

FS of Sole Proprietorship

Learning Objectives

Illustration 1 Calculate the amount of operating profit from the following balances:

Rs.

Net sales 5,00,000

Cost of goods sold 3,00,000

Operating Expenses 1,20,000

Solution:

Operating Cost= Cost of Goods Sold+ Operating expenses

= Rs.3,00,000+ Rs.1,20,000

= Rs.4,20,000

Operating Profit= Net Sales- Operating Cost

=Rs.5,00,000-Rs.4,20,000

=Rs. 80,000

Illustration 2: Calculate the value of closing stock from the following information:

	Rs.		Rs.
Purchases	93,000	Wages	20,000
Sales	1,20,000	Carriage Outward	3,200

Rate of Gross Profit 40% on sales.

Solution:

Trading Account for the year ended

Dr. Cr.

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
To Purchases	93,000	By Sales	1,20,000
To Wages	20,000	By Closing Stock (Bal. Fig.)	41,000
To Gross Profit (Transferred to Profit & Loss Account)	48,000		
	1,61,00		1,61,000

Illustration 3: This information is provided by Mr. Ojas

Stock as on 01.04.2012 Rs. 20,000

During the year Sales was Rs. 4,00,000; Purchases Rs. 2,90,000; Carriage Inwards Rs. 8,000; Clearing charges Rs. 10,000; Sales Returns Rs. 3,000; Purchases Returns Rs. 4,000; Carriage Outwards Rs. 5,000 and Stock on 31.03.2013 was Rs. 30,000.

Calculate cost of goods sold and prepare Trading Account for the year ending 31.03.2013.

Solution:

Trading Account for the year ended on March 31, 2013

Dr. Cr.

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
To Opening Stock			
To Purchases 2,90,000	20,000	By Sales	4,00,000
Less: Returns 4,000	2,86,000	Less: Sales Returns (3,000)	3,97,000
To Carriage Inwards	8,000		

To Clearing Charges	10,000	By Closing Stock	1,30,000
To Gross Profit (Transferred to Profit & Loss Account)	1,03,000		
	4,27,000		4,27,000

Cost of goods sold = Net Sales - Gross Profit

= Rs. 3,97,000 - Rs. 1,03,000

= Rs. 2,94,000

Formal of Profit & Loss Account Profit &

Loss Account for the Year Ended

Dr. Cr.

Particulars	Rs.	Particulars	Rs.
To Gross Loss (Transferred from Trading A/c)		By Gross Profit (Transferred from Trading A/c)	
Office & Admin. Expenses		By Rent Received	
To Salaries		By Discount Received	
To Rent Rates Taxes		By Rebates	
To Printing and Stationery		By Commission Received	
To Salaries & Wages		By Interest Received	
To Postages and Telephones		By Dividend Received	
To Office Lighting		By Bad Debts Recovered	
To Insurance Premium		By Apprentice fees or premium	
To Legal Expenses		By Gain on Sale of Fixed Asset	
To Audit Fees		By Miscellaneous Receipts	
To Travelling Expenses		By Net Loss (If Dr. side > Cr. side)	
Selling & Distribution Exp.		(Transferred to capital Account)	
To Carriage and Freight			
Outwards			

Particulars	Rs.	Particulars	Rs.
To Commission			
To Brokerage			
To Advertisement			
To Publicity			
To Bad Debts			
To Export Duty			
To Packing Expenses			
To Salaries of Salesman			
To Delivery Van Expenses			
Financial Exp.			
To Interest paid on loans			
To Discounts Allowed			
To Rebate Allowed To Bank			
Charges Miscellaneous Exp.			
To Repairs			
To Depreciation on Fixed Assets			
To Entertainment Expenses			
To Donations & Charity			
To Loss on Sale of Fixed Assets			
To Stable Expenses			
To Loss by Fire			
To Loss by theft			
To Unproductive Expenses			
To Net Profit Transferred to Capital Account			
(If Cr. side > Dr, side)			

Illustration 4: From the following information, prepare a Profit & Loss Account for the year ending 31st March 2013:

Gross Profit Rs. 70,000; Rent Rs. 5,000; Salary Rs. 15,000; Wages Rs. 8,000; Commission

paid Rs. 7,000; Interest on loans Rs. 5,000; Advertising Rs. 3,000; Discount Received Rs. 2,000; Printing & Stationery Rs. 1,000; Legal charges Rs. 2,500; Bad Debts Rs. 1,500; Depreciation s. 1,000; Income received on Invest- mentrs. 3,000; Loss by Fire Rs. 2,200; Bad Debts recovered Rs. 200; Freight outward Rs. 600; Audit Fee Rs. 450.

