

Double-Entry Book-Keeping

DK GOEL

SOLUTIONS

CLASS- 11

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CLASS- 11

Accounting equations

From

D K GOEL

Solutions

ACCOUNTANCY

Accounting Equation

Answer 1:

ACCOUNTING EQUATION							
S. No.	Transaction	Assets			=	Liabilities	+ Capital
		Cash	+	Furniture	+	Stock	= Creditors
(i)	Sandeep started business with cash	1,00,000					+ 1,00,000
		1,00,000			=		+ 1,00,000
(ii)	Purchased furniture for cash	-5,000		+5,000			
		95,000	+	5,000	=		+ 1,00,000
(iii)	Purchased goods for cash	-20,000				+20,000	
		75,000	+	5,000	+	20,000	= + 1,00,000
(iv)	Purchased goods on credit					+36,000	+36,000
		75,000	+	5,000	+	56,000	= 36,000 + 1,00,000
(v)	Rent paid	-700					-700
		74,300	+	5,000	+	56,000	= 36,000 + 99,300
(vi)	Goods costing Rs 40,000 sold at a profit of 20% for cash	+48,000				-40,000	+8,000
		1,22,300	+	5,000	+	16,000	= 36,000 + 1,07,300

Working Note:

WN1 Calculation of Sale Price

Cost of Goods Sold = 40,000
 Add : Profit 20% of Rs 40,000 = 8,000
 ∴ Selling Price = 48,000

Answer 2(A):

ACCOUNTING EQUATION							
S. No.	Transaction	Assets			=	Liabilities	+ Capital
		Cash	+	Furniture	+	Stock	= Creditors
(i)	Manu started business with cash	+50,000					+50,000
		50,000			=		+ 50,000
(ii)	Purchased Furniture	-500		+500			
		49,500	+	500			+ 50,000
(iii)	Purchased goods on credit					+4,000	+4,000
		49,500	+	500	+	4,000	= 4,000 + 50,000
(iv)	Sold goods costing Rs 500 for Rs 700	+700				-500	+200 (Profit)
		50,200	+	500	+	3,500	= 4,000 + 50,200
(v)	Rent received	+200					+200 (Income)
		50,400	+	500	+	3,500	= 4,000 + 50,400
(vi)	Purchased goods for cash	-1,000				+1,000	
		49,400	+	500	+	4,500	= 4,000 + 50,400
(vii)	Withdrew for personal use	-700					-700 (Drawings)

Accounting Equation

		48,700	+	500	+	4,500	=	4,000	+	49,700
(viii)	Paid to creditors	-400						-400		
		48,300	+	500	+	4,500	=	3,600	+	49,700
(ix)	Salaries paid	-200								-200
		48,100	+	500	+	4,500	=	3,600	+	49,500

Balance Sheet as on			
Liabilities	Amount(Rs)	Assets	Amount (Rs)
Creditors	3,600	Cash	48,100
Capital	49,500	Furniture	500
		Stock	4,500
	53,100		53,100

Answer 2(B):

ACCOUNTING EQUATION										
S. No.	Transaction	Assets				=	Liabilities	+	Capital	
		Cash	+	Typewriter	+	Stock	+	Debtors	=	Creditors
(i)	Started business with cash	+1,20,000								+ 1,20,000
		1,20,000							=	1,20,000
(ii)	Purchased typewriter for office use	-8,000	+	8,000						
		1,12,000	+	8,000					=	1,20,000
(iii)	Purchased goods for cash	-50,000				+50,000				
		62,000	+	8,000	+	50,000			=	1,20,000
(iv)	Purchased goods on credit					+40,000				40,000
		62,000	+	8,000	+	90,000			=	40,000 + 1,20,000
(v)	Goods costing Rs 60,000 sold for Rs 80,000 on credit					-60,000		+80,000		+20,000 (Profit)
		62,000	+	8,000	+	30,000	+	80,000	=	40,000 + 1,40,000
(vi)	Paid rent Rs 1,500 and salaries Rs 2,000	-3,500								-3,500 (Expenses)
		58,500	+	8,000	+	30,000	+	80,000	=	40,000 + 1,36,500
(vii)	Commission received	+800								+800 (Income)
		59,300	+	8,000	+	30,000	+	80,000	=	40,000 + 1,37,300
(viii)	Withdrew cash for private use	-5,000								-5,000 (Drawings)
		54,300	+	8,000	+	30,000	+	80,000	=	40,000 + 1,32,300

Balance Sheet of Rajaram

as on

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Creditors	40,000	Cash	54,300

Accounting Equation

Capital	1,32,300	Typewriter	8,000
		Stock	30,000
		Debtors	80,000
	1,72,300		1,72,300

Answer 3:

ACCOUNTING EQUATION						
S. No.	Transaction	Assets			= Liabilities +	Capital
		Cash	+	Stock + Debtors	= Creditors	
(i)	Started business with cash	+2,00,000				+2,00,000
		2,00,000			=	2,00,000
(ii)	Purchased Goods for Cash Rs 60,000 and on credit Rs 1,50,000	-60,000		+2,10,000		+1,50,000
		+1,40,000	+	2,10,000	=	1,50,000 + 2,00,000
(iii)	Sold goods for cash costing Rs 40,000 at a profit of 20% and on credit Rs 72,000 at a profit of 25%	+48,000		-1,12,000 +90,000		+26,000 (Profit)
		+1,88,000	+	98,000 + 90,000	=	1,50,000 + 2,26,000
(iv)	Rent paid	-5,000				-5,000 (Expenses)
		+1,83,000	+	98,000 + 90,000	=	1,50,000 + 2,21,000

Working Note:

WN1 Calculation of Selling Price of Goods Sold

Cost of Goods Sold = 40,000
 Add : Profit 20% of Rs 40,000 = 8,000
 ∴ Selling Price for goods sold for Cash = 48,000

Cost of Goods Sold = 72,000
 Add : Profit 25% of Rs 72,000 = 18,000
 ∴ Selling Price for goods sold on Credit = 90,000

Total Profit = 8,000 + 18,000 = Rs 26,000

Total Cost of Goods Sold = 40,000 + 72,000 = Rs 1,12,000

Accounting Equation

Answer 4:

ACCOUNTING EQUATION							
S. No.	Transaction	Assets			=	Liabilities	+ Capital
		Cash	+ Furniture	+ Stock	=	Creditors	
(i)	Kunal started business with cash	+2,50,000					+ 2,50,000
		2,50,000			=		2,50,000
(ii)	Purchased furniture for cash	-35,000	+35,000				
		2,15,000	+ 35,000		=		2,50,000
(iii)	Commission paid	-2,000					-2,000 (Expense)
		2,13,000	+ 35,000		=		+ 2,48,000
(iv)	Purchased goods on credit			+40,000		+40,000	
		2,13,000	+ 35,000	+ 40,000	=	40,000	+ 2,48,000
(iv)	Sold goods costing Rs 20,000 for Rs 26,000	+26,000		-20,000			+6,000 (Profit)
		2,39,000	+ 35,000	+ 20,000	=	40,000	+ 2,54,000

Answer 5:

ACCOUNTING EQUATION							
S. No.	Transaction	Assets			=	Liabilities	+ Capital
		Cash	+ Stock	+ Debtors	Furniture	= Creditors	
(i)	Started business with cash	+1,75,000					+ 1,75,000
		1,75,000				=	+ 1,75,000
(ii)	Purchased goods from Rohit		+50,000			+50,000	
		1,75,000	+ 50,000			= 50,000	+ 1,75,000
(iii)	Sold goods costing Rs 17,500 for Rs 20,000 to Manish		-17,500	+20,000			+2,500 (Profit)
		1,75,000	+ 32,500	+ 20,000		= 50,000	+ 1,77,500
(iv)	Purchased furniture for office use	-10,000			+10,000		
		1,65,000	+ 32,500	+ 20,000	+ 10,000	= 50,000	+ 1,77,500
(v)	Cash paid in full settlement to Rohit	-48,500				-50,000	+1,500 (Gain)
		1,16,500	+ 32,500	+ 20,000	+ 10,000	= 0	+ 1,79,000
(vi)	Cash received from Manish	+20,000		-20,000			
		1,36,500	+ 32,500	+ 0	+ 10,000	=	+ 1,79,000
(vii)	Rent paid	-1,000					-1,000 (Expense)
		1,35,500	+ 32,500		+ 10,000	=	+ 1,78,000
(viii)	Withdrew cash for private use	-3,000					-3,000 (Drawings)
		1,32,500	+ 32,500		+ 10,000	=	+ 1,75,000

Accounting Equation

Answer 6:

ACCOUNTING EQUATION										
S. No.	Transaction	Assets				=	Liabilities			Capital
		Cash	+	Stock	+ Debtors	Prepaid Salary	=	Creditors	+ Outstanding Rent	
(i)	Harish started business with cash	+1,80,000								+ 1,80,000
		1,80,000					=			1,80,000
(ii)	Purchased goods for cash Rs 60,000 and on credit Rs 30,000	-60,000		+90,000				+30,000		
		1,20,000	+	90,000			=	30,000		+ 1,80,000
(iii)	Sold goods costing Rs 24,000 for Rs 40,000	+40,000		-24,000						+16,000 (Profit)
		1,60,000	+	66,000			=	30,000		+ 1,96,000
(iv)	Rent paid Rs 5,000 and outstanding Rs 2,000	-5,000							+2,000	-7,000 (Expense)
		1,55,000	+	66,000			=	30,000	+ 2,000	+ 1,89,000
(v)	Goods costing Rs 38,000 sold on credit for Rs 50,000			-38,000	+50,000					+12,000 (Profit)
		1,55,000	+	28,000	+ 50,000		=	30,000	+ 2,000	+ 2,01,000
(vi)	Salary paid in advance	-3,000				+3,000				
		1,52,000	+	28,000	+ 50,000	+ 3,000	=	30,000	+ 2,000	+ 2,01,000

Answer 7:

ACCOUNTING EQUATION										
S. No.	Transaction	Assets				=	Liabilities			Capital
		Cash	+	Stock	+ Prepaid Insurance	=	Outstanding Salary			
(i)	Started business with cash	+1,20,000								+ 1,20,000
		1,20,000					=			1,20,000
(ii)	Purchased goods for cash	-10,000		+10,000						
		1,10,000	+	10,000			=			1,20,000
(iii)	Rent received	+5,000								+5,000 (Income)
		1,15,000	+	10,000			=			1,25,000
(iv)	Outstanding salary							+2,000		-2,000 (Expense)
		1,15,000	+	10,000			=	2,000	+	1,23,000
(iv)	Prepaid insurance	-1,000			+1,000					
		1,14,000	+	10,000	+ 1,000		=	2,000	+	1,23,000
(iv)	Interest received	+700								+700 (Income)
		1,14,700	+	10,000	+ 1,000		=	2,000	+	1,23,700

Accounting Equation

(iv)	Sold goods costing Rs 5,000 for Rs 7,000	+7,000	-5,000					+2,000 (Profit)
		1,21,700	+	5,000	+	1,000	=	2,000 + 1,25,700
(iv)	Goods destroyed by fire			-500				-500
		1,21,700	+	4,500	+	1,000	=	2,000 + 1,25,200

Answer 8(A):

ACCOUNTING EQUATION									
S. No.	Transaction	Assets			=	Liabilities	+	Capital	
		Cash	+	Stock	+	Debtors	=	Creditors	
(i)	Started business with cash and goods	+75,000	+	25,000			=		1,00,000
		75,000	+	25,000			=		1,00,000
(ii)	Rent paid	-2,000							-2,000
									(Expense)
		73,000	+	25,000			=		98,000
(iii)	Bought goods for cash and on credit	-30,000		+74,000				+44,000	
		43,000	+	99,000			=	44,000	+ 98,000
(iv)	Goods costing Rs 50,000 sold at a profit of 25% out of which Rs 27,500 received in cash	+27,500		-50,000		+35,000			+12,500 (Profit)
		70,500	+	49,000	+	35,000	=	44,000	+ 1,10,500
(v)	Purchased motor cycle for personal use	-20,000							-20,000
									(Drawings)
		50,500	+	49,000	+	35,000	=	44,000	+ 90,500

Working Note:

WN1 Calculation of Selling Price

Cost of Goods Sold	= 50,000
Add : Profit 25% of Rs 50,000	= 12,500
Selling Price	= <u>62,500</u>
Less: Cash Received	= 27,500
Credit Sales	= <u>35,000</u>

Accounting Equation

Answer 8(B):

ACCOUNTING EQUATION							
S. No.	Transaction	Assets			=	Liabilities	+ Capital
		Cash	+	Stock + Debtors	=	Creditors	
(i)	Raghu started business with cash	+1,50,000					+ 1,50,000
		1,50,000			=		+ 1,50,000
(ii)	Purchase goods for cash and on credit	-80,000		+1,20,000		+40,000	
		70,000	+	1,20,000	=	40,000	+ 1,50,000
(iii)	Goods costing Rs 75,000 sold at a profit of 33 1/3%. Half amount was received in cash.	+50,000		-75,000 +50,000			+25,000 (Profit)
		1,20,000	+	45,000 + 50,000	=	40,000	+ 1,75,000
(iv)	Goods costing Rs 10,000 sold for Rs 12,000 on credit			-10,000 +12,000			+2,000 (Profit)
		1,20,000	+	35,000 + 62,000	=	40,000	+ 1,77,000
(v)	Rent and salaries paid	-6,000					-6,000 (Expense)
		1,14,000	+	35,000 + 62,000	=	40,000	+ 1,71,000
(vi)	Goods costing Rs 20,000 sold for Rs 18,500 cash	+18,500		-20,000			-1,500 (Loss)
		1,32,500	+	15,000 + 62,000	=	40,000	+ 1,69,500

Working Note:

WN1 Calculation of Selling Price

Cost of Goods Sold = 75,000

Add: Profit $33\frac{1}{3}\%$ of Rs 75,000 = 25,000

Selling Price = 1,00,000

Less: Cash Received (50%) = 50,000

Credit Sales = 50,000

Balance Sheet of Raghu

as on

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Creditors	40,000	Cash	1,32,500
Capital	1,69,500	Stock	15,000
		Debtors	62,000
	2,09,500		2,09,500

Accounting Equation

Answer 9:

$$\begin{aligned}\text{Assets} &= \text{Liabilities} + \text{Capital} \\ &= 20,000 + 1,20,000 \\ &= \text{Rs } 1,40,000\end{aligned}$$

Answer 10:

$$\begin{aligned}\text{Assets} &= \text{Liabilities} + \text{Capital} \\ 1,30,000 &= \text{Liabilities} + 80,000 \\ \text{Liabilities} &= 1,30,000 - 80,000 \\ &= \text{Rs } 50,000\end{aligned}$$

It is assumed that creditors are the only liability of the organisation, thus, Rs 50,000 are the creditors.

Answer 11:

Opening Capital (Capital as on March 31, 2011) = Rs 3,00,000

Calculation of Closing Capital (Capital as on March 31, 2012)

$$\text{Assets} = \text{Liabilities} + \text{Capital}$$

$$5,00,000 = 1,00,000 + \text{Capital}$$

$$\text{Capital} = \text{Rs } 4,00,000$$

Calculation of Profit Earned during the Year

$$\text{Closing Capital} = \text{Opening Capital} + \text{Additional Capital} + \text{Profit} - \text{Drawings}$$

$$4,00,000 = 3,00,000 + 0 + \text{Profit} - 0$$

$$\begin{aligned}\text{Profit} &= 4,00,000 - 3,00,000 \\ &= \text{Rs } 1,00,000\end{aligned}$$

Answer 12(A):

Opening Capital (Capital as on 1st April, 2011) = Rs 5,00,000

Calculation of Closing Capital (Capital as on March 31, 2012)

$$\text{Assets} = \text{Liabilities} + \text{Capital}$$

$$8,00,000 = 1,00,000^* + \text{Capital}$$

$$\text{Capital} = \text{Rs } 7,00,000$$

Calculation of Profit Earned during the Year

$$\text{Closing Capital} = \text{Opening Capital} + \text{Additional Capital} + \text{Profit} - \text{Drawings}$$

$$7,00,000 = 5,00,000 + 0 + \text{Profit} - 0$$

$$\begin{aligned}\text{Profit} &= 7,00,000 - 5,00,000 \\ &= \text{Rs } 2,00,000\end{aligned}$$

Accounting Equation

*It is assumed that loan borrowed from Citi Bank has not been paid till the end of the accounting year.

Answer 12(B):

Opening Capital (Capital as on 1st April, 2011) = Rs 5,00,000

Calculation of Closing Capital (Capital as on March 31, 2012)

Assets = Liabilities + Capital

8,00,000 = 1,00,000 + Capital

Capital = Rs 7,00,000

Calculation of Profit Earned during the Year

Closing Capital = Opening Capital + Additional Capital + Profit – Drawings

7,00,000 = 5,00,000 + 40,000 + Profit – 10,000

7,00,000 = 5,30,000 + Profit

Profit = 7,00,000 – 5,30,000

= Rs 1,70,000

Answer 13:

Effect of Transaction	Example
(i) Increase in an asset and a liability	Goods purchased on credit
(ii) Decrease in an asset and a liability	Cash paid to creditors
(iii) Increase in assets and capital	Additional capital brought in by the proprietor
(iv) Decrease in assets and capital	Salary paid in Cash

Answer 14:

Accounts	Increase Recorded at Side	Nature
1. Furniture	Debit	Asset
2. Rent Paid	Debit	Expense
3. Commission Received	Credit	Income
4. Salary Paid	Debit	Expense
5. Proprietor's Account	Credit	Capital
6. Debtor	Debit	Asset
7. Creditor	Credit	Liability

Accounting Equation

Answer 15:

Accounts	Decrease Recorded at Side	Nature
1. Cash	Credit	Asset
2. Bank Overdraft	Debit	Liability
3. Rent Paid	Credit	Expense
4. Outstanding Rent	Debit	Liability
5. Prepaid Insurance	Credit	Asset
6. Manoj, Proprietor of the business	Debit	Capital

Answer 16:

As we know, Machinery Account is an asset, so, increase in machinery will be recorded on the debit side while decrease in machinery will be recorded on the credit side of the Machinery Account.

Machinery Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>increase in Machinery</i> on this side-		Record <i>decrease in Machinery</i> on this side-	
1. Machinery purchased for	5,00,000	2. Machinery sold	1,20,000
4. New Machinery purchased	2,00,000	3. Machinery discarded	50,000
		5. Machinery destroyed	40,000
Total	7,00,000	Total	2,10,000
		Balance	4,90,000
	7,00,000		7,00,000

Answer 17(A):

Raghubir is a creditor, which means, it is a liability for the business. As we know, increase in liability is recorded on the credit side while decrease in liability will be shown on the debit side of the concerned liability account.

Raghubir Account (Creditors)			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Record <i>decrease in Creditors</i> on this side-		Record <i>increase in Creditors</i> on this side-	
2. Returned goods to Raghubir	5,000	1. Purchased goods on credit from Raghubir	50,000
3. Paid to Raghubir	30,000	4. Purchased goods on credit from Raghubir	16,000
5. Paid to Raghubir	20,000		
Total	55,000	Total	66,000
Balance	11,000		
	66,000		66,000

Accounting Equation

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Answer 17(B):

Commission can be an expense as well as an income. So, when commission is paid, it is shown on the debit side of the Commission Account while commission received (being an income) will be shown on the credit side of the Commission Account.

Commission Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record Expenses on this side-		Record Income on this side-	
2. Commission Paid	2,000	1. Commission Received	5,000
		3. Commission Received	1,500
Total	2,000	Total	6,500
Balance	4,500		
	6,500		6,500

Answer 18:

Increase in Cash (being an asset) will be shown on the debit side and decrease in cash will be recorded on the credit side of the Cash Account.

Cash Account

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Record increase in Cash on this side-		Record decrease in Cash on this side-	
(a) Sold goods for cash	60,000	(d) Purchased goods for cash	10,000
(e) Cash received from Hari	15,000	(f) Cash paid to Krishan	28,000
Total	75,000	Total	38,000
		Balance	37,000
	75,000		75,000

Increase in Debtors (being an asset) will be shown on the debit side and decrease in them will be recorded on the credit side of the Debtors Account.

Debtors Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record increase in Debtors on this side-		Record decrease in Debtors on this side-	
(b) Sold goods on credit	20,000	(e) Cash received from debtor	15,000
Total	20,000	Total	15,000

Accounting Equation

		Balance	5,000
	20,000		20,000

Increase in Creditors (being a liability) will be shown on the credit side and decrease in the creditors will be recorded on the debit side of the Creditors Account.

Creditors Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record decrease in Creditors on this side-		Record increase in Creditors on this side-	
(f) Cash paid to creditor	28,000	(c) Purchased goods on credit	36,000
Total	28,000	Total	36,000
Balance	8,000		
	36,000		36,000

Answer 19:

Capital Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record decrease in Capital on this side-		Record increase in Capital on this side-	
Dec. 31: Drawings	40,000	April 01: Commenced business	5,00,000
Feb. 28: Drawings	20,000	Aug. 01: Introduced additional capital	1,00,000
Total	60,000	March 31: Profit earned	1,25,000
Balance	6,65,000	Total	7,25,000
	7,25,000		7,25,000

Answer 20:

ACCOUNTING EQUATION						
S. No.	Transaction	Assets			= Liabilities + Capital	
		Cash	+	Stock + Bank	= Creditors	
(i)	Started business with cash and goods	+1,40,000		+2,50,000		+3,90,000
		1,40,000	+	2,50,000	=	3,90,000
(ii)	Goods (costing Rs 50,000) sold at a profit of 25% on cost	+62,500		-50,000		+12,500 (Profit)
		2,02,500	+	2,00,000	=	4,02,500
(iii)	Deposited into bank	-1,80,000		+1,80,000		
		22,500	+	2,00,000 + 1,80,000	=	4,02,500

Accounting Equation

(iv)	Purchased goods from Mohan																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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Working Note:

WN1 Calculation of Selling Price

Cost of Goods Sold = 50,000

Add : Profit 25% of Rs 50,000 = 12,500

∴ Sales = 62,500

Answer 21:

ACCOUNTING EQUATION						
S. No.	Transaction	Assets			=	Liabilities + Capital
		Cash	+	Stock + Machinery	=	Creditors
(i)	Started business with cash	+70,000				+70,000
		70,000			=	70,000
(ii)	Purchased goods on credit			+18,000		+18,000
		70,000	+	18,000	=	18,000 + 70,000
(iii)	Payment to creditors in full settlement	-17,500				-18,000 +500 (Gain)
		52,500	+	18,000	=	0 + 70,500
(iv)	Purchased machinery for cash	-20,000		+ 20,000		
		32,500	+	18,000 + 20,000	=	0 + 70,500

Answer 22:

ACCOUNTING EQUATION						
S. No.	Transaction	Assets		=	Liabilities	+ Capital
		Cash	+ Stock	= Creditors +	Outstanding Rent	
(i)	Started business with cash and goods	+50,000	+30,000			+80,000
		50,000	+	30,000	=	+ 80,000
(ii)	Purchased goods for cash and on credit from Karan	-30,000	+50,000	+20,000		
		20,000	+	80,000	= 20,000	+ 80,000
(iii)	Goods costing Rs 40,000 sold for Rs 55,000	+55,000	-40,000			+15,000 (Profit)
		75,000	+	40,000	= 20,000	+ 95,000
(iv)	Withdrew cash for personal use	-10,000				-10,000 (Drawings)

Accounting Equation

	65,000	+	40,000	=	20,000	+	85,000
(v) Outstanding Rent						+2,000	–2,000 (Expense)
	65,000	+	40,000	=	20,000	+	83,000

Answer 23:

ACCOUNTING EQUATION							
S. No.	Transaction	Assets				= Liabilities +	Capital
		Cash	+	Stock	+ Debtors + Furniture	= Creditors	
(i)	Started business with cash	+70,000					+ 70,000
		70,000				=	70,000
(ii)	Purchased goods on credit			+14,000		+14,000	
		70,000	+	14,000		= 14,000 +	70,000
(iii)	Withdrew for private use	–1,700					–1,700 (Drawings)
		68,300	+	14,000		= 14,000 +	68,300
(iv)	Purchased goods for cash	–10,000		+10,000			
		58,300	+	24,000		= 14,000 +	68,300
(v)	Wages paid	–300					–300 (Expense)
		58,000	+	24,000		= 14,000 +	68,000
(vi)	Paid to creditors	–10,000				–10,000	
		48,000	+	24,000		= 4,000 +	68,000
(vii)	Sold goods on credit at par			–15,000	+15,000		
		48,000	+	9,000	+ 15,000	= 4,000 +	68,000
(viii)	Sold goods (costing Rs 3,000) for Rs 4,000	+4,000		–3,000			+1,000 (Profit)
		52,000	+	6,000	+ 15,000	= 4,000 +	69,000
(ix)	Furniture purchased	–500			+500		
		51,500	+	6,000	+ 15,000 + 500	= 4,000 +	69,000

Balance Sheet

as on

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Creditors	4,000	Cash	51,500
Capital	69,000	Stock	6,000
		Debtors	15,000
		Furniture	500
	73,000		73,000

Accounting Equation

Answer 24:

ACCOUNTING EQUATION									
S. No.	Transaction	Assets				=	Liabilities	+	Capital
		Cash	+	Stock	+	Typewriter	+	Debtors	= Creditors
(i)	Started business with cash	+1,00,000							+ 1,00,000
		1,00,000							= 1,00,000
(ii)	Purchased goods for cash	-60,000		+60,000					
		40,000	+	60,000					= 1,00,000
(iii)	1/3 rd of the goods sold at a profit of 20% on cost. Half payment received in cash	+12,000		-20,000				+12,000	+4,000 (Profit)
		52,000	+	40,000				+ 12,000	= 1,04,000
(iv)	Purchased typewriter for office use	-15,000				+15,000			
		37,000	+	40,000	+	15,000	+	12,000	= 1,04,000
(v)	Purchased goods on credit from X			+25,000					+25,000
		37,000	+	65,000	+	15,000	+	12,000	= 25,000 + 1,04,000
(vi)	Paid to X	-15,000							-15,000
		22,000	+	65,000	+	15,000	+	12,000	= 10,000 + 1,04,000
(vii)	Paid salary	-3,000							-3,000 (Expense)
		19,000	+	65,000	+	15,000	+	12,000	= 10,000 + 1,01,000
(viii)	Received commission	+500							+500
		19,500	+	65,000	+	15,000	+	12,000	= 10,000 + 1,01,500
(ix)	Sold goods (costing Rs 50,000) for cash	+60,000		-50,000					+10,000 (Profit)
		79,500	+	15,000	+	15,000	+	12,000	= 10,000 + 1,11,500

Working Note:

WN1 Calculation of Selling Price

$$\text{Cost of Goods Sold} = 60,000 \times \frac{1}{3} = 20,000$$

$$\text{Add : Profit 20\% of Rs 20,000} = 4,000$$

$$\therefore \text{Sales} = \underline{24,000}$$

$$\text{Cash Sales (50\%)} = 12,000$$

$$\therefore \text{Credit Sales} = 12,000$$

Accounting Equation

Answer 25:

ACCOUNTING EQUATION						
S. No.	Transaction	Assets			= Liabilities	+ Capital
		Cash	+	Stock + Debtors	= Creditors	
(i)	Started business with cash and goods	+60,000		+30,000		+90,000
		60,000	+	30,000	=	90,000
(ii)	Purchased goods for cash and credit	-40,000		+65,000	+25,000	
		20,000	+	95,000	=	25,000 + 90,000
(iii)	Goods costing Rs 48,000 sold at a profit of 33 1/3%. 3/4 th payment received in cash	+48,000		-48,000 +16,000		+16,000
		68,000	+	47,000 + 16,000	=	25,000 + 1,06,000
(iv)	Goods costing Rs 20,000 sold at a loss of 5% out of which Rs 12,000 were received in cash	+12,000		-20,000 +7,000		-1,000 (Loss)
		80,000	+	27,000 + 23,000	=	25,000 + 1,05,000
(v)	Paid rent and salary	-10,000				-10,000 (Expense)
		70,000	+	27,000 + 23,000	=	25,000 + 95,000
(vi)	Received cash from debtors	+15,000		-15,000		
		85,000	+	27,000 + 8,000	=	25,000 + 95,000
(vii)	Paid telephone bill	-800				-800 (Expense)
		84,200	+	27,000 + 8,000	=	25,000 + 94,200

Working Note:

WN1 Calculation of Selling Price

$$\text{Cost of Goods Sold} = 48,000$$

$$\text{Add: Profit } 33\frac{1}{3}\% \text{ of Rs } 48,000 = 16,000$$

$$\therefore \text{Selling Price} = \underline{64,000}$$

$$\text{Cash Sales} = 64,000 \times \frac{3}{4} = 48,000$$

$$\text{Credit Sales} = 64,000 \times \frac{1}{4} = 16,000$$

WN2 Calculation of Selling Price

$$\text{Cost of Goods Sold} = 20,000$$

$$\text{Less: Loss of 5\% on Rs } 20,000 = 1,000$$

$$\therefore \text{Selling Price} = \underline{19,000}$$

$$\text{Cash Received} = 12,000$$

$$\text{Hence, Credit Sales} = \underline{7,000}$$

Accounting Equation

Balance Sheet

as on

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Creditors	25,000	Cash	84,200
Capital	94,200	Stock	27,000
		Debtors	8,000
	1,19,200		1,19,200

Answer 26:

ACCOUNTING EQUATION												
S. No.	Transaction	Assets						=	Liabilities	+	Capital	
		Cash	+	Stock	+	Furniture		Debtors	=	Creditors		
(i)	Started business with cash, goods and furniture	+20,000		+50,000		+30,000					+	1,00,000
		20,000	+	50,000	+	30,000			=			1,00,000
(ii)	Purchased goods on credit from Gopal			+40,000						+40,000		
		20,000	+	90,000	+	30,000			=	40,000	+	1,00,000
(iii)	Sold goods (costing Rs 30,000) for cash Rs 40,000	+40,000		−30,000								+10,000 (Profit)
		60,000	+	60,000	+	30,000			=	40,000	+	1,10,000
(iv)	Sold goods (costing Rs 50,000) to Ram for Rs 65,000			−50,000				+65,000				+15,000 (Profit)
		60,000	+	10,000	+	30,000	+	65,000	=	40,000	+	1,25,000
(v)	Goods withdrawn for personal use			−5,000								−5,000 (Drawings)
		60,000	+	5,000	+	30,000	+	65,000	=	40,000	+	1,20,000
(vi)	Purchased typewriter for personal use	−20,000										−20,000 (Drawings)
		40,000	+	5,000	+	30,000	+	65,000	=	40,000	+	1,00,000
(vii)	Purchased chairs for office use	−10,000				+10,000						
		30,000	+	5,000	+	40,000	+	65,000	=	40,000	+	1,00,000
(viii)	Paid for printing Rs 500 and received commission Rs 1,200	−500 +1,200										−500 (Expense) +1,200 (Income)
		30,700	+	5,000	+	40,000	+	65,000	=	40,000	+	1,00,700
(ix)	Introduced additional capital	+40,000										+40,000 (Fresh Capital)
		70,700	+	5,000	+	40,000	+	65,000	=	40,000	+	1,40,700
(x)	Paid to Gopal	−30,000								−30,000		
		40,700	+	5,000	+	40,000	+	65,000	=	10,000	+	1,40,700

Accounting Equation

Answer 27:

Opening Capital (Capital as on 1st April, 2013) = Rs 1,00,000

Calculation of Closing Capital (Capital as on March 31, 2014)

Assets = Liabilities + Capital

1,75,000 = 50,000 + Capital

Capital = Rs 1,25,000

Calculation of Profit Earned during the Year

Closing Capital = Opening Capital + Additional Capital + Profit – Drawings

1,25,000 = 1,00,000 + 0 + Profit – 0

Profit = 1,25,000 – 1,00,000

= Rs 25,000

Answer 28:

Opening Capital (Capital as on 1st April, 2013) = Rs 2,00,000

Calculation of Closing Capital (Capital as on March 31, 2014)

Assets = Liabilities + Capital

3,80,000 = 75,000 + Capital

Capital = Rs 3,05,000

Calculation of Profit Earned during the Year

Closing Capital = Opening Capital + Additional Capital + Profit – Drawings

3,05,000 = 2,00,000 + 60,000 + Profit – 36,000

3,05,000 = 2,24,000 + Profit

Profit = 3,05,000 – 2,24,000

= Rs 81,000

Answer 29:

Accounts	Increase Recorded at Side	Nature
1. Furniture	Debit	Asset
2. Wages Paid	Debit	Expense
3. Rent Received	Credit	Income
4. Cash	Debit	Asset

Accounting Equation

5. Proprietor's Account	Credit	Capital
6. Debtor	Debit	Asset
7. Prepaid Insurance	Debit	Asset
8. Outstanding Salary	Credit	Liability

Answer 30:

As we know, Furniture is an asset, so, increase in furniture will be recorded on the debit side while decrease in furniture will be recorded on the credit side of the Furniture Account.

Furniture Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>increase in Furniture</i> on this side-		Record <i>decrease in Furniture</i> on this side-	
1. Furniture purchased	50,000	2. Furniture sold	20,000
4. Furniture purchased	32,000	3. Furniture destroyed by fire	16,000
		5. Old furniture discarded	2,000
		6. Value reduced	5,000
Total	82,000	Total	43,000
	82,000	Balance	39,000
			82,000

Answer 31:

Increase in Creditors (being a liability) will be shown on the credit side and decrease in the creditors will be recorded on the debit side of the Creditors Account.

X's Account (Creditor)

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>decrease in Creditors</i> on this side-		Record <i>increase in Creditors</i> on this side-	
2. Paid to X	30,000	1. Purchased goods from X on credit	40,000
3. Returned goods to X	6,000	5. Purchased goods from X on credit	50,000
6. Paid to X	45,000		
Total	81,000	Total	90,000
Balance	9,000		90,000
	90,000		

Note: Transaction Number (iv) will not be recorded in Creditors Account as goods are purchased for cash. Thus, there will be no impact on Creditors Account.

Accounting Equation

Answer 32:

Increase in Debtors (being an asset) will be shown on the debit side and decrease in them will be recorded on the credit side of the Debtors Account.

Ram's (Debtor) Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>increase in Debtors</i> on this side-		Record <i>decrease in Debtors</i> on this side-	
1. Sold goods to Ram on credit	20,000	2. Received from Ram	15,000
4. Sold goods to Ram on credit	10,000	3. Ram returned goods	3,000
		5. Ram returned goods	1,000
Total	30,000	Total	19,000
Balance c/d		Balance	11,000
	30,000		30,000

Answer 33:

(I) Increase in Cash (being an asset) will be shown on the debit side and decrease in cash will be recorded on the credit side of the Cash Account.

Cash Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>increase in Cash</i> on this side-		Record <i>decrease in Cash</i> on this side-	
(b) Sold goods for cash	30,000	(h) Paid rent	4,000
(d) Received from Shankar	29,000		
(f) Sold goods for cash	5,000		
Total	64,000	Total	4,000
		Balance	60,000
	64,000		64,000

(II) Increase in Debtors (being an asset) will be shown on the debit side and decrease in them will be recorded on the credit side of the Debtors Account.

Shankar's (Debtor) Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record <i>increase in Debtors</i> on this side-		Record <i>decrease in Debtors</i> on this side-	
(a) Sold goods to Shankar on credit	50,000	(d) Shankar paid	29,000
		(e) Shankar returned goods	1,000
Total	50,000	Total	30,000
		Balance	20,000
	50,000		50,000

Accounting Equation

(III) Increase in Creditors (being a liability) will be shown on the credit side and decrease in the creditors will be recorded on the debit side of the Creditors Account.

Mohan's (Creditor) Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Record decrease in Creditors on this side-		Record increase in Creditors on this side-	
(g) Returned goods to Mohan	2,000	(c) Purchased goods from Mohan on credit	25,000
Total	2,000	Total	25,000
Balance	23,000		
	25,000		25,000

Answer 34:

ACCOUNTING EQUATION											
S. No.	Transaction	Assets						=	Liabilities	+	Capital
		Cash	+	Prepaid Rent	+	Stock	Furniture	=	Creditors		
(i)	Started business with cash	+50,000									+50,000
		50,000						=		+	50,000
(ii)	Paid rent Rs 4,000 including Rs 1,000 as advance	-4,000		+1,000							-3,000 (Expense)
		46,000	+	1,000				=		+	47,000
(iii)	Purchased goods for cash Rs 30,000 and on credit Rs 20,000	-30,000				+50,000			+20,000		
		16,000	+	1,000	+	50,000		=	20,000	+	47,000
(iv)	Sold goods (costing Rs 20,000) for Rs 25,000	+25,000				-20,000					+5,000 (Profit)
		41,000	+	1,000	+	30,000		=	20,000	+	52,000
(v)	Purchased furniture Rs 10,000 for office use and Rs 5,000 for domestic use	-15,000					+10,000				-5,000 (Drawings)
		26,000	+	1,000	+	30,000	+	=	20,000	+	47,000

Accounting Equation

Answer 35:

		Cash	+	Stock	+	Debtors	=	Liabilities	+	Capital
(i)	Started business with cash and goods	+1,00,000	+	20,000			=		+	1,20,000
(ii)	Sold goods on credit	0	-	10,000	+	12,000	=		+	2,000
	New Balance	1,00,000	+	10,000	+	12,000	=		+	1,22,000
(iii)	Rent paid	- 5,000					=		-	5,000
	New Balance	95,000	+	10,000	+	12,000	=		+	1,17,000
(iv)	Ram paid cash	+ 6,000			-	6,000	=			
	New Balance	1,01,000	+	10,000	+	6,000	=		+	1,17,000

Double Entry System

From

D K GOEL

Solutions

ACCOUNTANCY

Answer 1:

Classification of Accounts

Personal Accounts	Real Accounts	Nominal Accounts
(iii) Commission Accrued	(v) Leasehold Property Account	(i) Commission Paid
(iv) Prepaid Salaries		(ii) Commission Received
(viii) Life Insurance Corporation of India		(vi) Discount Allowed
(ix) Drawings Account		(vii) Carriage Inwards Account
(x) Rent Received in Advance		(xii) Sales Account
(xi) Debtors		
(xiii) Rent Paid in Advance		
(xiv) Bank Overdraft		

JOURNAL

From

D K GOEL

Solutions

ACCOUNTANCY

Book of Original Entry-Journal

Answer 1:

Journal In the Books of Manohar Lal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Mar. 01	Cash A/c	Dr.	60,000	
	To Capital A/c			60,000
	(Started business with cash)			
Mar. 02	Furniture A/c	Dr.	10,000	
	To Cash A/c			10,000
	(Furniture purchased for cash)			
Mar. 04	Purchases A/c	Dr.	25,000	
	To Cash A/c			25,000
	(Goods purchased for cash)			
Mar. 05	Purchases A/c	Dr.	15,000	
	To Kamlesh's A/c			15,000
	(Goods purchased from Kamlesh)			
Mar. 06	Cash A/c	Dr.	36,000	
	To Sales A/c			36,000
	(Goods sold for cash)			
Mar. 08	Hari's A/c	Dr.	30,000	
	To Sales A/c			30,000
	(Goods sold to Hari)			
Mar. 10	Kamlesh's A/c	Dr.	15,000	
	To Cash A/c			15,000
	(Cash paid to Kamlesh)			
Mar. 14	Cash A/c	Dr.	18,000	
	To Hari's A/c			18,000
	(Cash received from Hari)			
Mar. 16	Purchases A/c	Dr.	6,000	
	To Sohan's A/c			6,000
	(Goods purchased from Sohan)			
Mar. 18	Purchases A/c	Dr.	8,000	

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	To Cash A/c		8,000	
	(Goods purchased from Sohan for cash)			
Mar. 20	Rent A/c	Dr.	1,000	
	To Cash A/c			1,000
	(Paid office rent)			
Mar. 26	Cash A/c	Dr.	750	
	To Commission A/c			750
	(Commission received)			
Mar. 27	Salary A/c	Dr.	1,200	
	To Cash A/c			1,200
	(Salary paid to Gopal)			
Mar. 28	Cash A/c	Dr.	12,000	
	To Hari's A/c			12,000
	(Cash received from Hari)			
Mar. 29	Drawings A/c	Dr.	4,000	
	To Cash A/c			4,000
	(Cash withdrawn from office for personal use)			
Mar. 30	Wages A/c	Dr.	7,200	
	To Cash A/c			7,200
	(Wages paid)			
Mar. 30	Machinery A/c	Dr.	8,000	
	To Cash A/c			8,000
	(Machinery purchased for cash)			
	TOTAL		2,57,150	2,57,150

Answer 2:

Journal In the Books of Sahil				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
Oct. 01	Purchases A/c	Dr.	40,000	

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	To Cash A/c		40,000	
	(Goods purchased from Anil for cash)			
Oct. 03	Purchases A/c	Dr.	75,000	
	To Atul's A/c		75,000	
	(Goods purchased from Atul)			
Oct. 06	Atul's A/c	Dr.	3,000	
	To Purchases Return A/c		3,000	
	(Goods returned to Atul)			
Oct. 08	Atul's A/c	Dr.	50,000	
	To Cash A/c		50,000	
	(Cash paid to Atul)			
Oct. 10	Charu's A/c	Dr.	1,00,000	
	To Sales A/c		1,00,000	
	(Goods sold to Charu)			
Oct. 12	Sales Return A/c	Dr.	20,000	
	To Charu's A/c		20,000	
	(Goods returned to Charu)			
Oct. 15	Rent A/c	Dr.	2,000	
	To Cash A/c		2,000	
	(Rent paid)			
Oct. 20	Drawings A/c	Dr.	10,000	
	To Cash A/c		10,000	
	(Cash withdrawn for personal use)			
	TOTAL		3,00,000	3,00,000

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Answer 3:

Journal In the Books of Ganesh				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Mar. 03	Dev's A/c	Dr.	1,00,000	
	To Sales A/c			1,00,000
	(Goods sold to Dev)			
Mar. 05	Cash A/c	Dr.	98,000	
	Discount Allowed A/c	Dr.	2,000	
	To Dev's A/c			1,00,000
	(Cash received from Dev in full settlement of his account)			
Mar. 06	Manmohan's A/c	Dr.	80,000	
	To Sales A/c			80,000
	(Goods sold to Manmohan)			
Mar. 08	Sales Return A/c	Dr.	1,000	
	To Manmohan's A/c			1,000
	(Goods returned to Manmohan)			
Mar. 15	Cash A/c	Dr.	78,200	
	Discount Allowed A/c	Dr.	800	
	To Manmohan's A/c			79,000
	(Cash received from Manmohan in full settlement of his account)			
Mar. 16	Cash A/c	Dr.	19,500	
	Discount Allowed A/c	Dr.	500	
	To Ram's A/c			20,000
	(Cash received from Ram and discount allowed)			
Mar. 20	Pawan's A/c	Dr.	5,000	

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	To Cash A/c		4,700	
	To Discount Received A/c		300	
	(Cash paid to Pawan and received discount)			
Mar. 25	Varun's A/c	Dr.	20,000	
	To Sales A/c		20,000	
	(Goods sold @ 20% trade discount)			
	TOTAL		4,05,000	4,05,000

Answer 4:

Journal In the Books of Hari Shankar & Co.				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Apr. 01	Cash A/c	Dr.	50,000	
	To Capital A/c			50,000
	(Started business with cash)			
Apr. 02	Purchases A/c	Dr.	20,000	
	To Subhash's A/c			20,000
	(Goods purchased from Subhash)			
Apr. 04	Ramnath's A/c	Dr.	15,000	
	To Sales A/c			15,000
	(Goods sold to Ramnath)			
Apr. 06	Sales Return A/c	Dr.	1,000	
	To Ramnath's A/c			1,000
	(Goods returned to Ramnath)			
Apr. 10	Cash A/c	Dr.	13,800	
	Discount Allowed A/c	Dr.	200	
	To Ramnath's A/c			14,000
	(Cash received from Ramnath and allowed discount)			

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Apr. 12	Purchases A/c	Dr.	10,000
	To Gopal's A/c		10,000
	(Goods purchased from Gopal)		
Apr. 14	Gopal's A/c	Dr.	10,000
	To Cash A/c		9,500
	To Discount Received A/c		500
	(Cash paid to Gopal in full settlement of his account)		
Apr. 15	Rent A/c	Dr.	1,000
	To Cash A/c		1,000
	(Rent paid)		
Apr. 16	Drawings A/c	Dr.	500
	To Cash A/c		500
	(Rent paid for Hari Shankar's residence)		
Apr. 18	Purchases A/c	Dr.	4,800
	To Cash A/c		4,800
	(Goods purchased for cash at 20% trade discount)		
Apr. 20	Purchases A/c	Dr.	8,000
	To Govind's A/c		8,000
	(Goods purchased from Govind at 20% trade discount)		
Apr. 24	Govind's A/c	Dr.	8,000
	To Cash A/c		7,850
	To Discount Received A/c		150
	(Cash paid to Govind in full settlement of his account)		
Apr. 25	Subhash's A/c	Dr.	5,000

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	To Cash A/c		4,750	
	To Discount Received A/c		250	
	(Cash paid to Subhash in full settlement of his account)			
Apr. 30	Wages A/c	Dr.	400	
	Salaries A/c	Dr.	4,000	
	Advertisement Expenses A/c	Dr.	800	
	Trade Expenses A/c	Dr.	1,000	
	To Cash A/c			6,200
	(Expenses paid)			
	TOTAL		1,53,500	1,53,500

Answer 5:

Journal In the Books of Marutinandan Stores				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 10	Purchases A/c	Dr.	42,500	
	To Ghanshyam's A/c			42,500
	(Goods purchased at 15% trade discount)			
Jan. 13	Ghanshyam's A/c	Dr.	1,700	
	To Purchases Return A/c			1,700
	(Goods returned to Ghanshyam deducting trade discount of 15%)			
Jan. 15	Ghanshyam's A/c	Dr.	40,800	
	To Cash A/c			40,000
	To Discount Received A/c			800
	(Cash paid to Ghanshyam in full settlement of his account)			
Jan. 20	Purchases A/c	Dr.	54,000	

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	To Raghu's A/c		54,000	
	(Goods purchased from Raghu at trade discount of 10%)			
Jan. 22	Raghu's A/c	Dr.	4,500	
	To Purchases Return A/c		4,500	
	(Goods returned to Raghu deducting trade discount of 10%)			
Jan. 25	Raghu's A/c	Dr.	49,500	
	To Cash A/c		49,000	
	To Discount Received A/c		500	
	(Cash paid to Raghu in full settlement of his account)			
			1,93,000	1,93,000

Answer 6:

Journal In the Books of ...				
Date	Particulars	L. F.	DebitAmount(Rs)	CreditAmount(Rs)
2017				
Jan. 06	Muskan's A/c	Dr.	1,60,000	
	To Sales A/c			1,60,000
	(Goods sold to Muskan at trade discount of 20%)			
Jan. 08	Sales Return A/c		4,000	
	To Muskan's A/c			4,000
	(Goods returned by Muskan deducting trade discount of 20%)			
Jan. 15	Cash A/c	Dr.	1,49,760	
	Discount Allowed A/c	Dr.	6,240	
	To Muskan's A/c			1,56,000
	(Cash received from Muskan in full)			

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settlement of her account)		
	3,20,000	3,20,000

Answer 7:

Journal In the Books of Raja Ram				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 03	Purchases A/c	Dr.	72,000	
	To Cash A/c			70,200
	To Discount Received A/c			1,800
	(Goods purchased for cash and received cash discount)			
Mar. 05	Cash A/c	Dr.	82,450	
	Discount Allowed A/c	Dr.	2,550	
	To Sales A/c			85,000
	(Goods sold for cash and allowed cash discount)			
Mar. 06	Nagpal's A/c	Dr.	40,000	
	To Sales A/c			40,000
	(Goods sold to Nagpal)			
Mar. 08	Sales Return A/c	Dr.	10,000	
	To Nagpal's A/c			10,000
	(Goods returned by Nagpal)			
Mar. 10	Cash A/c	Dr.	28,500	
	Discount Allowed A/c	Dr.	1,500	
	To Sales A/c			30,000
	(Cash received in full settlement)			
	TOTAL		2,37,000	2,37,000

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Answer 8:

Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Mar.05	Shruti	Dr.	68,000	
	To Sales A/c			68,000
	(Goods sold to Shruti at 15% trade discount)			
Mar.05	Bank A/c	Dr.	48,960	
	Discount Allowed A/c	Dr.	2,040	
	To Shruti			51,000
	(Payment received and cash discount allowed)			
Mar.10	Purchases A/c	Dr.	54,000	
	To Richa			54,000
	(Goods purchased from Richa at 10% trade discount)			
Mar.10	Richa	Dr.	32,400	
	To Bank A/c			30,780
	To Discount Received A/c			1,620
	(Payment made and cash discount received)			

Working Notes:

1. Amount of goods sold would be Rs 68,000 (80,000 - 15% of 80,000) and cash discount would be Rs 2,040, it would be calculated on amount received Rs 51,000 i.e., 75% of Rs 68,000.
2. Amount of goods purchased would be Rs 54,000 (60,000 - 10% of 60,000) and cash discount would be Rs 1,620, it would be calculated on amount paid Rs 32,400 i.e., 60% of Rs 54,000

Answer 9:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)

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2005			
Jan. 06	Purchases A/c	Dr.	45,000
	To Bank A/c (WN1)		25,920
	To Discount Received A/c		1,080
	To Henry's A/c		18,000
	(Goods purchased and discount received on cash payment)		
Jan. 15	Purchases A/c	Dr.	1,60,000
	To Bank A/c		1,14,000
	To Discount Received A/c		6,000
	To Amit's A/c		40,000
	(Goods purchased and discount received on cash payment)		
Jan. 18	Sherpa's A/c	Dr.	40,000
	To Sales A/c		40,000
	(Goods sold to Sherpa on credit)		
Jan. 23	Bank A/c	Dr.	28,800
	Discount Allowed A/c	Dr.	1,200
	To Sherpa's A/c		30,000
	(75% payment received by Sherpa and allowed cash discount)		
Jan. 25	Garima's A/c	Dr.	80,000
	To Sales A/c		80,000
	(Goods sold to Garima on credit)		
Feb. 05	Bank A/c	Dr.	19,000
	Discount Allowed A/c	Dr.	1,000
	To Garima's A/c		20,000
	(Cheque received from Garima and allowed cash discount)		
Feb. 15	Cash A/c*	Dr.	60,000
	To Garima's A/c		60,000
	(Cash received from Garima)		

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TOTAL	4,35,000	4,35,000
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Working Notes:

WN1: Calculation of Payment made to Henry

Cost Price of Goods	= 50,000
Less: 10% Trade Discount	= <u>5,000</u>
Purchase Price	= Rs 45,000
Payment in Cash = 45,000 × 60%	= 27,000
Less: Cash Discount = 27,000 × 4%	= <u>1,080</u>
Cash Paid	= Rs 25,920

WN2: Calculation of Payment made to Amit

Cost Price of Goods	= 2,00,000
Less: 20% Trade Discount	= <u>40,000</u>
Purchase Price	= Rs 1,60,000
Payment in Cash = 1,60,000 × $\frac{3}{4}$	= Rs 1,20,000
Less: Cash Discount = 1,20,000 × 5%	= Rs 6,000
Cash Paid	= Rs <u>1,14,000</u>

***Note:** Cash discount can be availed only if the payment is made within 15 days. Since payment is made on Feb. 15, thus, no discount is to be allowed to her.

