001 but it was not recorded in the books as no payment was made for it. Wages Rs. 1,000 paid for its installation have been debited to wages A/c. Provide depreciation according to written down value method on plant and machinery @ 10% p.a. Show how the above information will appear in the final accounts.

- Q6) Following are the extracts of a trial balance as at 31st March, 2002

Particulars	Dr.(Rs.)	Cr. (Rs.)
Debtors	2,06,000	
Bad debts	2,000	
Provision for doubtful debts		15,000

Show how these items will appear in the final accounts in each of the following alternative cases:

- Increase bad debts by Rs. 6,000 and provision for doubtful debts is no longer required.
- Bad debts increased to Rs. 16,000 and provision for doubtful debts is no longer required.
- Increase the bad debts provision by Rs. 1,000.
- Further bad debts amounted to Rs. 6,000. Maintain a provision for doubtful debts @ 5% on debtors.
- Further bad debts amounted to Rs. 6,000. Maintain a provision for doubtful debts @ 2% on debtors.
- Bad debts increased to Rs. 6,000. Bad debts provision to be increased by Rs. 6,000.

Q) From the following balances taken from the ledger of Shri Krishna on 31st March, 2002, prepare the Trading and

Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at 31st March, 2002:

	Rs.		Rs.
Creditors	19,000	Bad debts	100
Building	15,000	Loan from Ram	2,500
Income tax	1,025	Sundry debtors	9,500
Loose tools	1,000	Investments	6,500
Cash at bank	16,200	Provision for doubtful debts	1,600
Sundry expenses	1,990	Rent and rates	850
Bank interest (Cr.)	75	Furniture	3,000
Purchases	1,57,000	Stock(1.4.2001)	27,350
Wages	10,000	Capital	47,390
Carriage inwards	1,120	Discount allowed	630
Sales	1,85,000	Dividends received	535
Motor Van	12,500	Drawings	2,000
Cash in hand	335	Bills Payable	10,000

Adjustments to be taken into account:

- Write off further Rs. 300 as bad out of Sundry Debtors and create a provision for doubtful debts @ 20% on debtors.
- Dividends accrued and due on investments is Rs.135. Rates paid in advance Rs.100 and wages owing Rs. 450.
- On 31st March, 2002, stock was valued at Rs. 15,000 and loose tools were valued at Rs.800.
- Write off 5% for depreciation on buildings and 40% on motor van.
- Provide for interest at 12% per annum due on loan taken on 1.6.2001.
- Income tax paid has to be treated as drawings.

Q) From the following figures extracted from the books of Shri Govind, you are required to prepare a Trading and

Profit and Loss Account for the year ended 31st March, 2002 and a Balance Sheet as on that date after making the necessary adjustments:

Particulars	Amt.	Particulars	Amt.
Shri Govind's capital	2,28,000	Stock(1.4.01)	38,500
Shri Govind's drawings	13,200	Wages	35,200
Plant and machinery	99,000	Sundry Creditors	44,000
Freehold Property	66,000	Postage and Telegrams	1,540
Purchases	1,10,000	Insurance	1,760
Returns outward	1,100	Gas and fuel	2,970
Salaries	13,200	Bad debts	660
Office expenses	2,750	Office rent	2,860
Office furniture	5,500	Freight	9,900
Discount (Dr.)	1,320	Loose tools	2,200
Sundry debtors	29,260	Factory lighting	1,100
Loan to Shri Krishna @ 10% p.a.(balance on 1.4.01)	44,000	Provision for doubtful debts	880
Cash at bank	29,260	Interest on loan to Shri Krishna	1,100
Bills Payable	5,500	Cash in hand	2,640
		Sales	2,31,440

Adjustments:

- a) Stock on 31st March, 2002 was valued at Rs. 72,600
- b) A new machine was installed during the year costing Rs. 15,400 but it was not recorded in the books as no
Payment was made for it. Wages, Rs.1,100 paid for its erection have been debited to wages
Account.
- c) Depreciate Plant and machinery by 33-1/3%, furniture by 10% and freehold property by 6%.
- d) Loose tools were valued at Rs. 1,760 on 31.3.02.
- e) Of the sundry debtors Rs. 660 are bad and should be written off.
- f) Maintain a provision of 5% on sundry debtors for doubtful debts.
- g) The manager is entitled to a commission of 10% of the net profits after charging such
commission.