Solution:

Profit and Loss A/C for the year ended 31.03.2013

Dr. Cr.

Particulars	Rs.	Particulars	Rs.
To Rent	5,000	By Gross Profit	70,000
To Salary	15,000	By Discount Received	2,000

Particulars	Rs.	Particulars	Rs.
To Commission	7,000		
To Interest on Loans	5,000		
To Advertising	3,000		
To Printing and Stationery	1,000		
To Legal Charges	2,500		
To Bad Debts To Depreciation	1,500	By Bad debts Recovered	200
To Loss by Fire	1,000	By Income from Investment	3,000
To Freight outward	2,200		
To Audit Fee	600		
To Net Profit	450		
(to transferred to Capital A/C	30,950		
	75,200		75,200

Illustration 5: From the following balances obtained from the accounts of Mr. Ranjeet, Prepare the Trading and Profit & Loss Account:

Particulars	Rs.	Particulars	Rs.
Stock on April 01, 2012	8,000	Bad debts	1,200
Purchases for the year	22,000	Rent	1,200
Sales for the year	42,000	Discount (Dr.)	600
Wages	2,500	Commission paid	1,100
Salaries & Wages	3,500	Sales Expenses	600
Advertisement	1,000	Repairs	600

Closing stock on March 31, 2013 is Rs. 4,500.

Solution:

Books of Mr. Ranjeet

Trading and Profit & Loss Account for the year ended on March 31, 2013

Particulars	Rs.	Particulars	Rs.
Opening stock	8,000	Sales	42,000
Purchases	22,000	Closing stock	4,500
Wages	2,500	Gross Profit c/d	14,000
	46,500		46,500
Particulars	Rs.	Particulars	Rs.
Salaries and Wages	3,500		
Rent	1,200		
Advertisement	1,000		
Commission	1,100		
Discount	600		
Bad debts	1,200	Gross Profit b/d	14,000
Sales Expenses	600		
Repairs	600		
Net Profit	4,200		
(transferred to capital)			

	14,000		14,000
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Illustration 6: The following were the balances extracted from the books of Kanta as on March 31, 2013.

Debit Balance	Rs.	Credit Balance	Rs.
Cash in hand	540		
Cash at bank	2,630		
Purchases	40,675		
Return inwards	680		
Wages	8,480		
Fuel and Power	4,730		
Carriage on sales	3,200	Sales	
Carriage on purchases	2,040	Return	98,780
Opening stock	5,760	Outwards	500
Building	32,000	Capital	62,000
Freehold land	10,000	Sundry	6,300
Machinery	20,000	Creditors	9,000
Salaries	15,000	Rent	
Patents	7,500		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry Debtors	14,500		
	1,76,580		1,76,580

Taking into account the following adjustments, prepare Trading and Profit and loss account and Balance Sheet as on March 31, 2013:

(a) Stock in hand on March 31, 2013 was Rs. 6,800.

(b) Machinery is to be depreciated at the rate of 10% and patents @ 20%.

(c) Salaries for the month of March, 2013 amounting to Rs. 1,500 were outstanding.,

(d) Insurance includes a premium of Rs. 170 on a policy expiring on September 30, 2013.

(e) Rent receivable Rs. 1,000.

Solution:

Books of Kanta

Trading and Profit and Loss Account

for the year ended March 31, 2013

Particulars	Amount	Particulars	Amount
Opening Stock	5,760		
Purchases 40,675	40,175		
Less Return outwards (500)	8,480	Sales 98,780	98,100
Wages	4,730	Less Return inwards 680	6,800
Fuel and Power	2,040	Closing Stock	
Carriage on purchase	43,715		
Gross profit c/d			
	1,04,900		1,04,900

Particulars	Amt	Particulars	Amt
Salaries 15,000			
Add Outstanding 1,500			
Salaries	16,500		
Carriage	3,200	Gross profit b/d	43,715
General Expenses	3,000	Rent 9,000	10,000
Insurance 600	515	Add Accrued Rent 1,000	
Less Prepaid insurance (85)	3,500		