Answer 10:

Journal In the Books of Shyam Sunder & Sons				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Apr. 01	Cash A/c	Dr.	75,000	
	Stock A/c	Dr.	30,000	
	Furniture A/c	Dr.	5,000	
	To Capital A/c			1,10,000
	(Business started with cash, goods and furniture)			
Apr.	Bhushan's A/c	Dr.	9,000	

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02			
	To Sales A/c		9,000
	(Goods sold to Bhushan deducting trade discount)		
Apr. 05	Sales Return A/c	Dr.	900
	To Bhushan's A/c		900
	(Goods returned by Bhushan deducting trade discount)		
Apr. 10	Cash A/c	Dr.	8,000
	Discount Allowed A/c	Dr.	100
	To Bhushan's A/c		8,100
	(Cash received from Bhushan in full settlement)		
Apr. 12	Furniture A/c	Dr.	6,000
	To Cash A/c		6,000
	(Furniture purchased for cash)		
Apr. 12	Purchases A/c	Dr.	22,000
	To Navin's A/c		22,000
	(Goods purchased from Navin on credit)		
Apr. 15	Navin's A/c	Dr.	1,760
	To Purchases Return A/c		1,760
	(Goods returned to Navin)		
Apr. 16	Navin's A/c	Dr.	20,240
	To Cash A/c		19,228
	To Discount Received A/c		1,012
	(Cash paid to Navin in full settlement)		
Apr. 17	Ajay's A/c	Dr.	10,000
	Vijay's A/c	Dr.	16,000
	To Sales A/c		26,000
	(Goods sold to Ajay and Vijay)		

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Apr. 20	Cash A/c	Dr.	9,800	
	Discount Allowed A/c	Dr.	200	
	To Ajay's A/c			10,000
	(Cash received from Ajay in full settlement)			
Apr. 20	Insurance A/c	Dr.	750	
	To Cash A/c			750
	(Paid insurance premium)			
Apr. 22	Drawings A/c	Dr.	1,200	
	To Cash A/c			1,200
	(Paid for proprietor's life insurance premium)			
Apr. 24	Purchases	Dr.	7,200	
	To Cash A/c			7,056
	To Discount Received A/c			144
	(Goods purchased for cash at a discount of 2%)			
Apr. 25	Cash A/c	Dr.	15,200	
	Discount Allowed A/c	Dr.	800	
	To Vijay's A/c			16,000
	(Cash received in full settlement)			
Apr. 30	Rent A/c	Dr.	800	
	Advertisement A/c	Dr.	1,000	
	Salaries A/c	Dr.	4,000	
	To Cash A/c			5,800
	(Expenses paid)			
Apr. 30	Cash A/c	Dr.	500	
	To Commission A/c			500
	(Commission received)			
	TOTAL		2,45,450	2,45,450

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Answer 11:

Journal <i>In the Books of ...</i>				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 01	Bank A/c	Dr.	10,000	
	To Cash A/c			10,000
	(Payment made to open current account)			
Jan. 03	Bank A/c	Dr.	50,000	
	To Sales A/c			50,000
	(Goods sold and amount deposited into bank)			
Jan. 07	Cash A/c	Dr.	20,000	
	To Bank A/c			20,000
	(Cash withdrawn from Bank)			
Jan. 10	Cash A/c	Dr.	15,000	
	To Sales A/c			15,000
	(Goods sold for cash)			
Jan. 12	Bank A/c	Dr.	12,000	
	To Cash A/c			12,000
	(Cash deposited into bank)			
Jan. 14	Purchases A/c	Dr.	25,000	
	To Bank A/c			25,000
	(Goods purchased and payment made by cheque)			
	TOTAL		1,32,000	1,32,000

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Answer 12(A):

Journal In the Books of Radhika Traders				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
April 01	Cash in Hand A/c	Dr.	8,000	
	Cash at Bank A/c	Dr.	7,000	
	Stock A/c	Dr.	30,000	
	Mohan's A/c	Dr.	10,000	
	Sohan's A/c	Dr.	12,000	
	Dinesh's A/c	Dr.	14,000	
	Furniture A/c	Dr.	5,000	
	Building A/c	Dr.	25,000	
	To X's A/c			5,000
	To Y's A/c			6,000
	To Capital A/c (<i>Balancing figure</i>)			1,00,000
	(Balances of previous year brought forward)			
April 02	Purchases A/c	Dr.	5,100	
	To Khanna Brothers			3,060
	To Cash A/c			1,999
	To Discount Received A/c			41
	(Goods purchased and received discount on cash payment)			
April 03	Bank A/c	Dr.	9,750	
	Discount Allowed A/c	Dr.	250	
	To Mohan			10,000
	(Draft received from Mohan deposited into bank)			
April 05	Purchases A/c	Dr.	6,400	
	To Bank A/c			6,400
	(Goods purchased and payment made by cheque)			
April 08	Cheques-in-Hand A/c	Dr.	25,000	

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	To Sales A/c		25,000
	(Goods sold and received a cheque)		
April 10	Bank A/c	Dr.	25,000
	To Cheques-in-Hand A/c		25,000
	(Cheque deposited into bank)		
April 12	Bank A/c	Dr.	4,000
	To Sohan's A/c		4,000
	(Amount deposited by Sohan)		
April 16	Drawings A/c	Dr.	5,600
	To Cash A/c		5,600
	(Income tax paid)		
April 20	Bank A/c	Dr.	7,800
	Discount Allowed A/c	Dr.	200
	To Sohan's A/c		8,000
	(Banked cash received from Sohan in full settlement)		
April 21	Drawings A/c	Dr.	4,000
	Cash A/c	Dr.	2,000
	To Bank A/c		6,000
	(Amount withdrawn for office and personal use)		
April 23	X	Dr.	5,000
	To Bank A/c		4,900
	To Discount Received A/c		100
	(Cheque issued to X in full settlement of his account)		
April 27	Sohan's A/c	Dr.	8,000
	To Bank A/c		7,800
	To Discount Allowed A/c		200
	(Cheque received from Sohan gets		

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	dishonoured)			
April 28	Cash A/c	Dr.	8,400	
	Bad Debts A/c	Dr.	5,600	
	To Dinesh's A/c			14,000
	(Cash received and bad-debts written off)			
April 30	Bank A/c	Dr.	350	
	To Interest A/c			350
	(Interest allowed by bank)			
April 30	Rent A/c	Dr.	1,500	
	Travelling Expenses A/c	Dr.	500	
	To Bank A/c			2,000
	(Expenses paid through cheque)			
	TOTAL		2,35,450	2,35,450

Answer 12(B):

Journal In the Books of Harish & Co.				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
April 01	Cash in Hand A/c	Dr.	10,000	
	Cash at Bank A/c	Dr.	16,800	
	Furniture A/c	Dr.	8,000	
	Stock A/c	Dr.	50,000	
	Ram's A/c	Dr.	8,000	
	Shyam's A/c	Dr.	12,000	
	To Anil's A/c			4,000
	To Sunil's A/c			5,000
	To Capital A/c (<i>Balancing figure</i>)			95,800
	(Previous year's balances brought forward)			
April 02	Cheques-in-Hand A/c	Dr.	7,600	

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	Discount Allowed A/c	Dr.	400	
	To Ram's A/c			8,000
	(Cheque received from Ram in full settlement)			
April 04	Bank A/c	Dr.	7,600	
	To Cheques-in-Hand A/c			7,600
	(Cheques-in-hand sent to bank)			
April 05	Purchases A/c	Dr.	18,000	
	To Bank A/c			17,100
	To Discount Received A/c			900
	(Goods purchased for cash and received discount)			
April 06	Bank A/c	Dr.	3,860	
	Discount Allowed A/c	Dr.	140	
	To Shyam's A/c			4,000
	(Cheque received from Shyam)			
April 10	Anil's A/c	Dr.	4,000	
	To Cash A/c			3,920
	To Discount Received A/c			80
	(Cash paid to Anil in full settlement)			
April 15	Cash A/c	Dr.	800	
	To Furniture A/c			800
	(Furniture sold for cash)			
April 16	Shiv Parshad's A/c	Dr.	8,500	
	To Sales A/c			8,500
	(Goods sold to Shiv Parshad on credit)			
April 18	Sales Return A/c	Dr.	850	
	To Shiv Parshad's A/c			850
	(Goods returned by Shiv Parshad)			
April	Repairs A/c	Dr.	100	

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20			
	To Cash A/c		100
	(Cash paid for repair of furniture)		
April 25	Bank A/c	Dr.	7,344
	Discount Allowed A/c	Dr.	306
	To Shiv Parshad's A/c		7,650
	(Cheque received in full settlement)		
April 28	Bank Charges A/c	Dr.	50
	To Bank A/c		50
	(Bank charged some charges)		
April 30	Cash A/c	Dr.	200
	To Commission A/c		200
	(Commission received)		
	TOTAL		1,64,550
			1,64,550

Answer 13:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1.	Depreciation A/c	Dr.	2,500	
	To Furniture A/c			500
	To Machinery A/c			2,000
	(Depreciation charged on furniture and machinery)			
2.	Cash A/c	Dr.	1,000	
	To Bad Debts Recovered A/c			1,000
	(Bad debts recovered)			
3.	Bad Debts	Dr.	2,500	
	To Ajay Singh's A/c			2,500
	(Bad debts written-off)			
4.	Wages A/c	Dr.	20,000	
	Salaries A/c	Dr.	4,000	

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	To Outstanding Wages A/c		20,000	
	To Outstanding Salaries A/c		4,000	
	(Wages and Salaries were outstanding)			
5.	Drawings A/c	Dr.	6,000	
	To Bank A/c			6,000
	(Furniture purchased for personal use)			
6.	Interest on Capital A/c	Dr.	18,000	
	To Capital A/c			18,000
	(Interest on capital provided)			
7.	Drawings A/c	Dr.	1,000	
	To Interest on Drawings A/c			1,000
	(Interest on drawings charged)			
	TOTAL		55,000	55,000

Answer 14:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
Jan. 05	Purchases A/c	Dr.	10,000	
	Carriage A/c	Dr.	200	
	To Cash A/c			10,200
	(Goods purchased for cash and paid carriage)			
Jan. 10	Machinery A/c	Dr.	50,500	
	To Cash A/c			50,500
	(Machinery purchased for cash and carriage paid)			
Jan. 15	Building A/c	Dr.	35,000	
	To Cash A/c			35,000
	(Payment made for construction of building)			

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Jan. 17	Machinery A/c	Dr.	22,500	
	To Cash A/c			22,500
	(Machinery purchased and expenses paid)			
Jan. 20	Repairs A/c	Dr.	500	
	To Cash A/c			500
	(Payment made for repairs)			
	TOTAL		1,18,700	1,18,700

Answer 15:

Journal In the Books of Sh. Arun Govil & Co.				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
June 01	Bank A/c	Dr.	6,00,000	
	To Capital A/c			6,00,000
	(Business started with cash)			
June 03	Purchases A/c	Dr.	1,80,000	
	To Mukesh's A/c			1,80,000
	(Goods purchased from Mukesh @ 10% trade discount)			
June 04	Mukesh's A/c	Dr.	45,000	
	To Purchases Return A/c			45,000
	(1/4 th goods returned to Mukesh)			
June 06	Mukesh	Dr.	1,35,000	
	To Bank A/c			1,32,300
	To Discount Received A/c			2,700
	(Cheque issued to Mukesh in full settlement)			

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June 07	Drawings A/c	Dr.	10,000	
	Cash A/c	Dr.	2,50,000	
	To Bank A/c			2,60,000
	(Cash withdrawn for office and personal use)			
June 10	Machinery A/c	Dr.	1,05,000	
	To Bank A/c			1,00,000
	To Cash A/c			5,000
	(Machinery purchased and paid installation charges)			
June 12	Amar's A/c	Dr.	1,00,000	
	To Sales A/c			1,00,000
	(Goods sold to Amar on credit)			
June 13	Bank A/c	Dr.	98,500	
	Discount Allowed A/c	Dr.	1,500	
	To Amar's A/c			1,00,000
	(Cheque received from Amar in full settlement)			
June 15	Drawings A/c	Dr.	200	
	Stationery A/c	Dr.	500	
	To Cash A/c			700
	(Stationery purchased for office and personal use)			
June 20	Land A/c	Dr.	2,17,000	
	To Bank A/c			2,17,000
	(Land purchased and brokerage paid)			
June 30	Salaries A/c	Dr.	3,000	
	Wages A/c	Dr.	2,000	
	To Outstanding Wages A/c			2,000
	To Outstanding Salaries A/c			3,000
	(Outstanding expenses provided)			

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TOTAL	17,47,700	17,47,700
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Answer 16:

Journal In the Books of Raj Kumar				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases A/c	Dr.	12,000	
	To Cash A/c			2,000
	To Kuldeep Kumar's A/c			10,000
	(Goods purchased for cash and credit)			
2)	Kuldeep Kumar's A/c	Dr.	10,000	
	To Cash A/c			9,950
	To Discount Received A/c			50
	(Cash paid to Kuldeep Kumar in full settlement)			
3)	Prepaid Rent A/c	Dr.	480	
	To Rent A/c			480
	(Prepaid rent recorded)			
4)	Machinery A/c	Dr.	1,03,000	
	To Bank A/c			1,00,000
	To Cash A/c			3,000
	(Machinery purchased and expenses paid)			
5)	Purchases A/c	Dr.	50,000	
	To Govind's A/c			50,000
	(Goods purchased from Govind)			
	Manohar Lal's A/c	Dr.	65,000	
	To Sales A/c			65,000
	(Goods sold to Manohar Lal)			
	TOTAL		2,40,480	2,40,480

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Answer 17:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Machinery A/c	Dr.	20,200	
	To Cash A/c			20,200
	(Machinery purchased and paid for carriage)			
2)	Bank A/c	Dr.	4,850	
	Discount Allowed A/c	Dr.	150	
	To X's A/c			5,000
	(Cheque received from X in full settlement)			
3)	Cash A/c	Dr.	6,000	
	Bad Debts A/c	Dr.	4,000	
	To Y's A/c			10,000
	(Cash received and bad debts written-off)			
4)	Z's A/c	Dr.	8,000	
	To Sales A/c			8,000
	(Goods sold to Z on credit)			
	Bank A/c	Dr.	7,600	
	Discount Allowed A/c	Dr.	400	
	To Z's A/c			8,000
	(Cheque received in full settlement)			
5)	Manoj's A/c (WN)	Dr.	21,600	
	To Sales A/c			21,600
	(Goods sold to Manoj)			
	TOTAL		72,800	72,800

Working Notes: Calculation of amount of goods sold to Manoj

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Cost Price	= 20,000
Add: Profit	= 4,000
Invoice Price	= <u>24,000</u>
Less: Trade Discount	= 2,400
	= Rs <u>21,600</u>

Answer 18:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Loss by Fire A/c	Dr.	50,000	
	To Purchases A/c			50,000
	(Goods destroyed by fire)			
2)	Advertisement Expenses A/c	Dr.	18,000	
	To Purchases A/c			18,000
	(Goods distributed as free samples)			
	Charity A/c	Dr.	20,000	20,000
	To Cash A/c			
	(Cash given away as charity)			
3)	Drawings A/c	Dr.	65,000	
	To Cash A/c			40,000
	To Purchases A/c			25,000
	(Goods and cash withdrawn for personal use)			
4)	Charity A/c	Dr.	25,000	
	To Cash A/c			5,000
	To Purchases A/c			20,000
	(Goods and cash given away as charity)			
5)	Loss by Theft A/c	Dr.	1,00,000	
	To Cash A/c			1,00,000
	(Cash stolen)			
	TOTAL		2,78,000	2,78,000

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Answer 19:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Cash A/c	Dr.	9,500	
	To Sales A/c			9,500
	(Goods sold for cash to Brijesh)			
2)	Charity A/c	Dr.	1,000	
	To Purchases A/c			1,000
	(Goods given away as charity)			
3)	Interest on Capital A/c	Dr.	35,000	
	To Capital A/c			35,000
	(Interest on capital provided)			
4)	Wages A/c	Dr.	3,000	
	To Outstanding Wages A/c			3,000
	(Outstanding wages provided)			
5)	Bad Debts A/c	Dr.	5,000	
	To Sunny's A/c			5,000
	(Bad debts written-off)			
6)	Cash A/c	Dr.	50,000	
	To Sales A/c			50,000
	(Goods sold for cash)			
	TOTAL		1,03,500	1,03,500

Answer 20:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Drawings A/c	Dr.	10,000	
	To Bank A/c			10,000
	(Cash withdrawn from bank for personal use)			
b)	Loss by Fire A/c	Dr.	50,000	

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	To Purchases A/c		50,000	
	(Goods destroyed by fire)			
c)	Machinery A/c	Dr.	1,52,000	
	To Cash A/c			1,52,000
	(Purchased machinery for cash and installation charges were paid)			
d)	Depreciation A/c	Dr.	10,400	
	To Building A/c			10,000
	To Furniture A/c			400
	(Depreciation charged on building and furniture)			
e)	Prepaid Salary A/c	Dr.	2,000	
	To Salary A/c			2,000
	(Prepaid salary recorded)			
f)	Bad Debts A/c	Dr.	20,000	
	To Kapil's A/c			20,000
	(Bad debts written-off)			
	TOTAL		2,44,400	2,44,400

Answer 21:

Journal In the Books of Sh. Navin Gupta				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Prepaid Insurance A/c	Dr.	1,500	
	To Insurance A/c			1,500
	(Prepaid insurance recorded)			
2)	Purchases A/c	Dr.	5,000	
	To Ram & Co.			5,000
	(Goods purchased on credit from Ram & Co.)			
3)	Ram & Co.	Dr.	5,000	
	To Cash A/c			4,750
	To Discount Received A/c			250
	(Cash paid to Ram & Co. in full settlement)			

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4)	Drawings A/c	Dr.	2,000	
	To Cash A/c			2,000
	(Paid income tax)			
5)	Cash A/c	Dr.	22,000	
	To Sales A/c			22,000
	(Goods sold for cash including profit of 10%)			
6)	Office Equipment A/c	Dr.	35,000	
	To Cash A/c			35,000
	(Office equipment purchased)			
	TOTAL		70,500	70,500

Answer 22:

Journal In the Books of Kanishk				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Charu's A/c (WN1)	Dr.	1,46,880	
	To Sales A/c			1,36,000
	To Central Sales Tax A/c			10,880
	(Goods sold to Charu)			
2)	Cash A/c (WN2)	Dr.	91,800	
	To Sales A/c			85,000
	To Central Sales Tax A/c			6,800
	(Goods sold to Arun)			
3)	Purchases A/c	Dr.	2,16,000	
	To Bank A/c			2,16,000
	(Goods purchased and central sales tax paid)			
4)	Insurance A/c	Dr.	8,400	
	To Bank A/c			8,400
	(Insurance premium paid through cheque)			
	Prepaid Insurance A/c	Dr.	2,800	
	To Insurance A/c			2,800

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(Insurance premium paid in advance for four months)		
TOTAL	4,63,080	4,63,080

Working Notes:

WN1: Calculation of amount of goods sold to Charu

Cost	= 1,20,000
Add: Profit @ $33\frac{1}{3}\%$ on 1,20,000	= 40,000
	= <u>1,60,000</u>
Less: Trade Discount (15% on 1,60,000)	= <u>24,000</u>
Sale Price	= 1,36,000
Add: Central Sales Tax	= <u>10,880</u>
Total	Rs 1,46,880

WN2: Calculation of amount of goods sold to Arun

Cost	= 80,000
Add: Profit @ 25% on 80,000	= 20,000
	= <u>1,00,000</u>
Less: Trade Discount (15% on 1,00,000)	= <u>15,000</u>
Sale Price	= 85,000
Add: Central Sales Tax @ 8%	= <u>6,800</u>
Total	Rs 91,800

Answer 23:

Journal In the Books of M/s Royal Traders				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Purchases A/c	Dr.	2,00,000	
	VAT Paid A/c	Dr.	24,000	
	To Pawan Ltd			2,24,000
	(Goods purchased from Pawan Ltd. and paid VAT @ 12%)			
ii)	Nutan Ltd.	Dr.	2,12,800	

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	To Sales A/c		1,90,000	
	To VAT Collected A/c		22,800	
	(Goods sold to Nutan and charged VAT @ 12%)			
iii)	Rubi Ltd.	Dr.	67,200	
	To Sales A/c		60,000	
	To VAT Collected A/c		7,200	
	(Goods sold to Rubi and charged VAT @ 12%)			
iv)	VAT Collected A/c	Dr.	24,000	
	To VAT Paid A/c		24,000	
	(VAT paid is adjusted against VAT collected)			
v)	VAT Collected A/c	Dr.	6,000	
	To Bank A/c		6,000	
	(VAT collected deducting VAT paid is deposited into govt. account)			
	TOTAL		5,34,000	5,34,000

Answer 24:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Mar. 04	Building A/c	Dr.	1,60,000	
	To Bank A/c			1,60,000
	(Building purchased and expenses paid)			
Mar. 10	Cash A/c	Dr.	12,000	
	Bad Debts A/c		8,000	
	To Satish's A/c			20,000
	(Cash received from Satish and bad debts written-off)			
Mar. 15	Repairs A/c	Dr.	500	
	To Cash A/c			500

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	(Payment made for repair of office furniture)		
Mar. 18	Drawings A/c	Dr.	7,000
	To Cash A/c		5,000
	To Purchases A/c		2,000
	(Cash and goods withdrawn for personal use)		
Mar. 20	Office Equipment A/c	Dr.	32,000
	To Cash A/c		32,000
	(Purchased iron safe, filing cabinet and typewriter)		
Mar. 20	Postage & Stationery A/c	Dr.	350
	To Cash A/c		350
	(Expenses paid for postage and stationery)		
Mar. 28	Electricity Charges A/c	Dr.	1,600
	To Cash A/c		1,600
	(Paid electricity charges)		
Mar. 31	Depreciation A/c	Dr.	7,500
	To Machinery A/c		7,500
	(Depreciation charged on machinery)		
Mar. 31	Wages A/c	Dr.	6,000
	To Outstanding Wages A/c		6,000
	(Outstanding wages recorded)		
	TOTAL		2,34,950 2,34,950

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Answer 25:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases A/c	Dr.	25,000	
	Carriage A/c	Dr.	200	
	To Cash A/c			25,200
	(Purchased goods for cash and carriage paid)			
2)	Purchases A/c	Dr.	40,000	
	To Sudhir's A/c			40,000
	(Goods purchased on credit from Sudhir)			
	Carriage A/c	Dr.	500	
	To Cash A/c			500
	(Carriage paid on goods purchased from Sudhir)			
3)	Machinery A/c	Dr.	20,800	
	To Bank A/c			20,800
	(Machinery purchased and expenses paid)			
4)	Purchases A/c	Dr.	15,000	
	To Anil's A/c			15,000
	(Purchased goods on credit from Anil)			
5)	Cash A/c	Dr.	6,000	
	To Sales A/c			6,000
	(Goods purchased from Anil sold for cash at a profit of 20% on cost)			
6)	X's A/c (WN)	Dr.	13,500	
	To Sales A/c			13,500
	(Goods sold to X)			
7)	Depreciation A/c	Dr.	2,000	
	To Furniture A/c			2,000
	(Depreciation charged on furniture)			
8)	Charity A/c	Dr.	2,500	

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To Cash A/c		500
To Purchases A/c		2,000
(Cash and goods given in charity)		
TOTAL	1,25,500	1,25,500

Working Notes: *Calculation of amount of goods sold to X*

Cost	= 12,000
Add: Profit @ 25% on 12,000	= 3,000
	= <u>15,000</u>
Less: Trade Discount (10% on 15,000)	= <u>1,500</u>
Sale Price	= 13,500

Answer 26:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Purchases A/c	Dr.	2,500	
	Cartage A/c	Dr.	20	
	To Cash A/c			2,520
	(VPP received and cartage paid)			
ii)	Cash A/c	Dr.	100	
	To Sundry Income A/c			100
	(Income received from sale of old newspapers)			
	Cash A/c	Dr.	500	
	To Furniture A/c			500
	(Cash received from sale of old chairs)			
iii)	Charity A/c	Dr.	700	
	To Purchases A/c			700
	(Goods given away as charity)			
iv)	Cash A/c	Dr.	2,000	
	To Bad Debts Recovered A/c			2,000
	(Bad debts recovered)			
v)	Ashok's A/c	Dr.	6,000	

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	To Sales A/c		6,000	
	(Goods sold on credit to Ashok at a profit of 20%)			
vi)	Cash A/c	Dr.	14,000	
	To Sales A/c			14,000
	(Goods sold for cash)			
vii)	Interest on Capital A/c	Dr.	5,000	
	To Capital A/c			5,000
	(Provided interest on capital)			
viii)	Rent A/c	Dr.	3,000	
	Drawings A/c		3,000	
	To Cash A/c			6,000
	(Rent paid for the building)			
ix)	Salary A/c	Dr.	3,000	
	To Outstanding Salary A/c			3,000
	(Outstanding salary provided)			
	TOTAL		39,820	39,820

Answer 27:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Cash A/c	Dr.	4,410	
	Discount Allowed A/c	Dr.	90	
	To Sales A/c			4,500
	(Goods of the list price of Rs 5,000 sold at 10% trade discount and 2% cash discount)			
ii)	Motor Car A/c	Dr.	85,000	
	To Cash A/c			85,000
	(The purchase of Motor Car for Rs 80,000 and the payment of Rs 5,000 as repairs charges on it)			
iii)	Chaturvedi's A/c	Dr.	5,000	
	To Cash A/c			4,850
	To Discount Received A/c			150

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(Chaturvedi's account settled, cash discount three percent)			
iv)	Cash A/c	Dr.	5,880
	Bad Debts A/c	Dr.	2,520
	To Ashok's A/c		8,400
(70 paise per rupee received from the estate of Ashok on his insolvency)			
v)	Drawings A/c	Dr.	3,000
	To Purchases A/c		3,000
(For goods used by proprietor for personal use)			
vi)	Rent A/c	Dr.	2,000
	To Outstanding Rent A/c		2,000
(For Rent due to landlord)			
TOTAL			1,07,900 1,07,900

Answer 28:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
May 04	Building A/c*	Dr.	5,10,000	
	To Cash A/c			5,10,000
(Purchase of building and payment of brokerage on its purchase)				
May 10	Drawings A/c	Dr.	12,000	
	To Purchases A/c			12,000
(Goods taken away by the proprietor for personal use)				
May 16	Office Equipment A/c	Dr.	6,500	
	To Cash A/c			6,500
(Purchase of filling cabinet and an electric fan)				

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May 18	Cash A/c (WN1)	Dr.	8,730	
	Discount Allowed A/c		270	
	To Sales A/c			9,000
	(Goods worth Rs 10,000 sold at 10% trade discount and 3% cash discount)			
May 20	Cash A/c (WN2)	Dr.	10,000	
	Bad Debts A/c		30,000	
	To Naresh			40,000
	(Receipt of 25 paise per rupee from the estate of Naresh who is declared insolvent)			
May 31	Bank Charges A/c	Dr.	150	
	To Bank A/c			150
	(Charges made by bank for its services)			
	TOTAL		5,77,650	5,77,650

* Payment of brokerage will be included in cost of the building as it is incurred at time of purchase of building.

Working Notes:

WN1: Calculation of amount of goods sold

Cost	= 10,000
Less: Trade Discount (10% on 10,000)	= <u>1,000</u>
	= 9,000
Less: Cash Discount (3% on 9,000)	= <u>270</u>
Sale Price	= 8,730

WN2: Calculation of amount of bad debts

25 paise per rupee received from Naresh = 10,000

$$\therefore 75 \text{ paise per rupee not received from Naresh} = \frac{10,000}{25} \times 75 = 30,000$$

Total amount due from Naresh = Rs 40,000 (10,000 + 30,000)

Book of Original Entry-Journal

Answer 29:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
(a)	Loss by Fire A/c	Dr.	5,000	
	To Purchases A/c			5,000
	(Goods destroyed by fire)			
(b)	Machinery A/c	Dr.	25,000	
	To Cash A/c			25,000
	(Wages paid for installation of machinery)			
(c)	Purchases A/c	Dr.	75,000	
	To Bank A/c			75,000
	(Cheque issued for purchase of goods)			
(d)	M/s Kalu & Sons (WN)	Dr.	62,700	
	To Sales A/c			62,700
	(Goods sold to M/s Kalu & Sons on credit)			
	TOTAL		1,67,700	1,67,700

Working Notes: Calculation of goods sold to M/s Kalu & Sons

Cost	= 60,000
Add: Profit (10% on 60,000)	= <u>6,000</u>
	= 66,000
Less: Trade Discount (5% on 66,000)	= <u>3,300</u>
Sale Price	= 62,700

Answer 30:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Depreciation A/c	Dr.	20,000	
	To Machinery A/c			20,000

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	(Depreciation charged on machinery)		
2)	Salary A/c	Dr.	1,00,000
	To Outstanding Salary A/c		1,00,000
	(Salary due to office clerks)		
3)	Cash A/c	Dr.	5,000
	To Bad Debts Recovered A/c		5,000
	(Bad debts recovered)		
4)	Purchases A/c	Dr.	40,000
	To Ashok & Co.		20,000
	To Cash A/c		20,000
	(Goods purchased)		
5)	Ashok & Co.	Dr.	20,000
	To Bank A/c		19,500
	To Discount Received A/c		500
	(Payment made to Ashok & Co. in full settlement)		
6)	Drawings A/c	Dr.	6,000
	To Cash A/c		6,000
	(Payment made for life insurance premium)		
7)	Drawings A/c	Dr.	20,000
	To Purchases A/c		20,000
	(Goods used for household purposes)		
8)	Charity A/c	Dr.	10,000
	To Purchases A/c		10,000
	(Goods given away as charity)		
	TOTAL		2,21,000
			2,21,000

Book of Original Entry-Journal

Answer 31:

Journal <i>In the Books of ...</i>				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Mar. 01	Cash A/c	Dr.	50,000	
	To Capital A/c			50,000
	(Started business with cash)			
Mar. 02	Machinery A/c	Dr.	22,000	
	To Cash A/c			22,000
	(Machinery purchased for cash and installation charges paid)			
Mar. 05	Purchases A/c	Dr.	20,000	
	To Cash A/c			19,000
	To Discount Received A/c			1,000
	(Goods purchased for cash and received discount)			
Mar. 10	Y's A/c	Dr.	11,700	
	To Sales A/c			11,700
	(Goods sold on credit to Y at 30% profit on cost)			
Mar. 15	Rent A/c	Dr.	1,000	
	To Cash A/c			1,000
	(Rent paid)			
Mar. 20	Loss by Theft A/c	Dr.	2,000	
	To Purchases A/c			2,000
	(Goods stolen from business)			
Mar. 22	Charity A/c	Dr.	300	
	To Cash A/c			100
	To Purchases A/c			200

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	(Charity given)		
Mar. 31	Postage A/c	Dr.	50
	To Cash A/c		50
	(Paid for postage)		
Mar. 31	Typewriter A/c	Dr.	5,000
	To Cash A/c		5,000
	(Typewriter purchased)		
	TOTAL		1,12,050 1,12,050

Answer 32:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Motor Car A/c	Dr.	65,000	
	To Bank A/c			65,000
	(Purchased motorcar and payment made for repair and renewal)			
2)	Cash A/c	Dr.	500	
	To Rent A/c			500
	(Rent received)			
3)	Advertisement Expenses A/c	Dr.	2,000	
	To Purchases A/c			2,000
	(Goods distributed as free samples)			
4)	Depreciation A/c	Dr.	6,500	
	To Motor Car A/c			6,500
	(Depreciation charged on motor car)			
5)	Rent A/c	Dr.	1,000	
	Salaries A/c	Dr.	8,000	
	To Outstanding Expenses A/c			9,000
	(Outstanding expenses provided)			
6)	Interest on Capital A/c	Dr.	500	

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	To Capital A/c		500	
	(Interest on capital provided)			
7)	Bad Debts A/c	Dr.	750	
	To Sanjay Gupta's A/c			750
	(Bad debts written-off)			
8)	Loss by Fire A/c	Dr.	5,000	
	To Purchases A/c			5,000
	(Goods destroyed by fire)			
9)	Loss by Theft A/c	Dr.	2,500	
	To Cash A/c			500
	To Purchases A/c			2,000
	(Cash and goods stolen by an employee)			
	TOTAL		91,750	91,750

Answer 33:

Journal In the Books of ...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
(i)	Purchases A/c (WN)	Dr.	1,70,000	
	To Arun's A/c			34,000
	To Cash A/c			1,33,280
	To Discount Received A/c			2,720
	(Goods purchased and 80% payment made in cash)			
(ii)	Purchases A/c	Dr.	20,000	
	To X's A/c			20,000
	(Goods purchased on credit from X)			
	Y's A/c	Dr.	26,000	
	To Sales A/c			26,000
	(Goods sold on credit to Y)			
(iii)	Cash A/c	Dr.	25,000	
	Drawings A/c	Dr.	5,000	
	To Bank A/c			30,000

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	(Cash withdrawn from bank for personal and office use)			
(iv)	Loss by Fire A/c	Dr.	40,000	
	To Purchases A/c			40,000
	(Goods destroyed by fire)			
(v)	Depreciation A/c	Dr.	10,000	
	To Machinery A/c			10,000
	(Depreciation charged on machinery)			
(vi)	Prepaid Insurance A/c	Dr.	3,000	
	To Insurance A/c			3,000
	(Insurance paid in advance)			
(vii)	Interest on Capital A/c	Dr.	5,000	
	To Capital A/c			5,000
	(Allowed interest on capital)			
	Drawings A/c	Dr.	1,000	
	To Interest on Drawings A/c			1,000
	(Charged interest on drawings)			
(viii)	Cash A/c	Dr.	10,000	
	Bad Debts A/c	Dr.	15,000	
	To Sohan's A/c			25,000
	(Cash received from Sohan and bad debts written-off)			
(ix)	Drawings A/c	Dr.	4,000	
	Central Sales Tax A/c	Dr.	6,000	
	To Cash A/c			10,000
	(Income tax and CST paid)			
(x)	Salaries A/c	Dr.	10,000	
	To Cash A/c			8,000
	To Outstanding Salaries A/c			2,000
	(Salary paid and outstanding)			
	TOTAL		3,50,000	3,50,000

Working Notes: Calculation of payment made and outstanding amount to Arun

Book of Original Entry-Journal

Cost = 2,00,000

Less: Trade Discount (15% on 66,000) = 30,000

= 1,70,000

Payment made in Cash (80% of 1,70,000) = 1,36,000

Less: Cash Discount (2% on 1,36,000) = 2,720

Net Amount = 1,33,280

Outstanding amount to Arun (20% of 1,70,000) = Rs 34,000

Books of Original Entry- Cash Book

From

D K GOEL

Solutions

ACCOUNTANCY

Books of Original Entry- Cash Book

Answer 1:

Cash Book							
Dr.				Cr.			
Date	Particulars	L.F.	Cash(Rs)	Date	Particulars	L.F.	Cash(Rs)
2016				2016			
May 01	Capital A/c		25,000	May 03	Purchases A/c		10,000
May 04	Sales A/c		6,000	May 03	Carriage A/c		200
May 10	Ram		1,000	May 12	Shiv Kumar		2,600
May 15	Sales A/c		8,400	May 18	Furniture A/c		5,000
May 27	Commission A/c		1,500	May 20	Advertisement A/c		500
				May 24	Mahesh		4,000
				May 25	Wages A/c		400
				May 28	Drawings A/c		2,200
				May 31	Salary A/c		700
				May 31	Balance c/d		16,300
			41,900				41,900
June 01	Balance b/d		16,300				

Note: Transaction dated May 20, 2016, will not be recorded in Cash Book because credit transactions do not affect the cash balance.

Answer 2:

Cash Book							
Dr.				Cr.			
Date	Particulars	L.F.	Cash (Rs)	Date	Particulars	L.F.	Cash (Rs)
2017				2017			
April 01	Balance b/d		50,000	April 03	Purchases A/c		22,000
April 15	Sales A/c		20,000	April 07	Purchases A/c		15,000
April 20	Sales A/c		18,000	April 13	Purchases A/c		10,000
April 25	Commission A/c		5,000	April 30	Rent A/c		10,000
				April 30	Balance c/d		36,000
			93,000				93,000
May 01	Balance b/d		36,000				

Answer 3:

Cash Book							
Dr.				Cr.			
Date	Particulars	L.F.	Cash (Rs)	Date	Particulars	L.F.	Cash (Rs)
2017				2017			
Feb.01	Capital A/c		2,00,000	Feb.03	Bank A/c		75,000

Books of Original Entry- **Cash Book**

Feb.20	Sales A/c		80,000	Feb.05	Purchases A/c		30,000
Feb.26	Bank A/c		40,000	Feb.07	Purchases A/c		15,000
Feb.27	Sales A/c		5,000	Feb.12	Surya Kant		38,800
				Feb.15	Wages A/c		22,500
				Feb.16	Wages A/c		1,500
				Feb.25	Electricity Charges A/c		12,000
				Feb.27	Miscellaneous Expenses A/c		500
				Feb.28	Balance c/d		1,29,700
			3,25,000				3,25,000
Mar.01	Balance b/d		1,29,700				

Answer 4:

Cash Book							
Dr.				Cr.			
Date	Particulars	L.F.	Cash (Rs)	Date	Particulars	L.F.	Cash (Rs)
2016				2016			
Dec. 01	Balance b/d		15,000	Dec. 07	Purchases A/c		10,000
Dec. 02	Sales A/c		12,000	Dec. 09	Som Pal		4,900
Dec. 04	Y		4,000	Dec. 18	Telephone Expenses A/c		450
Dec. 12	Vijay Kumar		7,800	Dec. 20	Purchases A/c		9,000
Dec. 15	Sales A/c		6,500	Dec. 21	Cartage A/c		200
Dec. 22	Kabir		9,750	Dec. 23	Dharamvir		1,880
Dec. 25	Mohan		500	Dec. 31	Lalit		2,700
Dec. 27	Mahabir’s Loan A/c		7,500	Dec. 31	Balance c/d		38,220
Dec. 29	Bhushan		3,900				
Dec. 31	Dividend A/c		400				
			67,350				67,350
2017							
Jan.01	Balance b/d		38,220				

Note: Transaction dated December 16, 2016, will not be recorded in Cash Book because credit transactions will not affect the cash balance.