Depreciation: machinery 2,000	27,000		
Patent 1,500			
Net profit (transferred to capital account)			
	53,715		53,715

Balance Sheet as at March 31, 2013

<i>Liabilities</i>		<i>Rs.</i>	<i>Assets</i>		<i>Rs</i>
Sundry creditors		6,300	Cash in hand		540
			Cash at bank		2,630
Salaries outstanding		1,500	Sundry debtors		14,500
			Insurance prepaid		85
Capital	62,000		Stock		6,800
Add Net profit	27,000		Rent accrued		1,000
			Freehold		
			land		10,000
	89,000				
			Building		32,000
Less Drawings	(5,245)	83,755	Machinery	20,000	
			Less Depreciation	(2,000)	18,000
			Patents	7,500	
			Less Depreciation	(1,500)	6,000
		91,555			91,555

Illustration 7: An extract from a trial balance on March 31, 2013 is given below:

Solution:

	Rs.
Sundry Debtors	32,000
Bad Debits	2,000
Provision for Bad debts	3,500

Liabilities	Rs.	Assets	Rs.
		Sundry Debtors 32,000	
		Less Further (1,000)	
		Bad Debits 31,000	29,450
		Less provision for (1,550)	
		Doubtful debts	

*Only relevant items.

Note: The amount of new provision for doubtful debts has been calculated as follows: Rs.
 $31,000 \times 5/100 = \text{Rs. } 1,550$

Illustration 8: The following balances were extracted from the books of Shri R. Lai on March 31, 2013.

Name of the Ledger A/c	Rs.	Name of the Ledger A/c	Rs.
Capital			
Drawings	1,00,000	Rent (Cr.)	2,100
Purchases	17,600	Railway freight on sales	16,940
Sales	80,000	Carriage inwards	2,310
Purchases return	1,40,370	Office expenses	1,340
Stock on April 01, 2012	2,820	Printing and Stationery	660
Bad debts	11,460	Postage and Telegram	820
Bad debts	1,400	Sundry debtors	62,070
Provision on	3,240	Sundry creditors	18,920

April 01, 2012	1,300	Cash in bank	12,400
Rates and Insurance	190	Cash in hand	2,210
Discount (Cr.)	1,240	Office furniture	3,500
B/R	4,240	Salaries and Commission	9,870
Sales returns	6,280	Addition to buildings	7,000
Wages	25,000		
Buildings			

Prepare the trading and profit and loss account and a balance sheet as on March 31, 2013 after keeping in view the following adjustments:

- (i) Depreciate old building by Rs. 625 and addition to building at 2% and office furniture at 5%.
- (ii) Write-off further Bad Debts Rs. 570.
- (iii) Increase the Bad Debts Reserve to 6% of Debtors.
- (iv) Rs. 570 are outstanding for salary.
- (v) Rent receivable Rs. 200 on March 31, 2013.
- (vi) Interest on capital charged @ 5%.
- (vii) Unexpired insurance Rs. 240.
- (viii) Stock was valued at Rs. 14,290 on March 31, 2013.

Solution: Trading and Profit & Loss Account for the year ended on March 31, 2013

Additional Information: Write-off further Bad Debts Rs. 1,000 and create a provision for Doubtful Debts @ 5% on debtors.

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<i>Date</i>	<i>Particulars</i>	<i>L.F.</i>	<i>Rs.</i>	<i>Rs.</i>

2013 Mar. 31	(a) Bad Debts A/c Dr. To Sundry debtors (Further Bad Debts)			
	(b) Provision for Doubtful Debts A/c Dr. To Bad Debts A/c		1,000	1,000
	<u>(Bad debts adjusted against the provision) Dr.</u>		3,000	3,000
	Profit and Loss A / c		1,050	1,050
	To Provision for Doubtful Debts (Amount charges from Profit and Loss account).			

Profit and Loss Account*

for the year ended March 31, 2013

Particulars	Rs.
Provision for doubtful debts:	
Bad debts 2,000	
Further bad debts 1,000	
New provision 1,550	
4,550	
Less Old provision 3,500	1,050

*Only relevant items.

Balance Sheet* as at March 31, 2013

Particulars	Rs.	Particulars	Rs.
Opening stock	11,640		
Purchases 80,000	77,180		
Less purchase return (2,820)	2,310	Sales 1,40,370	1,36,130
Carriage inwards	6,280	Less Sales return (4,240)	14,290
Wages	53,190	Closing stock	

Gross profit c/d			
	1,50,420		1,50,420
Railway freight on sales	16,940	Gross profit c/d	
Office expenses	1,340	Rent 2,100	53,190

Particulars	Rs.	Particulars	Rs.
Postage and Telegram			
Printing and Stationery			
Salary and Commission 9,870			
Add Outstanding salary 570			
Rates & Insurance 1,300	820		
Less unexpired insurance (240)	660		
Bad Debts 1,400	10,440		
Add Further bad debts 570	1,060		
Add New bad debts 3,690	2,420	Add Accrued rent 200	2,300
Provision 5,660	5,000	Discount	190
Less Old provision for	625		
Bad debts (3,240)	140		
Interest on capital	175		
Depreciation on building	16,060		
Depreciation on additions			
Depreciation on furniture			
Net profit (transferred to capital account)			
	55,680		55,680

Balance Sheet as at March 31, 2013

Liabilities	Rs.	Assets	Rs.
		Cash at bank	
		Cash in Hand	

Sundry creditors		B/R	
Outstanding salaries		Debtors 62,070	12,400
		Less Further Bad Debits (570)	2,210
		61,500	1,240
		Less New provision for (3,690)	57,810
Capital 1,00,000	18,920	Bad Debits	200
Add Net Profit 16,060	570	Accrued Rent	240
Add interest on capital 5,000	1,03,460	Prepaid Insurance	24,375
1,21,060		Building 25,000	6,860
		Less Depreciation (625)	3,325
Less Drawings (17,600)		Addition to building 7,000	14,290
		Less Depreciation (140)	
		Office furniture 3,500	
		Less Depreciation (175)	
		Closing stock	
	1,22,950		1,22,950

Illustration 9: From the following balances of Mr. Naveen. You are required to prepare trading and profit and loss account and a balance sheet on March 31, 2013.

Debit Balance	Rs.	Credit Balance	Rs.
Plant and Machinery	1,30,000		
Debtors	50,000		
Interest	2,000		
Wages	1,200		
Salary	2,500		
Carriage inwards	500		
Carriage outwards	700	Sales	3,00,000
Return inwards	2,000	Return outwards	2,500
Factory rent	1,450	Creditors	2,50,000
Office rent	2,300	Bills payable	70,000
Insurance	780	Provision for bad debts	1,550
	22,500	Capital	2,20,000

Furniture	2,80,000	Rent received	10,380
Buildings	3,000	Commission received	16,000
Bills receivable	22,500		
Cash in hand	35,000		
Cash at bank	500		
Commission	60,000		
Opening stock	2,50,000		
Purchases	3,500		
Bad debts			
	8,70,430		8,70,430

Adjustment:

1. Provision for Bad Debts @ 5% and further Bad Debts Rs. 2,000.
2. Rent received in Advance Rs. 6,000.
3. Prepaid insurance Rs. 200.
4. Depreciation on furniture @ 5%, plant and machinery @ 6%, building @7%.
5. Closing stock amounting Rs. 70,000 on 31.03.2013.

Solution:

Books of Mr. Naveen

Trading and Profit and Loss Account for the year ended March 31, 2013

Particulars	Rs.	Particulars	Rs.
Opening Stock	60,000		
Purchases 2,50,000	2,47,500		
Less Returns (2,500)	1,200	Sales 3,00,000	2,98,000
Wages	500	Less Return (2,000)	70,000
Carriage inwards	1,450	Closing Stock	
Factory rent	57,350		

Gross profit c/d			
	3,68,00		3,68,000
Interest			
Salary			
Carriage outwards			
Office Rent	2,000		
	2,500		
Insurance 780	700		
Less prepaid insurance (200)	2,300		
Depreciation on Furniture	580	Gross profit b/d	57,350
Dep. On Plant & Machinery	1,125	Rent received 10,380	4,380
Dep. On Building	7,800	Less advance (6,000)	16,000
Commission	19,600	Commission received	
Bad debits 3,500	500		
Add: Further bad debts 2,000	6,350		
Add: New provision 2,400	34,275		
7,900			
Less old provision (1,550)			
Net profit (transferred to capital account)			
	77,730		77,730