Answer 5:

Cash Book							
Dr.				Cr.			
Date	Particulars	L.F.	Cash (Rs)	Date	Particulars	L.F.	Cash (Rs)
2017				2017			
Mar.01	Balance b/d		1,20,000	Mar.02	Machinery A/c (60,000 + 2,000)		62,000
Mar.06	Motor Bike A/c		5,000	Mar.04	Purchases A/c		25,000
Mar.08	Sales A/c		19,000	Mar.04	Carriage A/c		1,000
Mar.10	Sales A/c		40,000	Mar.12	Ravi Das		10,000
Mar.25	Ashok		10,000	Mar.15	Suresh		28,800
				Mar.20	Ravi Das		4,500

Books of Original Entry- **Cash Book**

				Mar.28	Postal Stamps		500
				Mar.28	Salary A/c		15,000
				Mar.31	Balance c/d		47,200
			1,94,000				1,94,000
Apr.01	Balance b/d		47,200				

Answer 6:

Cash Book									
Dr.								Cr.	
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
Mar. 01	Balance b/d		2,710	27,500	Mar. 07	Rent A/c			800
Mar. 03	Subhash		3,500		Mar. 08	Sohan			3,000
Mar. 04	Sales A/c		10,000		Mar. 10	Purchases A/c		15,000	
Mar. 12	Bank A/c	C	8,000		Mar. 12	Stationery A/c		200	
Mar. 15	Surendra			6,600	Mar. 12	Cash A/c	C		8,000
Mar. 19	Sales A/c		13,000		Mar. 16	Advertisement A/c		750	
Mar. 19	Cash A/c	C		16,000	Mar. 18	Nath Brothers			4,300
Mar. 20	Vinod			2,400	Mar. 19	Bank A/c	C	16,000	
Mar. 29	Sales A/c		9,500		Mar. 22	Vehicle A/c			18,000
Mar. 30	Cash A/c	C		10,000	Mar. 26	Surendra			6,600
					Mar. 28	Salary A/c			7,200
					Mar. 28	Trade Expenses A/c		2,000	
					Mar. 30	Bank A/c	C	10,000	
					Mar. 31	Balance c/d		2,760	14,600
			46,710	62,500				46,710	62,500
Apr. 01	Balance b/d		2,760	14,600					

Answer 7(A):

Cash Book									
Dr.								Cr.	
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2016					2016				
Apr. 01	Balance b/d		2,000	12,000	Apr. 06	Purchases A/c			745
Apr. 03	Madhav		1,800		Apr. 09	Bank A/c	C	1,850	
Apr. 05	Sales A/c		1,000		Apr. 10	Freight A/c		54	
Apr. 09	Cash A/c	C		1,850	Apr. 12	Cash A/c	C		600
Apr. 12	Bank A/c	C	600		Apr. 13	M/s Arun & Sons			985
Apr. 16	Cash A/c	C		715	Apr. 16	Bank A/c	C	715	
Apr. 19	Navin			380	Apr. 17	Drawings A/c		175	
Apr. 20	Sales A/c		200		Apr. 25	Cash A/c	C		200
Apr. 25	Bank A/c	C	200		Apr. 26	Furniture A/c			1,000

Books of Original Entry- **Cash Book**

Apr. 30	Harish			675	Apr. 27	Navin (380 + 5)			385
Apr. 30	Balance c/d			295	Apr. 29	Business Premises A/c			12,000
					Apr. 30	Balance c/d		3,006	
			5,800	15,915				5,800	15,915
May 01	Balance b/d		3,006		May 01	Balance b/d			295

Notes: Transaction dated April 30, 2016, does not contain any information regarding date of depositing the cheque, so it has been assumed that the cheque has been deposited on the same day.

Answer 7(B):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2016					2016				
June 01	Balance b/d		800		June 01	Balance b/d			5,700
June 09	Cheques-in-Hand			3,250	June 12	Bhavana			2,425
June 20	Bank A/c	C	250		June 15	Bharti			3,250
June 30	Balance c/d			8,550	June 20	Cash A/c	C		250
					June 30	Drawings A/c			150
					June 30	Bank Charges A/c			25
					June 30	Balance c/d		1,050	
			1,050	11,800				1,050	11,800
July 01	Balance b/d		1,050		July 01	Balance b/d			8,550

Working Note:

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
June 07	Cheques-in-Hand A/c	Dr.	3,250	
	To Bharti			3,250
	(Received cheque from Bharti)			
June 25	Cheques-in-Hand A/c	Dr.	1,200	
	To Panna Lal			1,200
	(Received cheque from Panna Lal)			
June 28	Kamal	Dr.	1,200	
	To Cheques-in-Hand A/c			1,200
	(Cheque received from Panna Lal, endorsed in favour of Kamal)			

Books of Original Entry- Cash Book

Answer 8:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Apr. 01	Balance b/d		400		Apr. 01	Balance b/d			5,000
Apr. 04	Capital A/c		4,000	6,000	Apr. 10	Purchases A/c		5,500	
Apr. 05	Sales A/c		3,000		Apr. 11	Ram Vilas		2,500	
Apr. 10	Ghanshyam		8,000		Apr. 13	Commission A/c		530	
Apr. 17	Sales A/c		2,500		Apr. 14	Furniture A/c		200	
Apr. 18	Atul		4,000		Apr. 14	Rent A/c		50	
Apr. 19	Cash A/c	C		4,000	Apr. 14	Electricity Charges A/c		10	
Apr. 19	Bank A/c	C	500		Apr. 16	Drawings A/c			850
Apr. 24	Dividend A/c			50	Apr. 19	Bank A/c	C	4,000	
Apr. 28	Cheques- in-Hand			230	Apr. 19	Cash A/c	C		500
Apr. 30	Cash A/c	C		1,000	Apr. 29	Salary A/c			1,500
					Apr. 29	Salary to Manager			500
					Apr. 30	Bank A/c	C	1,000	
					Apr. 30	Balance c/d		8,610	2,930
			22,400	11,280				22,400	11,280
May 01	Balance b/d		8,610	2,930					

Working Notes:

Journal Proper					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount(Rs)	
2017					
Apr. 25	Cheques-in-Hand A/c	Dr.	3,250		
	To Commission A/c			3,250	
	(Received cheque for commission)				

Answer 9(A):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
(i)	Capital A/c		50,000		(ii)	Bank A/c	C	40,000	
(ii)	Cash A/c	C		40,000	(iv)	Purchases A/c		10,000	
(iii)	Mohan		950	–	(v)	Purchases A/c			15,000
(vi)	Sales A/c			20,000	(vii)	Arun			1,900
(viii)	Bank A/c	C	1,000		(viii)	Cash A/c	C		1,000
						Balance c/d		1,950	42,100

Books of Original Entry- **Cash Book**

			51,950	60,000				51,950	60,000
	Balance b/d		1,950	42,100					

Answer 9(B):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2013					2013				
Jan. 01	Balance b/d		5,000		Jan. 01	Balance b/d			1,000
Jan. 03	Cash A/c	C		2,000	Jan. 02	Wages A/c		1,500	
Jan. 04	Sales A/c		7,500		Jan. 03	Bank A/c	C	2,000	
Jan. 05	Sales A/c			5,000	Jan. 07	Drawing A/c			1,000
Jan. 09	Ram		2,000		Jan. 08	Hari		3,500	–
					Jan. 31	Balance c/d		7,500	5,000
			14,500	7,000				14,500	7,000
Feb. 01	Balance b/d		7,500	5,000					

Note: Transaction dated January 06, 2013, will not be recorded in Cash Book because credit transactions will not affect the cash/bank balance.

Answer 10(A):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash (Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
Jan. 01	Balance b/d		6,000		Jan. 01	Balance b/d			3,000
Jan. 03	Cash A/c	C		2,000	Jan. 03	Bank A/c	C	2,000	
Jan. 05	Mohan		400		Jan. 12	Cash A/c	C		300
Jan. 07	Hari			600	Jan. 13	Purchases A/c		600	
Jan. 12	Bank A/c	C	300		Jan. 16	Ganesh			494
Jan. 14	Sales A/c		1,200		Jan. 22	Bank A/c	C	200	
Jan. 18	Cheques- in- Hand A/c			1,600	Jan. 24	Rent A/c			150
Jan. 20	Gopal		800		Jan. 25	Drawings A/c			200
Jan. 22	Cheques-in- Hand A/c			700	Jan. 28	Prem Mohan			1,600
Jan. 22	Cash A/c	C		200	Jan. 31	Bank Charges A/c			5
Jan. 30	Anil		270	540	Jan. 31	Salary A/c		500	
Jan. 31	Balance c/d			109	Jan. 31	Balance c/d		5,670	
			8,970	5,749				8,970	5,749
Feb. 01	Balance b/d		5,670		Feb. 01	Balance b/d			109

Working Note:

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				

Books of Original Entry- **Cash Book**

Jan. 09	Cheques-in-Hand A/c	Dr.		1,600	
	Discount Allowed A/c			25	
	To Prem Mohan				1,625
	(Received cheque from Prem Mohan)				
Jan. 20	Cheques-in-Hand A/c	Dr.		700	
	To Gopal				700
	(Received cheque from Gopal)				
Jan. 28	Prem Mohan	Dr.		25	
	To Discount Allowed A/c				25
	(Cheque received from Prem Mohan, dishonoured)				

Answer 10(B):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2016					2016				
May 01	Balance b/d		72		May 01	Balance b/d			1,250
May 04	Prem Chand			1,875	May 05	Purchases A/c			500
May 06	Narinder			700	May 09	Manohar Lal			420
May 12	Sales A/c		100	300	May 28	Cash A/c	C		100
May 17	Office Equipment A/c		320		May28	Drawings A/c			100
May 28	Bank A/c	C	100		May 29	Drawings A/c		425	
					May 30	Salaries A/c			160
					May 30	Rent A/c			100
					May 31	Bank Charges A/c			5
					May 31	Balance c/d		167	240
			592	2,875				592	2,875
Apr. 01	Balance b/d		167	240					

Working Note:

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
May 20	Cheques-in-Hand A/c	Dr.	400	
	Discount Allowed A/c		60	
	To Naresh			460
	(Received cheque from Naresh in full settlement of his claim)			
May 24	Suresh	Dr.	420	
	To Cheques-in-Hand A/c			400
	To Discount Received A/c			20
	(Cheque received from Naresh, endorsed to Suresh)			

Books of Original Entry- **Cash Book**

May 25	Cheques-in-Hand A/c	Dr.		150	
	To Hari Prakash				150
	(Cheque received from Hari Prakash)				
May 27	Raj Prakash	Dr.		180	
	To Cheques-in-Hand A/c				150
	To Discount Received A/c				30
	(Cheque received from Hari Prakash, endorsed to Raj Prakash)				

Answer 11(A):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Jan. 01	Balance b/d		2,200	5,000	Jan. 10	Drawings A/c		100	–
Jan. 13	Pawan			700	Jan. 16	Pawan		–	700
Jan. 20	Cash A/c	C		1,850	Jan. 20	Bank A/c	C	1,850	–
					Jan. 31	Balance c/d		250	6,850
			2,200	7,550				2,200	7,550
Feb. 01	Balance b/d		250	6,850					

Working Notes
WN1

Journal Proper					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan.05	Cheques-in-Hand A/c	Dr.	1,000		
	To Naresh			1,000	
	(Received cheque from Naresh)				
Jan.08	Suresh	Dr.	1,050		
	To Cheques-in-Hand A/c			1,000	
	To Discount Received A/c			50	
	(Cheque received from Naresh, endorsed to Suresh)				
Jan.16	Pawan	Dr.	50		
	To Discount Allowed A/c			50	
	(Cheque received from Pawan, dishonoured)				

WN2 Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 2,200 – (100 + 250) = Rs 1,850

Books of Original Entry- Cash Book

Answer 11(B):

Cash Book									
Dr.					Cr.				
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2016					2016				
Dec. 01	Capital A/c		50,000		Dec. 02	Bank A/c	C	29,000	
Dec. 02	Cash A/c	C		29,000	Dec. 05	Drawings A/c			240
Dec. 03	Raja & Co.			800	Dec. 29	Rent A/c			1,000
Dec. 30	Cash A/c	C		20,550	Dec. 30	Bank A/c	C	20,550	
					Dec. 31	Balance c/d		450	49,110
			50,000	50,350				50,000	50,350
2017									
Jan. 01	Balance b/d		450	49,110					

Working Notes:

WN1

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
Dec. 14	Cheques-in-Hand A/c	Dr.	395	
	Discount Allowed A/c		15	
	To Kamla			410
	(Received cheque from Kamla)			
Dec. 16	Bala	Dr.	425	
	To Cheques-in-Hand A/c			395
	To Discount Received A/c			30
	(Cheque received from Kamla, endorsed to Bala)			

WN2 Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)

= 50,000 – (29,000 + 450) = Rs 20,550

Note: Transaction dated December 03, 2016, does not contain any information regarding date of depositing the cheque, so it has been assumed that the cheque has been deposited on the same day.

Answer 12:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash (Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)

Books of Original Entry- Cash Book

2016					2016				
June 01	Balance b/d		12,000		June 01	Balance b/d			1,500
June 02	Cash A/c	C		10,000	June 02	Bank A/c	C	10,000	
June 02	Sales A/c		14,000	14,000	June 12	Manoj & Co.		3,300	3,300
June 05	Suresh		500		June 15	Machinery A/c			20,000
June 08	Govind		1,800	1,000	June 16	Machinery A/c		1,000	
					June 17	Furniture A/c			6,000
June 13	Cheques -in-Hand A/c			7,600	June 24	Kalpna Garments			10,025
June 20	Damodar & Co.			4,800	June 26	Petty Expenses A/c			100
June 30	Cash A/c	C		10,000	June 28	Salary A/c			6,000
June 30	Balance c/d			1,195	June 30	Bank Charges A/c			50
					June 30	Interest A/c			1,620
					June 30	Bank A/c	C	10,000	
					June 30	Balance c/d		4,000	
			28,300	48,595				28,300	48,595
July 01	Balance b/d		4,000		July 01	Balance b/d			895

Working Notes:
WN1

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2016					
June 10	Cheques-in-Hand A/c	Dr.	7,600		
	To Subhash			7,600	
	(Received cheque from Subhash)				

WN2 Cash Deposited into the Bank
Cash Deposited into the Bank=
Total of Cash Column (Dr. side)–(Total of Cash Column (Cr. side)+Cash Balance Maintained
=28,300–(14,300+4,000)=Rs 10,000

Note: Transaction dated June 03, 2011 and June 20, 2011 will not be recorded in Cash Book because credit transactions will not affect the cash/bank balance.

Answer 13(A):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Mar. 01	Balance b/d		1,800	11,000	Mar. 07	Purchases A/c			7,000
Mar. 05	Commission A/c			3,960	Mar. 08	Purchases A/c		500	
Mar. 16	Cash A/c	C		1,000	Mar. 10	Office Equipment A/c			5,000
Mar. 18	Ramesh		250		Mar. 14	Trade Expenses A/c		105	

Books of Original Entry- Cash Book

Mar. 20	Manohar		400		Mar. 16	Bank A/c	C	1,000	
Mar. 23	Bank A/c	C	400		Mar. 23	Cash A/c	C		400
Mar. 24	Hari			2,000	Mar. 23	Ghanshyam Dass & Co.		300	
Mar. 27	Sales A/c		200		Mar. 25	Drawings A/c			300
Mar. 28	Sales A/c			9,000	Mar. 30	Bank Charges A/c			5
Mar. 29	Loan A/c		2,000	3,000	Mar. 31	Balance c/d		3,145	17,255
			5,050	29,960				5,050	29,960
Apr.01	Balance b/d		3,145	17,255					

Note: Transaction dated March 28, 2017, does not contain any information regarding date of depositing the cheque, so it has been assumed that the cheque has been deposited on the same day.

Answer 13(B):

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2016					2016				
May 01	Balance b/d		4,800		May 01	Balance b/d			30,400
May 02	Capital A/c		20,000		May 03	Bank A/c	C	15,000	
May 03	Cash A/c	C		15,000	May 06	Drawings A/c			3,000
May 05	Bad Debts Recov. A/c		4,200		May 18	Varun			28,025
May 08	Mahesh			6,000	May 25	Drawings A/c			5,000
May 15	Cheques- in-Hand A/c			28,000	May 28	Gupta General Store		7,000	
May 28	Machinery A/c		7,700		May 30	Salary A/c		–	1,500
May 31	Cash A/c	C		7,500	May 30	Rent A/c		2,200	
May 31	Balance c/d			11,425	May 31	Bank A/c	C	7,500	
					May 31	Balance c/d		5,000	
			36,700	67,925				36,700	69,925
June 01	Balance b/d		5,000		June 01	Balance b/d			11,425

Working Notes:

WN1

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
May 12	Cheques-in-Hand A/c	Dr.	28,000	
	Discount Allowed A/c	Dr.	2,000	
	To Varun			30,000
	(Received cheque from Varun)			

Books of Original Entry- **Cash Book**

May 18	Varun	Dr.		2,000	
	To Discount Allowed A/c				2,000
	(Cheque received from Varun, dishonoured)				
May 20	Cheques-in-Hand A/c	Dr.		6,800	
	To Vijay				6,800
	(Received cheque from Vijay)				
May 23	Amrit	Dr.		6,800	
	To Cheques-in-Hand A/c				6,800
	(Cheque received from Vijay, endorsed to Amrit)				

WN2 Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 36,700 – (24,200 + 5,000) = Rs 7,500

Note: Transaction dated May 04, 2016 and May 10, 2016 will not be recorded in Cash Book because credit transactions will not affect the cash/bank balance.

Answer 14:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Feb. 01	Balance b/d		7,500	8,000	Feb. 08	Kalpna			10,020
Feb. 03	Sales A/c			5,880	Feb. 15	Mohan		3,900	4,000
Feb. 06	Cheque in Hand A/c			10,000	Feb. 20	Salary A/c			5,000
Feb. 16	Sales A/c		5,850		Feb. 26	Outstanding Electric Bill A/c			2,000
Feb. 25	Sales A/c		10,000	40,000	Feb. 26	Outstanding Rent A/c		1,500	
Feb. 28	Cash A/c	C		10,450	Feb. 27	Purchases A/c			5,000
					Feb. 28	Bank A/c	C	10,450	
					Feb. 28	Balance c/d		7,500	48,310
			23,350	74,330				23,350	74,330
Mar. 01	Balance b/d		7,500	48,310					

Working Notes:

WN1

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Feb. 05	Cheques-in-Hand A/c (1)	Dr.	10,000	
	Cheques-in-Hand A/c (2)	Dr.	10,000	
	To Kalpna			20,000
	(Received cheque from Subhash)			

Books of Original Entry- **Cash Book**

Feb. 06	Sunita	Dr.	10,200		
	To Cheques-in-Hand A/c (1)			10,000	
	To Discount Received A/c			200	
	(Cheque received from Kalpna, endorsed to Sunita)				
Feb. 06	Bank A/c	Dr.	10,000		
	To Cheques-in-Hand A/c (2)			10,000	
	(Cheque received from Kalpna, sent to bank for collection)				
Feb.10	Cheques-in-Hand A/c	Dr.	1,950		
	To Furniture A/c			1,950	
	(Cheque received against sale of furniture)				
Feb. 11	Ramesh		2,000		
	To Cheques-in-Hand A/c			1,950	
	To Discount Received A/c			50	
	(Cheque received from Sale of furniture, endorsed to Ramesh)				

WN2 *Cash Deposited into the Bank*
Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 23,350 – (5,400 + 7,500) = Rs 10,450

Note: Transaction dated Feb. 12, 2017, will not be recorded in Cash Book because credit transactions will not affect the cash/bank balance.

Answer 15:

Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2017									
10,000		Apr. 01		Cash A/c							
		Apr. 03		Cartage A/c	800					800	
		Apr. 04		Bus Fare A/c	400	400					
		Apr. 04		Postage A/c	200			200			
		Apr. 06		Stationery A/c	700		700				
		Apr. 07		Courier Services A/c	300			300			
		Apr. 09		Conveyance A/c	800	800					
		Apr. 09		Wages A/c	300				300		
		Apr. 10		Wages A/c	400				400		
		Apr. 10		Charity A/c	500						500
		Apr. 11		News Paper A/c	600						600
		Apr. 12		Soap A/c	320						320
		Apr. 12		Postage A/c	300			300			
		Apr. 13		Postage A/c	780			780			
		Apr. 14		Repairs A/c	500						500
		Apr. 15		Refreshment A/c	900						900

Books of Original Entry- Cash Book

					7,800	1,200	700	1,580	700	800	2,820
		Apr. 15		Balance c/d	2,200						
10,000					10,000						
2,200		Apr. 16		Balance b/d							
7,800		Apr. 16		Cash A/c							

Answer 16:

Petty Cash Book											
Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2017									
540		Apr. 01		Balance b/d							
3,460		Apr. 01		Cash A/c							
		Apr. 01		Cleaning Charges A/c	100						100
		Apr. 04		Conveyance A/c	600	600					
		Apr. 04		Wages A/c	150				150		
		Apr. 05		Note Books A/c	370		370				
		Apr. 07		Carriage A/c	150					150	
		Apr. 07		Wages A/c	220				220		
		Apr. 10		Postage A/c	300			300			
		Apr. 10		Envelopes A/c	450		450				
		Apr. 10		A/c Books A/c	400		400				
		Apr. 12		Repairs A/c	200						200
		Apr. 12		Misc. Exp. A/c	150						150
		Apr. 13		Charity A/c	100						100
		Apr. 13		Refreshment A/c	250						25
		Apr. 15		Wages A/c	160				160		
		Apr. 15		Reward A/c	100						100
					3,700	600	1,220	300	530	150	900
		Apr. 15		Balance c/d	300						
4,000					4,000						
300		Apr. 16		Balance b/d							
3,700		Apr. 16		Cash A/c							

Answer 17:

Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2016									
10,000		Apr. 01		Cash A/c							
		Apr. 02		Taxi Fare A/c	750	750					
		Apr. 03		Refreshment A/c	450						450
		Apr. 05		Postal Charges A/c	200			200			
		Apr. 05		Wages A/c	700				700		
		Apr. 08		Auto fare A/c	200	200					

Books of Original Entry- Cash Book

		Apr. 09		Courier A/c	150			150			
		Apr. 12		Postage A/c	600			600			
		Apr. 14		Stationery Ac	400		400				
		Apr. 17		Postage A/c	200			200			
		Apr. 20		Cartage A/c	600					600	
		Apr. 20		Stationery A/c	500		500				
		Apr. 22		Wages A/c	300				300		
		Apr. 24		Bus Fare A/c	600	600					
		Apr. 25		Office Expenses A/c	800						800
		Apr. 26		Refreshment A/c	750						750
		Apr. 28		Loading Charges A/c	300					300	
		Apr. 30		Photostatting Charges A/c	200						200
		Apr .30		Wages A/c	800				800		
					8,500	1,550	900	1,150	1,800	900	2,200
		Apr. 30		Balance c/d	1,500						
10,000					10,000						
1,500		May 01		Balance b/d							
8,500		May 01		Cash A/c							

Answer 18:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
Jan. 01	Balance b/d		2,300		Jan. 01	Balance b/d			12,000
Jan. 08	Cheques- in-Hand A/c			4,000	Jan. 12	Bank A/c	C	200	
Jan. 12	Cash A/c	C		200	Jan. 16	Cash A/c	C		300
Jan. 15	Gopal		500		Jan. 18	Bank Charges A/c			20
Jan. 16	Bank A/c	C	300		Jan. 20	Interest on O/D			1,000
Jan. 31	Balance c/d			9,120	Jan. 31	Balance c/d		2,900	
			3,100	13,320				3,100	13,320
Feb. 01	Balance b/d		2,900		Feb. 01	Balance b/d			9,120

Working Note:

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Jan. 07	Cheques-in-Hand A/c	Dr.	4,000		
	Discount Allowed A/c	Dr.	200		
	To Ram			4,200	
	(Received cheque from Ram)				

Books of Original Entry- Cash Book

Answer 19:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
Jan. 01	Capital A/c		20,000		Jan. 02	Bank A/c	C	8,000	
Jan. 02	Cash A/c	C		8,000	Jan. 03	Purchases A/c			150
Jan. 05	Sales A/c		40		Jan. 07	Bank A/c	C	30	
Jan. 07	Cheques-in-Hand A/c			200	Jan. 08	Shyam			345
Jan. 07	Cash A/c	C		30	Jan. 08	Carriage A/c			180
Jan. 10	Bank A/c	C	200		Jan. 10	Cash A/c	C		200
					Jan. 30	Wages A/c			60
					Jan. 31	Balance c/d		12,210	7,295
			20,240	8,230				20,240	8,230
Feb.01	Balance b/d		12,210	7,295					

Working Note:

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Jan. 04	Cheques-in-Hand A/c	Dr.	200		
	To Ram			200	
	(Cheque received from Ram)				

Answer 20:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)
2014					2014				
Jan. 01	Balance b/d		50,000		Jan. 01	Balance b/d			1,90,000
Jan. 06	Sales A/c			80,000	Jan. 02	Purchases A/c			47,500
Jan. 15	Furniture A/c			1,77,000	Jan. 10	Purchases A/c		19,800	
Jan. 22	Jai		14,780		Jan. 18	Sales A/c		4,500	
Jan. 31	Cash A/c	C		30,070	Jan. 21	Ram		1,910	
					Jan. 23	Drawings A/c		1,500	
					Jan. 31	Bank A/c	C	30,070	
					Jan. 31	Balance c/d		7,000	49,570
			64,780	2,87,070				64,780	2,87,070
Feb. 01	Balance b/d		7,000	49,570					

Working Note:

Cash Deposited into the Bank

Books of Original Entry- Cash Book

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 64,780 – (27, 710 + 7,000) = Rs 30,070

Answer 21:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Mar. 01	Capital A/c		80,000		Mar. 02	Bank A/c	C	75,000	
Mar. 01	Loan from Ratan		20,000		Mar. 04	Purchases A/c			60,000
Mar. 02	Cash A/c	C		75,000	Mar. 05	Office Equipments A/c		4,500	
Mar. 12	Sales A/c		25,000		Mar. 08	Petty Expenses A/c		200	
Mar. 13	Cheque in Hand			15,000	Mar. 10	Fixed Deposit A/c			5,000
Mar. 28	Cheque in Hand			4,000	Mar. 18	Ram Singh			24,750
					Mar. 20	Drawings A/c			500
					Mar. 28	Collection Charges A/c			25
					Mar. 31	Loan from Ratan		20,000	
					Mar. 31	Interest paid on Loan		300	
					Mar. 31	Balance c/d		25,000	3,725
			1,25,000	94,000				1,25,000	94,000
Apr.01	Balance b/d		25,000	3,725					

Working Notes:

WN1

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Mar. 12	Cheques-in-Hand A/c	Dr.	15,000		
	To Sales A/c			15,000	
	(Received cheque)				
Mar. 25	Cheques-in-Hand A/c	Dr.	4,000		
	To Sales A/c			4,000	
	(Received cheque)				

WN2 Calculation of Interest on Loan

Interest on Loan = 20,000 × $\frac{18}{100} \times \frac{1}{12}$ = Rs 300

Books of Original Entry- Cash Book

Answer 22:

Cash Book									
Dr.								Cr.	
Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
Mar. 01	Balance b/d		15,000	8,000	Mar. 12	Suresh		9,500	9,500
Mar. 07	Cheques- in-Hand			19,500	Mar. 16	Pawan		4,750	
Mar. 14	Siya Ram			6,820	Mar. 17	Purchases A/c			7,600
Mar. 24	Sales A/c		7,500	7,500	Mar. 18	Drawings A/c			5,000
Mar. 25	X		10,000		Mar. 18	Furniture A/c			15,000
Mar. 25	Interest A/c		150		Mar. 22	Jai Traders			8,000
Mar. 28	Bank A/c	C	10,000		Mar. 23	Furniture A/c			6,000
Mar. 31	Cash A/c	C		15,400	Mar. 27	Rent A/c			2,000
Mar. 31	Balance c/d			5,880	Mar. 28	Cash A/c	C		10,000
					Mar. 28	Salary A/c		8,000	
					Mar. 31	Bank A/c	C	15,400	
					Mar. 31	Balance c/d		5,000	
			42,650	63,100				42,650	63,100
Apr. 01	Balance b/d		5,000		Apr. 01	Balance b/d			5,880

Working Note:

WN1

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Mar. 05	Cheques-in-Hand A/c	Dr.	19,500		
	Discount Allowed A/c	Dr.	500		
	To Sales A/c			20,000	
	(Cheque received from Navin)				
Mar. 20	Cheques-in-Hand A/c	Dr.	2,850		
	Discount Allowed A/c	Dr.	150		
	To Ravi			3,000	
	(Cheque received from Ravi)				
Mar. 22	Gopal	Dr.	2,850		
	To Cheques-in-Hand A/c			2,850	
	(Cheque endorsed to Gopal)				

WN2 Cash Deposited into the Bank

Books of Original Entry- **Cash Book**

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 42,650 – (22,250 + 5,000) = Rs 15,400

WN2 Calculation of Discount Allowed to Ravi

Amount received from Ravi is 95% = Rs 2,850

Total amount to be received from Ravi is 100% = $\frac{2,850}{95} \times 100$ = Rs 3,000

Discount Allowed to Ravi = $3,000 \times \frac{5}{100}$ = Rs 150

Note: Transaction dated March 02, 2017 and March 10, 2017, will not be recorded in Cash Book because credit transactions will not affect the cash/bank balance.

Answer 23:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash (Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)
2017					2017				
Feb. 01	Balance b/d		14,800		Feb. 01	Balance b/d			32,700
Feb. 04	Sales A/c			4,950	Feb. 16	Bank A/c	C	2,200	
Feb. 16	Cheques in-Hand A/c			12,800	Feb. 18	Ram			12,820
Feb. 16	Cash A/c	C		2,200	Feb. 20	Shyam			5,000
Feb. 19	Ram		12,820	–	Feb. 20	Bank Charges A/c			40
Feb. 22	Murlidhar			6,200	Feb. 24	Purchases A/c			5,000
Feb. 25	Sudhir		4,000	–	Feb. 28	Salary A/c		3,000	
Feb. 28	Cash A/c	C		20,000	Feb. 28	Bank A/c	C	20,000	
Feb. 28	Balance c/d			9,410	Feb. 28	Balance c/d		6,420	
			31,620	55,560				31,620	55,560
Mar. 01	Balance b/d		6,420		Mar. 01	Balance b/d			9,410

Working Note:

Journal Proper					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Feb.08	Cheques-in-Hand A/c	Dr.	9,500		
	Discount Allowed A/c	Dr.	500		
	To Navin			10,000	
	(Cheque received from Navin)				
Feb.12	Praveen	Dr.	9,800		
	To Cheques-in-Hand A/c			9,500	
	To Discount Received A/c			300	
	(Cheque endorsed to Praveen)				
Feb.15	Cheques-in-Hand A/c	Dr.	12,800		

Books of Original Entry- Cash Book

	Discount Allowed A/c	Dr.		200	
	To Ram				13,000
	(Cheque received from Ram)				

Note: Transaction dated February 08, 2017, February 10, 2017 and February 12, 2017, will not be recorded in Cash Book because these transactions will not affect the cash/bank balance.

Answer 24:

Cash Book											
Dr.											Cr.
Date	Particulars	L.F.	Cash(Rs)	Progressive Bank (Rs)	Goodwill Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Progressive Bank (Rs)	Goodwill Bank(Rs)
2016						2016					
June 20	Balance b/d		1,180	19,040	–	June 20	Balance b/d		–	–	6,460
June 20	X		–	–	1,800	June 21	Purchases A/c		–	18,210	–
June 23	Sales A/c		–	21,090	–	June 22	Office Expenses A/c		410	–	–
June 23	Progressive Bank A/c	C	–	–	8,000	June 22	Stationery A/c		80	–	–
June 25	Progressive Bank A/c	C	600	–	–	June 23	Bank Charges A/c		–	–	4
June 25	A		1,110	–	–	June 23	Bank Charges A/c		–	21	–
June 28	Cash A/c	C	–	–	1,500	June 23	Goodwill Bank A/c	C	–	8,000	–
						June 25	Cash A/c	C	–	600	–
						June 25	A		–	–	1,110
						June 28	Goodwill Bank A/c	C	1,500	–	–
						June 29	Postage A/c		200	–	–
						June 30	Balance c/d		700	13,299	3,726
			2,890	40,130	11,300				2,890	40,130	11,300
July 01	Balance b/d		700	13,299	3,726						

Answer 25:

Cash Book											
Dr.											Cr.
Date	Particulars	L.F.	Cash(Rs)	Hongkong Bank (Rs)	Citi Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Hongkong Bank (Rs)	Citi Bank(Rs)
2016						2016					
May 01	Balance b/d		34,000	75,200	1,20,000	May 03	Cash A/c	C			25,000
May 03	Bank A/c	C	25,000			May 12	Purchases A/c		8,000		24,000
May 08	Sales A/c		20,000			May 15	Collection Charges A/c			25	
May 09	Cheques-in-Hand A/c	C		60,000		May 20	Wages A/c		36,000		
May 22	Citi Bank A/c			50,000		May 20	Salary A/c		4,000		
May 25	Mohan		10,100			May 22	Hongkong Bank A/c				50,000
May 26	Cash A/c	C		30,000		May 23	Land A/c			3,20,000	
May 28	Office Equipments A/c		2,000			May 24	Mohan				10,100
May 28	Sundry Income A/c		200			May 26	Hongkong Bank A/c	C	30,000		

Books of Original Entry- Cash Book

May 31	Balance c/d			1,05,565		May 30	Interest A/c			400	
						May 30	Bank Charges A/c			340	180
						May 31	Balance c/d		13,300		10,720
			91,300	3,20,765	1,20,000				91,300	3,20,765	1,20,000
June 01	Balance b/d		13,300		10,720	June 01	Balance b/d			1,05,565	

Working Note:

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
May 08	Cheque-In-Hand A/c	Dr.	60,000	
	To Diwedi			60,000
	(Cheque received from Diwedi)			

Answer 26:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)
2016					2016				
Dec. 01	Balance b/d		2,780		Dec. 01	Balance b/d			3,125
Dec. 10	Sales A/c		1,200		Dec. 02	Petty Expenses A/c			400
Dec. 15	Sheila		950		Dec. 05	Stationery A/c		350	
Dec. 23	Murarilal		2,000	3,000	Dec. 11	Morgan		1,400	
Dec. 30	Cash A/c	C		4,180	Dec. 26	Purchase A/c			1,530
					Dec. 30	Interest on O/D			50
					Dec. 30	Bank A/c	C	4,180	
					Dec. 30	Balance c/d		1,000	2,075
			6,930	7,180				6,930	7,180
2017									
Jan. 01	Balance b/d		1,000	2,075					

Working Notes:

WN1

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2016				
Dec. 07	Cheques-in-Hand A/c	Dr.	600	
	To Pramod			600
	(Cheque received from Pramod)			
Dec. 11	Morgan	Dr.	600	
	To Cheques-in-Hand A/c			600
	(Cheque endorsed to Morgan)			

WN2 Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr. side) – (Total of Cash Column (Cr. side) + Cash balance maintained)
= 6,930 – (1,750 + 1,000) = Rs 4,180

Answer 27:

Cash Book									
Dr.									Cr.
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)
2017					2017				
Jan. 01	Balance b/d		15,000		Jan. 01	Balance b/d			6,000
Jan. 04	Mr. Kapil			3,800	Jan. 03	Mr. Black			4,800
Jan. 16	Cheques- in-Hand A/c			9,500	Jan. 05	Charity A/c		100	
Jan. 22	Arun		3,600		Jan. 07	Petty Expenses A/c			500
Jan. 24	Anil		5,000		Jan. 17	Purchases A/c		7,760	
Jan. 25	Cash A/c	C		5,000	Jan. 18	Postage A/c		200	
					Jan. 20	Furniture A/c			4,000
Jan. 28	Cheques- in-Hand A/c			6,850	Jan. 24	Stationery A/c		200	
Jan. 29	Sales A/c			10,000	Jan. 25	Bank A/c	C	5,000	
					Jan. 27	Y			7,800
					Jan. 30	Interest A/c			1,500
					Jan. 31	Balance c/d		10,340	10,550
			23,600	35,150				23,600	35,150
Feb. 01	Balance b/d		10,340	10,550					

Working Notes:

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 15	Cheques-in-Hand A/c	Dr.	9,500	
	Discount Allowed A/c	Dr.	500	
	To Ganesh			10,000
	(Cheque received from Ganesh)			
Jan. 25	Cheques-in-Hand A/c	Dr.	6,850	
	Discount Allowed A/c	Dr.	150	
	To X			7,000
	(Cheque received from X)			

Note: Transaction dated January 29, 2017, does not contain any information regarding date of depositing the cheque, so it has been assumed that the cheque has been deposited on the same day.

Books of Original Entry- Cash Book

Answer 28:

Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2017									
800		Jan. 01		Balance b/d							
9,200		Jan. 01		Cash A/c							
		Jan. 02		Wages A/c	600				600		
		Jan. 03		Sundry Expenses A/c	100						100
		Jan. 05		Stationery A/c	700		700				
		Jan. 09		Courier charges A/c	200			200			
		Jan. 12		Stamps A/c	750			750			
		Jan. 14		Wages A/c	500				500		
		Jan. 16		Stationery A/c	400		400				
		Jan. 19		General Expenses A/c	610						610
		Jan. 20		Cartage A/c	800					800	
		Jan. 22		Advt. A/c	900						900
		Jan. 24		Postage A/c	400			400			
		Jan. 25		Taxi Fare A/c	840	840					
		Jan. 27		Entertainment A/c	600						600
		Jan. 29		Carriage A/c	500					500	
		Jan. 31		Repair A/c	700						700
					8,600	840	1,100	1,350	1,100	1,300	2,910
		Jan. 31		Balance c/d	1,400						
10,000					10,000						
1,400		Feb. 01		Balance b/d							
8,600		Feb. 01		Cash A/c							

Answer 29:

Petty Cash Book											
Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2017									
750		Feb. 01		Balance b/d							
9,250		Feb. 01		Cash A/c							
		Feb. 03		Wages A/c	500				500		
		Feb. 03		Stationery A/c	250		250				
		Feb. 05		Bus Fare A/c	600	600					
		Feb. 07		Wages A/c	200				200		
		Feb. 10		Postage A/c	800			800			
		Feb. 12		Conveyance A/c	100	100					
		Feb. 12		Wages A/c	850				850		
		Feb. 14		Repairs A/c	300						300
		Feb. 14		Repairs A/c	400	400					

Books of Original Entry- **Cash Book**

		Feb. 18		Taxi Fare A/c	750	750					
		Feb. 20		Refreshment A/c	450						450
		Feb. 22		Cartage A/c	1,500					1,500	
		Feb. 25		Locker A/c	1,200						1,200
		Feb. 25		Conveyence A/c	250	250					
		Feb. 26		Stationery A/c	900		900				
		Feb. 28		Courier charges A/c	550			550			
					9,600	2,100	1,150	1,350	1,550	1,500	1,950
		Feb. 28		Balance c/d	400						
1,000					10,000						
400		Mar. 01		Balance b/d							
9,600		Mar. 01		Cash A/c							

Answer 30:

Petty Cash Book											
Amount Received(Rs)	C.B. Folio	Date	V. No.	Particulars	Total Amount(Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
		2016									
420		Apr. 03		Balance b/d							
4,580		Apr. 03		Cash A/c							
		Apr. 03		Stamps A/c	300			300			
		Apr. 05		Clearing A/c	200						200
		Apr. 05		Repairs A/c	250						250
		Apr. 07		Conveyance A/c	770	770					
		Apr. 07		Wages A/c	200				200		
		Apr. 08		Charity A/c	350						350
		Apr. 09		Stationery A/c	250		250				
		Apr. 09		Carriage A/c	280					280	
		Apr. 10		Envelopes A/c	450		450				
		Apr. 10		Refreshment A/c	150						150
		Apr. 12		Conveyance A/c	300	300					
		Apr. 12		Wages A/c	200				200		
		Apr. 12		Stationery A/c	280		280				
		Apr. 15		Misc. Exp. A/c	250						250
					4,230	1,070	980	300	400	280	1,200
		Apr. 15		Balance c/d	770						
5,000					5,000						
770		Apr. 16		Balance b/d							
4,230		Apr. 16		Cash A/c							

BOOKS OF ORIGINAL ENTRY -

Special Purpose Subsidiary Books

From

D K GOEL

Solutions

ACCOUNTANCY

**Book of Original Entry-
Special Purpose Subsidiary Books**

Answer 1:

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
June 05	Mohan Lal & Co., Agra			
	20 Quintal Sugar @ Rs 1,200 per Quintal		24,000	
	40 Quintal Rice @ Rs 1,500 per Quintal		60,000	
			84,000	
	Less: 15% Trade Discount		12,600	71,400
June 10	Bharat Bhushan & Sons, Mathura			
	320 Kg* Desi Ghee @ Rs 120 per kg		38,400	
	1,000 litre Kerosene Oil @ Rs 6 per litre		6,000	
			44,400	
	Less: 10% Trade Discount		4,440	39,960
June 14	Anil Kumar Sunil Kumar, Delhi			
	Wheat 30 Quintal @ Rs 500 per Quintal		15,000	
	Gram 20 Quintal @ Rs 1,200 per Quintal		24,000	
	Rice 10 Quintal @ Rs 1,400 per Quintal		14,000	53,000
June 30	Purchases A/c	Dr.		1,64,360

Note: In Purchases Book, we record only the credit purchase of goods, so transaction dated June 20 (being cash purchase of goods) and June 25 (being credit purchase of Fixed Asset) will not be recorded.

***Working Note:**

1 Tin contains 16 Kg of Desi Ghee

So, 20 tins will contain = $20 \times 16 = 320$ Kgs of Desi Ghee

Answer 2:

Purchases Book							
Date	Particulars	Gross Amount (Rs)	Trade Discount (Rs)	Cost (Rs)	VAT (Rs)	Freight (Rs)	Total
2015							
May 02	Fashion House, Chennai						

**Book of Original Entry-
Special Purpose Subsidiary Books**

	200 Shirts @ Rs 80 per Shirt	16,000	3,200	12,800	1,536		14,336
	225 T-Shirts @ Rs 40 per Shirt	9,000	1,800	7,200	864	120	8,184
May 10	Appolo Garments, Mumbai						
	150 Bush-Shirts @ Rs 60 per piece	9,000	1,350	7,650	918		
	180 T-Shirts @ Rs 50 per piece	9,000	1,350	7,650	918	100	8,668
				35,300	4,236	220	39,756

Note: In Purchases Book, we record only the credit purchase of goods, so transaction dated May 15 (being purchase of Furniture on credit) and May 25 (being purchase of goods for cash) will not be recorded.

Answer 3:

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
June 04	Gupta Furniture House, New Delhi			
	120 Chairs @ Rs 200 per Chair		24,000	
	20 Tables @ Rs 800 per Table		16,000	
			40,000	
	Less: 5% Trade Discount		2,000	38,000
June 08	Raja Furniture House, New Delhi			
	5 Almirahs @ Rs 2,500 each		12,500	
	10 Steel Cabinets @ Rs 6,000 each		60,000	
			72,500	
	Less: 10% Trade Discount		7,250	65,250
June 25	New Furniture House			
	5 Sofa Sets @ Rs 3,200 each		16,000	
	10 Tables @ Rs 900 each		9,000	25,000
June 30	Sales A/c	Cr.		1,28,250

Book of Original Entry- Special Purpose Subsidiary Books

Note: In Sales Book, we record only the credit sale of goods, so transaction dated June 12 (being Typewriter sold on credit) and June 20 (being Furniture sold for cash) will not be recorded.

Answer 4:

Purchases Book								
Date	Particulars	Invoice No.	Gross Amount(Rs)	Trade Discount(Rs)	Cost (Rs)	VAT (Rs)	Freight(Rs)	Total
2017								
Mar . 01	Vandna Electronics	1255						
	50 Musical Alarm Clocks @ Rs 300 each		15,000	3,000	12,000	1,200		13,200
	30 Wall Clocks @ Rs 200 each		6,000	1,200	4,800	480	–	5,280
Mar . 10	Mohan Watch Company	1256						
	20 Deluxe Wall Clocks @ Rs 250 each		5,000	500	4,500	450	–	4,950
Mar . 15	Superior Watch Company	1257						
	80 Deluxe Wall Clocks @ Rs 250 each		20,000	3,000	17,000	1,700		18,700
	40 Super Deluxe Wall Clocks @ Rs 300 each		12,000	1,800	10,200	1,020	200	11,420
					48,500	4,850	200	53,550

Note: In Sales Book, we record only the credit sale of goods, so transaction dated March 20 (being sale of electronics for cash) will not be recorded.

**Book of Original Entry-
Special Purpose Subsidiary Books**

Answer 5:

Purchases Return Book

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2016					
Aug. 04	Saraswati House				
	25 Chairs @ Rs 180 per Chair			4,500	
	Less: 10% Trade Discount			450	4,050
Aug. 12	Navneet Enterprise, Karnal				
	1 Dining Table @ Rs 800 each			800	
	20 Chairs @ Rs 190 each			3,800	4,600
Aug. 20	Yadav & Co., Rewari				
	20 Chair @ 200 each			4,000	
	2 Dressing Tables @ 1,500 each			3,000	7,000
Aug. 28	Navneet Enterprise, Karnal				
	Mistake in the Invoice			620	620
Aug. 31	Purchases ReturnA/c	Cr.			16,270

Answer 6:

Sales Return Book

Sales Return Book					
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)
Oct. 03	Chakravarti & Co., Jaipur				
	50 metre Cotton Cloth @ Rs 40 per metre			2,000	
	30 metre Silk Cloth @ Rs 100 per metre			3,000	
				5,000	
	Less: 20% Trade Discount			1,000	4,000
Oct. 12	Narain Rai & Co., Indore				

**Book of Original Entry-
Special Purpose Subsidiary Books**

	25 metre Woolen Cloth @ Rs 80 per metre			2,000	2,000
Oct. 20	Janaki Dass Sita Ram				
	Defective Goods			1,560	1,560
Oct. 28	Kesari Lal & Sons, Sadar Bazar				
	Mistake in the Invoice			440	440
Oct. 31	Sales Return A/c	Dr.			8,000

Answer 7:

Purchases Return and Sales Return Books

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 03	Bata Shoe Co.				
	50 pairs of Chappals @ Rs 42 per pair			2,100	
	Less: 20% Trade Discount			420	1,680
Jan. 15	Baluja Shoe Co.				
	20 pairs of Ladies Chappals @ Rs 36 per pair			720	
	Less: 15% Trade Discount			108	612
Jan. 31	Liberty Shoe Co.				
	Defective Shoes			1,200	1,200
Jan. 31	Purchases Return A/c	Cr.			3,492

**Book of Original Entry-
Special Purpose Subsidiary Books**

Sales Return Book					
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 10	Guru Nanak & Co., Fatehpuri				
	10 pairs of Shoes @ Rs 120 per pair			1,200	
	Less: 10% Trade Discount			120	1,080
Jan. 22	Partap Footwear Co., Gandhi Nagar				
	50 pairs of Shoe @ Rs 150 per pair			7,500	
	Less: 5% Trade Discount			375	7,125
Jan. 27	Manoj Shoe Co., Model Town				
	20 pairs of Sandals @ Rs 85 per pair			1,700	1,700
Jan. 31	Sales Return A/c Dr.				9,905

Answer 8:

Journal Proper

Journal in the books of Sh. Karuna Sagar				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
Mar. 01	Furniture A/c Dr.		15,000	
	To Kuber Furniture Store			15,000
	(Furniture purchased on credit)			
Mar. 05	Charity A/c Dr.		6,000	
	To Purchases A/c			6,000
	(Goods given as charity)			
Mar. 12	Loss by Theft A/c Dr.		8,000	
	To Purchases A/c			8,000
	(Goods stolen)			
Mar. 15	Bad Debts A/c Dr.		20,000	
	To Arun			20,000
	(Arun was declared insolvent)			
Mar. 18	Drawings A/c Dr.		15,000	
	To Purchases A/c			10,000

**Book of Original Entry-
Special Purpose Subsidiary Books**

	(Goods withdrawn for personal use)				
Mar. 31	Interest on Capital A/c	Dr.		30,000	
	To Capital A/c				30,000
	(Interest on capital allowed)				
Mar. 31	Prepaid Rent A/c	Dr.		5,000	
	To Rent A/c				5,000
	(Adjustment entry for prepaid rent)				
Mar.31	Salary A/c	Dr.		12,000	
	To Outstanding Salary A/c				12,000
	(Salary to clerks was outstanding)				

Note: Cash transactions will not be recorded in Journal Proper.

Answer 9:

Proper Subsidiary Books

Cash Book									
Dr.									
Date	Particulars	L. F.	Cash (Rs)	Bank (Rs)	Date	Particulars	L. F.	Cash (Rs)	Bank (Rs)
2017					2017				
Jan. 01	Balance b/d		8,500	1,40,000	Jan. 02	Cash A/c	C	–	20,000
Jan. 02	Bank A/c	C	20,000	–	Jan. 04	Salaries A/c		22,000	–
Jan. 09	Manohar Lal (WN1)		–	29,100	Jan. 15	Ganga Parshad		–	45,000
Jan. 09	Sales A/c		16,000	–	Jan. 18	Sunil (WN2)		14,850	–
Jan. 25	Surya Narain (WN3)		11,000	–	Jan. 24	Rent A/c		–	2,000
Jan. 27	Sundry Income		400	–	Jan. 27	Stationery & Postage A/c		500	–
Jan. 31	Sh. Ganesh Chand		40,000	–	Jan. 31	Balance c/d		58,550	1,02,100

**Book of Original Entry-
Special Purpose Subsidiary Books**

			95,90 0	1,69,1 00				95,90 0	1,69,1 00
Feb. 01	Balance b/d		58,55 0	1,02,1 00					

WN1: Calculation of Discount Allowed to Manohar Lal

Amount due from Manohar Lal = 30,000

$$\text{Discount Allowed} = \frac{3}{100} \times 30,000 = 900$$

$$\therefore \text{Amount received from Manohar Lal} = 30,000 - 900 = 29,100$$

WN2: Calculation of Discount Received from Sunil

Amount due to Sunil = 15,000

$$\text{Discount Received} = 15,000 \times \frac{1}{100} = \text{Rs } 150$$

WN3: Calculation of Discount Allowed to Surya Narain

$$\begin{aligned} \text{Net Sales to Surya Narain} &= \text{Total Sales} - \text{Sales Return} \\ &= 14,000 - 2,450 \\ &= \text{Rs } 11,550 \end{aligned}$$

Amount Received = 11,000

$$\therefore \text{Discount Allowed} = 550$$

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 10	Ganga Parshad			
	300 metres Cotton @ 60 per metre		18,000	
	500 metres Silk @ 120 per metre		60,000	
			78,000	
	Less: 10% Trade Discount		7,800	70,200
Jan. 31	Purchases A/c	Dr.		70,200

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 06	Surya Narain			

**Book of Original Entry-
Special Purpose Subsidiary Books**

	60 metres Silk @ Rs 150 per metre		9,000	
	100 metres Cotton @ Rs 70 per metre		7,000	
			16,000	
	Less: 12.5% Trade Discount		2,000	14,000
Jan. 28	Sh. Ganesh Chand			
	40 metres Silk @ Rs 160 per metre		64,000	64,000
Jan. 31	Sales A/c	Cr.		78,000

Sales Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 08	Surya Narain				
	40 metres Cotton @ Rs 70 per metre			2,800	
	Less: 12.5% Trade Discount			350	2,450
Jan. 31	Sales Return A/c	Dr.			2,450

Journal					
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)	
2017					
Jan. 01	Cash A/c	Dr.	8,500		
	Bank A/c	Dr.	1,40,000		
	Stock A/c	Dr.	2,20,000		
	Manohar Lal	Dr.	30,000		
	Deep Chand	Dr.	24,000		
	Furniture & Equipment	Dr.	3,00,000		
	To Sunil			15,000	
	To Capital A/c			7,07,500	
	(Opening balances brought forward)				
Jan. 09	Discount Allowed A/c	Dr.	900		
	To Manohar Lal			900	
	(Discount allowed to Manohar Lal of 3%)				
Jan. 13	Ganga Parshad	Dr.	25,000		
	To Bills Payable A/c			25,000	
	(Acceptance given to Ganga Parshad)				

**Book of Original Entry-
Special Purpose Subsidiary Books**

Jan. 15	Ganga Parshad	Dr.		200	
	To Discount Received A/c				200
	(Discount received from Ganga Parshad of Rs 200)				
Jan. 18	Sunil	Dr.		150	
	To Discount Received A/c				150
	(Discount received from Sunil of 1%)				
Jan. 20	Drawings A/c	Dr.		500	
	To Purchases A/c				500
	(5 metres of silk costing Rs 100 each was taken for personal use)				
Jan. 25	Discount Allowed A/c	Dr.		550	
	To Surya Narain				550
	(Discount allowed to Surya Narain of Rs 550)				
Jan. 31	Bills Receivable A/c	Dr.		24,000	
	To Sh. Ganesh Chand				24,000
	(Acceptance received)				
				7,73,800	7,73,800

Answer 10:

Transactions	Books of Original Entry	Reason
Goods purchased from Ram Lal @ Rs 5,000 on credit	Purchases Book	Purchases book records only credit purchase of goods
Provision for doubtful debts created @ 5% on debtors with book value of Rs 10,000	Journal Proper	Provision for doubtful debts is recorded in journal proper
Defective goods sold to Babita on credit worth Rs 4,000 were returned by her	Sales Return Book	Goods returned by customer which were earlier sold on credit are recorded in Sales Return Book
Purchased furniture on credit from Mr. Ratan Singh for Rs 15,000 for use in the business	Journal Proper	Purchases book records only credit purchase of goods, so Furniture purchased on credit will be recorded in Journal Proper

Book of Original Entry- Special Purpose Subsidiary Books

Answer 11:

M/s Shiv Stationers

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2010				
June 01	Gagan Stationery Mart			
	70 dozen Pencils @ Rs 25 per dozen		1,750	
	120* Registers @ Rs 15 per Register		1,800	3,550
June 18	Rehman Bros.			
	5 reams of White Paper @ Rs 50 per ream		250	
	10 Dozen** @ 60 per dozen		600	
			850	
	Less: 10% Trade Discount		85	765
June 30	Purchases A/c	Dr.		4,315

Note: Purchases book records only the credit purchase of goods, so transaction dated June 10 (being purchase of furniture) and June 15 (being purchase of goods for cash) will not be recorded.

*Working Note:

1 Dozen contains a quantity of 12

So, 10 dozen will contain = $10 \times 12 = 120$ Registers

**1 Dozen contains a quantity of 12

So, 120 Pens will be = $\frac{120}{12} = 10$ Dozen

Answer 12:

M/s Sri Ram & Sons, Kolkata

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 05	Ramesh Stationery House, Kolkata			
	50 Dozen Pencils @ Rs 20 per dozen		1,000	
	240 Pens @ Rs 5 per pen		1,200	

**Book of Original Entry-
Special Purpose Subsidiary Books**

			2,200	
	Less: 10% Trade Discount		220	1,980
Jan. 08	Gupta Stationery Shop, Kanpur			
	10 Dozen Notebooks @ Rs 60 per dozen		600	
	15 Gross* Rubbers @ Rs 10 per dozen		1,800	2,400
Jan. 28	Ali Mohammad & Sons, Allahabad			
	10 Reams of Paper @ Rs 80 per Ream		800	
	Less: 15% Trade Discount		120	680
	Sales A/c	Cr.		5,060

Note: Sales book records only the credit sale of goods, so transaction dated Jan 20 (being sale of newspapers), Jan. 24 (being cash sales) and June 31 (being credit sale of fixed asset) will not be recorded.

*1 Gross = 12 Dozen

15 Gross = 12 × 15 = 180 Dozen

Answer 13:

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
June 07	Arora & Co., Nai Sarak			
	10 Chairs @ Rs 200 each		2,000	
	1 Table @ Rs 600		600	
			2,600	
	Less: 10% Trade Discount		260	2,340
June 16	Fateh Chand & Co., Delhi			
	5 Chairs @ Rs 180 each		900	900
June 30	Purchases A/c	Dr.		3,240

Note: Purchases book records only the credit purchase of goods, so transaction dated June 15 (being purchase of goods for cash) will not be recorded.

**Book of Original Entry-
Special Purpose Subsidiary Books**

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
June 10	Sudha Furniture Co., Agra			
	2 Almirahs @ Rs 2,000 each		4,000	
	Less: 15% Trade Discount		600	3,400
June 25	Ravi Sharma, Delhi			
	2 Dining Tables @ Rs 6,000 each		12,000	
	Less: 10% Trade Discount		1,200	10,800
June 30	Sales A/c Cr.			14,200

Note: Sales book records only the credit sales of goods, so transaction dated June 12 (being cash sales) will not be recorded.

Answer 14:

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Mar. 05	Charat Ram Electric Co.			
	25 Table Fans @ Rs 600 each		15,000	
	20 Ceiling Fans @ Rs 800 each		16,000	31,000
Mar. 16	Sri Ram & Sons			
	10 Electric Fans @ Rs 180 each		1,800	
	Less: 10% Trade Discount		180	1,620
Mar. 31	Purchases A/c Dr.			32,620

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Mar. 01	Chandra Light House			

**Book of Original Entry-
Special Purpose Subsidiary Books**

	50 Tube Light @ Rs 60 each		3,000	
	Less: 20% Trade Discount		600	2,400
	20 Heaters @ Rs 120 each		2,400	
	Less: 25% Trade Discount		600	1,800
Mar. 10	Chaudhry & Sons			
	80 dozen Bulbs @ Rs 90 per dozen		7,200	7,200
	Sales A/c	Cr.		11,400

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Mar. 25	Sri Ram & Sons				
	2 Electric Irons @ Rs 180 each			360	
	Less: 10% Trade Discount			36	324
Mar. 31	Purchases Return A/c	Cr.			324

Sales Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Mar. 20	Chandra Light House				
	5 Tube Light @ Rs 60 each			300	
	Less: 20% Trade Discount			60	240
Jan.31	Sales Return A/c	Dr.			240

Answer 15:

Cash Book									
Dr.					Cr.				
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)

**Book of Original Entry-
Special Purpose Subsidiary Books**

2017					2017				
Jan. 01	Balance b/d		12,400	–	Jan. 01	Balance b/d		–	38,000
Jan. 05	Bank A/c	C	20,000	–	Jan. 05	Cash A/c	C	–	20,000
Jan. 24	Charu		–	2,30,000	Jan. 14	Raghuraj & Sons (32,640 – 2,400)		–	30,240
Jan. 25	Sales A/c		9,000	–	Jan. 15	Gursharan Bros.		30,000	10,000
Jan. 27	Cash A/c	C	–	5,000	Jan. 16	Wages A/c		500	–
					Jan. 25	Dinesh		–	21,000
					Jan. 27	Bank A/c	C	5,000	–
					Jan. 30	Salary A/c		–	15,000
					Jan. 30	Bank Charges A/c		–	50
					Jan. 30	Bank Interest A/c		–	1,200
					Jan. 31	Balance c/d		5,900	99,510
			41,400	2,35,000				41,400	2,35,000
Feb. 01	Balance b/d		5,900	99,510					

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 03	Raghuraj & Sons			
	80 Electric Kettles @ Rs 300 each		24,000	
	40 Electric Irons @ Rs 420 each		16,800	
			40,800	
	Less: 20% Trade Discount		8,160	32,640
Jan. 20	Dinesh			
	10 Washing Machines @ Rs 16,000 each		1,60,000	
	4 Vacuum Cleaners @ Rs 6,000 each		24,000	
			1,84,000	
	Less: 15% Trade Discount		27,600	1,56,400

**Book of Original Entry-
Special Purpose Subsidiary Books**

Jan. 31	Purchases A/c	Dr.		1,89,040

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 22	Charu			
	200 Electric Shavers @ Rs 250 each		50,000	
	400 Toasters @ Rs 150 each		60,000	
	450 Heaters @ Rs 200 each		90,000	
			2,00,000	
	Less: 10% Trade Discount		20,000	1,80,000
Jan. 31	Sales A/c	Cr.		1,80,000

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 12	Raghuraj & Sons				
	10 Electric Kettles @ Rs 300 each			3,000	
	Less: 20% Trade Discount			600	2,400
Jan. 31	Purchases ReturnA/c	Dr.			2,400

Journal Proper				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 01	Cash A/c	Dr.	12,400	
	Stock A/c	Dr.	3,60,000	
	Abhilash	Dr.	20,000	
	Bhuwan	Dr.	30,000	
	Charu	Dr.	52,000	
	Furniture	Dr.	2,25,000	
	To Bank Overdraft A/c			38,000
	To Dinesh			15,000

**Book of Original Entry-
Special Purpose Subsidiary Books**

	To Ekta				25,000
	To Capital A/c (<i>balancing figure</i>)				6,21,400
	(Balance of previous brought forward)				
Jan. 06	Bills Receivable A/c	Dr.		20,000	
	To Abhilash				20,000
	(Acceptance received for the amount due from him)				
Jan. 10	Computer A/c	Dr.		40,000	
	To Gurusharan Bros.				40,000
	(Computers purchased on credit)				
Jan. 24	Discount Allowed A/c	Dr.		2,000	
	To Charu				2,000
	(Discount of Rs 2,000 allowed to Charu)				
Jan. 25	Dinesh	Dr.		1,50,000	
	To Bills Payable A/c				1,50,000
	(Acceptance given)				
Jan. 25	Dinesh	Dr.		400	
	To Discount Received A/c				400
	(Discount of Rs 400 received on payment to Dinesh)				
				9,11,800	9,11,800

Answer 16:

Cash Book											
Dr.						Cr.					
Date	Particulars	L. F.	Cash (Rs)	Bank (Rs)	Discount (Rs)	Date	Particulars	L. F.	Cash (Rs)	Bank (Rs)	Discount (Rs)
2017						2017					
Jan. 01	Balance b/d		8,000	58,000	—	Jan. 04	Cash A/c	C	—	40,000	—
Jan. 04	Bank A/c	C	40,000	—	—	Jan. 05	Purchases A/c (WN1)		24,700	—	—
Jan. 16	Z		—	1,20,000	—	Jan. 08	B		—	9,800	200

**Book of Original Entry-
Special Purpose Subsidiary Books**

Jan. 17	Y		–	29,400	600	Jan. 10	A		–	50,000	–
Jan. 20	Z		–	23,000	2,000	Jan. 23	Drawings A/c		6,000	–	–
Jan. 22	Asif Ali (WN2)		–	71,687	1,463	Jan. 25	Sundry Expenses A/c		320	–	–
Jan. 30	Interest A/c		–	270	–		Salary A/c		6,000	–	–
							Rent A/c		3,000	–	–
						Jan. 25	Balance c/d		7,980	2,02,557	–
			48,000	3,02,357	4,063				48,000	3,02,357	200
Feb. 01	Balance b/d		7,980	2,02,557	–						

WN1: Calculation of Amount of Purchases

2 Almirahs @ Rs 4,000 each	= 8,000
3 Steel Cabinets @ Rs 6,000 each	= 18,000
Total	26,000
Less: Trade Discount @ 5%	1,300
Total of Purchases	24,700

WN2: Calculation of Discount Allowed to Asif

$$\begin{aligned}\text{Net Sales to Asif} &= \text{Total Sales} - \text{Sales Return} \\ &= 80,750 - 7,600 \\ &= \text{Rs } 73,150\end{aligned}$$

$$\text{Discount Allowed} = \frac{2}{100} \times 73,150 = \text{Rs } 1,463$$

$$\text{Amount Received} = 73,150 - 1,463 = 71,687$$

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 31	A			
	200 Chairs @ Rs 180 each		36,000	
	50 Tables @ Rs 600 each		30,000	

**Book of Original Entry-
Special Purpose Subsidiary Books**

			66,000	
	Less: 10% Trade Discount		6,600	59,400
Jan. 31	Purchases A/c	Dr.		59,400

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Jan. 15	Z			
	100 Chairs @ Rs 250 each		25,000	
	80 Tables @ Rs 1,000 each		80,000	1,05,000
Jan. 18	Asif Ali			
	150 Chairs @ 300 each		45,000	
	5 Steels Cabinets @ 8,000 each		40,000	
			85,000	
	Less: 5% Trade Discount		4,250	80,750
Jan. 31	Sales A/c	Cr.		1,85,750

Sales Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 21	Asif Ali				
	1 Steel Cabinet @ Rs 8,000			8,000	
	Less: 5% Trade Discount			400	7,600
Jan. 31	Sales Return A/c	Dr.			7,600

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 01	Cash A/c	Dr.	8,000	
	Bank A/c	Dr.	58,000	
	X	Dr.	18,000	
	Y	Dr.	30,000	
	Z	Dr.	40,000	
	Stock A/c	Dr.	2,10,000	
	Office Equipment A/c	Dr.	70,000	
	To A			20,000

**Book of Original Entry-
Special Purpose Subsidiary Books**

	To B			25,000	
	To Capital A/c (<i>balancing figure</i>)			3,89,000	
	(Balance of previous year brought forward)				
Jan. 07	B	Dr.		15,000	
	To Bills Payable A/c			15,000	
	(Acceptance given to B)				
Jan. 08	B	Dr.		200	
	To Discount Received A/c			200	
	(Discount of Rs 200 received from B)				
Jan. 12	A (<i>WN</i>)	Dr.		29,400	
	To Bills Payable A/c			29,400	
	(Acceptance given)				
Jan. 13	Typewriter A/c	Dr.		20,000	
	To Remington Co.			20,000	
	(Typewriter purchased on credit)				
Jan. 17	Discount Allowed A/c	Dr.		600	
	To Y			600	
	(Discount of 2% allowed to Y)				
Jan. 20	Discount Allowed A/c	Dr.		2,000	
	To Z			2,000	
	(Discount of Rs 2,000 allowed to Z)				
Jan. 22	Discount Allowed A/c	Dr.		1,463	
	To Asif Ali			1,463	
	(Discount of Rs 1,463 allowed to Asif Ali)				
Jan. 28	Bills Receivable A/c	Dr.		10,000	
	To X			10,000	
	(Acceptance received)				
				5,12,663	5,12,663

Book of Original Entry- Special Purpose Subsidiary Books

WN: Calculation of Amount Payable to A

Amount due to A on Jan. 01	= 20,000
Goods purchased from A	= <u>59,400</u>
Total	<u>79,400</u>
Less : Amount paid through cheque	<u>50,000</u>
Amount payable through B / P	29,400

Answer 17:

Journal in the books of Geeta					
Date	Particulars	L.F	Debit Amount(Rs)	Credit Amount(Rs)	
(a)	Rent A/c	Dr	1,000		
	To Outstanding Rent A/c			1,000	
	(Rent being outstanding)				
(b)	Drawings A/c	Dr	5,000		
	To Purchases A/c			5,000	
	(Goods withdrawn for personal use)				
(c)	Machinery A/c	Dr	10,000		
	To Ram Sons			10,000	
	(Machinery purchased on credit)				
(d)	Depreciation A/c	Dr	10,000		
	To Motor Car A/c			10,000	
	(Depreciation charged on motor car for one year)				

Ledger

Ledger

From

D K GOEL

Solutions

ACCOUNTANCY

Answer 1:

Journal In the Books of...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Mar. 01	Cash A/c	Dr.	80,000	
	To Capital A/c			80,000
	(Business started with cash)			
Mar. 02	Purchases A/c	Dr.	36,000	
	To Cash A/c			36,000
	(Goods purchased for cash)			
Mar. 03	Machinery A/c	Dr.	4,000	
	To Cash A/c			4,000
	(Machinery purchased for cash)			
Mar. 04	Purchases A/c	Dr.	52,000	
	To Raghu's A/c			22,000
	To Dilip's A/c			30,000
	(Goods purchased on credit from Raghu and Dilip)			
Mar. 06	Raghu's A/c	Dr.	4,000	
	To Purchases Return A/c			4,000
	(Goods returned to Raghu)			
Mar. 08	Raghu's A/c	Dr.	18,000	
	To Cash A/c			17,500
	To Discount Received A/c			500
	(Cash paid to Raghu in full settlement)			
Mar. 10	Mahesh Chand & Co.	Dr.	30,400	
	To Sales A/c			30,400
	(Goods sold to Mahesh Chand & Co. at trade discount)			
Mar. 13	Cash A/c	Dr.	19,800	
	Discount Allowed A/c		200	
	To Mahesh Chand & Co.			20,000
	(Cash received from Mahesh Chand & Co.)			
Mar. 15	Dilip's A/c	Dr.	15,000	
	To Cash A/c			14,850
	To Discount Received A/c			150
	(Cash paid to Dilip)			
Mar. 20	Cash A/c	Dr.	25,000	
	To Sales A/c			25,000
	(Goods sold for cash)			
Mar. 24	Cash A/c	Dr.	18,000	
	To Sales A/c			18,000
	(Goods sold for cash)			
Mar. 25	Rent A/c	Dr.	1,500	
	To Cash A/c			1,500
	(Rent paid)			
Mar. 26	Cash A/c	Dr.	2,000	
	To Commission A/c			2,000
	(Commission received)			

Ledger

Mar. 28	Drawings A/c	Dr.	6,200	
	To Cash A/c			6,200
	(Cash withdrawn and fan purchased for personal use)			
	TOTAL		3,12,100	3,12,100

Cash Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar.01	Capital A/c		80,000	Mar.02	Purchases A/c		36,000
Mar.13	Mahesh Chand & Co.		19,800	Mar.03	Machinery A/c		4,000
Mar.20	Sales A/c		25,000	Mar.08	Raghu's A/c		17,500
Mar.24	Sales A/c		18,000	Mar.15	Dilip's A/c		14,850
Mar.26	Commission A/c		2,000	Mar.25	Rent A/c		1,500
				Mar.28	Drawings A/c		6,200
				Mar.31	Balance c/d		64,750
			1,44,800				1,44,800
2017							
Apr.01	Balance b/d		64,750				

Capital Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.31	Balance c/d		80,000	Mar.01	Cash A/c		80,000
			80,000				80,000
				2017			
				Apr.01	Balance b/d		80,000

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.02	Cash A/c		36,000	Mar.31	Balance c/d		88,000
Mar.04	Raghu's A/c		22,000				
	Dilip's A/c		30,000				
			88,000				88,000
2017							
Apr.01	Balance b/d		88,000				

Machinery Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.03	Cash A/c		4,000	Mar.31	Balance c/d		4,000
			4,000				4,000
2017							
Apr.01	Balance b/d		4,000				

Raghu's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			

Ledger

Mar.06	Purchases Return A/c		4,000	Mar.04	Purchases A/c		22,000
Mar.08	Cash A/c		17,500				
	Discount Received A/c		500				
			22,000				22,000

Dilip's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar.15	Cash A/c		14,850	Mar.04	Purchases A/c		30,000
Mar.15	Discount Received A/c		150				
Mar.31	Balance c/d		15,000				
			30,000				30,000
				2017			
				Apr.01	Balance b/d		15,000

Purchases Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar.31	Balance c/d		4,000	Mar.06	Raghu's A/c		4,000
			4,000				4,000
				2017			
				Apr.01	Balance b/d		4,000

Discount Received Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar.31	Balance c/d		650	Mar.08	Raghu's A/c		500
				Mar.15	Dilip's A/c		150
			650				650
				2017			
				Apr.01	Balance b/d		650

Discount Allowed Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.13	Mahesh Chand & Co.		200	Mar.31	Balance c/d		200
			200				200
2017							
Apr.01	Balance b/d		200				

Mahesh Chand & Co.							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar.10	Sales A/c		30,400	Mar.13	Cash A/c		19,800
				Mar.13	Discount Allowed A/c		200
				Mar.31	Balance c/d		10,400
			30,400				30,400
2017							
Apr.01	Balance b/d		10,400				

Ledger

Rent Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.25	Cash A/c		1,500	Mar.31	Balance c/d		1,500
			1,500				1,500
2017							
Apr.01	Balance b/d		1,500				

Commission Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.31	Balance c/d		2,000	Mar.26	Cash A/c		2,000
			2,000				2,000
				2017			
				Apr.01	Balance b/d		2,000

Drawings Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.28	Cash A/c		6,200	Mar.31	Balance c/d		6,200
			6,200				6,200
				2017			
				Apr.01	Balance b/d		6,200

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar.31	Balance c/d		73,400	Mar.10	Mahesh Chand & Co.		30,400
				Mar.20	Cash A/c		25,000
				Mar.24	Cash A/c		18,000
			73,400				73,400
				2017			
				Apr.01	Balance b/d		73,400

Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit Balances Amount(Rs)	Credit Balances Amount(Rs)
Cash A/c		64,750	
Capital A/c			80,000
Purchases A/c		88,000	
Machinery A/c		4,000	
Dilip's A/c			15,000
Purchases Return A/c			4,000
Discount Received A/c			650
Discount Allowed A/c		200	
Mahesh Chand & Co.		10,400	
Rent A/c		1,500	
Commission A/c			2,000
Drawings A/c		6,200	
Sales A/c			73,400

Ledger

Total		1,75,050	1,75,050
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Answer 2:

Journal In the Books of Ram & Shyam				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan.01	Cash in hand A/c	Dr.	30,000	
	Stock A/c	Dr.	36,000	
	Lal Chand's A/c	Dr.	7,600	
	Mukesh Khanna's A/c	Dr.	16,200	
	Furniture A/c	Dr.	8,000	
	To Ghanshyam's A/c			6,000
	To Vinod's A/c			8,000
	To Capital A/c (<i>Balancing figure</i>)			83,800
	(Opening entry made)			
Jan.02	Office Equipment A/c	Dr.	7,500	
	To Cash A/c			7,500
	(Typewriter purchased)			
Jan.04	Cash A/c	Dr.	19,000	
	Discount Allowed A/c	Dr.	1,000	
	To Sales A/c			20,000
	(Goods sold for cash at 20% trade discount)			
Jan.06	Gopal Seth's A/c	Dr.	10,000	
	To Sales A/c			10,000
	(Goods sold on credit to Gopal Seth)			
Jan.08	Sales Return A/c	Dr.	1,500	
	To Gopal Seth's A/c			1,500
	(Goods returned)			
Jan.12	Purchases A/c	Dr.	27,000	
	To Arun's A/c			12,000
	To Varun's A/c			15,000
	(Goods purchased on credit)			
Jan.13	Arun's A/c	Dr.	12,000	
	To Cash A/c			11,400
	To Discount Received A/c			600
	(Cash paid to Arun in full settlement)			
Jan.14	Ghanshyam's A/c	Dr.	6,000	
	To Cash A/c			6,000
	(Cash paid to Ghanshyam)			
Jan.16	Cash A/c	Dr.	7,500	
	Discount Allowed A/c	Dr.	100	
	To Lal Chand's A/c			7,600
	(Cash received)			
Jan.17	Scooter A/c	Dr.	18,000	
	To Cash A/c			18,000
	(Scooter purchased)			
Jan.20	Cash A/c	Dr.	20,000	
	To Sales A/c			20,000
	(Goods sold for cash)			
Jan.22	Cash A/c	Dr.	4,850	

Ledger

	Discount Allowed A/c	Dr.	150	
	To Gopal Seth's A/c			5,000
	(Cash received)			
Jan.27	Wages A/c	Dr.	7,000	
	Salaries A/c	Dr.	3,000	
	To Cash A/c			10,000
	(Expenses paid)			
Jan.28	Drawings A/c	Dr.	3,500	
	To Purchases A/c			2,000
	To Cash A/c			1,500
	(Amount withdrawn)			
Jan.29	Drawings A/c	Dr.	1,600	
	To Cash A/c			1,600
	(Paid life insurance premium)			
	TOTAL		2,47,500	2,47,500

Cash Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.01	Balance c/d		30,000	Jan.02	Typewriter A/c		7,500
Jan.04	Sales A/c		19,000	Jan.13	Arun's A/c		11,400
Jan.06	Lal Chand's A/c		7,500	Jan.14	Ghanshyam's A/c		6,000
Jan.20	Sales A/c		20,000	Jan.17	Scooter A/c		18,000
Jan.26	Gopal Seth's A/c		4,850	Jan.27	Wages A/c		7,000
				Jan.27	Salaries A/c		3,000
				Jan.28	Drawings A/c		1,500
				Jan.29	Drawings A/c		1,600
				Jan.31	Balance c/d		25,350
			81,350				81,350
2017							
Feb.01	Balance b/d		25,350				

Stock Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.01	Balance b/d		36,000	Jan.31	Balance c/d		36,000
			36,000				36,000
2017							
Feb.01	Balance b/d		36,000				

Lal Chand's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.01	Balance b/d		7,600	Jan.06	Cash A/c		7,500
					Discount Allowed		100
			7,600				7,600

Ledger

Mukesh Khanna's A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.01	Balance b/d		16,200	Jan.31	Balance c/d		16,200
			16,200				16,200
2017							
Jan.01	Balance b/d		16,200				

Furniture Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.01	Balance b/d		8,000	Jan.31	Balance c/d		8,000
			8,000				8,000
2017							
Feb.01	Balance b/d		8,000				

Ghanshyam's A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.14	Cash A/c		6,000	Jan.01	Balance b/d		6,000
			6,000				6,000

Vinod's A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.31	Balance c/d		8,000	Jan.01	Balance b/d		8,000
			8,000				8,000
				2017			
				Feb.01	Balance b/d		8,000

Capital Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.31	Balance c/d		83,800	Jan.01	Balance b/d		83,800
			83,800				83,800
				2017			
				Feb.01	Balance b/d		83,800

Office Equipment Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.02	Cash A/c		7,500	Jan.31	Balance		7,500

Ledger

				c/d		
			7,500			7,500
2017						
Feb.01	Balance b/d		7,500			

Discount Allowed Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.04	Sales A/c		1,000	Jan.31	Balance c/d		1,250
Jan.16	Lal Chand's A/c		100				
Jan.22	Gopal Seth's A/c		150				
			1,250				1,250
2017							
Feb.01	Balance b/d		1,250				

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.31	Balance c/d		50,000	Jan.04	Cash A/c		19,000
				Jan.04	Discount Allowed A/c		1,000
				Jan.06	Gopal Seth's A/c		10,000
				Jan.20	Cash A/c		20,000
			50,000				50,000
				2017			
				Feb.01	Balance b/d		50,000

Gopal Seth's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.06	Sales A/c		10,000	Jan.08	Sales Return A/c		1,500
				Jan.22	Cash A/c		4,850
				Jan.22	Discount Allowed		150
				Jan.31	Balance c/d		3,500
			10,000				10,000
2017							
Feb.01	Balance b/d		3,500				

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.08	Gopal Seth's A/c		1,500	Jan.31	Balance c/d		1,500
			1,500				1,500
2017							
Feb.01	Balance b/d		1,500				

Ledger

Purchases Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.12	Arun's A/c		12,000	Jan.28	Drawings A/c		2,000
	Varun's A/c		15,000	Jan.31	Balance c/d		25,000
			27,000				27,000
2017							
Feb.01	Balance b/d		25,000				

Arun's A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.13	Cash A/c		11,400	Jan.12	Purchases A/c		12,000
Jan.13	Discount Received A/c		600				
			12,000				12,000

Varun's A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.31	Balance c/d		15,000	Jan.12	Purchases A/c		15,000
			15,000				15,000
				2017			
				Feb. 01	Balance b/d		15,000

Discount Received Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.31	Balance c/d		600	Jan.13	Arun's A/c		600
			600				600
				2017			
				Feb.01	Balance b/d		600

Scooter Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.17	Cash A/c		18,000	Jan.31	Balance c/d		18,000
			18,000				18,000
2017							
Feb.01	Balance b/d		18,000				

Wages Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.27	Cash A/c		7,000	Jan.31	Balance c/d		7,000
			7,000				7,000
2017							

Ledger

Feb.01	Balance b/d		7,000				

Salaries Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.27	Cash A/c		3,000	Jan.31	Balance c/d		3,000
			3,000				3,000
2017							
Feb.01	Balance b/d		3,000				

Drawings Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan.28	Purchases A/c		2,000	Jan.31	Balance c/d		5,100
Jan.28	Cash A/c		1,500				
Jan.29	Cash A/c		1,600				
			5,100				5,100
2017							
Feb.01	Balance b/d		5,100				

Trial Balance as on Jan. 31, 2017			
Name of Accounts	L.F.	Debit Balances Amount (Rs)	Credit Balances Amount (Rs)
Cash A/c		25,350	—
Stock A/c		36,000	—
Mukesh Khanna's A/c		16,200	—
Furniture A/c		8,000	—
Vinod's A/c		—	8,000
Capital A/c		—	83,800
Office Equipment A/c		7,500	—
Discount Allowed A/c		1,250	—
Sales A/c		—	50,000
Gopal Seth's A/c		3,500	—
Sales Return A/c		1,500	—
Purchases A/c		25,000	—
Varun's A/c		—	15,000
Discount Received A/c		—	600
Scooter A/c		18,000	—
Wages A/c		7,000	—
Salaries A/c		3,000	—
Drawings A/c		5,100	—
Total		1,57,400	1,57,400

Answer 3:

Journal In the Books of...				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
(I)	Purchases A/c	Dr.	2,000	
	To Cash A/c			2,000
	(Goods purchased for cash)			
(II)	Salaries A/c	Dr.	1,500	
	To Cash A/c			1,500
	(Salary paid in cash)			
(III)	Cash A/c	Dr.	800	
	To Interest A/c			800
	(Received interest in cash)			
(IV)	Mohan's A/c	Dr.	5,000	
	To Cash A/c			5,000
	(Cash paid to Mohan)			

Answer 4:

Cash Book									
Dr.									
Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash (Rs)	Bank (Rs)
May 01	Balance b/d		12,400	–	May 01	Balance b/d		–	36,000
May 03	Ganesh's A/c		–	10,000	May 05	Suresh's A/c		–	7,700
May 07	Cheques-in-hand A/c		–	12,000	May 24	X's A/c		–	12,000
May 08	Sales A/c		22,000	–	May 24	Bank Charges A/c		–	20
May 12	Sales A/c		15,000	55,000	May 25	Purchases A/c		45,000	–
May 20	Bills Receivable A/c		–	9,900	May 26	Cash A/c	C	–	10,000
May 26	Bank A/c	C	10,000	–	May 26	Drawings A/c		–	2,000
					May 31	Interest A/c		–	4,500
					May 31	Balance c/d		14,400	14,680
			59,400	86,900				59,400	86,900
June 01	Balance b/d		14,400	14,680					

Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
May 06	Cheques-in-Hand A/c	Dr.	12,000	
	Discount Allowed A/c	Dr.	500	
	To X's A/c			12,500
	(Cheque received from X but not banked)			
May 08	Cheques-in-Hand A/c	Dr.	8,000	
	To Sales A/c			8,000
	(Cheque received for sales but not banked)			
May 15	Sunil's A/c	Dr.	8,150	
	To Cheques-in-Hand A/c			8,000
	To Discount Received A/c			150
	(Cheque received from sales endorsed to Sunil)			
May 20	Discounting Charges A/c	Dr.	100	
	To Bills Receivable A/c			100

Ledger

(Bills receivable discounted with bank)			
May 24	X's A/c	Dr.	500
	To Discount Allowed A/c		500
(Discount cancelled)			

Discount Allowed Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 03	Ganesh's A/c		200	May 24	X's A/c		500
May 06	X's A/c		500	May 31	Balance c/d		200
			700				700
June 01	Balance b/d		200				

Discount Received Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 31	Balance c/d		450	May 05	Suresh's A/c		300
				May 15	Sunil's A/c		150
			450				450
				June 01	Balance b/d		450

Cheques-in-Hand Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 06	X's A/c		12,000	May 07	Bank A/c		12,000
May 08	Sales A/c		8,000	May 15	Sunil's A/c		8,000
			20,000				20,000

Discounting Charges Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 20	Bills Receivable A/c		100	May 31	Balance c/d		100
			100				100
June 01	Balance b/d		100				

Bills Receivable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 31	Balance c/d		10,000	May 20	Bank A/c		9,900
				May 20	Discounting Charges A/c		100
			10,000				10,000
				June 01	Balance b/d		100

Ledger

Ganesh's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 31	Balance c/d		10,200	May 03	Bank A/c		10,000
				May 03	Discount Allowed A/c		200
			10,200				10,200
				June 01	Balance b/d		10,200

X's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 24	Discount Allowed A/c		500	May 06	Cheques-in-Hand A/c		12,000
May 24	Bank A/c		12,000	May 06	Discount Allowed A/c		500
			12,500				12,500

Suresh's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 05	Bank A/c		7,700	May 31	Balance c/d		8,000
May 05	Discount Received A/c		300				
			8,000				8,000
June 01	Balance b/d		8,000				

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 31	Balance c/d		1,00,000	May 08	Cash A/c		22,000
				May 08	Cheques-in-Hand A/c		8,000
				May 15	Cash A/c		15,000
				May 15	Bank A/c		55,000
			1,00,000				1,00,000
				June 01	Balance b/d		1,00,000

Bank Charges Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 24	Bank A/c		20	May 31	Balance c/d		20
			20				20
June 01	Balance b/d		20				

Ledger

Purchases Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 25	Bank A/c		45,000	May 31	Balance c/d		45,000
			45,000				45,000
June 01	Balance b/d		45,000				

Drawings Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 26	Bank A/c		2,000	May 31	Balance c/d		2,000
			2,000				2,000
June 01	Balance b/d		2,000				

Interest Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 31	Bank A/c		4,500	May 31	Balance c/d		4,500
			4,500				4,500
June 01	Balance b/d		4,500				

Sunil's Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
May 15	Cheques-in-Hand A/c		8,000	May 31	Balance c/d		8,150
May 15	Discount Received A/c		150				
			8,150				8,150
June 01	Balance b/d		8,150				

Answer 5:

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
Nov. 03	Sachdeva Furniture Store			
	50 Chairs @ Rs 200 each		10,000	
	10 Tables @ Rs 1,500 each		15,000	
			25,000	
	Less: 10% Trade Discount		2,500	22,500
Nov. 10	Mahadeva & Co.		20,000	
	Less: 12 1/2% Trade Discount		2,500	17,500
Nov. 18	Fashion Furniture House		25,000	
	Less: 15% Discount		3,750	21,250
Nov. 20	India Furniture House			
	100 Chairs @ 150 each			15,000
Nov. 30	Purchases A/c	Dr.		76,250

Ledger

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Nov. 30	Sundries as per Purchases Book		76,250				

Sachdeva Furniture Store Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2016			
				Nov. 03	Purchases A/c		22,500

Mahadeva & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2016			
				Nov. 10	Purchases A/c		17,500

Fashion Furniture House Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2016			
				Nov. 18	Purchases A/c		21,250

India Furniture House Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2016			
				Nov. 20	Purchases A/c		15,000

Note: Transaction on Nov. 25 will not be recorded in the Purchases Book as it is a cash transaction.

Answer 6:

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2016				
Dec. 05	M/s Banwari Lal & Sons, Chadni Chowk		20,000	
	Less: 10% Trade Discount		2,000	18,000
Dec. 10	M/s Kanti Bhai & Sons, Karol Bagh			
	60 Electric Fans @ Rs 800 each		48,000	
	20 Room Coolers @ Rs 2,500 each		50,000	
			98,000	
	Less: 8% Trade Discount		7,840	90,160
Dec. 16	Mahindra & Co.		12,000	
	Less: 5% Trade Discount		600	11,400
Dec. 31	Sales A/c	Cr.		1,19,560

Ledger

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
				2016			
				Dec. 31	Sundries as per Sales Book		1,19,560

M/s Banwari Lal & Sons Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Dec. 05	Sales A/c		18,000				

M/s Kanti Bhai & Sons Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Dec. 10	Sales A/c		90,160				

Mahindra & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Dec. 16	Sales A/c		11,400				

Note: Transaction on Dec. 24 will not be recorded in the Sales Book as it is a cash transaction.