Balance Sheet as at March 31, 2013

<i>Liabilities</i>		<i>Amt.. Rs</i>	<i>Assets</i>	<i>Amt. Rs.</i>	
			Cash in hand		
			Cash at Bank	22,500	
	2,20,000		Bills receivable	35,000	
	34,275		Prepaid insurance	50,000	3,000
		2,50,000	Debtors	(2,000)	200
Creditors					

Bills payable		70,000	Less Further	45,600	
Advance rent		6,000	bad debts	1,22,200	
Capital		2,54,275	Less New provision	21,375	
Add Net profit			Plant and Mach.	2,60,400	
			Furniture	48,000	
			Buildings	(2,400)	
			Closing Stock		
		5,80,275		5,80,275	

Illustration 10: From the following Adjustments and with the help of Trial Balance prepare a Trading A/c Profit and Loss A/c and Balance sheet as on 31st Dec. 2013.

<i>Dr. Balance</i>	<i>Rs.</i>	<i>Cr. Balance</i>	<i>Rs</i>
Insurance charges	2,400		
Salaries & wages	19,400		
Cash in hand	200		
Cash at Bank Trade Expenses	26,500	Capital	1,70,000
^ Postage & Telegrams	400	S. Creditors	20,000
Drawings	800	Sales	1,20,000
Plant & Machinery:- Balance	6,000	Returns outwards	1,200
on 1st Jan 2013	1,20,000	Provision for doubtful debts	400
Addition on 1st July, 2013	5,000	Discount	800
Stock on 1st Jan. 2013	15,000	Rent of Premises, Subject for	1,200
Purchases	82,000	one year to 30th June 2013	
Returns Inward	2,000		
S. Debtors	20,800		
Furniture & Fixtures	5,000		
<i>Dr. Balance</i>	<i>Rs.</i>	<i>Cr. Balance</i>	<i>Rs</i>
Freight & Duty Carriage	2,000		
	500		

outwards Rent, Rates & taxes	4,600		
Printing & stationery	1,000		

Adjustments

1. Stock on 31st Dec. 2013 was valued at Rs. 24,000 and stationery unused at the end was Rs. 250.
2. The provision for Doubtful Debts is to be maintained at 6% on Sundry Debtors.
3. Create a provision for discount on Sundry Debtors at 2%.
4. Write off Rs. 800 as Bad-Debts.
5. Provide depreciation on Plant and Machinery @ 10% p.a.
6. Insurance is paid up to 31st March 2014.
7. A fire occurred on 25th Dec. 2013 in the Go down and Stock of the value of Rs. 6,000 was destroyed. It was insured and the Insurance co. admitted a claim of Rs. 4,000.

Solution:

Trading and Profit & Loss Account for the year ending 31st Dec. 2013

<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
To Opening Stock	15,000		
To Purchases 82,000	74,800		1,18,000
Less Return (1,200)	2,000	By Sales 1,20,000	24,000
80,800	50,200	Less Return 2,000	
Less: Loss by fire (6,000)		By Closing stock	
To Freight & duty			
To Gross Profit c/d			

	1,42,000		1,42,000
<i>Particulars</i>	<i>Amount</i>	<i>Particulars</i>	<i>Amount</i>
To Insurance charges 2,400			
Less: Prepaid insurance <u>(600)</u>			
To Salaries & wages	1,800		
To Trade expenses	19,400		
To Postage & telegram	400		
To carriage outwards	800		
To Rent, Rates & wages	500		
To Printing & Stationery 1,000	4,600		50,200
Less: Unused <u>(250)</u>	750	By Gross Profit	800
To Bad debts 800	1,600	By Discount	600
Add: New reserve <u>1,200</u>	376	By Rent of premises sub-let	
2,000	12,250	1,200	
Less: Old reserve <u>(400)</u>	2,000	Less: Rent received in adv.	
To Provision for discount on debtor	7,124	<u>(600)</u>	
To Depreciation on Plant & Mac. (12,000 + 250)			
To loss by fire 6,000			
Less: Insurance Claim <u>4,000</u>	51,600		51,600
To Net Profit transferred to Capital			

Balance Sheet As on 31st Dec. 2013

<i>Liabilities</i>	<i>Amt.</i>	<i>Assets</i>	<i>Amt.</i>
			200
S. creditor		Cash in hand	
Rent received in advance	20,000	Cash at Axis Bank	
Capital 1,70,000	600	S. Debtor 20,800	
		Less: Bad Debts <u>(800)</u>	26,500