Answer 7:

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2016					
Nov. 07	Sachdeva Furniture Store				
	5 Chairs @ 200 per Chair			1,000	
	1 Table for Rs 1,500			1,500	
				2,500	
	Less: 10% Trade Discount			250	2,250
Nov. 22	India Furniture House				
	8 Chairs @ Rs 150 per Chair				1,200
Nov. 24	Arora & Co.				
	1 Dining Tables @ Rs 5,000 each				5,000
Nov. 28	Delhi Furniture Shop				1,600
Nov. 30	Purchases Return A/c	Cr.			10,050

Ledger

Purchases Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2016			
				Nov. 30	Sundries as per Purchases Return Book		10,050

India Furniture House Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Nov. 22	Purchases Return A/c		1,200				

Delhi Furniture Shop Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Nov. 28	Purchases Return A/c		1,600				

Sachdeva Furniture Store Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Nov. 07	Purchases Return A/c		2,250				

Arora & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2016							
Nov. 24	Purchases Return A/c		5,000				

Answer 8:

Sales Return Book						
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)	
2017						
Jan. 05	Giriraj & Co.			8,000		
	Less: 10% Trade Discount			800		7,200
Jan. 10	Shah Brothers					6,000
Jan. 16	Jai Singh & Co.					500
Jan. 20	Gopalsons					2,000
Jan. 31	Sales Return A/c	Dr.				15,700

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017							
Jan. 31	Sundries as per Sales Return Book		15,700				

Ledger

Shah Brothers Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Jan. 10	Sales Return A/c		6,000

Gopalsons Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Jan. 20	Sales Return A/c		2,000

Giriraj & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Jan. 05	Sales Return A/c		7,200

Jai Singh & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Jan. 16	Sales Return A/c		500

Answer 9:

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Mar. 02	Navrang Traders			8,300
Mar. 05	Ruchi Traders			12,100
Mar. 10	Jaipur Stores		15,400	
	Less: 5% Trade Discount		770	14,630
Mar. 12	Amit Traders			10,000
Mar. 22	Navrang Traders			25,000
Mar. 31	Purchases A/c	Dr.		70,030

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
Mar. 03	Rohan			3,200
Mar. 12	Arun Traders		18,000	
	Less: 15% Trade Discount		2,700	15,300
Mar. 20	Kalpana & Co.			14,700
Mar. 26	Rupa Traders		10,000	
	Less: 10% Trade Discount		1,000	9,000
Mar. 31	Sales A/c	Cr.		42,200

Ledger

Purchases Return Book					
Date	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Mar. 18	Jaipur Stores			800	
	Less: 5% Trade Discount			40	760
Mar. 25	Navrang Traders				1,200
Mar. 31	Purchases Return A/c	Cr.			1,960

Sales Return Book					
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Mar. 08	Rohan				600
Mar. 19	Arun Traders			3,000	
	Less: 15% Trade Discount			450	2,550
Mar. 29	Kalpana & Co.				2,000
Mar. 31	Sales Return A/c	Dr.			5,150

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017							
Mar. 31	Sundries as per Purchases Book		70,030				

Navrang Traders Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar. 25	Purchases Return A/c		1,200	Mar. 02	Purchases A/c		8,300
				Mar. 22	Purchases A/c		25,000

Ruchi Traders Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Mar. 05	Purchases A/c		12,100

Amit Traders Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Mar. 12	Purchases A/c		10,000

Jaipur Stores Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar. 18	Purchases Return A/c		760	Mar. 10	Purchases A/c		14,630

Ledger

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Mar. 31	Sundries as per Sales Book		42,200

Rohan's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar. 03	Sales A/c		3,200	Mar. 08	Sales Return A/c		600

Arun Traders Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar. 12	Sales A/c		15,300	Mar. 19	Sales Return A/c		2,550

Kalpana & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Mar. 20	Sales A/c		14,700	Mar. 29	Sales Return A/c		2,000

Rupa Traders Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017							
Mar. 26	Sales A/c		9,000				

Purchases Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
				2017			
				Mar. 31	Sundries as per Purchases Return Book		1,960

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017							
Mar. 31	Sundries as per Sales Return Book		5,150				

Answer 10:

Cash Book									
Dr.									
Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank (Rs)
2017					2017				
April 01	Balance b/d		27,500	40,000	April 02	Bank A/c	C	20,000	–
April 01	Sales A/c		18,000	–	April 05	Dinesh's A/c		–	25,000
April 02	Cash A/c	C	–	20,000	April 18	Purchases A/c		10,000	–
April 12	Ashok's A/c		8,000	40,000	April 20	Dinesh's A/c		–	17,820
April 19	Charu's A/c		–	29,400	April 22	Shiva Ltd.		–	45,000
April 30	Interest A/c		–	600	April 24	Drawings A/c		6,000	–
					April 27	Rent A/c		3,000	–
					April 27	Salaries A/c		8,000	–
					April 30	Balance c/d		6,500	42,180
			53,500	1,30,000				53,500	1,30,000
May 01	Balance b/d		6,500	42,180					

Purchases Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
April 03	Dinesh			
	300 metres Cotton @Rs 60 per metre		18,000	
	200 metres Silk @Rs 100 per metre		20,000	38,000
April 25	Ganesh			
	200 metres Cotton @Rs 70 per metre		14,000	
	Less: 5% Trade Discount		700	13,300
April 30	Purchases A/c	Dr.		51,300

Sales Book				
Date	Particulars	L.F.	Details (Rs)	Amount(Rs)
2017				
April 08	Ashok			
	400 metres Cotton @Rs 80 per metre		32,000	
	250 metres Silk @Rs 140 per metre		35,000	67,000
April 30	Sales A/c	Cr.		67,000

Sales Return Book					
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
April 10	Ashok				
	50 metres Silk @Rs 140 per metre			7,000	7,000
April 30	Sales Return A/c	Dr.			7,000

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
April 01	Cash in hand A/c	Dr.	27,500	
	Bank A/c	Dr.	40,000	
	Stock A/c	Dr.	1,60,000	

Ledger

	Ashok's A/c	Dr.	18,000	
	Bahadur's A/c	Dr.	25,000	
	Charu's A/c	Dr.	30,000	
	Furniture	Dr.	40,000	
	To Dinesh's A/c			20,000
	To Ekta's A/c			15,000
	To Capital A/c (<i>Balancing Figure</i>)			3,05,500
	(Balances of previous year brought forward)			
April 06	Dinesh's A/c	Dr.	15,000	
	To Bills Payable A/c			15,000
	(Acceptance given for bill drawn by Dinesh)			
April 13	Bills Receivable A/c	Dr.	20,000	
	To Bahadur's A/c			20,000
	(Bills receivable received from one of our debtor, Bahadur)			
April 15	Ekta's A/c	Dr.	15,000	
	To Bills Payable A/c			15,000
	(Acceptance given for bill drawn by Ekta)			
April 16	Computer A/c	Dr.	45,000	
	To Shiva Ltd.			45,000
	(Computer purchased on credit)			
April 19	Discount Allowed A/c	Dr.	600	
	To Charu			600
	(Discount of 2% allowed to Charu)			
April 20	Dinesh	Dr.	180	
	To Discount Received A/c			180
	(Discount of 1% received from Dinesh)			
April 24	Drawings A/c	Dr.	5,000	
	To Purchases A/c			5,000
	(Goods withdrawn by proprietor)			
	TOTAL		4,41,280	4,41,280

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		85,000	April 01	Cash A/c		18,000
				April 30	Sundries as per Sales Book		67,000
			85,000				85,000
				2017			
				May 01	Balance b/d		85,000

Ashok's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 01	Balance b/d		18,000	April 12	Cash A/c		8,000
April 08	Sales A/c		67,000	April 12	Bank A/c		40,000
				April 10	Sales Return A/c		7,000
				April 30	Balance c/d		30,000
			85,000				85,000
2017							
May 01	Balance b/d		30,000				

Ledger

Charu's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 01	Balance b/d		30,000	April 19	Bank A/c		29,400
				April 19	Discount Allowed A/c		600
			30,000				30,000

Interest Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		600	April 30	Bank A/c		600
			600				600
				2017			
				May 01	Balance b/d		600

Dinesh's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 05	Bank A/c		25,000	April 01	Balance b/d		20,000
April 06	Bills Payable A/c		15,000	April 03	Purchases A/c		38,000
April 20	Bank A/c		17,820				
April 20	Discount Received A/c		180				
			58,000				58,000

Shiva Ltd. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 22	Bank A/c		45,000	April 16	Computer A/c		45,000
			45,000				45,000

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 18	Cash A/c		10,000	April 24	Drawings A/c		5,000
April 30	Sundries as per Purchases Book		51,300	April 30	Balance c/d		56,300
			61,300				61,300
2017							
May 01	Balance b/d		56,300				

Ledger

Drawings Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 24	Cash A/c		6,000	April 30	Balance c/d		11,000
April 24	Purchases A/c		5,000				
			11,000				11,000
2017							
May 01	Balance b/d		11,000				

Rent Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 27	Cash A/c		3,000	April 30	Balance c/d		3,000
			3,000				3,000
2017							
May 01	Balance b/d		3,000				

Ganesh's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		13,300	April 25	Purchases A/c		13,300
			13,300				13,300
				2017			
				May 01	Balance b/d		13,300

Bahadur's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 01	Balance b/d		25,000	April 13	Bills Receivable A/c		20,000
				April 30	Balance c/d		5,000
			25,000				25,000
2017							
May 01	Balance b/d		5,000				

Salaries Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 27	Cash A/c		8,000	April 30	Balance c/d		8,000
			8,000				8,000
2017							
May 01	Balance b/d		8,000				

Ledger

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Sundries as per Sales Return Book		7,000	April 30	Balance c/d		7,000
			7,000				7,000
2017							
May 01	Balance b/d		7,000				

Stock Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 01	Balance b/d		1,60,000	April 30	Balance c/d		1,60,000
			1,60,000				1,60,000
2017							
May 01	Balance b/d		1,60,000				

Furniture Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 01	Balance b/d		40,000	April 30	Balance c/d		40,000
			40,000				40,000
2017							
May 01	Balance b/d		40,000				

Ekta's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 15	Bills Payable A/c		15,000	April 30	Balance b/d		15,000
			15,000				15,000

Bills Payable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		30,000	April 06	Dinesh's A/c		15,000
				April 15	Ekta's A/c		15,000
			30,000				30,000
				2017			
				May 01	Balance b/d		30,000

Computer Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 16	Shiva Ltd.		45,000	April 30	Balance c/d		45,000
			45,000				45,000
2017							

Ledger

May 01	Balance b/d		45,000				
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Discount Allowed Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 19	Charu's A/c		600	April 30	Balance c/d		600
			600				600
2017							
May 01	Balance b/d		600				

Bills Receivable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 13	Bhadur's A/c		20,000	April 30	Balance c/d		20,000
			20,000				20,000
2017							
May 01	Balance b/d		20,000				

Capital Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		3,05,500	April 01	Balance b/d		3,05,500
			3,05,500				3,05,500
				2017			
				May 01	Balance b/d		3,05,000

Discount Received Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
April 30	Balance c/d		180	April 20	Dinesh's A/c		180
			180				180
				2017			
				May 01	Balance b/d		180

Trial Balance as on April 30, 2017			
Name of Accounts	L.F	Debit Balances Amount (Rs)	Credit Balances Amount(Rs)
Cash A/c		6,500	—
Bank A/c		42,180	—
Sales A/c		—	85,000
Ashok's A/c		30,000	—
Interest A/c		—	600
Purchases A/c		56,300	—
Drawings A/c		11,000	—
Rent A/c		3,000	—
Salaries A/c		8,000	—
Ganesh's A/c		—	13,300
Sales Return A/c		7,000	—
Bahadur's A/c		5,000	—
Stock A/c		1,60,000	—

Ledger

Furniture A/c		40,000	–
Bills Receivable A/c		20,000	–
Bills Payable A/c		–	30,000
Computer A/c		45,000	–
Capital A/c		–	3,05,500
Discount Allowed		600	–
Discount Received		–	180
TOTAL		4,34,580	4,34,580

Answer 11:

Cash Book											
Dr.						Cr.					
Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Discount (Rs)	Date	Particulars	L.F.	Cash(Rs)	Bank(Rs)	Discount (Rs)
2017						2017					
Jan. 01	Capital A/c		2,00,000	–	–	Jan. 02	Bank A/c	C	1,75,000	–	–
Jan. 02	Cash A/c	C	–	1,75,000	–	Jan. 06	Dilip's A/c		–	16,800	200
Jan. 15	Sales A/c		8,000	–	–	Jan. 08	Purchases A/c		14,000	–	–
Jan. 18	Mohinder's A/c		7,900	–	100**	Jan. 13	Suresh's A/c		–	58,800	1,200*
Jan. 21	Cash A/c	C	–	20,000	–	Jan. 21	Bank A/c	C	20,000	–	–
Jan. 27	Banerjee's A/c		–	49,000	1,000	Jan. 25	Furniture A/c		–	40,000	–
						Jan. 25	Typewriter A/c		–	10,000	–
						Jan. 28	Stationery A/c		400	–	–
						Jan. 28	Postage A/c		200	–	–
						Jan. 31	Drawings A/c		–	2,500	–
						Jan. 31	Balance c/d		6,300	1,15,900	–
			2,15,900	2,44,000	1,100				2,15,900	2,44,000	1,400
Feb. 01	Balance b/d		6,300	1,15,900	–						

Purchases Book				
Date	Particulars	L.F.	Details(Rs)	Amount(Rs)
2017				
Jan. 04	Dilip		40,000	
	Less: 20% Trade Discount		8,000	32,000
Jan. 11	Suresh			75,000
Jan. 31	Purchases A/c	Dr.		1,07,000

Sales Book				
Date	Particulars	L.F.	Details(Rs)	Amount(Rs)
2017				
Jan. 16	Mohinder			20,000
Jan. 20	Banerjee			50,000
Jan. 25	Anubhav			30,000
Jan. 31	Sales A/c	Cr.		1,00,000

Ledger

Sales Return Book					
Date	Particulars	Credit Note No.	L.F.	Details (Rs)	Amount(Rs)
2017					
Jan. 17	Mohinder				1,500
Jan. 27	Anubhav				5,000
Jan. 31	Sales Return A/c	Dr.			6,500

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 06	Dilip	Dr.	200	
	To Discount Received A/c			200
	(Discount of Rs 200 received from Dilip)			
Jan. 10	Dilip's A/c	Dr.	15,000	
	To Bills Payable A/c			15,000
	(Acceptance given to the bill drawn by Dilip)			
Jan. 13	Suresh	Dr.	1,200*	
	To Discount Received A/c			1,200*
	(Discount of 2% received from Suresh)			
Jan. 18	Discount Allowed A/c	Dr.	100**	
	To Mohinder			100**
	(Discount of 1.25% allowed to Mohinder)			
Jan. 25	Drawings A/c	Dr.	2,000	
	To Purchases A/c			2,000
	(Goods taken for personal use)			
Jan. 27	Discount Allowed A/c	Dr.	1,000	
	To Banerjee			1,000
	(Discount of 2% allowed to Banerjee)			
Jan. 28	Bills Receivable A/c	Dr.	25,000	
	To Anubhav's A/c			25,000
	(Acceptance received from Anubhav)			
	TOTAL		44,500	44,500

*Amount paid to Suresh (98% value)= Rs 58,800

Amount of Discount Received (2% value) = $\frac{58,800}{98} \times 2 = \text{Rs } 1,200$

**Amount received from Mohinder (98.75% value)= Rs 7,900

Amount of Discount Allowed (1.25% value) = $\frac{7,900}{98.75} \times 1.25 = \text{Rs } 100$

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		1,08,000	Jan. 15	Cash A/c		8,000
				Jan. 31	Sundries as per Sales Book		1,00,000
			1,08,000				1,08,000
				2017			

Ledger

				Feb. 01	Balance b/d		1,08,000
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Capital Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		2,00,000	Jan. 01	Cash A/c		2,00,000
			2,00,000				2,00,000
				2017			
				Feb. 01	Balance b/d		2,00,000

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 08	Cash A/c		14,000	Jan. 25	Drawings A/c		2,000
Jan. 31	Sundries as per Purchases Book		1,07,000	Jan. 31	Balance c/d		1,19,000
			1,21,000				1,21,000
2017							
Feb. 01	Balance b/d		1,19,000				

Mohinder's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 16	Sales A/c		20,000	Jan. 18	Cash A/c		7,900
				Jan. 18	Discount Allowed A/c		100
				Jan. 17	Sales Return A/c		1,500
				Jan. 31	Balance c/d		10,500
			20,000				20,000
2017							
Feb. 01	Balance b/d		10,500				

Banerjee's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 20	Sales A/c		50,000	Jan. 27	Bank A/c		49,000
				Jan. 27	Discount Allowed A/c		1,000
			50,000				50,000

Dilip's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 06	Bank A/c		16,800	Jan. 04	Purchases A/c		32,000
Jan. 06	Discount Received A/c		200				

Ledger

Jan. 10	Bills Payable A/c		15,000				
			32,000				32,000

Suresh's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 13	Bank A/c		58,800	Jan. 11	Purchases A/c		75,000
Jan. 13	Discount Received A/c		1,200				
Jan. 31	Balance c/d		15,000				
			75,000				75,000
				2017			
				Feb. 01	Balance b/d		15,000

Furniture Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 25	Bank A/c		40,000	Jan. 31	Balance c/d		40,000
			40,000				40,000
2017							
Feb. 01	Balance b/d		40,000				

Stationery Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 28	Cash A/c		400	Jan. 31	Balance c/d		400
			400				400
2017							
Feb. 01	Balance b/d		400				

Drawings Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 25	Purchases A/c		2,000	Jan. 31	Balance c/d		4,500
Jan. 31	Bank A/c		2,500				
			4,500				4,500
2017							
Feb. 01	Balance b/d		4,500				

Typewriter Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 25	Bank A/c		10,000	Jan. 31	Balance c/d		10,000

Ledger

			10,000				10,000
2017							
Feb. 01	Balance b/d		10,000				

Postage Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 28	Cash A/c		200	Jan. 31	Balance c/d		200
			200				200
2017							
Feb. 01	Balance b/d		200				

Anubhav's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 25	Sales A/c		30,000	Jan. 27	Sales Return A/c		5,000
				Jan. 28	Bills Receivable A/c		25,000
			30,000				30,000

Bills Payable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		15,000	Jan. 10	Dilip's A/c		15,000
			15,000				15,000
				2017			
				Feb. 01	Balance b/d		15,000

Bills Receivable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 28	Anubhav's A/c		25,000	Jan. 31	Balance c/d		25,000
			25,000				25,000
2017							
Feb. 01	Balance b/d		25,000				

Discount Allowed Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 18	Mohinder's A/c		100	Jan. 31	Balance c/d		1,100
Jan. 27	Banerjee's A/c		1,000				
			1,100				1,100
2017							
Feb. 01	Balance b/d		1,100				

Ledger

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Sundries as per Sales Return Book		6,500	Jan. 31	Balance c/d		6,500
			6,500				6,500
2017							
Feb. 01	Balance b/d		6,500				

Discount Received Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		1,400	Jan. 06	Dilip's A/c		200
				Jan. 13	Suresh's A/c		1,200
			1,400				1,400
				2017			
				Feb. 01	Balance b/d		1,400

Trial Balance as on Jan. 31, 2017			
Name of Accounts	L.F.	Debit Balances Amount (Rs)	Credit Balances Amount (Rs)
Cash A/c		6,300	—
Bank A/c		1,15,900	—
Capital A/c		—	2,00,000
Sales A/c		—	1,08,000
Purchases A/c		1,19,000	—
Mohinder's A/c		10,500	—
Suresh's A/c		—	15,000
Furniture A/c		40,000	—
Typewriter A/c		10,000	—
Stationery A/c		400	—
Postage A/c		200	—
Drawings A/c		4,500	—
Bills Payable A/c		—	15,000
Bills Receivable A/c		25,000	—
Sales Return A/c		6,500	—
Discount Allowed A/c		1,100	—
Discount Received A/c		—	1,400
		3,39,400	3,39,400

Answer 12:

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
2017				
Jan. 01	Cash in Hand A/c	Dr.	20,000	
	Sri Gopal's A/c	Dr.	15,000	
	Stock A/c	Dr.	1,75,000	
	Poonam & Co.	Dr.	30,000	
	Machinery A/c	Dr.	1,20,000	
	Furniture A/c	Dr.	40,000	

Ledger

	To Bank Overdraft A/c		33,000
	To Niranjan Lal's A/c		24,000
	To Bombay Trading Co.		16,000
	To Capital A/c (<i>Balancing Figure</i>)		3,27,000
	(Balances of previous year brought forward)		
Jan. 02	Purchases A/c	Dr.	18,000
	To Manohar Lal & Sons		18,000
	(Goods purchased on credit)		
Jan. 05	Manohar Lal & Sons	Dr.	1,800
	To Purchases Return A/c		1,800
	(Goods returned excluding trade discount @ 10%)		
Jan. 10	Manohar Lal & Sons	Dr.	16,200
	To Bank A/c		16,200
	(Cheque issued to Manohar Lal & Sons in full settlement of their account)		
Jan. 12	Sri Gopal's A/c	Dr.	25,000
	To Sales A/c		25,000
	(Goods sold on credit to Sri Gopal)		
Jan. 15	Cash A/c	Dr.	10,000
	Bank A/c	Dr.	8,000
	To Sri Gopal's A/c		18,000
	(Received cash & cheque from Sri Gopal)		
Jan. 16	Drawings A/c	Dr.	8,000
	To Cash A/c		5,000
	To Purchases A/c		3,000
	(Withdrew cash and goods for personal use)		
Jan. 17	Niranjan Lal's A/c	Dr.	24,000
	To Bills Payable A/c		24,000
	(Acceptance given for the amount owed)		
Jan. 18	Bills Receivable A/c	Dr.	30,000
	To Poonam & Co.		30,000
	(Acceptance received from debtor)		
Jan. 19	Raghubir Brothers	Dr.	16,000
	To Sales A/c		16,000
	(Goods sold on credit)		
Jan. 20	Purchases A/c	Dr.	15,000
	To Cash A/c		15,000
	(Goods purchased for cash)		
Jan. 22	Cash A/c	Dr.	10,000
	To Bank A/c		10,000
	(Cash withdrawn from bank for office use)		
Jan. 23	Purchases A/c	Dr.	24,000
	To Bombay Trading Co.		24,000
	(Goods purchased on credit)		
Jan. 24	Sales Return A/c	Dr.	2,000
	To Sri Gopal's A/c		2,000
	(Goods returned by Sri Gopal)		
Jan. 25	Cash A/c	Dr.	10,000
	To Raghubir Brothers		10,000
	(Cash received from Raghubir)		

Ledger

Jan. 27	Bombay Trading Co.	Dr.	25,000	
	To Bills Payable A/c			25,000
	(Acceptance given for the amount owed)			
Jan. 27	Rent A/c	Dr.	2,800	
	To Bank A/c			2,800
	(Rent paid)			
Jan. 27	Cash A/c	Dr.	800	
	To Commission A/c			800
	(Commission received)			
Jan. 31	Salaries A/c	Dr.	5,000	
	To Cash A/c			5,000
	(Salaries paid)			
	TOTAL		6,51,600	6,51,600

Cash Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		20,000	Jan. 16	Drawings A/c		5,000
Jan. 15	Sri Gopal's A/c		10,000	Jan. 20	Purchases A/c		15,000
Jan. 22	Bank A/c		10,000	Jan. 31	Salaries A/c		5,000
Jan. 25	Raghubir Brothers		10,000	Jan. 31	Balance c/d		25,800
Jan. 27	Commission A/c		800				
			50,800				50,800
2017							
Feb. 01	Balance b/d		25,800				

Sri Gopal's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		15,000	Jan. 15	Cash A/c		10,000
Jan. 12	Sales A/c		25,000	Jan. 15	Bank A/c		8,000
				Jan. 24	Sales Return A/c		2,000
				Jan. 31	Balance c/d		20,000
			40,000				40,000
2017							
Feb. 01	Balance b/d		20,000				

Poonam & Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		30,000	Jan. 18	Bills Receivable A/c		30,000
			30,000				30,000

Stock Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		1,75,000	Jan. 31	Balance c/d		1,75,000

Ledger

			1,75,000				1,75,000
2017							
Feb. 01	Balance b/d		1,75,000				

Machinery Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		1,20,000	Jan. 31	Balance c/d		1,20,000
			1,20,000				1,20,000
2017							
Feb. 01	Balance b/d		1,20,000				

Furniture Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 01	Balance b/d		40,000	Jan. 31	Balance c/d		40,000
			40,000				40,000
2017							
Feb. 01	Balance b/d		40,000				

Niranjan Lal's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 17	Bills Payable A/c		24,000	Jan. 01	Balance b/d		24,000
			24,000				24,000

Capital Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		3,27,000	Jan. 01	Balance b/d		3,27,000
			3,27,000				3,27,000
				2017			
				Feb. 01	Balance b/d		3,27,000

Bombay Trading Co. Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 27	Bills Payable A/c		25,000	Jan. 01	Balance b/d		16,000
Jan. 31	Balance c/d		15,000	Jan. 23	Purchases A/c		24,000
			40,000				40,000
				2017			
				Feb. 01	Balance b/d		15,000

Purchases Account

Ledger

Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 02	Manohar Lal & Sons		18,000	Jan. 16	Drawings A/c		3,000
Jan. 20	Cash A/c		15,000	Jan. 31	Balance c/d		54,000
Jan. 23	Bombay Trading Co.		24,000				
			57,000				57,000
2017							
Feb. 01	Balance b/d		54,000				

Sales Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		41,000	Jan. 12	Sri Gopal's A/c		25,000
				Jan. 19	Raghubir Brothers		16,000
			41,000				41,000
				2017			
				Feb. 01	Balance b/d		41,000

Manohar Lal & Sons Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 05	Purchases Return A/c		1,800	Jan. 02	Purchases A/c		18,000
Jan. 10	Bank A/c		16,200				
			18,000				18,000

Bank Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 15	Sri Gopal's A/c		8,000	Jan. 01	Balance b/d		33,000
Jan. 31	Balance c/d		54,000	Jan. 19	Manohar Lal & Sons		16,200
				Jan. 22	Cash A/c		10,000
				Jan. 27	Rent A/c		2,800
			62,000				62,000
				2017			
				Feb. 01	Balance b/d		54,000

Purchases Return Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		1,800	Jan. 05	Manohar Lal & Sons		1,800
			1,800				1,800
				2017			
				Feb.	Balance		1,800

Ledger

				01	b/d		
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Drawings Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 16	Cash A/c		5,000	Jan. 31	Balance c/d		8,000
Jan. 16	Purchases A/c		3,000				
			8,000				8,000
2017							
Feb. 01	Balance b/d		8,000				

Bills Payable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		49,000	Jan. 17	Niranjan Lal's A/c		24,000
				Jan. 27	Bombay Trading Co.		25,000
			49,000				49,000
				2017			
				Feb. 01	Balance b/d		49,000

Bills Receivable Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 18	Poonam & Co.		30,000	Jan. 31	Balance c/d		30,000
			30,000				30,000
2017							
Feb. 01	Balance b/d		30,000				

Raghubir Brothers Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 19	Sales A/c		16,000	Jan. 25	Cash A/c		10,000
				Jan. 31	Balance c/d		6,000
			16,000				16,000
2017							
Feb. 01	Balance b/d		6,000				

Sales Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 24	Sri Gopal's A/c		2,000	Jan. 31	Balance c/d		2,000
			2,000				2,000
2017							
Feb. 01	Balance b/d		2,000				

Rent Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 27	Bank A/c		2,800	Jan. 31	Balance c/d		2,800
			2,800				2,800
2017							
Feb. 01	Balance b/d		2,800				

Ledger

Commission Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Balance c/d		800	Jan. 27	Cash A/c		800
			800				800
2017							
Feb. 01	Balance b/d		800				

Salaries Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
2017				2017			
Jan. 31	Cash A/c		5,000	Jan. 31	Balance c/d		5,000
			5,000				5,000
2017							
Feb. 01	Balance b/d		5,000				

Trial Balance as on Jan. 31, 2017			
Name of Accounts	L.F	Debit Balances Amount (Rs)	Credit Balances Amount(Rs)
Cash A/c		25,800	—
Sri Gopal		20,000	—
Stock A/c		1,75,000	—
Furniture A/c		40,000	—
Machinery A/c		1,20,000	—
Capital A/c		—	3,27,000
Bombay Trading Co.		—	15,000
Purchases A/c		54,000	—
Sales A/c		—	41,000
Bank A/c		—	54,000
Purchases Return A/c		—	1,800
Drawings A/c		8,000	—
Bills Payable A/c		—	49,000
Bills Receivable A/c		30,000	—
Raghubir Brothers		6,000	—
Sales Return A/c		2,000	—
Rent A/c		2,800	—
Commission A/c		—	800
Salaries A/c		5,000	—
		4,88,600	4,88,600

Note: Answer of Journal proper as per solution (Rs 6,51,600) is different from answer provided by the book (Rs 4,82,000)

TRIAL BALANCE AND ERRORS

From

D K GOEL

Solutions
ACCOUNTANCY

Trial Balance and Errors

Answer 1:

Books of M/s Ram Chander & Sons			
Trial Balance			
as on January 31, 2015			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Cash		98,000	
Bank		5,91,000	
Capital			5,00,000
Purchases		6,82,000	
Purchases Return			10,000
Sales			9,81,000
Sales Return		15,000	
Mukesh			78,000
Navdeep		1,30,000	
Onkareshvar		45,000	
Rent		8,000	
Total		15,69,000	15,69,000

Answer 2:

Books of Sh. Dwarka Prashad			
Trial Balance			
as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Cash in Hand		4,500	
Overdraft			8,000
Opening Stock		20,000	
Purchases		80,000	
Purchases Return			2,000
Sales			1,30,000
Sales Return		5,000	
Travelling Expenses		1,800	
Discount Allowed		600	
Discount Received			1,500
Machinery		24,000	
Land & Building		50,000	
Debtors		18,400	
Creditors			8,500
Bills Receivable		2,850	
Bills Payable			1,650
Capital			60,000
Drawings		6,000	
Rent		3,700	
Salary		3,600	
Loan			10,000
Interest on Loan		1,200	–
Total		2,21,650	2,21,650

Trial Balance and Errors

Answer 3(A):

Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Stock		28,800	
Purchases		82,000	
Sales			1,60,000
Salary		6,400	
Repair Charges		500	
Wages		16,160	
Commission Received			800
Sundry Debtors		24,200	
Sundry Creditors			7,300
Capital			90,000
Drawings		4,400	
Return Inwards		7,520	
Return Outwards			5,600
Carriage Inwards		1,640	
Carriage Outwards		3,200	
Furniture		12,000	
Motor Car		80,000	
Cash In Hand		4,700	
Bank Overdraft			25,400
Investment		20,000	
Interest on Investment			2,400
Total		2,91,500	2,91,500

Answer 3(B):

Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Capital			2,50,000
Drawings		24,000	
Debtors		57,000	
Creditors			28,500
Land & Building		1,80,000	
Plant		1,20,000	
Stock on 1-4-2007		22,800	
Factory Expenses		16,600	
Office Expenses		7,700	
Purchases Return			6,000
Stationery		500	
Freight		2,500	
Purchases		2,15,300	
Sales			3,80,000
Miscellaneous Expenses		8,200	
Miscellaneous Receipts			3,600
Bad Debts		7,100	
Bills Receivable		5,000	
Loan from X			20,000
Interest on X's Loan		3,000	
Cash		8,400	
Goodwill		10,000	
Total		6,88,100	6,88,100

Trial Balance and Errors

Answer 4:

Books of Ravinder Associates			
Trial Balance			
as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Sundry Debtors		4,10,000	
Sundry Creditors			80,000
Rent & Taxes		48,000	
Purchases		34,00,000	
Sales			56,00,000
Trade Expenses		12,000	
Return Outwards			80,000
Return Inwards		1,20,000	
Expenses		4,000	
Motor Vehicles		6,50,000	
Electricity		25,000	
Opening Stock (on April 01, 2004)		2,30,000	
Premises		12,00,000	
Fixture & Fittings		3,10,000	
Bad Debts written off		8,000	
Loan from Mukul			1,50,000
Interest on Mukul's Loan		15,000	
Drawings		40,000	
Cash in Hand		75,000	
Rent received from Sub-let of part of Premises			30,000
Capital (Balancing Figure)			6,07,000
Total		65,47,000	65,47,000

Note: Closing Stock of Rs 3,80,000 will not appear in Trial Balance, because it has not been accounted yet.

Answer 5:

4

Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Land & Building		1,20,000	
Plant & Machinery		92,000	
Wages		18,200	
Discount Allowed		1,620	
Discount Received			730
Purchases		1,26,000	
Sales			2,40,000
Return Inwards		6,500	
Return Outwards			3,370
Opening Stock		15,000	
Debtors		30,000	
Creditors			20,000
Carriage on Sales		3,280	
Carriage on Purchases		2,800	
Insurance A/c		1,500	
General Expenses		6,100	
Cash in Hand		2,400	
Bank Overdraft			12,100
Capital			1,54,000
Drawings		4,800	
Total		4,30,200	4,30,200

Trial Balance and Errors

Answer 6:

Books of Sh. Venkteshwar Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
i.	Debtors A/c	Dr.		40,000	
	To Sales A/c				40,000
	(Goods sold on credit)				
ii.	Creditors A/c	Dr.		22,000	
	To Bank A/c				22,000
	(Cheque given to creditors)				
iii.	Creditors A/c	Dr.		7,000	
	To Purchases Return A/c				7,000
	(Goods returned to a supplier)				
iv.	Salary A/c	Dr.		15,000	
	To Bank A/c				15,000
	(Salary paid)				

Debtors Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Balance b/d		2,40,000		Balance c/d		2,80,000
	Sales A/c		40,000				
			2,80,000				2,80,000
	Balance b/d		2,80,000				

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Balance c/d		10,90,000		Balance b/d		10,50,000
					Debtors A/c		40,000
			10,90,000				10,90,000
					Balance b/d		10,90,000

Creditors Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Bank A/c		22,000		Balance b/d		1,80,000
	Purchases Return		7,000				
	Balance c/d		1,51,000				
			1,80,000				1,80,000
					Balance b/d		1,51,000

Bank Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Balance b/d		45,000		Creditors A/c		22,000
					Salary A/c		15,000
					Balance c/d		8,000
			45,000				45,000

Trial Balance and Errors

	Balance b/d		8,000				
Purchases Return Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Balance c/d		7,000		Creditors A/c		7,000
			7,000				7,000
					Balance b/d		7,000

Salary Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Balance b/d		1,65,000		Balance c/d		1,80,000
	Bank A/c		15,000				
			1,80,000				1,80,000
	Balance b/d		1,80,000				

Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Capital			3,20,000
Fixed Assets		1,80,000	
Drawings		60,000	
Debtors		2,80,000	
Creditors			1,51,000
Purchases		7,10,000	
Sales			10,90,000
Bank Balance		8,000	
Cash in Hand		30,000	
Salary		1,80,000	
Rent		1,20,000	
Purchases Return			7,000
Total		15,68,000	15,68,000

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Answer 7:

Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Cash in Hand		5,200	
Plant & Machinery		75,000	
Typewriter		6,400	
Stock (1-4-2003)		13,100	
Purchases		84,100	
Carriage Inwards		2,800	
Carriage Outwards		1,600	
Sundry Debtors		18,300	
Bills Payable			12,000
Rent Paid		9,600	
Wages		16,500	
Advertisement		4,500	
Discount Received			3,200
Bank Overdraft			16,400
Capital			50,000
Goodwill		8,000	
Sundry Creditors			8,200
Sales			1,60,000
Return Inwards		2,400	

Trial Balance and Errors

Drawings		2,120	
Investment		4,000	
Suspense A/c (<i>Balancing Figure</i>)			3,820
Total		2,53,620	2,53,620

Note: Since, the Trial Balance does not tally, thus, the difference of Rs 3,820 is transferred to the Credit Balance Column of Trial Balance.

Answer 8:

Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Stock on 1.4.2004		2,50,000	
Purchases		6,50,000	
Sales			10,00,000
Motor Van		3,80,000	
Debtors		1,50,000	
Creditors			94,000
Premises		3,00,000	
Shop Fittings		20,000	
Interest on Bank Overdraft		16,000	
Purchases Return			10,000
Sales Return		20,000	
Lighting & Heating		18,000	
Capital			5,00,000
Discount Received			2,000
Repairs		2,500	
Electricity		6,500	
Bank Overdraft			2,00,000
Rent from subletting			15,000
Bills Receivable		8,000	
Total		18,21,000	18,21,000

Note: Closing Stock of Rs 3,30,000 will not appear in Trial Balance, because it has not been accounted yet.

7

Answer 9:

Trial Balance			
Name of Accounts	L.F.	Debit Balance (Rs)	Credit Balance (Rs)
Capital			20,800
Outstanding Rent			1,420
Due to Param			15,000
Drawings		2,800	
Goodwill A/c		12,000	
Interest Received			2,000
Discount Received			1,580
Due from Deepan		26,000	
Total		40,800	40,800

Bank Reconciliation Statement

From

D K GOEL

Solutions

ACCOUNTANCY

Bank Reconciliation Statement

Answer 1:

Bank Reconciliation Statement as on March 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	1,54,300	
	Add: (ii) Cheques issued but not presented	80,760	
	(iv) Cheques received by bank directly from Trade Debtors	1,35,200	
	(vi) Dividend collected not recorded in Cash Book	1,000	
	Less: (i) Cheques deposited but not credited by the bank		75,450
	(iii) Bank charges not recorded in the Cash Book		1,135
	(v) Insurance premium paid as per standing instructions		15,400
	Credit Balance as per Pass Book		2,79,275
		3,71,260	3,71,260

Answer 2:

Bank Reconciliation Statement as on December 31, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	7,500	
	Add: Cheques issued but not presented for payment (600 + 800 + 1,200)	2,600	
	Interest credited by bank	125	
	Less: Cheques deposited but not credited by the bank (500 + 700)		1,200
	Bank Charges		10
	Credit Balance as per Pass Book		9,015
		10,225	10,225

Bank Reconciliation Statement

Answer 3:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	12,000	
	Add: 2. Cheques issued but not presented (9,200 – 7,000)	2,200	
	3. Receipt column of Cash Book was undercasted	200	
	4. Interest on investment collected by Bank	330	
	5. Amount directly deposited by Customer	3,000	
	Less: 1. Cheques deposited but not credited (8,000 – 6,500)		1,500
	4. Bank Charges		60
	Credit Balance as per Pass Book		16,170
		17,730	17,730

Answer 4:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	1,500	
	Add: 1. Cheques issued but not presented for payment	1,300	
	3. Interest and Dividend collected by Bank	580	
	Less: 2. Cheques deposited but not yet credited by the bank		4,000
	4. Life Insurance Premium paid by Bank		750
	5. Bank charges not recorded in Cash Book		25
	Debit Balance (Overdraft) as per Pass Book	1,395	
		4,775	4,775

Bank Reconciliation Statement

Answer 5:

Bank Reconciliation Statement as on March 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	40,960	
	Add: (b) Amount directly paid by debtors	2,000	
	(c) Cheques issued but not presented for payment	12,980	
	Less: (a) Bank charges not recorded in Cash Book		100
	(d) Discounting charges not recorded in Cash Book		800
	(e) Amount deposited but not credited		3,520
	(f) Cheque dishonoured but not recorded in Cash Book		650
	Credit Balance as per Pass Book		50,870
		55,940	55,940

Answer 6:

Bank Reconciliation Statement as on June 30, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		3,600
	Add: 2. Cheque issued but not presented	720	
	6. Direct deposit by customer	240	
	Less: 3. Cheque deposited but not collected by the bank		1,540
	4. Bank charges		20
	5. Interest on overdraft		25
	7. Bank paid House tax		35
	Debit Balance (Overdraft) as per Pass Book	4,260	
		5,220	5,220

Bank Reconciliation Statement

Answer 7:

Bank Reconciliation Statement as on December 31, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		40,500
	Add: (i) Cheque issued but not presented for payment	5,000	
	(iv) Rebate received not recorded in Cash Book	150	
	Less: (ii) Post-dated cheque recorded as deposit in Cash Book		900
	(iii) Cheques deposited but not credited		10,200
	(iii) Cheque dishonoured and not recorded in Cash Book		4,000
	Debit Balance (Overdraft) as per Pass Book	50,450	
		55,600	55,600

Answer 8:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		2,500
	Add: 2. Cheques issued but not presented (10,000 – 3,600)	6,400	
	5. Amount directly deposited by customer	1,000	
	Less: 1. Cheque paid into bank but not credited (14,600 – 12,200)		2,400
	4. Bank charges		10
	4. Bank interest		50
	3. Cheque not sent to bank for collection		500
	6. Insurance premium paid by bank as per standing instructions		400
	Credit Balance as per Pass Book		1,540
		7,400	7,400

Bank Reconciliation Statement

Answer 9:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		18,000
	Add: Cheque issued but not presented for payment	7,000	
	Less: Cheque deposited but not credited by Bank		6,000
	Bank charged interest		500
	Bank charges		20
	Debit Balance (Overdraft) as per Pass Book	17,520	
		24,520	24,520

Answer 10:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		8,800
	Add: Cheque issued but not presented for payment	2,500	
	Bank collected interest on securities	360	
	Less: Cheque deposited but not credited by Bank		3,200
	Cheque dishonoured		1,200
	Debit Balance (Overdraft) as per Pass Book	10,340	
		13,200	13,200

Answer 11:

Bank Reconciliation Statement as on March 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		6,500
	Add: Cheques deposited but not credited (15,000 – 4,500)	10,500	

Bank Reconciliation Statement

	Bank charged interest	150	
	Bank Charges	30	
	Subscription paid by Bank as per standing instructions	100	
	Less: Cheques issued but not presented for payment		3,000
	Debit Balance as per Cash Book		1,280
		10,780	10,780

Answer 12:

Bank Reconciliation Statement as on December 31, 2012			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		7,600
	Add: (b) Cheque deposited but not collected	8,560	
	(c) Incidental charges paid by Bank	80	
	(e) Insurance premium paid by Bank	4,200	
	(f) Amount wrongly entered in Cash Book (485 – 385)	100	
	Less: (d) Cheque issued but not presented for payment		3,400
	Debit Balance as per Cash Book		1,940
		12,940	12,940

Answer 13:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		750
	Add: Cheque deposited but not credited	25	
	Cheque recorded in cash book but not sent to bank	10	
	Interest charged by Bank	25	
	Less: Cheque issued but not presented for payment		50
	Amount deposited by customer		30
	Interest on investments		60
	Credit Balance (Overdraft) as per Cash Book	830	

Bank Reconciliation Statement

		890	890

Answer 14:

Bank Reconciliation Statement as on January 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		41,000
	Add: 2. Wrong debit in Pass Book	800	
	4. Cheques deposited but not credited	7,400	
	5. Cheque dishonoured by Bank	1,000	
	6. Interest on Overdraft charged by Bank	100	
	7. Cheque recorded in cash book but not sent to bank	500	
	Less: 1. Cheque issued but not presented (15,600 – 11,000)		4,600
	3. Cheque credited in Pass Book but not recorded in Cash Book		200
	Credit Balance (Overdraft) as per Cash Book	36,000	
		45,800	45,800

Answer 15:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		20,000
	Add: (c) Cheque deposited but not collected (6,500 – 2,500)	4,000	
	(d) Interest on Overdraft charged by Bank	700	
	(f) Cheque recorded in cash book but not sent to bank	3,600	
	Less: (b) Cheque issued but not presented (80,000 – 15,000)		65,000
	(e) Direct deposit by customer		1,400
	(e) Interest on investments		600
	Credit Balance (Overdraft) as per Cash Book	78,700	
		87,000	87,000

Bank Reconciliation Statement

Answer 16:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	9,000	
	Add: 2. Cheque issued but omitted to be recorded in Cash Book	3,800	
	3. Cheque deposited but not credited	2,600	
	4. Life insurance premium paid as per standing instructions	360	
	Less: 1. Cheque issued but not presented for payment		7,000
	5. Direct deposit by Customer		2,000
	Debit Balance as per Cash Book		6,760
		15,760	15,760

Answer 17:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	11,000	
	Add: Cheque deposited but not credited (5,700 – 4,700)	1,000	
	Bank charges	30	
	Less: Cheque issued but not presented for payment (900 + 500)		1,400
	Directly deposited by customer		850
	Interest allowed by bank		150
	Debit Balance as per Cash Book		9,630
		12,030	12,030

Answer 18:

Bank Reconciliation Statement as on June 30, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	9,214	
	Add: (c) Hire purchase payment made by Bank	950	

Bank Reconciliation Statement

	(e) Cheque deposited but not credited (8,500 – 6,000)	2,500	
	Less: (a) Amount wrongly credited by Bank		1,650
	(b) Cheque issued but not presented for payment		4,500
	(d) Cheque credited by Bank		600
	Debit Balance as per Cash Book		5,914
		12,664	12,664

Answer 19:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	5,200	
	Add: I. Cheque deposited but not credited (16,000 – 9,000)	7,000	
	IV. Payment side of Cash Book was undercasted	200	
	V. Cheque recorded in cash book but not sent to bank	2,500	
	VI. Cheque dishonoured by Bank	20,000	
	Less: II. Cheque issued but not presented for payment (45,000 – 7,500)		37,500
	III. Amount wrongly credited by Bank		3,400
	Credit Balance (Overdraft) as per Cash Book	6,000	
		40,900	40,900

Answer 20:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	22,000	
	Add: 1. Cheque deposited but not credited	6,000	
	5. Cheque received entered twice in Cash Book	3,200	
	Less: 2. Cheque issued but not presented for payment		16,000
	3. Cheque deposited not recorded in Cash Book		3,600
	4. Bank charges entered twice in Cash Book		50
	Debit Balance as per Cash Book		11,550
		31,200	31,200

Bank Reconciliation Statement

Answer 21:

Bank Reconciliation Statement as on March 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	25,000	
	Add: (i) Cheque deposited into Bank but not credited	20,000	
	(iii) Cheque deposited but not collected by Bank	10,000	
	(v) Bills Receivable discounted with bank dishonoured	9,000	
	(vi) Bank debited our account	1,500	
	Less: (ii) Cheque issued but not presented for payment (15,000 – 3,000)		12,000
	(iv) Interest on Investment collected by Bank		800
	(vi) Bank credited our account		1,200
	Debit Balance (Overdraft) as per Cash Book		51,500
		65,500	65,500

Answer 22:

Adjusted Cash Book (Bank Column only) as on March 31, 2015							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
	Balance b/d		12,580	(vii)	Bank Charges		100
(v)	Cheques deposited undercasted (12,720 – 12,270)		450		Balance c/d		18,500
(iii)	Customer’s A/c (Direct deposit by customer)		5,000				
(vi)	Dividend		570				
			18,600				18,600

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Amended Cash Book	18,500	
	Add: (i) Cheque issued but not presented (18,000 – 4,800)	13,200	
	Less: (ii) Cheque deposited but not credited		6,200
	(ii) Cheque recorded in cash book but not sent to bank		2,000
	(iv) Amount wrongly debited by bank		1,700
	Credit Balance as per Pass Book		21,800

Bank Reconciliation Statement

		31,700	31,700

Answer 23:

Adjusted Cash Book (Bank Column only) as on December 31, 2014							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
(iii)	Cheque issued overcasted (4,520 – 4,250)		270		Balance b/d		15,700
(vi)	Customer's A/c (direct deposit by customer)		2,000	(iv)	Bank Charges A/c (180 + 240)		420
(viii)	Customer's A/c (cheque not recorded in bank column)		3,700	(v)	Discounting charges A/c (not recorded)		300
	Balance c/d		10,450				
			16,420				16,420

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Amended Cash Book		10,450
	Add: (ii) Cheques issued but not presented (8,300 – 2,000)	6,300	
	Less: (i) Cheques deposited but not credited (7,000 + 1,200)		8,200
	Debit Balance (Overdraft) as per Pass Book	12,350	
		18,650	18,650

Answer 24:

Adjusted Cash Book (Bank Column only) as on March 31, 2015							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
	Balance b/d		5,200	(v)	Bills Payable A/c		3,600
(iv)	Credit side overcasted		100	(vi)	Customer A/c (Dishonour of Cheque)		5,400
(viii)	Bank Charges A/c (entered twice)		200	(vii)	Supplier's A/c (Cheque issued recorded in cash column)		2,500
	Balance c/d		6,500	(viii)	Bank Charges A/c		500

Bank Reconciliation Statement

12,000	12,000

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Amended Cash Book		6,500
	Add: (iii) Cheque issued but not presented for payment	25,000	
	Less: (i) Cheque deposited but not credited (4,000 + 5,000)		9,000
	(ii) Cheque recorded in cash book but not sent to bank		7,500
	Debit Balance (Overdraft) as per Pass Book		2,000
		25,000	25,000

Answer 25:

Bank Reconciliation Statement as on May 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	17,600	
	Add: (c) Amount directly deposited by customer	4,100	
	(d) Cheque issued but not presented for payment	4,800	
	Less: (b) Cheque deposited but not collected		11,800
	(e) Bank charges		45
	(f) Amount withdrawn from bank was not recorded in Cash Book		16,200
	Debit Balance (Overdraft) as per Pass Book	1,545	
		28,045	28,045

Answer 26:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	12,000	
	Add: (a) Cheque issued but not presented	7,700	
	(b) Cheque deposited but not entered in Cash Book	2,000	
	(d) Amount wrongly credited by bank (530 – 350)	180	

Bank Reconciliation Statement

	(e) Interest on Debentures received	300	
	(f) Overcasting of Payment side of Cash Book (5,420 – 4,520)	900	
	Less: (c) Cheque deposited but not credited		3,800
	Credit Balance as per Pass Book		19,280
		23,080	23,080

Answer 27:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		5,220
	Add: (i) Cheque deposited but not credited	6,000	
	(ii) Cheque deposited and dishonoured	800	
	(iii) Bank charges	50	
	Less: (iv) Interest on overdraft excess credited in ledger		200
	(v) Amount wrongly credited by bank		900
	(vi) Cheques issued but not presented for payment		400
	Debit Balance as per Cash Book		130
		6,850	6,850

Answer 28:

Bank Reconciliation Statement as on December 31, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		17,800
	Add: (iii) Cheque deposited but not credited	4,200	
	(iv) Cheque received but not sent to Bank	1,200	
	(v) Insurance premium paid	1,450	
	(vi) Bills of Exchange dishonoured	6,200	
	(vii) Bank charges and interest on overdraft	350	
	Less: (ii) Cheque issued but not presented (21,600 – 14,800)		6,800
	Credit Balance (Overdraft) as per Cash Book	11,200	

Bank Reconciliation Statement

		24,600	24,600

Answer 29:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	8,500	
	Add: Cheque deposited but not credited (4,800 – 3,800)	1,000	
	Bank charges	30	
	Less: Cheque issued but not presented (1,200 + 200)		1,400
	Amount directly deposited by customer		800
	Interest allowed by bank		200
	Debit Balance as per Cash Book		7,130
		9,530	9,530

Answer 30:

Bank Reconciliation Statement as on November 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		16,200
	Add: (b) Cheque drawn on Saving A/c recorded as drawn on Current A/c	13,600	
	(c) Cheque issued but not presented	18,800	
	(f) Dividend collected by Bank	420	
	Less: (a) Payment side of Cash Book undercasted		500
	(d) Cheque deposited but not credited		7,500
	(e) Bank charges		150
	Credit Balance as per Pass Book		8,470
		32,820	32,820

Answer 31:

Bank Reconciliation Statement

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	6,000	
	Add: Cheque deposited but not credited	800	
	Cheque received but not sent to bank	160	
	Bank charges	10	
	Less: Cheque issued but not presented (1,500 – 900)		600
	Cheque sent to Bank but not recorded in Cash Book		250
	Interest allowed		85
	Debit Balance as per Cash Book		6,035
		6,970	6,970

Answer 32:

Bank Reconciliation Statement as on June 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		15,000
	Add: (iv) Cheque received recorded in Cash Book but not sent for collection	2,000	
	(v) Cheque deposited but not collected (2,000 + 1,000)	3,000	
	(vi) Chamber Fees paid by bank	300	
	(vii) Interest on overdraft charged	800	
	(viii) Bank charges not recorded in Cash Book	35	
	(ix) Payment side of Cash Book undercasted	1,000	
	Less: (ii) Cheque deposited but not recorded in Cash Book		200
	(iii) Cheque issued but not presented (17,000 – 10,000)		7,000
	(viii) Bank charges recorded twice in Cash Book		40
	Credit Balance (Overdraft) as per Cash Book	15,105	
		22,240	22,240

Answer 33:

Bank Reconciliation Statement

Bank Reconciliation Statement

<i>as on March 31, 2015</i>			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Cash Book		12,500
	Add: (b) Cheque deposited but not recorded in Cash Book	2,000	
	(d) Credit side of Bank column was overcastted	60	
	(f) Bills Receivable collected by Bank	4,000	
	(i) Cheque issued but not presented for payment	5,400	
	Less: (c) Cheque received but not sent to bank		1,500
	(e) Bank charges entered twice in Pass Book		75
	(g) Deposited cheque was dishonoured		1,700
	(h) Electricity bill paid as per standing instructions		800
	(j) Cheque deposited but not credited		3,200
	Debit Balance (Overdraft) as per Pass Book	8,315	
		19,775	19,775

Answer 34:

Bank Reconciliation Statement <i>as on March 31, 2015</i>			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	20,600	
	Add: (b) Amount of Cheque wrongly entered in Cash Book (5,745 – 5,475)	270	
	Less: (a) Cheque issued but not presented for payment		5,500
	(c) Rebate on Bills Payable not recorded in Cash Book		100
	(d) Bank charges entered twice in Cash Book		200
	Debit Balance as per Cash Book		15,070
		20,870	20,870

Note: Transaction no. (iii) will have no effect on the bank balance as the cheque was recorded in the cash column and was not banked till the date of preparation of Bank Reconciliation Statement.

Answer 35:

Bank Reconciliation Statement <i>as on March 31, 2015</i>	
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Bank Reconciliation Statement

S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		7,200
	Add: (i) Cheque deposited but not credited (8,000 + 6,000 + 1,400)	15,400	
	(iii) Discounted B/R dishonoured, charges paid too	5,050	
	(vi) Bills Payable honoured by Bank	2,500	
	(vii) Cheque issued but not recorded in Cash Book	2,000	
	Less: (ii) Cheque issued but not presented (12,000 – 2,000)		10,000
	(v) Receipt side of Cash Book undercasted		100
	Debit Balance as per Cash Book		7,650
		24,950	24,950

Note: Transaction no. (iv) will have no effect on the bank balance as the issued cheque was recorded in the cash column and was not presented for payment till the date of preparation of Bank Reconciliation Statement.

Answer 36:

Bank Reconciliation Statement as on March 31, 2015			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance as per Cash Book	1,500	
	Add: (b) Cheque issued but not presented for payment	2,000	
	(c) Rebate on Bills Payable not recorded in Cash Book	120	
	Less: (d) Cheque deposited but dishonoured		750
	(e) Cheque deposited Rs 3,600 recorded as Rs 360 in Pass Book		3,240
	(f) Payment side of Cash Book undercasted		100
	Debit Balance (Overdraft) as per Pass Book	470	
		4,090	4,090

Answer 37:

Bank Reconciliation Statement as on December 31, 2016			
S.	Particulars	Plus	Minus

Bank Reconciliation Statement

No.		Items (Rs)	Items (Rs)
	Debit Balance (Overdraft) as per Pass Book (Account No. I)		18,990
	Add: (i) Cheque deposited but not credited	10,000	
	(iv) Bank charges	200	
	(v) Interest on overdraft charged	580	
	Less: (ii) Transfer of funds from Account No. II to Account No. I, not recorded in Cash Book		8,000
	(iii) Cheque issued but not presented for payment		7,429
	Credit Balance (Overdraft) as per Cash Book	23,639	
		34,419	34,419

Answer 38:

Bank Reconciliation Statement as on September 30, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		10,000
	Add: (c) Cheque received recorded in Cash Book but not sent for collection	1,000	
	(e) Cheques deposited but not credited (1,500 + 2,000)	3,500	
	(f) Fees paid by bank	250	
	(g) Bank charges	50	
	(h) Interest on overdraft charged	1,400	
	Less: (b) Cheque deposited but not recorded in Cash Book		100
	(d) Cheque issued but not presented (15,000 – 9,000)		6,000
	(g) Bank charges recorded twice in Cash Book		30
	Credit Balance (Overdraft) as per Cash Book	9,930	
		16,130	16,130

Answer 39:

Adjusted Cash Book (Bank Column only)							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
(a)	Debit side undercasted		25,000		Balance b/d		40,000

Bank Reconciliation Statement

Balance c/d	29,000	(b)	Supplier A/c (Cheque issued not recorded)	10,000
		(c)	Commission	4,000
	54,000			54,000

Bank Reconciliation Statement as on ...			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance (Overdraft) as per Amended Cash Book		29,000
	Add: Unpresented Cheques	72,000	
	Less: Uncredited Cheques		13,000
	Credit Balance as per Pass Book		30,000
		72,000	72,000

Answer 40:

Bank Reconciliation Statement as on December31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		60,400
	Add: (c) Cheques deposited but not credited	2,20,000	
	(d) Dividend warrant deposited but not collected	74,400	
	(e) Bank charges	680	
	Less: (a) Cheque issued to Tax Consultants not presented		12,000
	(b) Cheque issued to Management Consultancy Services not presented		20,000
	(f) Interest allowed by bank		2,560
	Debit Balance as per Cash Book		2,00,120
		2,95,080	2,95,080

Answer 41:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items	Minus Items

Bank Reconciliation Statement

	(Rs)	(Rs)
Credit Balance (Overdraft) as per Cash Book		32,000
Add: Debit side of Cash Book undercasted	1,000	
Cheque issued but not presented for payment	76,600	
Less: Commission charged		200
Cheque issued wrongly recorded in Cash Column		11,000
Cheque deposited but not collected by Bank		10,400
Credit Balance as per Pass Book		24,000
	77,600	77,600

Answer 42:

Bank Reconciliation Statement as on January 31, 2017			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Credit Balance as per Pass Book	62,500	
	Add: (c) Cheque issued wrongly taken in Cash Column	4,000	
	(e) Bank charges	55	
	Less: (b) Cheque issued but not presented for payment		17,800
	(d) Cheque deposited but not entered in Cash Book		15,000
	(e) Bank allowed interest		50
	Debit Balance as per Cash Book		33,705
		66,555	66,555

Answer 43:

Bank Reconciliation Statement as on December 31, 2012			
S. No.	Particulars	Plus Items	Minus Items

Bank Reconciliation Statement

	(Rs)	(Rs)
Debit Balance (Overdraft) as per Pass Book		22,000
Add: (iii) Cheque deposited but not credited (4,500 – 1,000)	3,500	
(iv) Interest on Overdraft charged	1,500	
(vi) Cheque received recorded in Cash Book but not sent for collection	1,200	
Less: (ii) Cheque issued but not presented (50,000 – 6,000)		44,000
(v) Bank collected interest on investments		1,600
Credit Balance (Overdraft) as per Cash Book	61,400	
	67,600	67,600

Answer 44:

Bank Reconciliation Statement as on September 30, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		15,000
	Add: (ii) Bank paid premium (2,000 – 200)	1,800	
	(vi) Bank charges	300	
	(vii) Cheque deposited but not credited (78,000 – 51,000)	27,000	
	Less: (iii) Cheque issued but not presented (55,000 – 50,000)		5,000
	(iv) Direct deposit by customer		10,000
	(v) Dividend collected by bank		1,000
	Credit Balance (Overdraft) as per Cash Book	1,900	
		31,000	31,000

Answer 45:

Bank Reconciliation Statement as on June 30, 2016			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		46,000
	Add: (ii) Cheque deposited but not credited	31,000	
	(iii) Bank charges	2,300	
	(vi) Discounted B/R dishonoured, noting charges paid	10,100	

Bank Reconciliation Statement

	Less: (i) Cheque issued but not presented		22,000
	(iv) Direct deposit by customer		8,300
	(v) Dividend collected		2,000
	Credit Balance (Overdraft) as per Cash Book	34,900	
		78,300	78,300

Answer 46:

Bank Reconciliation Statement as on December 31, 2014			
S. No.	Particulars	Plus Items (Rs)	Minus Items (Rs)
	Debit Balance (Overdraft) as per Pass Book		7,500
	Add: (a) Cheque deposited but not credited	7,800	
	(b) Cheque recorded in Cash Book but not sent for collection	1,000	
	(e) Interest on overdraft	650	
	Less: (c) Cheque issued but not presented (7,800 – 2,400)		5,400
	(d) Cheque deposited but not recorded in Cash Book		800
	Credit Balance (Overdraft) as per Cash Book	4,250	
		13,700	13,700

Depreciation

From

D K GOEL

Solutions

ACCOUNTANCY

Depreciation

Answer 1:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2007			2008		
Apr. 01	Bank A/c (1,90,000 + 10,000)	2,00,000	Mar. 31	Depreciation A/c	25,000
			Mar. 31	Balance c/d	1,75,000
		2,00,000			2,00,000
2008			2009		
Apr. 01	Balance b/d	1,75,000	Mar. 31	Depreciation A/c	25,000
			Mar. 31	Balance c/d	1,50,000
		1,75,000			1,75,000
2009			2010		
Apr. 01	Balance b/d	1,50,000	Mar. 31	Depreciation A/c	25,000
			Mar. 31	Balance c/d	1,25,000
		1,50,000			1,50,000
2010			2011		
Apr. 01	Balance b/d	1,25,000	Mar. 31	Depreciation A/c	25,000
			Mar. 31	Balance c/d	1,00,000
		1,25,000			1,25,000

Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2008			2008		
Mar. 31	Machinery A/c	25,000	Mar. 31	Profit and Loss A/c	25,000
		25,000			25,000
2009			2009		
Mar. 31	Machinery A/c	25,000	Mar. 31	Profit and Loss A/c	25,000
		25,000			25,000
2010			2010		
Mar. 31	Machinery A/c	25,000	Mar. 31	Profit and Loss A/c	25,000
		25,000			25,000
2011			2011		
Mar. 31	Machinery A/c	25,000	Mar. 31	Profit and Loss A/c	25,000

Depreciation

		25,000			25,000

Working Note: Calculation of Depreciation

$$\begin{aligned}\text{Annual Depreciation} &= \frac{\text{Cost of Asset} - \text{Scrap Value}}{\text{Estimated Useful Life of Asset}} \\ &= \frac{2,00,000 - (1,90,000 + 10,000) - 50,000}{6} \\ &= \text{Rs } 25,000\end{aligned}$$

$$\begin{aligned}\text{Rate of Depreciation} &= \frac{\text{Amount of Depreciation}}{\text{Total Cost of Asset}} \times 100 \\ &= \frac{25,000}{2,00,000} \times 100 \\ &= 12.5\%\end{aligned}$$

Answer 2:

Plant & Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		
Apr. 01	Bank A/c (P1)	68,000	Mar. 31	Depreciation A/c	6,000
			Mar. 31	Balance c/d	62,000
		68,000			68,000
2010			2011		
Apr. 01	Balance b/d (P1)	62,000	Mar. 31	Depreciation A/c	
Apr. 01	Bank A/c (P2)	40,000		P1	6,000
				P2	1,800
					7,800
			Mar. 31	Balance c/d	
				P1	56,000
				P2	38,200
		1,02,000			94,200
					1,02,000
2011			2012		
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c	
	P1	56,000		P1	6,000
	P2	38,200		P2	1,800
		94,200			

Depreciation

Oct. 01	Bank A/c (P3)		9,800		P3 (for 6 months)	225	8,025
				Mar. 31	Balance c/d		
					P1	50,000	
					P2	36,400	
					P3	9,575	95,975
			1,04,000				1,04,000
2012				2013			
Apr. 01	Balance b/d			Mar. 31	Depreciation A/c		
	P1	50,000			P1	6,000	
	P2	36,400			P2	1,800	
	P3	9,575	95,975		P3	450	8,250
				Mar. 31	Balance c/d		
					P1	44,000	
					P2	34,600	
					P3	9,125	87,725
			95,975				95,975

Working Note: Calculation of Depreciation

Annual Depreciation = $\frac{\text{Cost of Asset} - \text{Scrap Value}}{\text{Estimated Useful Life of Asset}}$

P1	P2	P3
$= \frac{68,000 - 8,000}{10}$	$= \frac{40,000 - 4,000}{20}$	$= \frac{9,800 - 800}{20}$
= Rs 6,000	= Rs 1,800	= Rs 450

Answer 3:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		
July 01	Bank A/c (8,000 + 3,500)	11,500	Mar. 31	Depreciation A/c (for 9 months)	863
				Balance c/d	10,637
		11,500			11,500
2010			2011		

Depreciation

Apr. 01	Balance b/d	10,637	Mar. 31	Depreciation A/c	1,150
				Balance c/d	9,487
		10,637			10,637
2011			2012		
Apr. 01	Balance b/d	9,487	Mar. 31	Depreciation A/c	1,150
				Balance c/d	8,337
		9,487			9,487
2012			2012		
Apr. 01	Balance b/d	8,337	Sept. 30	Depreciation A/c	575
				Bank A/c (Sale)	6,500
				Profit and Loss A/c (Loss on Sale)	1,262
		8,337			8,337

Working Note: Calculation of Profit or Loss on Sale

Particulars	Amount
Value of Machinery on Apr. 01, 2012	8,337
Less: Depreciation for 6 months	575
Value of Machinery on Sept. 30, 2012	7,762
Less: Sale Value	6,500
Loss on Sale	1,262

Answer 4:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)	
2012			2013			
Apr. 01	Bank A/c (M1)	5,00,000	Mar. 31	Depreciation A/c (M1)	50,000	
Oct.01	Bank A/c (M2)	4,00,000		Depreciation A/c (M2)	20,000	
			Mar. 31	Balance c/d		
				M1	4,50,000	
				M2	3,80,000	8,30,000
		9,00,000			9,00,000	
2013			2014			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	4,50,000		M1	50,000	
	M2	3,80,000		M2	40,000	
Jul.01	Bank A/c (M3)	3,00,000		M3	22,500	1,12,500
			Mar. 31	Balance c/d		
				M1	4,00,000	

Depreciation

				M2	3,40,000	
				M3	2,77,500	10,17,500
		11,30,000				11,30,000
2014			2015			
Apr. 01	Balance b/d		Jan.01	Depreciation A/c (on M1 for 9 months)	37,500	
	M1	4,00,000		Bank A/c (Sale of M1)	2,85,000	
	M2	3,40,000		Profit and Loss A/c (Loss on Sale)	77,500	
	M3	2,77,500	10,17,500	Mar. 31	Depreciation on-	
2015				M2	40,000	
Jan.01	Bank A/c (M4)	6,00,000		M3	30,000	
				M4	15,000	85,000
			Mar. 31	Balance c/d		
				M2	3,00,000	
				M3	2,47,500	
				M4	5,85,000	11,32,500
		16,17,500				16,17,500

Answer 5:

Machinery Account						
Dr.			Cr.			
Date	Particulars		Amount(Rs)	Date	Particulars	
2006				2006		
Jan. 01	Bank A/c (M1) (2,40,000 + 10,000)		2,50,000	Dec. 31	Depreciation A/c	
2011					M1	12,500
July 01	Bank A/c (M2)		1,00,000		M2 (for 6 months)	2,500
					Balance c/d	15,000
					M1	2,37,500
					M2	97,500
			3,50,000			3,35,000
2007				2007		
Jan. 01	Balance b/d			Dec. 31	Depreciation A/c	
	M1	2,37,500			M1	12,500
	M2	97,500	3,35,000		M2	5,000
					Balance c/d	17,500
					M1	2,25,000
					M2	92,500
			3,35,000			3,17,500
2008				2008		
Jan. 01	Balance b/d			July 01	Depreciation A/c (M1)	
	M1	2,25,000			Bank A/c (Sale of M1)	6,250
	M2	92,500	3,17,500		Profit and Loss A/c (Loss on Sale of M1)	1,43,000
						75,750

Depreciation

July 01	Bank A/c (M3)	2,00,000	Dec. 31	Depreciation A/c		
				M2	5,000	
				M3 (for 6 months)	5,000	10,000
				Balance c/d		
				M2	87,500	
				M3	1,95,000	2,82,500
		5,17,500				5,17,500

Working Note: Calculation of Profit or Loss on Sale of M1

Particulars	Amount
Value of Machinery on Jan. 01, 2008	2,25,000
Less: Depreciation for 6 months	6,250
Value of Machinery on July 01, 2008	28,750
Less: Sale Value	1,43,000
Loss on Sale	75,750

Answer 6:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		
Apr. 01	Bank A/c (M1)	80,000	Mar. 31	Depreciation A/c	16,000
			Mar. 31	Balance c/d	64,000
		80,000			80,000
2010			2011		
Apr. 01	Balance b/d	64,000	Mar. 31	Depreciation A/c	
Oct. 01	Bank A/c (M2)	50,000		M1	16,000
				M2 (for 6 months)	5,000
			Mar. 31	Balance c/d	21,000
				M1	48,000
				M2	45,000
		1,14,000			93,000
					1,14,000
2011			2011		
Apr. 01	Balance b/d		Oct. 01	Depreciation A/c (M1)	8,000

Depreciation

	M1	48,000			Bank A/c (Sale of M1)	23,000
	M2	45,000	93,000		Profit and Loss A/c (Loss on Sale of M1)	17,000
				2012		
				Mar. 31	Depreciation A/c	10,000
					Balance c/d	35,000
			93,000			93,000
2012				2013		
Apr. 01	Balance b/d		35,000	Mar. 31	Depreciation A/c	10,000
				Mar. 31	Balance c/d	25,000
			35,000			35,000

Working Note: Calculation of Profit or Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2011	48,000
Less: Depreciation for 6 months	8,000
Value of Machinery on Oct. 01, 2011	40,000
Less: Sale Value	23,000
Loss on Sale	17,000

Answer 7:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		
Apr. 01	Bank A/c (M1) (54,000 + 6,000)	60,000	Mar. 31	Depreciation A/c	6,000
			Mar. 31	Balance c/d	54,000
		60,000			60,000
2010			2011		
Apr. 01	Balance b/d	54,000	Mar. 31	Depreciation A/c	
Dec. 01	Bank A/c (M2)	30,000		M1	6,000
				M2 (for 4 months)	1,000
			Mar. 31	Balance c/d	7,000
				M1	48,000
				M2	29,000
		84,000			77,000
					84,000
2011			2011		

Depreciation

Apr. 01	Balance b/d			June 30	Depreciation A/c (M1)	1,500
	M1	48,000			Bank A/c (Sale of M1)	36,000
	M2	29,000	77,000		Profit and Loss A/c (Loss on Sale of M1)	10,500
June 30	Bank A/c (M3)		80,000	2012		
				Mar. 31	Depreciation A/c	
					M2	3,000
					M3 (for 9 months)	6,000
					Balance c/d	9,000
					M2	26,000
					M3	74,000
			1,57,000			1,57,000
2012				2012		
Apr. 01	Bank A/c			Dec. 01	Depreciation A/c (M2)	2,000
	M2	26,000			Bank A/c (Sale of M2)	26,000
	M3	74,000	1,00,000	2013		
Dec. 01	Profit and Loss A/c (Profit on sale of M2)		2,000	Mar. 31	Depreciation A/c (M3)	8,000
					Balance c/d	66,000
			1,02,000			1,02,000

Working Notes:

WN1: Calculation of Profit or Loss on Sale on M1

Particulars	Amount
Value of Machinery on Apr. 01, 2011	48,000
Less: Depreciation for 3 months	1,500
Value of Machinery on June 30, 2011	46,500
Less: Sale Value	36,000
Loss on Sale	10,500

WN2: Calculation of Profit or Loss on Sale of M2

Particulars	Amount
Value of Machinery on Apr. 01, 2012	26,000
Less: Depreciation for 8 months	2,000
Value of Machinery on Dec. 01, 2012	24,000
Less: Sale Value	26,000
Profit on Sale	2,000

Depreciation

Answer 8:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2009			2010			
Oct. 01	Bank A/c		Mar. 31	Depreciation A/c		
	M1	20,000		M1 (for 6 months)	1,000	
	M2	20,000		M2 (for 6 months)	1,000	2,000
				Balance c/d		
				M1	19,000	
				M2	19,000	38,000
		40,000				40,000
2010			2011			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	19,000		M1	2,000	
	M2	19,000		M2	2,000	4,000
				Balance c/d		
				M1	17,000	
				M2	17,000	34,000
		38,000				38,000
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	17,000		M1	2,000	
	M2	17,000		M2	2,000	
Oct. 01	Bank A/c (M3)	10,000		M3 (for 6 months)	500	4,500
			Mar. 31	Balance c/d		
				M1	15,000	
				M2	15,000	
				M3	9,500	39,500
		44,000				44,000
2012			2012			
Apr. 01	Balance b/d		Sept. 30	Depreciation A/c (M1)		1,000
	M1	15,000		Bank A/c (Sale of M1)		8,200
	M2	15,000		Profit and Loss A/c (Loss on Sale of M1)		5,800
	M3	9,500	2013			
			Mar.31	Depreciation A/c		
				M2	2,000	
				M3	1,000	3,000
				Balance c/d		
				M2	13,000	
				M3	8,500	21,500
		39,500				39,500

Depreciation

Working Note: Calculation of Profit or Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	15,000
Less: Depreciation for 6 months	1,000
Value of Machinery Sept. 30, 2012	14,000
Less: Sale Value	8,200
Loss on Sale	5,800

Note: In order to make easy calculation machinery purchased on October 01, 2009 has been divided into two parts i.e. M1 and M2

Thus, M1 represents the first part i.e. sold for Rs 8,200

M2 represents the second part, which remains in the business

Answer 9:

Plant & Machinery Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2010			2011			
Apr. 01	Bank A/c		Mar. 31	Depreciation A/c		
	M1	20,000		M1	2,000	
	M2	1,00,000		M2	10,000	
Oct. 01	Bank A/c (M3)	50,000		M3 (for 6 months)	2,500	14,500
			Mar. 31	Balance c/d		
				M1	18,000	
				M2	90,000	
				M3	47,500	1,55,500
		1,70,000			1,70,000	
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	18,000		M1	2,000	
	M2	90,000		M2	10,000	
	M3	47,500		M3	5,000	
July 01	Bank A/c (M4)	25,000		M4 (for 9 months)	1,875	18,875
			Mar. 31	Balance c/d		
				M1	16,000	
				M2	80,000	
				M3	42,500	
				M4	23,125	1,61,625
		1,80,500			1,80,500	

Depreciation

2012				2013		
Apr.01	Balance b/d			Jan. 01	Depreciation A/c (M1)	1,500
	M1	16,000			Bank A/c (Sale of M1)	6,000
	M2	80,000			Profit and Loss A/c (Loss on Sale of M1)	8,500
	M3	42,500		Mar. 31	Depreciation A/c	
	M4	23,125	1,61,625		M2	10,000
					M3	5,000
					M4	2,500
				Mar. 31	Balance c/d	17,500
					M2	70,000
					M3	37,500
					M4	20,625
			1,61,625			1,28,125
						1,61,625

Working Note: Calculation of Profit or Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	16,000
Less: Depreciation for 9 months	1,500
Value of Machinery on Jan.01, 2013	14,500
Less: Sale Value	6,000
Loss on Sale	8,500

Note: In order to make easy calculation plant and machinery purchased on April 01, 2010 has been divided into two parts i.e. M1 and M2.

Thus, M1: Rs 20,000 (sold for Rs 6,000)

M2: Rs 1,00,000 (remains in the business)

Answer 10:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2013		
Apr. 01	Bank A/c (M1) (40,000 + 10,000)	50,000	Mar. 31	Depreciation A/c	
Sept.30	Bank A/c (M2)	20,000		M1	5,000
				M2 (for 6 months)	1,000
				Balance c/d	6,000
				M1	45,000
				M2	19,000
					64,000

Depreciation

		70,000			70,000

Note: Repair charges of Rs 2,000 are categorised under revenue expenditure because these are incurred on December 31, 2012 but machinery has been purchased on September 30, 2012.

Answer 11:

Plant Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		
Apr. 01	Bank A/c	60,000	Mar. 31	Depreciation A/c	6,000
			Mar. 31	Balance c/d	54,000
		60,000			60,000
2010			2011		
Apr. 01	Balance b/d	54,000	Mar. 31	Depreciation A/c	5,400
			Mar. 31	Balance c/d	48,600
		54,000			54,000
2011			2012		
Apr. 01	Balance b/d	48,600	Mar. 31	Depreciation A/c	4,860
			Mar. 31	Balance c/d	43,740
		48,600			48,600
2012			2013		
Apr. 01	Balance b/d	43,740	Mar. 31	Depreciation A/c	4,374
			Mar. 31	Balance c/d	39,366
		43,740			43,740

Note: When depreciation is charged as per written down value method, scrap value of asset is ignored.

Answer 12:

Plant Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2005			2006		
July 01	Bank A/c (1,50,000 + 10,000)	1,60,000	Mar. 31	Depreciation A/c (for 9 months)	12,000
				Balance c/d	1,48,000

Depreciation

		1,60,000			1,60,000
2006			2007		
Apr. 01	Balance b/d	1,48,000	Mar. 31	Depreciation A/c	14,800
			Mar. 31	Balance c/d	1,33,200
		1,48,000			1,48,000
2007			2008		
Apr. 01	Balance b/d	1,33,200	Mar. 31	Depreciation A/c	13,320
			Mar. 31	Balance c/d	1,19,880
		1,33,200			1,33,200
2008			2008		
Apr. 01	Balance b/d	1,19,880	Oct. 01	Depreciation A/c	5,994
				Bank A/c (Sale)	80,000
				Profit and Loss A/c (Loss on Sale)	33,886
		1,19,880			1,19,880

Working Note: Calculation of Profit or Loss on Sale

Particulars	Amount
Value of Plant on Apr. 01, 2008	1,19,880
Less: Depreciation for 6 months	5,994
Value of Plant on Oct. 01, 2008	1,13,886
Less: Sale Value	80,000
Loss on Sale	33,886

Answer 13:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2003			2004		
Apr. 01	Bank A/c (30,000 + 4,000 + 1,000)	35,000	Mar. 31	Depreciation A/c	3,500
				Balance c/d	31,500
		35,000			35,000
2004			2005		
Apr. 01	Balance b/d	31,500	Mar. 31	Depreciation A/c	3,150
			Mar. 31	Balance c/d	28,350
		31,500			31,500
2005			2005		
Apr. 01	Balance b/d	28,350	Oct. 01	Depreciation A/c	1,418
				Bank A/c (Sale)	25,000
				Profit and Loss A/c (Loss on Sale)	1,932

Depreciation

		28,350			28,350

Working Note: Calculation of Profit or Loss on Sale

Particulars	Amount
Value of Machinery on Apr. 01, 2005	28,350
Less: Depreciation for 6 months	1,418
Value of Machinery on Oct. 01, 2005	26,932
Less: Sale Value	25,000
Loss on Sale	1,932

Answer 14:

Machinery Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2009			2010			
Apr. 01	Bank A/c (M1) (36,000 + 4,000)	40,000	Mar. 31	Depreciation A/c		
Oct. 01	Bank A/c (M2)	20,000		M1	4,000	
				M2 (for 6 months)	1,000	5,000
			Mar. 31	Balance c/d		
				M1	36,000	
				M2	19,000	55,000
		60,000				60,000
2010			2011			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	36,000		M1	3,600	
	M2	19,000		M2	1,900	5,500
		55,000	Mar. 31	Balance c/d		
				M1	32,400	
				M2	17,100	49,500
		55,000				55,000
2011			2011			
Apr. 01	Balance b/d		Oct. 01	Depreciation A/c (M1)	1,620	
	M1	32,400		Bank A/c (Sale of M1)	12,000	
	M2	17,100		Profit and Loss A/c (Loss on Sale of M1)	18,780	
Oct. 01	Bank A/c (M3)	64,000	2012			
			Mar. 31	Depreciation A/c		
				M2	1,710	
				M3 (for 6 months)	3,200	4,910
			Mar. 31	Balance c/d		

Depreciation

					M2	15,390	
					M3	60,800	76,190
			1,13,500				1,13,500
2012				2013			
Apr. 01	Balance b/d			Mar. 31	Depreciation A/c		
	M2	15,390			M2	1,539	
	M3	60,800	76,190		M3	6,080	7,619
				Mar. 31	Balance c/d		
					M2	13,851	
					M3	54,720	68,571
			76,190				76,190

Working Note: Calculation of Profit or Loss on Sale

Particulars	Amount
Value of Machinery on Apr. 01, 2011	32,400
Less: Depreciation for 6 months	1,620
Value of Machinery on Oct. 01, 2011	30,780
Less: Sale Value	12,000
Loss on Sale	18,780

Answer 15(A):

The four main causes of depreciation are as follows.

- 1. Constant use:** Due to constant use of the fixed assets there exists normal wear and tear that leads to fall in the value of fixed asset.
- 2. Expiry of time:** With the passage of time, whether assets are used or not, its effective life decreases. The natural forces like rain, weather, etc. lead to deterioration of the fixed assets.
- 3. Obsolescence:** Due to the fast technological innovations and inventions today's assets may be outdated by tomorrow's sophisticated assets. This leads to the obsolescence of fixed assets.
- 4. Expiry of legal rights:** If an asset is acquired for a specific period of time, then, whether the asset is put to use or not, its value becomes zero at the end of its useful life.

Answer 15(B):

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2007			2008		
Oct. 01	Bank A/c (M1)	50,000	Mar. 31	Depreciation A/c (for 6 months)	3,750
			Mar. 31	Balance c/d	46,250
		50,000			50,000
2008			2009		

Depreciation

Apr. 01	Balance b/d	46,250	Mar. 31	Depreciation A/c	
Dec. 01	Bank A/c (M2)	10,000		M1	6,938
				M2 (for 4 months)	500
					7,438
			Mar. 31	Balance c/d	
				M1	39,312
				M2	9,500
					48,812
		56,250			56,250
2009			2010		
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c	5,897
	M1	39,312		Bank A/c (Sale of M1)	28,415
	M2	9,500		Profit and Loss A/c (Loss on Sale of M1)	5,000
		48,812			
			Mar. 31	Depreciation A/c (M2)	1,425
			Mar. 31	Balance c/d	8,075
		48,812			48,812

Working Note: Calculation of Sale Price of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2009	39,312
Less: Depreciation for 12 months	5,897
Value of Machinery on Mar. 31, 2010	33,415
Less: Loss on Sale (given)	5,000
Sale Value (Balancing Figure)	28,415

Answer 16:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2011		
Apr. 01	Bank A/c (M1) (2,40,000 + 4,000 + 6,000)	2,50,000	Mar. 31	Depreciation A/c	37,500
			Mar. 31	Balance c/d	2,12,500
		2,50,000			2,50,000
2011			2012		
Apr. 01	Balance b/d	2,12,500	Mar. 31	Depreciation A/c	
July 01	Bank A/c (M2) (75,000+25,000)	1,00,000		M1	31,875
				M2 (for 9 months)	11,250
					43,125
			Mar. 31	Balance c/d	
				M1	1,80,625
				M2	88,750
					2,69,375

Depreciation

		3,12,500			3,12,500
2012			2013		
Apr. 01	Balance b/d		Jan. 01	Depreciation A/c (M1)	20,320
	M1	1,80,625		Bank A/c (Sale of M1)	1,40,305
	M2	88,750		Profit and Loss A/c (Loss on Sale of M1)	20,000
2013			Mar. 31	Depreciation A/c	
Jan. 01	Bank A/c (M3)	40,000		M2	13,312
				M3 (for 3 months)	1,500
			Mar. 31	Balance c/d	14,813
				M2	75,438
				M3	38,500
		3,09,375			1,13,938
					3,09,375

Working Note: Calculation of Sale Price of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	1,80,625
Less: Depreciation for 9 months	20,320
Value of Machinery on Jan. 01, 2013	1,60,305
Less: Loss on Sale (given)	20,000
Sale Value (Balancing Figure)	1,40,305

Answer 17:

Truck Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2011			2011			
Apr. 01	Bank A/c		Dec. 31	Depreciation A/c		
	T1	90,000		T1 (for 9 months)	13,500	
	T2	8,10,000		T2 (for 9 months)	1,21,500	1,35,000
			Dec. 31	Balance c/d		
				T1	76,500	
				T2	6,88,500	7,65,000
		9,00,000			9,00,000	
2012			2012			
Jan. 01	Balance b/d		Dec. 31	Depreciation A/c		
	T1	76,500		T1	15,300	
	T2	6,88,500		T2	1,37,700	1,53,000
			Dec. 31	Balance c/d		
				T1	61,200	

Depreciation

					T2	5,50,800	6,12,000
			7,65,000				7,65,000
2013				2013			
Jan. 01	Balance b/d			Oct. 01	Depreciation A/c (T1)		9,180
	T1	61,200		Oct. 01	Bank A/c (Sale of T1)		56,200
	T2	5,50,800	6,12,000	Dec. 31	Depreciation A/c		
Oct. 01	Profit and Loss A/c (Profit on Sale of T1)		4,180		T2	1,10,160	
Oct. 01	Bank A/c (T3)		1,00,000		T3 (for 6 months)	5,000	1,15,160
				Dec. 31	Balance c/d		
					T2	4,40,640	
					T3	95,000	5,35,640
			7,16,180				7,16,180
2014				2014			
Jan. 01	Balance b/d			Dec. 31	Depreciation A/c		
	T2	4,40,640			T2	88,128	
	T3	95,000	5,35,640		T3	19,000	1,07,128
				Dec. 31	Balance c/d		
					T2	3,52,512	
					T3	76,000	4,28,512
			5,35,640				5,35,640

Working Note: Calculation of Profit & Loss on Sale of T1

Particulars	Amount
Value of Truck on Jan. 01, 2013	61,200
Less: Depreciation for 9 months	9,180
Value of Truck on Oct. 01, 2013	52,020
Less: Sale Value	56,200
Profit on Sale	4,180

Note: In order to make easy calculation, Truck purchased on April 01, 2011 has been divided into two parts i.e. T1 and T2.

Thus, T1: Rs 90,000 (sold for Rs 56,200)

T2: Rs 8,10,000 (includes the cost of 9 trucks)

Answer 18:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2010		

Depreciation

Apr. 01	Bank A/c			Mar. 31	Depreciation A/c	
	M1	10,000			M1	1,000
	M2	40,000	50,000		M2	4,000
				Mar. 31	Balance c/d	
					M1	9,000
					M2	36,000
			50,000			45,000
						50,000
2010				2011		
Apr. 01	Balance b/d			Mar. 31	Depreciation A/c	
	M1	9,000			M1	900
	M2	36,000	45,000		M2	3,600
Oct. 01	Bank A/c (M3)		30,000		M3 (for 6 months)	1,500
				Mar. 31	Balance c/d	
					M1	8,100
					M2	32,400
					M3	28,500
			75,000			69,000
						75,000
2011				2012		
Apr. 01	Balance b/d			Mar. 31	Depreciation A/c	
	M1	8,100			M1	810
	M2	32,400			M2	3,240
	M3	28,500	69,000		M3	2,850
				Mar. 31	Balance c/d	
					M1	7,290
					M2	29,160
					M3	25,650
			69,000			62,100
						69,000
2012				2012		
Apr. 01	Balance b/d			Sept. 30	Depreciation A/c (M1)	365
	M1	7,290		Sept. 30	Bank A/c (sale of M1)	3,600
	M2	29,160		Sept. 30	Profit and Loss A/c (Loss on Sale of M1)	3,325
	M3	25,650	62,100	2013		
				Mar. 31	Depreciation A/c	
					M2	2,916
					M3	2,565
				Mar. 31	Balance c/d	
					M2	26,244
					M3	23,085
			62,100			49,329
						62,100

Depreciation

Working Note: Calculation of Profit & Loss Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	7,290
Less: Depreciation for 6 months	365
Value of Machinery on Sept.30, 2012	6,925
Less: Sale Value	3,600
Loss on Sale	3,325

Note: In order to make easy calculation, machinery purchased on April 01, 2009 has been divided into two parts i.e. M1 and M2.

Thus, M1: Rs 10,000 (sold for Rs 3,600)

M2: Rs 40,000

Answer 19:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2010			2011			
July 01	Bank A/c		Mar. 31	Depreciation A/c		
	M1	10,000		M1 (for 9 months)	750	
	M2	20,000		M2 (for 9 months)	1,500	
		30,000		M3 (for 3 months)	500	2,750
2011						
Jan. 01	Bank A/c (M3)	20,000	Mar. 31	Balance c/d		
				M1	9,250	
				M2	18,500	
				M3	19,500	47,250
		50,000				50,000
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Depreciation A/c		
	M1	9,250		M1	925	
	M2	18,500		M2	1,850	
	M3	19,500		M3	1,950	
		47,250		M4 (for 6 months)	500	5,225
Oct. 01	Bank A/c (M4)	10,000	Mar. 31	Balance c/d		
				M1	8,325	
				M2	16,650	
				M3	17,550	
				M4	9,500	52,025
		57,250				57,250
2012			2012			

Depreciation

Apr. 01	Balance b/d			Apr. 01	Bank A/c (Sale of M1)	3,000
	M1	8,325			Profit and Loss A/c (Loss on Sale of M1)	5,325
	M2	16,650		2013		
	M3	17,550		Mar. 31	Depreciation A/c	
	M4	9,500	52,025		M2	1,665
					M3	1,755
					M4	950
						4,370
				Mar. 31	Balance c/d	
					M2	14,985
					M3	15,795
					M4	8,550
						39,330
			52,025			52,025

Working Note: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	8,325
Less: Sale Value	3,000
Loss on Sale	5,325

Note: In order to make easy calculation, machinery purchased on July 01, 2010 has been divided into two parts i.e. M1 and M2.

Thus, M1: 1/3rd value i.e Rs 10,000 (sold for Rs 3,000)

M2: 2/3rd value i.e. Rs Rs 40,000 (remained in the business)

Answer 20:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2005			2006		
July 01	Bank A/c (5,70,000 + 30,000)	6,00,000	Mar. 31	Balance c/d	6,00,000
		6,00,000			6,00,000
2006			2007		
Apr. 01	Balance b/d	6,00,000	Mar. 31	Balance c/d	6,00,000
		6,00,000			6,00,000
2007			2008		
Apr.	Balance b/d	6,00,000	Jan.	Provision for Depreciation	3,10,000

Depreciation

01			31	A/c	
				Bank A/c (Sale)	1,60,000
				Profit and Loss A/c (Loss on Sale)	1,30,000
		6,00,000			6,00,000

Provision for Depreciation Account					
Dr.				Cr.	
Date	Particulars	Amount (Rs)	Date	Particulars	Amount(Rs)
2006			2006		
Mar. 31	Balance c/d	90,000	Mar. 31	Depreciation A/c (for 9 months)	90,000
		90,000			90,000
2007			2006		
Mar. 31	Balance c/d	2,10,000	Apr. 01	Balance b/d	90,000
			2007		
			Mar. 31	Depreciation A/c	1,20,000
		2,10,000			2,10,000
2008			2007		
Jan. 31	Machinery A/c	3,10,000	Apr. 01	Balance b/d	2,10,000
			2008		
			Jan. 31	Depreciation A/c (for 10 months)	1,00,000
		3,10,000			3,10,000

Working Note: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on July 01, 2005	6,00,000
Less: Depreciation for 9 Months	90,000
Value of Machinery on Apr. 01, 2006	5,10,000
Less: Depreciation	1,20,000
Value of Machinery on Apr. 01, 2007	3,90,000
Less: Depreciation for 10 Months	1,00,000
Value of Machinery on Jan. 31, 2008	2,90,000
Less: Sale Value	1,60,000
Loss on Sale	1,30,000

Depreciation

Answer 21:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2013		
Oct. 01	Bank A/c (3,00,000 + 20,000)	3,20,000	Mar. 31	Balance c/d	3,20,000
		3,20,000			3,20,000
2013			2014		
Apr. 01	Balance b/d	3,20,000	Mar. 31	Balance c/d	3,20,000
		3,20,000			3,20,000
2014			2015		
Apr. 01	Balance b/d	3,20,000	Mar. 31	Balance c/d	3,20,000
		3,20,000			3,20,000
2015			2015		
Apr. 01	Balance b/d	3,20,000	July 01	Provision for Depreciation A/c	79,916
				Bank A/c (Sale)	1,30,000
				Profit and Loss A/c (Loss on Sale)	1,10,084
		3,20,000			3,20,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2013			2013		
Mar. 31	Balance c/d	16,000	Mar. 31	Depreciation A/c (for 6 months)	16,000
		16,000			16,000
2014			2013		
Mar. 31	Balance c/d	46,400	Apr. 01	Balance b/d	16,000
			2014		
			Mar. 31	Depreciation A/c	30,400
		46,400			46,400
2015			2014		
Mar. 31	Balance c/d	73,760	Apr. 01	Balance b/d	46,400
			2015		
			Mar.	Depreciation A/c	27,360

Depreciation

			31		
		73,760			73,760
2015			2015		
July 01	Machinery A/c	79,916	Apr. 01	Balance b/d	73,760
			July 01	Depreciation A/c (for 3 months)	6,156
		79,916			79,916

Working Note: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on Oct. 01, 2012	3,20,000
Less: Depreciation for 6 Months	16,000
Value of Machinery on Apr. 01, 2013	3,04,000
Less: Depreciation	30,400
Value of Machinery on Apr. 01, 2014	2,73,600
Less: Depreciation	27,360
Value of Machinery on Apr. 01, 2015	2,46,240
Less: Depreciation for 3 Months	6,156
Value of Machinery on July 01, 2015	2,40,084
Less: Sale Value	1,30,000
Loss on Sale	1,10,084

Answer 22:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2008			2009			
Apr. 01	Bank A/c		Mar. 31	Balance c/d		
	M1	50,000		M1	50,000	
	M2	50,000		M2	50,000	
	M3	2,00,000		M3	2,00,000	3,00,000
		3,00,000				3,00,000
2009			2010			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	M1	50,000		M1	50,000	
	M2	50,000		M2	50,000	
	M3	2,00,000		M3	2,00,000	3,00,000

Depreciation

			3,00,000			3,00,000
2010				2010		
Apr. 01	Balance b/d			Oct. 01	Provision for Depreciation A/c	12,500
	M1	50,000			Bank A/c (Sale of M1)	30,000
	M2	50,000			Profit and Loss A/c (Loss on Sale of M1)	7,500
	M3	2,00,000	3,00,000	2011		
				Mar. 31	Balance c/d	
					M2	50,000
					M3	2,00,000
			3,00,000			2,50,000
						3,00,000
2011				2011		
Apr. 01	Balance b/d			Apr. 01	Provision for Depreciation A/c	15,000
	M2	50,000			Bank A/c (Sale of M2)	24,000
	M3	2,00,000	2,50,000		Profit and Loss A/c (Loss on Sale of M2)	11,000
				2012		
				Mar. 31	Balance c/d (M3)	2,00,000
			2,50,000			2,50,000

Provision for Depreciation Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2009			2009			
Mar. 31	Balance c/d	30,000	Mar. 31	Depreciation A/c		
				M1	5,000	
				M2	5,000	
				M3	20,000	30,000
		30,000				30,000
2010			2009			
Mar. 31	Balance c/d	60,000	Apr. 01	Balance b/d		30,000
			2010			
			Mar. 31	Depreciation A/c		
				M1	5,000	
				M2	5,000	
				M3	20,000	30,000
		60,000				60,000
2010			2010			
Oct. 01	Machinery A/c (M1) (5,000 + 5,000 + 2,500)	12,500	Apr. 01	Balance b/d		60,000
2011			Oct.01	Depreciation A/c (M1)		2,500

Depreciation

Mar. 31	Balance c/d	75,000	2011			
			Mar. 31	Depreciation A/c		
				M2	5,000	
				M3	20,000	25,000
		87,500				87,500
2011			2011			
Apr. 01	Machinery A/c (M2) (5,000 + 5,000 + 5,000)	15,000	Apr. 01	Balance b/d		75,000
2012			2012			
Mar. 31	Balance c/d	80,000	Mar. 31	Depreciation A/c (M3)	20,000	
		95,000				95,000

Working Notes:

WN1: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2008	50,000
Less: Depreciation	5,000
Value of Machinery on Apr. 01, 2009	45,000
Less: Depreciation	5,000
Value of Machinery on Apr. 01, 2010	40,000
Less: Depreciation for 6 months	2,500
Value of Machinery on Oct. 01, 2010	37,500
Less: Sale Value	30,000
Loss on Sale	7,500

WN2: Calculation of Profit & Loss on Sale of M2

Particulars	Amount
Value of Machinery on Apr. 01, 2008	50,000
Less: Depreciation	5,000
Value of Machinery on Apr. 01, 2009	45,000
Less: Depreciation	5,000
Value of Machinery on Apr. 01, 2010	40,000
Less: Depreciation	5,000
Value of Machinery on Apr. 01, 2011	35,000
Less: Sale Value	24,000
Loss on Sale	11,000

Note: For making calculation easy, Machinery purchased on April 01, 2008 has been divided into three i.e. M1, M2 and M3.

Depreciation

Thus, M1: Rs 50,000 (sold for Rs 30,000 on Oct. 01, 2010)

M2: Rs 50,000 (sold for Rs 24,000 on Apr. 01, 2011)

M3: Rs 2,00,000 (includes the cost of 4 machines)

Answer 23:

Machinery Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2006			2007			
July 01	Bank A/c		Mar. 31	Balance c/d		
	M1	80,000		M1	80,000	
	M2	80,000		M2	80,000	
	M3	1,60,000		M3	1,60,000	3,20,000
		3,20,000				3,20,000
2007			2008			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	M1	80,000		M1	80,000	
	M2	80,000		M2	80,000	
	M3	1,60,000		M3	1,60,000	3,20,000
		3,20,000				3,20,000
2008			2008			
Apr. 01	Balance b/d		Apr. 01	Provision for Depreciation A/c		21,000
	M1	80,000	Apr. 01	Bank A/c (<i>Sale of M1</i>)		50,000
	M2	80,000	Apr. 01	Profit and Loss A/c (<i>Loss on Sale of M1</i>)		9,000
	M3	1,60,000				
		3,20,000	2009			
			Mar. 31	Balance c/d		
				M2	80,000	
				M3	1,60,000	2,40,000
		3,20,000				3,20,000
2009			2010			
Apr. 01	Balance b/d		Jan. 01	Provision for Depreciation A/c		42,000
	M2	80,000	Jan. 01	Bank A/c (<i>Sale of M2</i>)		40,000
	M3	1,60,000	Mar. 31	Balance c/d		
		2,40,000		M3	1,60,000	
2010				M4	2,00,000	3,60,000
Jan. 01	Profit and Loss A/c (<i>Profit on Sale of M2</i>)	2,000				
Jan. 01	Bank A/c (M4)	2,00,000				
		4,42,000				4,42,000

Depreciation

Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2007			2007		
Mar.31	Provision for Depreciation A/c	36,000	Mar.31	Profit & Loss A/c	36,000
		36,000			36,000
2008			2008		
Mar.31	Provision for Depreciation A/c	48,000	Mar.31	Profit & Loss A/c	48,000
		48,000			48,000
2009			2009		
Mar.31	Provision for Depreciation A/c	36,000	Mar.31	Profit & Loss A/c	36,000
		36,000			36,000
2010			2010		
Mar.31	Provision for Depreciation A/c	40,500	Mar.31	Profit & Loss A/c (31,500 + 9,000)	40,500
		40,500			40,500

Provision for Depreciation Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2007			2007			
Mar. 31	Balance c/d	36,000	Mar. 31	Depreciation A/c		
				M1 (for 9 months)	9,000	
				M2 (for 9 months)	9,000	
				M3 (for 9 months)	18,000	36,000
		36,000				36,000
2008			2007			
Mar. 31	Balance c/d	84,000	Apr. 01	Balance b/d		36,000
			2008			
			Mar. 31	Depreciation A/c		
				M1	12,000	
				M2	12,000	
				M3	24,000	48,000
		84,000				84,000
2008			2008			
Apr. 01	Machinery A/c (9,000 + 12,000)	21,000	Apr. 01	Balance b/d		84,000
2009			2009			
Mar. 31	Balance c/d	99,000	Mar. 31	Depreciation A/c		
				M2	12,000	
				M3	24,000	36,000

Depreciation

		1,20,000				1,20,000
2010			2009			
Jan. 01	Machinery A/c (9,000 + 12,000 + 12,000 + 9,000)	42,000	Apr. 01	Balance b/d		99,000
Mar. 31	Balance c/d	97,500	2010			
			Jan. 01	Depreciation A/c (M2)		9,000
			Mar. 31	Depreciation A/c		
				M3	24,000	
				M4 (for 3 months)	7,500	31,500
		1,39,500				1,39,500

Working Notes:

WN1: Calculation of Profit & Loss on Sale M1

Particulars	Amount
Value of Machinery on July 01, 2006	80,000
Less: Depreciation for 9 months	9,000
Value of Machinery on Apr. 01, 2007	71,000
Less: Depreciation	12,000
Value of Machinery on Apr. 01, 2008	59,000
Less: Sale Value	50,000
Loss on Sale	9,000

WN2: Calculation of Profit & Loss on Sale of M2

Particulars	Amount
Value of Machinery on July 01, 2006	80,000
Less: Depreciation for 9 months	9,000
Value of Machinery on Apr. 01, 2007	71,000
Less: Depreciation	12,000
Value of Machinery on Apr. 01, 2008	59,000
Less: Depreciation	12,000
Value of Machinery on Apr. 01, 2009	47,000
Less: Depreciation for 9 months	9,000
Value of Machinery on Jan. 01, 2010	38,000
Less: Sale Value	40,000
Profit on Sale	2,000

Note: In order to make easy calculation, machinery purchased on July 01, 2006 has been divided into three parts i.e. M1, M2 and M3.

Thus, M1: Rs 80,000 (sold for Rs 50,000 on Apr. 01, 2008)

Depreciation

M2: Rs 80,000 (sold for Rs 40,000 on Jan. 01, 2010)

M3: Rs 1,60,000 (includes the cost of 2 machines)

Answer 24:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2011			2012			
Oct. 01	Bank A/c (M1)	4,40,000	Mar. 31	Balance c/d	4,40,000	
		4,40,000			4,40,000	
2012			2013			
Apr. 01	Balance b/d	4,40,000	Mar. 31	Balance c/d		
Apr. 01	Bank A/c (M2)	5,20,000		M1	4,40,000	
				M2	5,20,000	9,60,000
		9,60,000			9,60,000	
2013			2013			
Apr. 01	Balance b/d		June 30	Provision for Depreciation A/c	77,000	
	M1	4,40,000		Bank A/c (Sale of M1)	2,50,000	
	M2	5,20,000		Profit and Loss A/c (Loss on Sale of M1)	1,13,000	
June 30	Bank A/c (M3)	3,00,000	2014			
			Mar. 31	Balance c/d		
				M2	5,20,000	
				M3	3,00,000	8,20,000
		12,60,000			12,60,000	
2014			2014			
Apr. 01	Balance b/d		July 01	Provision for Depreciation A/c	1,17,000	
	M2	5,20,000		Bank A/c (Sale of M2)	3,25,000	
	M3	3,00,000		Profit and Loss A/c (Loss on Sale of M2)	78,000	
			2015			
			Mar. 31	Balance c/d (M3)	3,00,000	
		8,20,000			8,20,000	

Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2012		
Mar. 31	Provision for Depreciation A/c	22,000	Mar. 31	Profit & Loss A/c	22,000
		22,000			22,000
2013			2013		
Mar. 31	Provision for	96,000	Mar. 31	Profit & Loss A/c	96,000

Depreciation

	Depreciation A/c				
		96,000			96,000
2014			2014		
Mar. 31	Provision for Depreciation A/c	85,500	Mar. 31	Profit & Loss A/c (74,500 + 11,000)	85,500
		85,500			85,500
2015			2015		
Mar. 31	Provision for Depreciation A/c	43,000	Mar. 31	Profit & Loss A/c (30,000 + 13,000)	43,000
		43,000			43,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2012		
Mar. 31	Balance c/d (M1)	22,000	Mar. 31	Depreciation A/c (M1) (for 6 months)	22,000
		22,000			22,000
2013			2012		
Mar. 31	Balance c/d	1,18,000	Apr. 01	Balance b/d	22,000
			2013		
			Mar. 31	Depreciation A/c	
				M1	44,000
				M2	52,000
		1,18,000			96,000
2013					1,18,000
June 30	Machinery A/c (M1) (22,000 + 44,000 + 11,000)	77,000	2013		
2014			Apr. 01	Balance b/d	1,18,000
Mar. 31	Balance c/d	1,26,500	June 30	Depreciation A/c (M1) (for 3 months)	11,000
			2014		
			Mar. 31	Depreciation A/c	
				M2	52,000
				M3 (for 9 months)	22,500
		2,03,500			74,500
2014					2,03,500
July 01	Machinery A/c (M2) (52,000 + 52,000 + 13,000)	1,17,000	2014		
2015			Apr. 01	Balance b/d	1,26,500
Mar. 31	Balance c/d (M3)	52,500	July 01	Depreciation A/c (M2) (for 3 months)	13,000
			2015		
			Mar. 31	Depreciation A/c (M3)	30,000
		1,69,500			30,000
					1,69,500

Depreciation

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Working Notes:

WN1: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Oct. 01, 2011	4,40,000
Less: Depreciation for 6 months	22,000
Value of Machinery on Apr. 01, 2012	4,18,000
Less: Depreciation	44,000
Value of Machinery on Apr. 01, 2013	3,74,000
Less: Depreciation for 3 months	11,000
Value of Machinery on June 30, 2013	3,63,000
Less: Sale Value	2,50,000
Loss on Sale	1,13,000

WN2: Calculation of Profit & Loss on Sale of M2

Particulars	Amount
Value of Machinery on Apr. 01, 2012	5,20,000
Less: Depreciation	52,000
Value of Machinery on Apr. 01, 2013	4,68,000
Less: Depreciation	52,000
Value of Machinery on Apr. 01, 2014	4,16,000
Less: Depreciation for 3 months	13,000
Value of Machinery on June 30, 2014	4,03,000
Less: Sale Value	3,25,000
Loss on Sale	78,000

Answer 25:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2009			2010			
May 01	Bank A/c (M1) (5,58,000 + 15,000)	6,00,000	Mar. 31	Balance c/d	6,00,000	
		6,00,000			6,00,000	
2010			2011			
Apr. 01	Balance b/d	6,00,000	Mar. 31	Balance c/d		
Oct. 01	Bank A/c (M2)	4,00,000		M1	6,00,000	

Depreciation

					M2	4,00,000	10,00,000
			10,00,000				10,00,000
2011				2011			
Apr. 01	Balance b/d			July 31	Provision for Depreciation A/c		2,02,500
	M1	6,00,000			Bank A/c (Sale of M1)		2,50,000
	M2	4,00,000	10,00,000		Profit and Loss A/c (Loss on Sale of M1)		1,47,500
July 31	Bank A/c (M3)		4,20,000	2012			
				Mar. 31	Balance c/d		
					M2	4,00,000	
					M3	4,20,000	8,20,000
			14,20,000				14,20,000
2012				2012			
Apr. 01	Balance b/d			Nov. 01	Provision for Depreciation A/c		1,25,000
	M2	4,00,000			Bank A/c (Sale of M2)		3,00,000
	M3	4,20,000	8,20,000	2013			
Nov. 01	Profit and Loss A/c (Profit on Sale of M2)		25,000	Mar. 31	Balance c/d (M3)		4,20,000
			8,45,000				8,45,000

Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2010		
Mar. 31	Provision for Depreciation A/c	82,500	Mar. 31	Profit & Loss A/c	82,500
		82,500			82,500
2011			2011		
Mar. 31	Provision for Depreciation A/c	1,20,000	Mar. 31	Profit & Loss A/c	1,20,000
		1,20,000			1,20,000
2012			2012		
Mar. 31	Provision for Depreciation A/c	1,32,000	Mar. 31	Profit & Loss A/c (1,02,000 + 30,000)	1,32,000
		1,32,000			1,32,000
2013			2013		
Mar. 31	Provision for Depreciation A/c	98,000	Mar. 31	Profit & Loss A/c (63,000 + 35,000)	98,000
		98,000			98,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2010		

Depreciation

Mar. 31	Balance c/d	82,500	Mar. 31	Depreciation A/c (M1) (for 11 months)	82,500
		82,500			82,500
2011			2010		
Mar. 31	Balance c/d	2,02,500	Apr. 01	Balance b/d	82,500
			2011		
			Mar. 31	Depreciation A/c	
				M1	90,000
				M2 (for 6 months)	30,000
		2,02,500			1,20,000
					2,02,500
2011			2011		
July 31	Machinery A/c (82,500 + 90,000 + 30,000)	2,02,500	Apr. 01	Balance b/d	2,02,500
2012			July 31	Depreciation A/c (M1) (for 4 months)	30,000
Mar. 31	Balance c/d	1,32,000	2012		
			Mar. 31	Depreciation A/c	
				M2	60,000
				M3 (for 8 months)	42,000
		3,34,500			1,02,000
					3,34,500
2011			2012		
Nov. 01	Machinery A/c (30,000 + 60,000 + 35,000)	1,25,000	Apr. 01	Balance b/d	1,32,000
2013			Nov. 01	Depreciation A/c (M2) (for 7 months)	35,000
Mar. 31	Balance c/d	1,05,000	2013		
			Mar. 31	Depreciation A/c (M3)	63,000
		2,30,000			63,000
					2,30,000

Working Notes:

WN1: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on May 01, 2009	6,00,000
Less: Depreciation for 11 months	82,500
Value of Machinery on Apr. 01, 2010	5,17,500

Depreciation

Less: Depreciation	90,000
Value of Machinery on Apr. 01, 2011	4,27,500
Less: Depreciation for 4 months	30,000
Value of Machinery on July 31, 2011	3,97,500
Less: Sale Value	2,50,000
Loss on Sale	1,47,500

WN2: Calculation of Profit & Loss on Sale of M2

Particulars	Amount
Value of Machinery on Oct. 01, 2010	4,00,000
Less: Depreciation for 6 months	30,000
Value of Machinery on Apr. 01, 2011	3,70,000
Less: Depreciation	60,000
Value of Machinery on Apr. 01, 2012	3,10,000
Less: Depreciation for 7 months	35,000
Value of Machinery on Nov. 01, 2012	2,75,000
Less: Sale Value	3,00,000
Profit on Sale	25,000

Answer 26:

Plant Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2010			2011			
July 01	Bank A/c (P1)	5,00,000	Mar. 31	Balance c/d		
Sept. 01	Bank A/c (P2)	3,00,000		P1	5,00,000	
				P2	3,00,000	8,00,000
		8,00,000				8,00,000
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	P1	5,00,000		P1	5,00,000	
	P2	3,00,000		P2	3,00,000	8,00,000
		8,00,000				8,00,000
2012			2012			
Apr. 01	Balance b/d		Dec. 31	Provision for Depreciation A/c	2,11,000	
	P1	5,00,000		Bank A/c (Sale of P1)	2,15,000	
	P2	3,00,000		Profit and Loss A/c (Loss on Sale of P1)	74,000	
		8,00,000				
Dec. 31	Bank A/c (P3)	6,00,000	2013			
			Mar. 31	Balance c/d		
				P2	3,00,000	

Depreciation

			P3	6,00,000	9,00,000
		14,00,000			14,00,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2011			2011		
Mar. 31	Balance c/d	1,10,000	Mar. 31	Depreciation A/c	
				P1 (for 9 months)	75,000
				P2 (for 7 months)	35,000
		1,10,000			1,10,000
					1,10,000
2012			2011		
Mar. 31	Balance c/d	2,48,000	Apr. 01	Balance b/d	1,10,000
			2012		
			Mar. 31	Depreciation A/c	
				P1	85,000
				P2	53,000
		2,48,000			1,38,000
					2,48,000
2012			2012		
Dec. 31	Machinery A/c (75,000 + 85,000 + 66,000)	2,11,000	Apr. 01	Balance b/d	2,48,000
2013			Dec. 31	Depreciation A/c (P1) (for 9 months)	51,000
Mar. 31	Balance c/d	1,60,400	2013		
			Mar. 31	Depreciation A/c	
				P2	42,400
				P3 (for 3 months)	30,000
		3,71,400			72,400
					3,71,400

Working Note: Calculation of Profit & Loss on Sale of P1

Particulars	Amount
Value of Plant on July 01, 2010	5,00,000
Less: Depreciation for 9 months	75,000
Value of Plant on Apr. 01, 2011	4,25,000
Less: Depreciation	85,000
Value of Plant on Apr. 01, 2012	3,40,000
Less: Depreciation for 9 months	51,000

Depreciation

Value of Plant on Dec. 31, 2012	2,89,000
Less: Sale Value	2,15,000
Loss on Sale	74,000

Answer 27:

Plant Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2010			2011			
Aug. 01	Bank A/c		Mar. 31	Balance c/d		
	P1	1,80,000		P1	1,80,000	
	P2	10,20,000		P2	10,20,000	12,00,000
		12,00,000			12,00,000	
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	P1	1,80,000		P1	1,80,000	
	P2	10,20,000		P2	10,20,000	12,00,000
		12,00,000			12,00,000	
2012			2012			
Apr. 01	Balance b/d		July 01	Provision for Depreciation A/c	32,580	
	P1	1,80,000		Bank A/c (Sale of P1)	1,00,000	
	P2	10,20,000		Profit and Loss A/c (Loss on Sale of P1)	47,420	
		12,00,000			12,00,000	
July 01	Bank A/c (P3)	4,00,000	2013			
			Mar. 31	Balance c/d		
				P2	10,20,000	
				P3	4,00,000	14,20,000
		16,00,000			16,00,000	

Provision for Depreciation Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2011			2011			
Mar. 31	Balance c/d	80,000	Mar. 31	Depreciation A/c		
				P1 (for 8 months)	12,000	
				P2 (for 8 months)	68,000	80,000
		80,000			80,000	
2012			2011			
Mar. 31	Balance c/d	1,92,000	Apr. 01	Balance b/d	80,000	
			2012			
			Mar. 31	Depreciation A/c		

Depreciation

				P1	16,800	
				P2	95,200	1,12,000
		1,92,000				1,92,000
2012			2012			
July 01	Plant A/c (P1) (12,000 + 16,800 + 3,780)	32,580	Apr. 01	Balance b/d		1,92,000
2013			July 01	Depreciation A/c (P1) (for 3 months)		3,780
Mar. 31	Balance c/d	2,78,880	2013			
			Mar. 31	Depreciation A/c		
				P2	85,680	
				P3 (for 9 months)	30,000	1,15,680
		3,11,460				3,11,460

Working Note: Calculation of Profit & Loss on Sale of P1

Particulars	Amount
Value of Plant on Aug. 01, 2010	1,80,000
Less: Depreciation for 8 months	12,000
Value of Plant on Apr. 01, 2011	1,68,000
Less: Depreciation	16,800
Value of Plant on Apr. 01, 2012	1,51,200
Less: Depreciation for 3 months	3,780
Value of Plant on July 01, 2012	1,47,420
Less: Sale Value	1,00,000
Loss on Sale	47,420

Note: In order to make easy calculation, plant purchased on Aug. 01, 2010 has been divided into two parts i.e. P1 and P2.

Thus, P1: Rs 1,80,000 (sold for Rs 1,00,000 on July 01, 2012)

P2: Rs 10,20,000

Answer 28:

Machinery Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2012			2013			
Apr. 01	Bank A/c		Mar. 31	Balance c/d		
	M1	4,00,000		M1	4,00,000	
	M2	16,00,000		M2	16,00,000	20,00,000
		20,00,000				

Depreciation

			20,00,000				20,00,000
2013				2014			
Apr. 01	Balance b/d			Mar. 31	Balance c/d		20,00,000
	M1	4,00,000			M1	4,00,000	
	M2	16,00,000	20,00,000		M2	16,00,000	20,00,000
			20,00,000				20,00,000
2014				2014			
Apr. 01	Balance b/d			July 01	Provision for Depreciation A/c		84,100
	M1	4,00,000		July 01	Bank A/c (Sale of M1)		3,20,000
	M2	16,00,000	20,00,000	2015			
July 01	Profit and Loss A/c (Profit on Sale of M1)		4,100	Mar. 31	Balance c/d		
Nov. 01	Bank A/c (M3)		4,80,000		M2	16,00,000	
					M3	4,80,000	20,80,000
			24,84,100				24,84,100

Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2013			2013		
Mar.31	Provision for Depreciation A/c	2,00,000	Mar.31	Profit and Loss A/c	2,00,000
		2,00,000			2,00,000
2014			2014		
Mar.31	Provision for Depreciation A/c	1,80,000	Mar.31	Profit and Loss A/c	1,80,000
		1,80,000			1,80,000
2015			2015		
Mar.31	Provision for Depreciation A/c	1,57,700	Mar.31	Profit and Loss A/c (1,47,600 + 8,100)	1,57,700
		1,57,700			1,57,700

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2013			2013		
Mar. 31	Balance c/d	2,00,000	Mar. 31	Depreciation A/c	
				M1	40,000
				M2	1,60,000
					2,00,000

Depreciation

		2,00,000			2,00,000
2014			2013		
Mar. 31	Balance c/d	3,80,000	Apr. 01	Balance b/d	2,00,000
			2014		
			Mar. 31	Depreciation A/c	
				M1	36,000
				M2	1,44,000
					1,80,000
		3,80,000			3,80,000
2014			2014		
July 01	Machinery A/c (M1) (40,000 + 36,000 + 8,100)	84,100	Apr. 01	Balance b/d	3,80,000
2015			July 01	Depreciation A/c (M1) (for 3 months)	8,100
Mar. 31	Balance c/d	4,53,600	2015		
			Mar. 31	Depreciation A/c	
				M2	1,29,600
				M3 (for 5 months)	20,000
					1,49,600
		5,37,700			5,37,700

Working Note: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2012	4,00,000
Less: Depreciation	40,000
Value of Machinery on Apr. 01, 2013	3,60,000
Less: Depreciation	36,000
Value of Machinery on Apr. 01, 2013	3,24,000
Less: Depreciation for 3 months	8,100
Value of Machinery on July 01, 2014	3,15,900
Less: Sale Value	3,20,000
Profit on Sale	4,100

Note: In order to make easy calculation, machinery purchased on Apr. 01, 2012 has been divided into two parts i.e. M1 and M2.

Thus, M1: Rs 4,00,000 (sold for Rs 3,20,000 on July 01, 2014)

M2: Rs 16,00,000

Depreciation

Answer 29:

Machinery Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2010			2011			
Oct. 01	Bank A/c		Mar. 31	Balance c/d		
	M1	2,00,000		M1	2,00,000	
	M2	4,00,000		M2	4,00,000	6,00,000
		6,00,000				6,00,000
2011			2012			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	M1	2,00,000		M1	2,00,000	
	M2	4,00,000		M2	4,00,000	
2012				M3	1,50,000	7,50,000
Dec. 01	Bank A/c (M3)	1,50,000				
		7,50,000				7,50,000
2012			2012			
Apr. 01	Balance b/d		Dec. 01	Provision for Depreciation A/c		75,200
	M1	2,00,000		Bank A/c (<i>Sale of M1</i>)		80,000
	M2	4,00,000		Profit and Loss A/c (<i>Loss on Sale of M1</i>)		44,800
	M3	1,50,000				
		7,50,000	2013			
			Mar. 31	Balance c/d		
				M2	4,00,000	
				M3	1,50,000	5,50,000
						7,50,000

Provision for Depreciation Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2011			2011			
Mar. 31	Balance c/d	60,000	Mar. 31	Depreciation A/c		
				M1 (<i>for 6 months</i>)	20,000	
				M2 (<i>for 6 months</i>)	40,000	60,000
		60,000				60,000
2012			2011			
Mar. 31	Balance c/d	1,75,500	Apr. 01	Balance b/d		60,000
			2012			
			Mar. 31	Depreciation A/c		
				M1	36,000	
				M2	72,000	
				M3 (<i>for 3 months</i>)	7,500	1,15,500
		1,75,500				1,75,500

Depreciation

2012			2012		
Dec. 01	Machinery A/c (M1) (20,000 + 36,000 + 19,200)	75,200	Apr. 01	Balance b/d	1,75,500
2013			Dec. 01	Depreciation A/c (M1) (for 8 months)	19,200
Mar. 31	Balance c/d	2,05,600	2013		
			Mar. 31	Depreciation A/c	
				M2	57,600
				M3	28,500
		2,80,800			86,100
					2,80,800

Working Note: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Oct. 01, 2010	2,00,000
Less: Depreciation for 6 months	20,000
Value of Machinery on Apr. 01, 2011	1,80,000
Less: Depreciation	36,000
Value of Machinery on Apr. 01, 2012	1,44,000
Less: Depreciation for 8 months	19,200
Value of Machinery on Dec. 01, 2012	1,24,800
Less: Sale Value	80,000
Loss on Sale	44,800

Note: In order to make easy calculation, machinery purchased on Apr. 01, 2012 has been divided into two parts i.e. M1 and M2.

Thus, M1: Rs 2,00,000 ($\frac{1}{3}$ rd value of machinery, sold for Rs 80,000 on Dec. 01, 2012)

M2: Rs 4,00,000 ($\frac{2}{3}$ rd value of machinery)

Answer 30:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2014			2014		
Apr. 01	Balance b/d (6,80,000 + 1,20,000)	8,00,000	July 01	Provision for Depreciation A/c	58,500
July 01	Bank A/c	3,20,000		Bank A/c (Sale)	50,000
				Profit and Loss A/c (Loss on Sale)	11,500

Depreciation

			2015		
			Mar. 31	Balance c/d	10,00,000
		11,20,000			11,20,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2014			2014		
July 01	Machinery A/c (54,000 + 4,500)	58,500	Apr. 01	Balance b/d	3,10,000
2015			2015		
Mar. 31	Balance c/d	3,94,000	Mar. 31	Depreciation A/c (WN2)	1,42,500
		4,52,500			4,52,200

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on Apr. 01, 2011	1,20,000
Less: Depreciation for 3 Years 3 months	58,500
Value of Machinery July 01, 2014	61,500
Less: Sale Value	50,000
Loss on Sale	11,500

WN2: Depreciation charged during the year

Particulars	Amount
On Rs 6,80,000 @ 15%	1,02,000
On Rs 1,20,000 @ 15% for 3 months	4,500
On Rs 3,20,000 @ 15% for 9 months	36,000
	1,42,500

Answer 31:

Furniture Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2010		

Depreciation

Apr. 01	Balance b/d (30,000 + 20,000)	50,000	Oct. 01	Provision for Depreciation A/c	8,000
Oct. 01	Bank A/c	25,000	Oct. 01	Bank A/c (Sale)	5,000
			Oct. 01	Profit and Loss A/c (Loss on Sale)	7,000
			2011		
			Mar. 31	Balance c/d	55,000
		75,000			75,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2010			2010		
Oct.01	Furniture A/c	8,000	Apr.01	Balance b/d	22,000
2011			2011		
Mar.31	Balance c/d	18,250	Mar.31	Depreciation A/c (WN2)	4,250
		26,250			26,250

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Furniture on Apr. 01, 2006	20,000
Less: Depreciation for 4 Years @ 10%	8,000
Value of Furniture on Oct. 01, 2010	12,000
Less: Sale Value	5,000
Loss on Sale	7,000

WN2: Depreciation charged during the year

Particulars	Amount
On Rs 30,000 @ 10%	3,000
On Rs 25,000 @ 10% for 6 months	1,250
	4,250

Depreciation

Answer 32:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2012		
Apr.01	Balance b/d (8,00,000 + 2,00,000)	10,00,000	Apr.01	Provision for Depreciation A/c	46,100
				Bank A/c (Sale)	80,000
				Profit and Loss A/c (Loss on Sale)	73,900
			2013		
			Mar.31	Balance c/d	8,00,000
		10,00,000			10,00,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2012			2012		
Apr. 01	Machinery A/c	46,100	Apr. 01	Balance b/d	4,05,000
2013				M1	46,100
Mar. 31	Balance c/d	4,03,010		M2	3,28,900
			2013		
			Mar. 31	Depreciation A/c (WN2)	44,110
		4,49,110			4,49,110

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on Oct. 01, 2009	2,00,000
Less: Depreciation for 6 months	10,000
Value of Machinery on Apr. 01, 2010	1,90,000
Less: Depreciation	19,000
Value of Machinery on Apr. 01, 2011	1,71,000
Less: Depreciation	17,100
Value of Machinery on Apr. 01, 2012	1,53,900
Less: Sale Value	80,000
Loss on Sale	73,900

Depreciation

WN2: Calculation of Depreciation on remaining value of Machinery

Total Depreciation on Machinery Sold = 10,000 + 19,000 + 17,100 = Rs 46,100

Accumulated Depreciation on Remaining Machinery (Rs 8,00,000) = 4,05,000 – 46,100 = Rs 3,58,900

Value of Remaining Machinery on Apr. 01, 2012 = 8,00,000 – 3,58,900 = Rs 4,41,100

Depreciation on Remaining Machinery on Mar. 31, 2013 = $4,41,100 \times \frac{10}{100}$ = Rs 44,110

Answer 33:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2011		
July 01	Bank A/c (11,40,000 + 3,60,000)	15,00,000	Mar. 31	Balance c/d	15,00,000
		15,00,000			15,00,000
2011			2012		
Apr. 01	Balance b/d	15,00,000	Mar. 31	Balance c/d	15,00,000
		15,00,000			15,00,000
2012			2012		
Apr. 01	Balance b/d	15,00,000	May 31	Machinery Disposal A/c	3,60,000
May 31	Bank A/c	4,20,000	2013		
			Mar. 31	Balance c/d	15,60,000
		19,20,000			19,20,000

Machinery Disposal A/c					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2012			2012		
May 31	Machinery A/c	3,60,000	May 31	Provision for Depreciation A/c	1,38,000
May 31	Profit and Loss A/c (Profit on Sale)	18,000		Bank A/c (Sale)	2,40,000
		3,78,000			3,78,000

Depreciation

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount(Rs)
2011			2011		
Mar. 31	Balance c/d	2,25,000	Mar. 31	Balance b/d (for 9 months)	2,25,000
		2,25,000			2,25,000
2012			2011		
Mar. 31	Balance c/d	5,25,000	Apr. 01	Balance b/d	2,25,000
			2012		
			Mar. 31	Depreciation A/c	3,00,000
		5,25,000			5,25,000
2012			2012		
May 31	Machine Disposal A/c (54,000 + 72,000 + 12,000)	1,38,000	Apr. 01	Balance b/d	5,25,000
2013			May 31	Depreciation (for 2 months)	12,000
Mar. 31	Balance c/d	6,97,000	2013		
			Mar. 31	Depreciation A/c (WN2)	2,98,000
		8,35,000			8,35,000

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on July 01, 2010	3,60,000
Less: Depreciation for 9 months	54,000
Value of Machinery on Apr. 01, 2011	3,06,000
Less: Depreciation	72,000
Value of Machinery on Apr. 01, 2012	2,34,000
Less: Depreciation for 2 months	12,000
Value of Machinery on May 31, 2012	2,22,000
Less: Sale Value	2,40,000
Profit on Sale	18,000

Depreciation

WN2: Depreciation charged during the year

Particulars	Amount
On Rs 11,40,000 @ 20%	2,28,000
On Rs 4,20,000 @ 20% for 10 months	70,000
	2,98,000

Answer 34:

Plant Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2006			2007		
Apr. 01	Bank A/c	1,00,000	Mar. 31	Balance c/d	1,50,000
Oct. 01	Bank A/c	50,000			
		1,50,000			1,50,000
2007			2007		
Apr. 01	Balance b/d	1,50,000	Oct. 01	Plant Disposal A/c	1,00,000
			2008		
			Mar. 31	Balance c/d	50,000
		1,50,000			1,50,000

Plant Disposal A/c					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2007			2007		
Oct. 01	Plant A/c	1,00,000	Oct. 01	Provision for Depreciation A/c	15,000
				Bank A/c (Sale)	40,000
				Profit and Loss A/c (Loss on Sale)	45,000
		1,00,000			1,00,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2007			2007		
Mar.	Balance c/d	12,500	Mar. 31	Balance b/d	12,500

Depreciation

31					
		12,500			12,500
2007			2007		
Oct. 01	Plant Disposal A/c (10,000+ 5,000)	15,000	Apr. 01	Balance b/d	12,500
2008			Oct. 01	Depreciation A/c	5,000
Mar. 31	Balance c/d	7,500	2008		
			Mar. 31	Depreciation A/c (WN2)	5,000
		22,500			22,500

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on Apr. 01, 2006	1,00,000
Less: Depreciation	10,000
Value of Machinery on Apr. 01, 2007	90,000
Less: Depreciation for 6 months	5,000
Value of Machinery on Oct. 01, 2007	85,000
Less: Sale Value	40,000
Loss on Sale	45,000

WN2: Depreciation charged during the year

Depreciation on Machinery purchased on Oct. 01, 2006 = $50,000 \times \frac{10}{100} = \text{Rs } 5,000$

Answer 35:

Plant Account						
Dr.			Cr.			
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2011			2012			
Sept. 01	Bank A/c (P1)	10,20,000	Mar. 31	Balance c/d	10,20,000	
		10,20,000			10,20,000	
2012			2013			
Apr. 01	Balance b/d	10,20,000	Mar. 31	Balance c/d		
July 01	Bank A/c			P 1	10,20,000	
	P2	1,80,000		P 2	1,80,000	
	P3	4,20,000		P 3	4,20,000	16,20,000
		16,20,000				16,20,000

Depreciation

2013				2014			
Apr. 01	Balance b/d			Mar. 31	Balance c/d		16,20,000
	P 1	10,20,000			P 1	10,20,000	
	P 2	1,80,000			P 2	1,80,000	
	P 3	4,20,000	16,20,000		P 3	4,20,000	16,20,000
			16,20,000				16,20,000
2014				2014			
Apr. 01	Balance b/d			Oct. 01	Plant Disposal A/c (P2)		1,80,000
	P 1	10,20,000		2015			
	P 2	1,80,000		Mar. 31	Balance c/d		
	P 3	4,20,000	16,20,000		P 1	10,20,000	
Dec. 01	Bank A/c (M4)		3,00,000		P 3	4,20,000	
					P 4	3,00,000	17,40,000
			19,20,000				19,20,000

Plant Disposal A/c					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2014			2014		
Oct. 01	Plant A/c	1,80,000	Oct. 01	Provision for Depreciation A/c	40,500
				Bank A/c (Sale of P2)	1,10,000
				Profit and Loss A/c (Loss on Sale of P2)	29,500
		1,80,000			1,80,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2012		
Mar. 31	Balance c/d	59,500	Mar.31	Depreciation A/c (for 7 months)	59,500
		59,500			59,500
2013			2012		
Mar. 31	Balance c/d	2,06,500	Apr.01	Balance b/d	59,500
			2013		
			Mar.31	Depreciation A/c	
				P1	1,02,000
				P2 (for 9 months)	13,500
				P3 (for 9 months)	31,500
		2,06,500			1,47,000
					2,06,500
2014			2013		
Mar. 31	Balance c/d	3,68,500	Apr.01	Balance b/d	2,06,500

Depreciation

			2014			
			Mar.31	Depreciation A/c		
				P1	1,02,000	
				P2	18,000	
				P3	42,000	1,62,000
		3,68,500				3,68,500
2014			2014			
Oct.01	Plant Disposal A/c (P2) (13,500 + 18,000 + 9,000)	40,500	Apr.01	Balance b/d		3,68,500
2015			Oct.01	Depreciation A/c (P2) (for 6 months)		9,000
Mar. 31	Balance c/d	4,91,000	2015			
			Mar.31	Depreciation A/c		
				P1	1,02,000	
				P3	42,000	
				P4 (for 4 months)	10,000	1,54,000
		5,31,500				5,31,500

Working Note: Calculation of Profit & Loss on Sale of P2

Particulars	Amount
Value of Plant on July 01, 2012	1,80,000
Less: Depreciation @ 10% for 9 months	13,500
Value of Plant on Apr. 01, 2013	1,66,500
Less: Depreciation @ 10%	18,000
Value of Plant on Apr. 01, 2014	1,48,500
Less: Depreciation @ 10% for 6 months	9,000
Value of Plant on Oct. 01, 2014	1,39,500
Less: Sale Value	1,10,000
Loss on Sale	29,500

Note: In order to make easy calculation, plant purchased on July 01, 2012 has been divided into two parts i.e. P2 and P3.

Thus, P2: Rs 1,80,000 (sold for Rs 1,10,000 on Oct. 01, 2014)

P3: Rs 4,20,000

Answer 36:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2010			2011		

Depreciation

June 01	Bank A/c			Mar. 31	Balance c/d		
	M1	6,00,000			M1	6,00,000	
	M2	21,00,000	27,00,000		M2	21,00,000	27,00,000
			27,00,000				27,00,000
2011				2012			
Apr. 01	Balance b/d			Mar. 31	Balance c/d		
	M1	6,00,000			M1	6,00,000	
	M2	21,00,000	27,00,000		M2	21,00,000	27,00,000
			27,00,000				27,00,000
2012				2012			
Mar. 31	Balance b/d			Oct. 01	Machinery Disposal A/c (M1)	6,00,000	
	M1	6,00,000		2013			
	M2	21,00,000	27,00,000	Mar. 31	Balance c/d		
Oct. 01	Bank A/c (M3)		8,00,000		M2	21,00,000	
					M3	8,00,000	29,00,000
			35,00,000				35,00,000

Machinery Disposal A/c					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2012			2012		
Oct. 01	Machinery A/c	6,00,000	Oct. 01	Provision for Depreciation A/c	1,29,750
				Bank A/c (<i>Sale of M1</i>)	3,50,000
				Profit and Loss A/c (<i>Loss on Sale of M1</i>)	1,20,250
		6,00,000			6,00,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2011			2011		
Mar. 31	Balance c/d	2,25,000	Mar. 31	Balance b/d	
				M1(<i>for 10 months</i>)	50,000
				M2 (<i>for 10 months</i>)	1,75,000
		2,25,000			2,25,000
2012			2011		
Mar. 31	Balance c/d	4,72,500	Apr. 01	Balance b/d	2,25,000
			2012		
			Mar. 31	Depreciation A/c	
				M1	55,000
				M2	1,92,500
		4,72,500			2,47,500
2012			2012		4,72,500

Depreciation

Oct. 01	Machine Disposal A/c (M1) (50,000 + 55,000 + 24,750)	1,29,750	Apr. 01	Balance b/d	4,72,500
2013			Oct. 01	Depreciation (M1)	24,750
Mar. 31	Balance c/d	5,80,750	2013		
			Mar. 31	Depreciation A/c (M1) (for 6 months)	
				M2	1,73,250
				M3 (for 6 months)	40,000
		7,10,500			2,13,250
					7,10,500

Working Note: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on June 01, 2010	6,00,000
Less: Depreciation @ 10% for 10 months	50,000
Value of Machinery on Apr. 01, 2011	5,50,000
Less: Depreciation @ 10%	55,000
Value of Machinery on Apr. 01, 2012	4,95,000
Less: Depreciation @ 10% for 6 months	24,750
Value of Machinery on Oct. 01, 2012	4,70,250
Less: Sale Value	3,50,000
Loss on Sale	1,20,250

Note: In order to make easy calculation, machinery purchased on June 01, 2010 has been divided into two parts i.e. M1 and M2.