<i>Add: Net Profit <u>7,124</u></i>		1,71,124	20,000	
1,77,124			<i>Less: New Reserve <u>(1,200)</u></i>	
<i>Less: Drawings <u>6,000</u></i>			18,800	
<i>Liabilities</i>	<i>Amt.</i>	<i>Assets</i>	<i>Amt.</i>	
		<i>Less: Discount <u>(376)</u></i>	18,424	
		Insurance company (Claim)	4,000	
		Closing stock	24,000	
		Stationery unused Prepaid	250	
		insurance Furniture & Fixture	600	
		Plant & Mac. 1,20,000	5,000	
		<i>Add: Addition <u>(5,000)</u></i>	1,12,750	
		1,25,000		
		<i>Less: Depreciation <u>(12,250)</u></i>		
	191,724		191,724	

Illustration 11: The following balances were extracted from the books of Mr. G.S. Kushwaha on 31st Dec. 2013.

Ledger Accounts	Dr. Balance	Cr. Balance
Capital		
Drawings		
General Expenses	2,000	
Building	2,500	
Machinery	11,000	
Stock (1.1.2013)	9,340	
Power	16,200	
Taxes and Insurance	2,240	2,500
Wages	1,315	11,800
Sundry Debtors	7,200	65,360
Sundry Creditors		900

Charity	6,280	1,320
Bad Debts	105	3,850
Bank overdraft Sales	550	24,500
Purchases	-	
Scooter	47,000	
Bad Debts provision	2,000	
Commission	1,780	
Trade expenses	100	
Bills payable		
Cash		
Total	1,09,610	1,09,610

Prepare final accounts for the year ended 31st Dec. 2013 after taking into account the following:

1. Stock on 31st Dec. 2013 was valued at Rs. 23,500
2. Write off further Bad Debts Rs. 160 and maintain the provision for Bad Debts at 5% on Sundry Debtors.
3. Depreciate Machinery by 10% and Scooter by Rs. 240.
4. Provide Rs. 750 for outstanding interest on bank overdraft.
5. Prepaid insurance is to the extent of 50, Commission receivable amounting to Rs. 50.
6. Provide Manager's commission at 10% on net profit after charging such commission.

Solution:

Trading and Profit & Loss Account

For the year ending 31st Dec. 2013

Dr. Cr.

Particulars	Rs.	Particulars	Rs.

To Opening Stock	16,200	By Sales By Closing Stock	65,360 23,500
To Purchase	47,000		
To Power	2,240		
To Wages	7,200		
To Gross Profit (B.F.)	16,220		
	88,860		88,860

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
To General Expenses			
To Taxes & Insurance 1,315			
Less: Prepaid <u>(50)</u>			
To Interest on Bank Overdraft			
To Dep. on Machinery 934	2,500		
Scooter <u>240</u>	1,265		
To Bad Debts 550	750		
Add: Further bad debts 160	1,174	By Gross Profit	
Add: New Reserve (306)	116	By Commission 1,320	1,370
1,016	105	Add: Receivable Com. <u>50</u>	
Less: Old Reserve <u>(900)</u>	1,780		
To Charity	900		
To Trade Expenses	9000		
To Manager Commission			
Payable (9,900 × 10/110)			
To Net Profit transferred to Capital A/c			
	17,590		17,590

Balance Sheet As on Dec. 31, 2012

<i>Liabilities</i>	<i>Rs.</i>	<i>Assets</i>	<i>Rs.</i>
		Cash	
		Debtors 6,280	
		Less: Further Bad Debts <u>(160)</u>	100

S. Creditor	2500	6,120	5,814
Bank Overdraft 11,180	11,930	<i>Less: New Reserve (306)</i>	50
<i>Add: O/s Interest (750)</i>	3,850	Prepaid Insurance	23,500
Bills Payable	900	Closing Stock	8,406
Manager Commission Payable	31,500	Machinery 9,340	1,760
Capital 24,500		<i>Less: Depreciation (934)</i>	11,000
<i>Add: Net Profit 9,000</i>		Scooter 2,000	50
<i>Less: Drawings (2,000)</i>		<i>Less: Depreciation (240)</i>	
		Building	
		Commission Receivable	
	50,680		50,680