Thus, M1: Rs 6,00,000 (sold for Rs 3,50,000 on Oct. 01, 2012)

M2: Rs 21,00,000

Answer 37:

Plant Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2012			2012			
Jan. 01	Bank A/c		Mar. 31	Balance c/d		
	P1	3,00,000		P1	3,00,000	
	P2	12,00,000		P2	12,00,000	15,00,000
		15,00,000			15,00,000	
2012			2013			
Apr. 01	Balance b/d		Mar. 31	Balance c/d		
	P1	3,00,000		P1	3,00,000	
	P2	12,00,000		P2	12,00,000	15,00,000

Depreciation

			15,00,000				15,00,000
2013				2014			
Apr. 01	Balance b/d			Mar. 31	Balance c/d		
	P1	3,00,000			P1	3,00,000	
	P2	12,00,000	15,00,000		P2	12,00,000	15,00,000
			15,00,000				15,00,000
2014				2014			
Apr. 01	Balance b/d			Oct. 01	Plant Disposal A/c (P1)	3,00,000	
	P1	3,00,000		2015			
	P2	12,00,000	15,00,000	Mar. 31	Balance c/d		
2015					P2	12,00,000	
Jan. 01	Bank A/c (P3)		5,00,000		P3	5,00,000	17,00,000
			20,00,000				20,00,000

Plant Disposal A/c					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2014			2014		
Oct. 01	Plant A/c	3,00,000	Oct. 01	Provision for Depreciation A/c	1,35,840
	Profit and Loss A/c (Profit on Sale of P1)	10,840		Bank A/c (Sale of P1)	1,75,000
		3,10,840			3,10,840

Provision for Depreciation Account						
Dr.				Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)	
2012			2012			
Mar. 31	Balance c/d	75,000	Mar. 31	Depreciation A/c		
				P1 (for 3 months)	15,000	
				P2 (for 3 months)	60,000	75,000
		75,000				75,000
2013			2012			
Mar. 31	Balance c/d	3,60,000	Apr. 01	Balance b/d		75,000
			2013			
			Mar. 31	Depreciation A/c		
				P1	57,000	
				P2	2,28,000	2,85,000
		3,60,000				3,60,000
2014			2013			
Mar. 31	Balance c/d	5,88,000	Apr. 01	Balance b/d		3,60,000
			2014			
			Mar. 31	Depreciation A/c		

Depreciation

				P1	45,600	
				P2	1,82,400	2,28,000
		5,88,000				5,88,000
2014			2014			
Oct. 01	Plant Disposal A/c (P1) (15,000+57,000+45,600+18,240)	1,35,840	Apr. 01	Balance b/d		5,88,000
2015			Oct. 01	Depreciation A/c (M1) (for 6 months)		18,240
Mar. 31	Balance c/d	6,41,320	2015			
			Mar. 31	Depreciation A/c		
				21	1,45,920	
				P 3 (for 3 months)	25,000	1,70,920
		7,77,160				7,77,160

Working Notes: Calculation of Profit & Loss on Sale of P1

Particulars	Amount
Value of Plant on Jan. 01, 2012	3,00,000
Less: Depreciation for 3 months	15,000
Value of Plant on Apr. 01, 2012	2,85,000
Less: Depreciation	57,000
Value of Plant on Apr. 01, 2013	2,28,000
Less: Depreciation	45,600
Value of Plant on Apr. 01, 2014	1,82,400
Less: Depreciation for 3 months	18,240
Value of Plant on Oct. 01, 2014	1,64,160
Less: Sale Value	1,75,000
Profit on Sale	10,840

Note: In order to make easy calculation, plant purchased on Jan 01, 2012 has been divided into two parts i.e. P1 and P2.

Thus, P1: Rs 3,00,000 (sold for Rs 1,75,000 on Oct. 01, 2014)

P2: Rs 12,00,000

Answer 38:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2004			2004		
Apr. 01	Balance b/d	60,000	Apr. 01	Machinery Disposal A/c	16,000
			2005		

Depreciation

			Mar. 31	Balance c/d	44,000
		60,000			60,000

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2004			2004		
Apr. 01	Machinery Disposal A/c (1,600 × 4)	6,400	Apr. 01	Balance b/d	36,000
2005			2005		
Mar. 31	Balance c/d	34,000	Mar. 31	Depreciation A/c (WN2)	4,400
		40,400			40,400

Machinery Disposal Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2004			2004		
Apr. 01	Machinery A/c	16,000	Apr. 01	Provision for Depreciation A/c	6,400
			Apr. 01	Bank A/c (<i>Sale</i>)	8,400
			Apr. 01	Profit and Loss A/c (<i>Loss on Sale</i>)	1,200
		16,000			16,000

Working Notes:

WN1: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Furniture on Apr. 01, 2004	16,000
Less: Depreciation for 4 years @ 10% p.a.	6,400
Value of Furniture on Apr. 01, 2004	9,600
Less: Sale Value	8,400
Loss on Sale	1,200

WN2: Calculation of Depreciation on remaining value of Machinery

Depreciation

Depreciation on Remaining Machinery on Mar. 31, 2005 = $44,000 \times \frac{10}{100} = \text{Rs } 4,400$

Answer 39:

Machinery Disposal Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2011			2011		
Jan. 01	Machinery A/c	15,817	Jan. 01	Provision for Depreciation A/c (1,000 + 1,900 + 1,283)	4,183
			Jan. 01	Bank A/c (Sale)	2,000
				Profit and Loss A/c (Loss on Sale)	13,817
		15,817			15,817

Working Note: Calculation of Profit & Loss on Sale

Particulars	Amount
Value of Machinery on Oct. 01, 2008	20,000
Less: Depreciation for 6 months	1,000
Value of Machinery on Apr. 01, 2009	19,000
Less: Depreciation	1,900
Value of Machinery on Apr. 01, 2010	17,100
Less: Depreciation for 9 months	1,283
Value of Machinery on Jan. 01, 2011	15,817
Less: Sale Value	2,000
Loss on Sale	13,817

Answer 40:

Plant Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2009			2009		
Jan. 01	Bank A/c (P1) (38,000 + 2,000)	40,000	Dec. 31	Depreciation A/c	4,000
				Balance c/d	36,000
		40,000			40,000
2010			2010		
Jan. 01	Balance b/d	36,000	Dec. 31	Depreciation A/c	

Depreciation

Apr .01	Bank A/c (P2)	20,000		P1	3,600	
				P2 (for 9 months)	1,500	5,100
			Dec. 31	Balance c/d		
				P1	32,400	
				P2	18,500	50,900
		56,000				56,000
2011			2011			
Jan. 01	Balance b/d		Aug. 01	Depreciation A/c (P1)	1,890	
	P1	32,400		Bank A/c (Sale of P1)	25,000	
	P2	18,500		Profit and Loss A/c (Loss on Sale of P1)	5,510	
Aug. 01	Profit and Loss A/c (Profit on Sale of P2)	2,800	Aug. 01	Depreciation A/c (P2)	1,080	
				Bank A/c (Sale of P2)	20,220	
		53,700				53,700

Working Notes:

WN1: Calculation of Profit & Loss on Sale of P1

Particulars	Amount
Value of Plant on Apr. 01, 2011	32,400
Less: Depreciation for 7 months	1,890
Value of Plant on Aug. 01, 2011	30,510
Less: Sale Value	25,000
Loss on Sale	5,510

WN2: Calculation of Sale Price of P2

Particulars	Amount
Value of Plant on Apr. 01, 2011	18,500
Less: Depreciation for 7 months	1,080
Value of Plant on Aug. 01, 2011	17,420
Add: Profit on Sale	2,800
Sale Value	20,220

Answer 41:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount(Rs)	Date	Particulars	Amount(Rs)
2008			2009		

Depreciation

Apr. 01	Bank A/c			Mar. 31	Depreciation A/c		
	M1	40,000			M1	6,000	
	M2	40,000	80,000		M2	6,000	12,000
				Mar. 31	Balance c/d		
					M1	34,000	
					M2	34,000	68,000
			80,000				80,000
2009				2010			
Apr. 01	Balance b/d			Mar. 31	Depreciation A/c		
	M1	34,000			M1	5,100	
	M2	34,000	68,000		M2	5,100	
July 01	Bank A/c (M3)		30,000		M3 (for 9 months)	3,375	
Oct. 01	Bank A/c (M4)		20,000		M4 (for 6 months)	1,500	15,075
				Mar. 31	Balance c/d		
					M1	28,900	
					M2	28,900	
					M3	26,625	
					M4	18,500	1,02,925
			1,18,000				1,18,000
2010				2010			
Apr. 01	Balance b/d			Apr. 01	Bank A/c (Sale of M1)		21,000
	M1	28,900			Profit and Loss A/c (Loss on Sale of M1)		7,900
	M2	28,900		2011			
	M3	26,625		Mar. 31	Depreciation A/c		
	M4	18,500	1,02,925		M2	4,335	
					M3	3,994	
					M4	2,775	11,104
				Mar. 31	Balance c/d		
					M2	24,565	
					M3	22,631	
					M4	15,725	62,921
			1,02,925				1,02,925

Working Notes: Calculation of Profit & Loss on Sale of M1

Particulars	Amount
Value of Machinery on Apr. 01, 2010	28,900
Less: Sale Value	21,000
Loss on Sale	7,900

Depreciation

Answer 42:

Machinery Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2011			2012		
Jul. 01	Bank A/c (M1)	3,00,000	Mar. 31	Balance c/d	3,00,000
		3,00,000			3,00,000
2012			2013		
Apr. 01	Balance b/d	3,00,000	Mar. 31	Balance c/d	
2013				M1	3,00,000
Jan.01	Bank A/c (M2)	2,00,000		M2	2,00,000
		5,00,000			5,00,000
2013			2013		
Apr. 01	Balance b/d	5,00,000	Aug.01	Provision for Depreciation A/c (on M1 for 4 months)	58,575
	M1	3,00,000		Bank A/c (Sale of M1)	1,60,000
	M2	2,00,000		Profit and Loss A/c (Loss on Sale)	81,425
			2014		
Oct.01	Bank A/c (M3)	1,50,000	Mar.31	Balance c/d	
				M2	2,00,000
				M3	1,50,000
		6,50,000			6,50,000

Working Notes: Calculation of Profit or Loss on Sale

Particulars	Amount
Value of M1 as on July 01, 2011	3,00,000
Less: Depreciation	58,575
Value of M1 as on Aug. 01, 2013	2,41,425
Less: Sale Value	1,60,000
Loss on Sale	81,425

Provision for Depreciation Account					
Dr.			Cr.		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount (Rs)
2012			2012		
Mar. 31	Balance c/d	22,500	Mar. 31	Depreciation A/c	22,500
		22,500			22,500
2013			2012		

Depreciation

Mar. 31	Balance c/d			Apr.01	Balance b/d	22,500
	M1	50,250		2013		
	M2	5,000	55,250	Mar.31	Depreciation A/c	
					M1	27,750
					M2	5,000
						32,750
		55,250				55,250
2013				2013		
Aug.01	Machinery A/c	58,575	Apr.01	Balance b/d		
2014				M1	50,250	
Mar. 31	Balance c/d			M2	5,000	55,250
	M2	24,500		Aug.01	Depreciation A/c (M1)	8,325
	M3	7,500	32,000	2014		
				Mar.31	Depreciation A/c	
					M2	19,500
					M3	7,500
						27,000
		90,575				90,575

BILL OF EXCHANGE

From

D K GOEL

Solutions

ACCOUNTANCY

Bills of Exchange

Answer 1:

Due Date of Bill = Date of Bill Drawn + Period + Grace Days

S. No.	Date of Bill Drawn (1)	Period (2)	Grace Days (3)	Due Date (1 + 2 + 3)
I.	February 01, 2017	2 months	3 days	April 04, 2017
II.	January 31, 2017	3 months	3 days	May 03, 2017
III.	September 30, 2017	2 months	3 days	December 03, 2017
IV.	September 30, 2017	3 months	3 days	January 02, 2018
V.	December 29, 2017	2 months	3 days	March 03, 2018
VI.	December 31, 2017	2 months	3 days	March 03, 2018
VII.	July 15, 2017	30 days	3 days	August 17, 2017
VIII.	January 27, 2016	1 month	3 days	March 01, 2016

Answer 2:

Due Date of Bill = Date of Bill Drawn + Period + Grace Days

S. No.	Date of Bill Drawn (1)	Period (2)	Grace Days (3)	Due Date (1 + 2 + 3)
I.	May 29, 2017	4 months	3 days	October 01, 2017
II.	March 31, 2017	1 month	3 days	May 03, 2017
III.	July 21, 2017	60 days	3 days	September 23, 2017
IV.	May 14, 2017	90 days	3 days	August 14, 2017
V.	January 28, 2016	1 month	3 days	March 02, 2016
VI.	January 31, 2016	1 month	3 days	March 03, 2016

Note: When due date falls on;

1. Public holiday (here October 2, 2017 and August 15, 2017), then due date is preceding date.
2. Emergency holiday (here September 22, 2017), then due date is succeeding date.

Bills of Exchange

Answer 3:

Books of Ajay Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Bhushan	Dr.	10,000	
	To Sales A/c			10,000
	(Goods sold to Bhushan)			
Jan. 01	Bills Receivable A/c	Dr.	10,000	
	To Bhushan			10,000
	(Bhushan accepted the bill)			
Mar. 04	Cash A/c	Dr.	10,000	
	To Bills Receivable A/c			10,000
	(Bill honoured on maturity)			

Books of Bhushan Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Purchases A/c	Dr.	10,000	
	To Ajay			10,000
	(Goods purchased from Ajay)			
Jan. 01	Ajay	Dr.	10,000	
	To Bills Payable A/c			10,000
	(Bill drawn by Ajay, accepted)			
Mar.	Bills Payable A/c	Dr.	10,000	

Bills of Exchange

04					
	To Cash A/c				10,000
	(Bill honoured on maturity)				

Answer 4:

Books of Arun Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Tarun	Dr.	20,000		
	To Sales A/c			20,000	
	(Goods sold to Tarun)				
Jan. 01	Bills Receivable A/c	Dr.	20,000		
	To Tarun			20,000	
	(Tarun accepted the promissory note)				
Feb. 05	Cash A/c	Dr.	20,000		
	To Bills Receivable A/c			20,000	
	(Promissory note honoured on maturity)				

Books of Tarun Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Purchases A/c	Dr.	20,000		
	To Arun			20,000	
	(Goods purchased from Arun)				
Jan. 01	Arun	Dr.	20,000		
	To Bills Payable A/c			20,000	
	(Promissory note drawn by Arun,				

Bills of Exchange

	accepted)				
Feb. 05	Bills Payable A/c	Dr.		20,000	
	To Cash A/c				20,000
	(Promissory note honoured on maturity)				

Note: When due date falls on Emergency holiday (here February 04, 2017), then due date is succeeding date i.e. February 05, 2017.

Answer 5:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Feb. 06	B	Dr.	1,00,000	
	To Sales A/c			1,00,000
	(Goods sold to B)			
Feb. 06	Cash A/c	Dr.	39,500	
	Discount Allowed A/c	Dr.	500	
	Bills Receivable A/c	Dr.	60,000	
	To B			1,00,000
	(B accepted the bill)			
Mar. 10	Cash A/c	Dr.	60,000	
	To Bills Receivable A/c			60,000
	(Bill honoured on maturity)			

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				

Bills of Exchange

Feb. 06	Purchases A/c	Dr.		1,00,000	
	To A				1,00,000
	(Goods purchased from A)				
Feb. 06	A	Dr.		1,00,000	
	To Cash A/c				39,500
	To Discount Received A/c				500
	To Bills Payable A/c				60,000
	(Bill drawn by A, accepted)				
Mar. 10	Bills Payable A/c	Dr.		60,000	
	To Cash A/c				60,000
	(Bill honoured on maturity)				

Note: When due date falls on Public holiday (here March 11, 2017), then due date is preceding date i.e. March 10, 2017.

Answer 6(A):

Books of Vishal Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 05	Manju	Dr.	7,000		
	To Sales A/c			7,000	
	(Goods sold to Manju)				
Jan. 05	Bills Receivable A/c	Dr.	7,000		
	To Manju			7,000	
	(Manju accepted the bill)				
Jan. 05	Bank A/c	Dr.	6,860		
	Discounting Charges A/c	Dr.	140		
	To Bills Receivable A/c			7,000	
	(Bill discounted with bank @ 12% p.a. for 2 months)				

Bills of Exchange

Books of Manju Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 05	Purchases A/c	Dr.	7,000		
	To Vishal			7,000	
	(Goods purchased from Vishal)				
Jan. 05	Vishal	Dr.	7,000		
	To Bills Payable A/c			7,000	
	(Bill drawn by Vishal, accepted)				
Mar. 08	Bills Payable A/c	Dr.	7,000		
	To Cash A/c			7,000	
	(Bill honoured on maturity)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $7,000 \times 12 / 100 \times 2 / 12 = \text{Rs } 140$

Answer 6(B):

Books of X Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Feb. 15	Y	Dr.	6,000		
	To Sales A/c			6,000	
	(Goods sold to Y)				
Feb. 15	Bills Receivable A/c	Dr.	6,000		

Bills of Exchange

	To Y				6,000
	(Y accepted the bill)				
Feb. 15	Bank A/c	Dr.		5,775	
	Discounting Charges A/c	Dr.		225	
	To Bills Receivable A/c				6,000
	(Bill discounted with bank @ 15% p.a. for 3 months)				

Books of Y Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Feb. 15	Purchases A/c	Dr.	6,000		
	To X			6,000	
	(Goods purchased from X)				
Feb. 15	X	Dr.	6,000		
	To Bills Payable A/c			6,000	
	(Bill drawn by X, accepted)				
May 18	Bills Payable A/c	Dr.	6,000		
	To Cash A/c			6,000	
	(Bill honoured on maturity)				

Working Note:

Calculation of Discounting Charges

Discounting Charges = $6,000 \times 15 / 100 \times 3 / 12 = \text{Rs } 225$

Answer 7:

Books of A Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan.15	Bills Receivable A/c	Dr.	5,000		
	Discount Allowed A/c	Dr.	100		
	To B			5,100	

Bills of Exchange

	(B accepted the bill)				
Jan. 18	C	Dr.		5,000	
	To Bills Receivable A/c				5,000
	(Bill endorsed in favour of C)				

Books of B Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 15	A	Dr.	5,100		
	To Bills Payable A/c			5,000	
	To Discount Received A/c			100	
	(Bill drawn by A, accepted)				
Mar. 18	Bills Payable A/c	Dr.	5,000		
	To Cash A/c			5,000	
	(Bill honoured on maturity)				

Books of C Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 18	Bills Receivable A/c	Dr.	5,000		
	To A			5,000	
	(Bills receivable was received from A)				
Mar. 18	Cash A/c	Dr.	5,000		
	To Bills Receivable A/c			5,000	
	(Bill honoured on maturity)				

Answer 8:

Books of A Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	

Bills of Exchange

2017					
Jan. 10	B	Dr.		12,000	
	To Sales A/c				12,000
	(Goods sold to B)				
Jan. 10	Bills Receivable A/c	Dr.		12,000	
	To B				12,000
	(B accepted the bill)				
Mar. 13	Bill Sent for Collection A/c	Dr.		12,000	
	To Bills Receivable A/c				12,000
	(Bills sent to bank for collection)				
Mar. 13	Bank A/c	Dr.		12,000	
	To Bills Sent for Collection A/c				12,000
	(Bill honoured on maturity)				

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 10	Purchases A/c	Dr.	12,000	
	To A			12,000
	(Goods purchased from A)			
Jan .10	A	Dr.	12,000	
	To Bills Payable A/c			12,000
	(Bill drawn by A, accepted)			
Mar. 13	Bills Payable A/c	Dr.	12,000	
	To Cash A/c			12,000
	(Bill honoured on maturity)			

Answer 9:

Books of Kusum Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				

Bills of Exchange

Jan. 15	Pushpa	Dr.		30,000	
	To Sales A/c				30,000
	(Goods sold to Pushpa)				
Jan. 15	Bills Receivable A/c (1)	Dr.		10,000	
	Bills Receivable A/c (2)	Dr.		10,000	
	Bills Receivable A/c (3)	Dr.		10,000	
	To Pushpa				30,000
	(Pushpa accepted the bills)				
Jan. 15	Khushboo	Dr.		10,000	
	To Bills Receivable A/c (2)				10,000
	(Bill endorsed in favour of Khushboo)				
Jan. 15	Bank A/c	Dr.		9,850	
	Discounting Charges A/c	Dr.		150	
	To Bills Receivable A/c (3)				10,000
	(Bill discounted with the bank @ 6% p.a. for 3 months)				
Feb. 18	Cash A/c	Dr.		10,000	
	To Bills Receivable A/c (1)				10,000
	(Bill honoured on maturity)				

Books of Pushpa Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 15	Purchases A/c	Dr.	30,000		
	To Kusum			30,000	
	(Goods purchased from Kusum)				
Jan. 15	Kusum	Dr.	30,000		
	To Bills Payable A/c (1)			10,000	
	To Bills Payable A/c (2)			10,000	
	To Bills Payable A/c (3)			10,000	
	(Bills drawn by Kusum, accepted)				
Feb. 18	Bills Payable A/c	Dr.	10,000		
	To Cash A/c			10,000	
	(Bill (1) honoured on maturity)				

Bills of Exchange

Mar. 18	Bills Payable A/c (2)	Dr.		10,000	
	To Cash A/c				10,000
	(Bill (2) honoured on maturity)				
Apr. 18	Bills Payable A/c (3)	Dr.		10,000	
	To Cash A/c				10,000
	(Bill (3) honoured on maturity)				

Working Note:

Calculation of Discounting Charges

$$\text{Discounting Charges} = 10,000 \times \frac{6}{100} \times \frac{3}{12} = \text{Rs } 150$$

Answer 10:

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Bill drawn by X			
	Bills Receivable A/c	Dr.	4,000	
	To Y			4,000
	(Y accepted the bill)			
	Case (i): Bill retained till maturity			
	Cash A/c	Dr.	4,000	
	To Bills Receivable A/c			4,000
	(Bill honoured on maturity)			
	Case (ii): Bill discounted with bank			
	Bank A/c	Dr.	3,900	
	Discounting Charges A/c	Dr.	100	
	To Bills Receivable A/c			4,000
	(Bill discounted with the bank)			
	Case (iii): Bill endorsed to Z			
	Z	Dr.	4,080	
	To Bills Receivable A/c			4,000
	To Discount Received A/c			80
	(Bill endorsed in favour of Z)			

Bills of Exchange

	Case (iv): Bill sent to bank for collection				
	Bills Sent for Collection A/c	Dr.		4,000	
	To Bills Receivable A/c				4,000
	(Bill sent to bank for collection)				
	Bank A/c	Dr.		4,000	
	To Bill Sent for Collection A/c				4,000
	(Bill honoured on maturity)				

Books of Y Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Bill accepted by Y				
	X	Dr.		4,000	
	To Bills Payable A/c				4,000
	(Bill drawn by Y, accepted)				
	Same entry will be passed in all the four cases				
	Bills Payable A/c	Dr.		4,000	
	To Cash A/c				4,000
	(Bill honoured on maturity)				

Answer 11:

Books of X Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017					
Jan. 01	Y	Dr.		20,000	
	To Sales A/c				20,000
	(Goods sold to Y)				
Jan. 01	Bills Receivable A/c (1)	Dr.		20,000	

Bills of Exchange

	To Y			20,000
	(Y accepted the bill)			
Jan. 08	Y	Dr.	25,000	
	To Sales A/c			25,000
	(Goods sold to Y)			
Jan. 08	Bills Receivable A/c (2)	Dr.	25,000	
	To Y			25,000
	(Y accepted the bill)			
Jan. 08	Bank A/c	Dr.	24,630	
	Discounting Charges A/c	Dr.	370	
	To Bills Receivable A/c (2)			25,000
	(Bill discounted with the bank @ 9% p.a. for 60 days)			
Jan. 10	Y	Dr.	10,000	
	To Sales A/c			10,000
	(Goods sold to Y)			
Jan.10	Bills Receivable A/c (3)	Dr.	10,000	
	To Y			10,000
	(Y accepted the bill)			
Jan.10	Z	Dr.	10,400	
	To Bills Receivable A/c (3)			10,000
	To Discount Received A/c			400
	(Bill endorsed in favour of Z)			
Jan. 15	Y	Dr.	40,000	
	To Sales A/c			40,000
	(Goods sold to Y)			
Jan.15	Bills Receivable A/c (4)	Dr.	40,000	
	To Y			40,000
	(Y accepted the bill)			
Mar.	Cash A/c	Dr.	20,000	

Bills of Exchange

05					
	To Bills Receivable A/c (1)				20,000
	(Bill honoured on maturity)				
Mar. 12	Bill Sent for Collection A/c	Dr.		40,000	
	To Bills Receivable A/c (4)				40,000
	(Bill sent to bank for collection)				
Mar. 19	Bank A/c	Dr.		40,000	
	To Bills for Collection A/c				40,000
	(Bill honoured on maturity)				

Y's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 01	Sales A/c		20,000	Jan. 01	Bills Receivable A/c (1)		20,000
Jan. 08	Sales A/c		25,000	Jan. 08	Bills Receivable A/c (2)		25,000
Jan. 10	Sales A/c		10,000	Jan. 10	Bills Receivable A/c (3)		10,000
Jan. 15	Sales A/c		40,000	Jan. 15	Bills Receivable A/c (4)		40,000
			95,000				95,000

Books of Y Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Purchases A/c	Dr.	20,000		
	To X			20,000	
	(Goods purchased from X)				
Jan. 01	X	Dr.	20,000		
	To Bills Payable A/c (1)			20,000	
	(Bill drawn by X, accepted)				

Bills of Exchange

Jan. 08	Purchases A/c	Dr.	25,000	
	To X			25,000
	(Goods purchased from X)			
Jan. 08	X	Dr.	20,000	
	To Bills Payable A/c (2)			20,000
	(Bill drawn by X, accepted)			
Jan. 10	Purchases A/c	Dr.	10,000	
	To X			10,000
	(Goods purchased from X)			
Jan.10	X	Dr.	10,000	
	To Bills Payable A/c (3)			10,000
	(Bill drawn by X, accepted)			
Jan. 15	Purchases A/c	Dr.	40,000	
	To X			40,000
	(Goods purchased from X)			
Jan. 15	X	Dr.	40,000	
	To Bills Payable A/c (4)			40,000
	(Bill drawn by X, accepted)			
Mar. 05	Bills Payable A/c (1)	Dr.	20,000	
	To Cash A/c			20,000
	(Bill honoured on maturity)			
Mar. 12	Bills Payable A/c (2)	Dr.	25,000	
	To Cash A/c			25,000
	(Bill honoured on maturity)			
Mar.14	Bills Payable A/c (3)	Dr.	10,000	
	To Cash A/c			10,000
	(Bill honoured on maturity)			
Mar.19	Bills Payable A/c (4)	Dr.	40,000	
	To Cash A/c			40,000
	(Bill honoured on maturity)			

X's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)

Bills of Exchange

2017				2017			
Jan. 01	Bills Payable A/c (1)		20,000	Jan. 01	Purchases A/c		20,000
Jan. 08	Bills Payable A/c (2)		25,000	Jan. 08	Purchases A/c		25,000
Jan. 10	Bills Payable A/c (3)		10,000	Jan. 10	Purchases A/c		10,000
Jan. 15	Bills Payable A/c (4)		40,000	Jan. 15	Purchases A/c		40,000
			95,000				95,000

Working Note:

Calculation of Discounting Charges

Discounting Charges = $25,000 \times 9/100 \times 60/365$ = Rs 370

Answer 12:

Book of Ajay Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Balbir	Dr.	8,000		
	Discount Allowed A/c		2,000		
	To Sales A/c			10,000	
	(Goods sold to Balbir)				
Jan. 01	Bills Receivable A/c	Dr.	8,000		
	To Balbir			8,000	
	(Bill accepted by Balbir)				
Mar. 04	Cash A/c	Dr.	7,880		
	Rebate A/c	Dr.	120		
	To Bills Receivable A/c			8,000	
	(Bill retired under the rebate of 18% p.a. for one month)				

Bills of Exchange

Books of Balbir Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Purchases A/c	Dr.	8,000	
	To Ajay			8,000
	(Goods purchased from Ajay)			
Jan.01	Ajay	Dr.	8,000	
	To Bills Payable A/c			8,000
	(Bill drawn by Ajay, accepted)			
Mar. 04	Bills Payable A/c	Dr.	8,000	
	To Cash A/c			7,880
	To Rebate A/c			120
	(Bill retired under the rebate of 18% p.a. for one month)			

Working Note:

Calculation of amount of Rebate

Amount of Rebate = $8,000 \times 18/100 \times 1/12$ = Rs 120

Answer 13:

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Apr. 17	Y	Dr.	80,000	
	To Sales A/c			80,000
	(Goods sold to Y)			
Apr. 17	Bills Receivable A/c	Dr.	80,000	
	To Y			80,000

Bills of Exchange

	(Y accepted the bill)				
June 20	Y	Dr.		80,400	
	To Bills Receivable A/c				80,000
	To Cash A/c				400
	(Bill dishonoured on due date and noting charges received)				
July 05	Cash A/c	Dr.		80,400	
	To Y				80,400
	(Cash received from Y)				

Books of Y Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Apr. 17	Purchases A/c	Dr.	80,000		
	To X			80,000	
	(Goods purchased from X)				
Apr. 17	X	Dr.	80,000		
	To Bills Payable A/c			80,000	
	(Bill drawn by X, accepted)				
June 20	Bills Payable A/c	Dr.	80,000		
	Noting Charges A/c	Dr.	400		
	To X			80,400	
	(Bills dishonoured on due date and notice charged paid)				
July 05	X	Dr.	80,400		
	To Cash A/c			80,400	
	(Cash paid to X)				

Bills of Exchange

Answer 14(A):

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Apr. 01	Bills Receivable A/c	Dr.	8,000	
	To B			8,000
	(B accepted the bill)			
July 04	B	Dr.	8,100	
	To Bills Receivable A/c			8,000
	To Cash A/c			100
	(Bill dishonoured on due date and noting charges received)			
July 04	B	Dr.	243	
	To Interest A/c			243
	(Interest due to be received)			
July 04	Cash A/c	Dr.	243	
	Bills Receivable A/c	Dr.	8,100	
	To B			8,343
	(B accepted the new bill)			
Sept. 18	Cash	Dr.	8,100	
	To Bills Receivable A/c			8,100
	(Bill honoured on maturity)			

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Apr.	A	Dr.	8,000	

Bills of Exchange

01					
	To Bills Payable A/c				8,000
	(Bill drawn by A, accepted)				
July 04	Bills Payable A/c	Dr.		8,000	
	Noting Charges A/c	Dr.		100	
	To A				8,100
	(Bill dishonoured on due date and noting charges paid)				
July 04	Interest A/c	Dr.		243	
	To A				243
	(Interest due to be paid)				
July 04	A	Dr.		8,343	
	To Cash A/c				243
	To Bills Payable A/c (New)				8,100
	(New bill drawn by A, accepted)				
Sept. 18	Bills Payable A/c	Dr.		8,100	
	To Cash A/c				8,100
	(Bill honoured on maturity)				

Working Note:

Calculation of amount of Interest

Amount of Interest= $8,100 \times 15 / 100 \times 73 / 365 = \text{Rs } 243$

Answer 14(B):

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Oct. 15	Y	Dr.	75,000	
	To Sales A/c			75,000
	(Goods sold to Y)			

Bills of Exchange

Oct. 15	Bills Receivable A/c	Dr.		75,000	
	To Y				75,000
	(Y accepted the bill)				
2017					
Jan. 18	Y	Dr.		75,600	
	To Bills Receivable A/c				75,000
	To Cash A/c				600
	(Bill dishonoured on due date and noting charges paid)				
Jan. 18	Y	Dr.		1,890	
	To Interest A/c				1,890
	(Interest due to be received)				
Jan. 18	Cash A/c	Dr.		1,890	
	Bills Receivable A/c	Dr.		75,600	
	To Y				77,490
	(Y accepted the new bill)				
Mar. 21	Cash	Dr.		75,600	
	To Bills Receivable A/c				75,600
	(Bill honoured on maturity)				

Books of Y Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Oct. 15	Purchases A/c	Dr.	75,000		
	To X				75,000
	(Goods purchased from X)				
Oct. 15	X	Dr.	75,000		
	To Bills Payable A/c				75,000
	(Bill drawn by X, accepted)				

Bills of Exchange

2017					
Jan. 18	Bills Payable A/c	Dr.		75,000	
	Noting Charges A/c	Dr.		600	
	To X				75,600
	(Bill dishonoured on due date and noting charges paid)				
Jan. 18	Interest A/c	Dr.		1,890	
	To X				1,890
	(Interest due to be paid)				
Jan. 18	X	Dr.		77,490	
	To Cash A/c				1,890
	To Bills Payable A/c				75,600
	(New bill drawn by X, accepted)				
Mar. 21	Bills Payable A/c	Dr.		75,600	
	To Cash A/c				75,600
	(Bill honoured on maturity)				

Working Note:

Calculation of amount of Interest

$$\text{Amount of Interest} = 75,600 \times \frac{15}{100} \times \frac{2}{12} = \text{Rs } 1,890$$

Answer 15:

Books of Chander Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Jan. 01	Dinesh	Dr.	60,000	
	To Sales A/c			60,000
	(Goods sold to Dinesh)			

Bills of Exchange

Jan. 01	Bills Receivable A/c	Dr.		60,000	
	To Dinesh				60,000
	(Dinesh accepted the bill)				
Mar. 04	Dinesh	Dr.		60,000	
	To Bills Receivable A/c				60,000
	(Bill cancelled on due date)				
Mar. 04	Cash A/c	Dr.		20,000	
	To Dinesh				20,000
	(Cash received from Dinesh)				
Mar. 04	Dinesh	Dr.		2,400	
	To Interest A/c				2,400
	(Interest due to be received)				
Mar. 04	Bills Receivable A/c	Dr.		42,400	
	To Dinesh				42,400
	(Dinesh accepted the new bill)				
July 07	Cash A/c	Dr.		42,400	
	To Bills Receivable A/c				42,400
	(Bill honoured on due date)				

Books of Dinesh Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Jan. 01	Purchases A/c	Dr.	60,000		
	To Chander			60,000	
	(Goods purchased from Chander)				

Bills of Exchange

Jan. 01	Chander	Dr.		60,000	
	To Bills Payable A/c				60,000
	(Bill drawn by Chander, accepted)				
Mar. 04	Bills Payable A/c	Dr.		60,000	
	To Chander				60,000
	(Bill dishonoured on due date)				
Mar. 04	Chander	Dr.		20,000	
	To Cash A/c				20,000
	(Cash paid to Chander)				
Mar. 04	Interest A/c	Dr.		2,400	
	To Chander				2,400
	(Interest due to be paid)				
Mar. 04	Chander	Dr.		42,400	
	To Bills Payable A/c				42,400
	(New bill drawn by Chander, accepted)				
July 07	Bills Payable A/c	Dr.		42,400	
	To Cash A/c				42,400
	(Cash paid to Chander)				

Working Note:

Calculation of amount of Interest

Amount of Interest = $40,000 \times \frac{18}{100} \times \frac{4}{12} = \text{Rs } 2,400$

Answer 16:

Books of A Journal				
Date	Particulars	L.F.	Debit	Credit

Bills of Exchange

			Amount (Rs)	Amount (Rs)
2017				
Jan. 01	B	Dr.	30,000	
	To Sales A/c			30,000
	(Goods sold to B)			
Jan. 01	Bills Receivable A/c	Dr.	30,000	
	To B			30,000
	(B accepted the bill)			
Feb. 04	Bank A/c	Dr.	29,100	
	Discounting Charges A/c	Dr.	900	
	To Bills Receivable A/c			30,000
	(Bill discounted with the bank @ 18% p.a. for 2 months)			
Apr. 04	B	Dr.	30,200	
	To Bank A/c			30,200
	(Bill dishonoured on due date and noting charges paid)			
Apr. 04	B	Dr.	604	
	To Interest A/c			604
	(Interest due to be received)			
Apr. 04	Bills Receivable A/c	Dr.	30,804	
	To B			30,804
	(B accepted the new bill)			
June 07	Cash A/c	Dr.	30,804	
	To Bills Receivable A/c			30,804
	(Bill honoured on due date)			

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Purchases A/c	Dr.	30,000	
	To A			30,000
	(Goods purchased from A)			

Bills of Exchange

Jan. 01	A	Dr.	30,000	
	To Bills Payable A/c			30,000
	(Bill drawn by A, accepted)			
Apr. 04	Bills Payable A/c	Dr.	30,000	
	Noting Charges A/c	Dr.	200	
	To A			30,200
	(Bill dishonoured on due date and noting charges paid)			
Apr. 04	Interest A/c	Dr.	604	
	To A			604
	(Interest due to be paid)			
Apr. 04	A	Dr.	30,804	
	To Bills Payable A/c			30,804
	(New bill drawn by A, accepted)			
June 07	Bills Payable A/c	Dr.	30,804	
	To Cash A/c			30,804
	(Bill honoured on due date)			

Working Note:

WN1 Calculation of Discounting Charges

Discounting Charges= $30,000 \times 18 / 100 \times 2 / 12 = \text{Rs } 900$

WN2 Calculation of amount of Interest

Amount of Interest= $30,200 \times 12 / 100 \times 2 / 12 = \text{Rs } 604$

Answer 17:

Asha's Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Mar.02	Nisha	Dr.	19,000	
	To Sales A/c			19,000
	(Goods sold)			
Mar.02	Bills Receivable A/c	Dr.	15,000	

Bills of Exchange

	Cash A/c	Dr.		4,000	
	To Nisha				19,000
	(Acceptance received)				
Mar.02	Bank A/c	Dr.		14,625	
	Discounting Charges A/c	Dr.		375	
	To Bills Receivable A/c				15,000
	(Bill discounted @10% p.a.)				
June 05	Nisha (15,000 + 30)	Dr.		15,030	
	To Bank A/c				15,030
	(Bill dishonored)				
June 05	Nisha	Dr.		150	
	To Interest A/c				150
	(Interest due)				
June 05	Cash A/c	Dr.		3,030	
	Bills Receivable (New) A/c (12,000 + 150)	Dr.		12,150	
	To Nisha				15,180
	(New Acceptance received)				

Working Notes:

$$1. \text{ Amount of Discount} = \frac{15,000 \times 10 \times 3}{100 \times 12} = \text{Rs } 375$$

$$2. \text{ Amount of Interest} = \frac{12,000 \times 15 \times 1}{100 \times 12} = \text{Rs } 150$$

Nisha's Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Mar.02	Purchases A/c	Dr.	19,000		
	To Asha			19,000	
	(Goods purchased)				
Mar.02	Asha	Dr.	19,000		
	To Cash A/c			4,000	
	To Bills Payable A/c			15,000	
	(Acceptance received)				
June.05	Bills Payable A/c	Dr.	15,000		

Bills of Exchange

	Noting Charges A/c	Dr.		30	
	To Asha				15,030
	(Bill dishonored)				
June.05	Interest A/c	Dr.		150	
	To Asha				150
	(Interest due)				
June.05	Asha	Dr.		15,180	
	To Bills Payable A/c (12,000+150)				12,150
	To Cash A/c				3,030
	(New Acceptance received)				

Answer 18:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	B	Dr.	40,000	
	To Sales A/c			40,000
	(Goods sold to B)			
Jan. 01	Bills Receivable A/c	Dr.	40,000	
	To B			40,000
	(B Accepted the bill)			
Jan. 01	Bank A/c	Dr.	39,700	
	Discount Charges A/c	Dr.	300	
	To Bills Receivable A/c			40,000
	(Bill discounted with the bank @ 9% p.a. for 1 month)			
Feb. 04	B	Dr.	40,200	
	To Bank A/c			40,200
	(Bill dishonoured on due)			

Bills of Exchange

	and noting charges paid)				
Feb. 04	B	Dr.	402		
	To Interest A/c				402
	(Interest due to be received)				
Feb. 04	Bills Receivable A/c	Dr.	40,602		
	To B				40,602
	(B accepted the new bill)				
Feb. 28	B	Dr.	40,602		
	To Bills Receivable A/c				40,602
	(New bill dishonoured)				
Feb. 28	B	Dr.	1,000		
	To Interest A/c				1,000
	(Interest due to be received)				
Feb. 28	Cash A/c	Dr.	15,000		
	To B				15,000
	(Cash received from B)				
Feb. 28	Bills Receivable A/c	Dr.	26,602		
	To B				26,602
	(B accepted the new bill)				
Mar. 31	Cash A/c	Dr.	26,602		
	To Bills Receivable A/c				26,602
	(Bill honoured on due date)				

B's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 01	Sales A/c		40,000	Jan. 01	Bills Receivable A/c		40,000
Feb.	Bank A/c		40,200	Feb. 04	Bills Receivable		40,602

Bills of Exchange

04					A/c		
Feb. 04	Interest A/c		402	Feb. 28	Cash A/c		15,000
Feb. 28	Bills Receivable A/c		40,602	Feb. 28	Bills Receivable A/c		26,602
Feb. 28	Interest A/c		1,000				
			1,22,204				1,22,204

Books of B Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Purchases A/c	Dr.	40,000		
	To A			40,000	
	(Goods purchased from A)				
Jan. 01	A	Dr.	40,000		
	To Bills Payable A/c			40,000	
	(Bill drawn by A, accepted)				
Feb. 04	Bills Payable A/c	Dr.	40,000		
	Noting Charges A/c	Dr.	200		
	To A			40,200	
	(Bill dishonoured on due date and noting charges paid)				
Feb. 04	Interest A/c	Dr.	402		
	To A			402	
	(Interest due to be paid)				
Feb. 04	A	Dr.	40,602		
	To Bills Payable A/c			40,602	
	(New bill drawn by A, accepted)				
Feb. 28	Bills Payable A/c	Dr.	40,602		
	To A			40,602	
	(New bill dishonoured)				
Feb. 28	Interest A/c	Dr.	1,000		
	To A			1,000	

Bills of Exchange

	(Interest due to be paid)				
Feb. 28	A	Dr.	15,000		
	To Cash A/c				15,000
	(Cash paid to A)				
Feb. 28	A		26,602		
	To Bills Payable A/c				26,602
	(New bill drawn by A, accepted)				
Mar. 31	Bills Payable A/c	Dr.	26,602		
	To Cash A/c				26,602
	(Bill honoured on due date)				

A's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 01	Bills Payable A/c		40,000	Jan. 01	Purchases A/c		40,000
Feb. 04	Bills Payable A/c		40,602	Jan. 01	Bills Payable A/c		40,000
Feb. 28	Cash A/c		15,000	Feb. 04	Noting Charges A/c		200
Feb. 28	Bills Payable A/c		26,602	Feb. 04	Interest A/c		402
				Feb. 28	Bills Payable A/c		40,602
				Feb. 28	Interest A/c		1,000
			1,22,204				1,22,204

Working Notes:

WN1 Calculation of Discounting Charges

Discounting Charges= $40,000 \times 9/100 \times 1/12 = \text{Rs } 300$

WN2 Calculation of amount of Interest

Amount of Interest= $40,200 \times 12/100 \times 1/12 = \text{Rs } 402$

Bills of Exchange

Answer 19:

Books of Rajni Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Geeta	Dr.	20,025	
	To Bank A/c			20,025
	(Discounted bill dishonoured and noting charges paid)			

Answer 20(A):

Books of Drawer Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Drawee's A/c	Dr.	10,020	
	To Bank A/c			10,020
	(Discounted bill dishonoured and noting charges paid)			

Books of Drawee Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Bills Payable A/c	Dr.	10,000	
	Noting Charges A/c	Dr.	20	
	To Drawer's A/c			10,020
	(Bills dishonoured and noting charges paid)			

Answer 20(B):

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)

Bills of Exchange

	Y	Dr.		2,00,100	
	To Bank A/c				2,00,100
	(Discounted bill dishonoured and noting charges paid)				

Answer 21:

Books of Mohan Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2011					
Apr. 10	Bills Receivable A/c	Dr.		20,000	
	To Ravi				20,000
	(Ravi accepted the bill)				
Apr. 10	Rakesh	Dr.		20,000	
	To Bills Receivable A/c				20,000
	(Bill endorsed in favour of Rakesh)				
June 13	Ravi	Dr.		20,100	
	To Rakesh				20,100
	(Bill dishonoured on due date and noting charges to be paid)				
June 13	Interest A/c	Dr.		200	
	To Rakesh				200
	(Interest due to be paid to Rakesh)				
June 13	Rakesh	Dr.		20,300	
	To Bills Payable A/c				20,300
	(Bill drawn by Rakesh, accepted)				
July 03	Ravi	Dr.		50	
	To Interest A/c				50
	(Interest due to be received)				

Bills of Exchange

July 03	Cash A/c	Dr.		20,150	
	To Ravi				20,150
	(Cash received from Ravi)				

Books of Ravi Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2011					
Apr. 10	Mohan	Dr.	20,000		
	To Bills Payable A/c				20,000
	(Bill drawn by Mohan, accepted)				
June 13	Bills Payable A/c	Dr.	20,000		
	Noting Charges A/c	Dr.	100		
	To Mohan				20,100
	(Bill dishonoured on due date and noting charges to be paid)				
July 03	Interest A/c	Dr.	50		
	To Mohan				50
	(Interest due to be paid)				
July 03	Mohan	Dr.	20,150		
	To Cash A/c				20,150
	(Cash paid to Mohan)				

Books of Rakesh Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2011					
Apr. 10	Bills Receivable A/c	Dr.	20,000		
	To Mohan				20,000
	(Bill receivable received from Mohan)				
June 13	Mohan	Dr.	20,100		
	To Bills Receivable A/c				20,000
	To Cash A/c				100

Bills of Exchange

	(Bill dishonoured on due date and noting charges paid)				
June 13	Mohan	Dr.		200	
	To Interest A/c				200
	(Interest due to be received)				
June 13	Bills Receivable A/c	Dr.		20,300	
	To Mohan				20,300
	(Mohan accepted the new bill)				

Answer 22:

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 04	A	Dr.	50,000	
	To Sales A/c			50,000
	(Goods sold to A)			
Mar. 04	Cash A/c	Dr.	20,000	
	Bills Receivable A/c	Dr.	30,000	
	To A			50,000
	(40% of the amount received in cash and for the remaining amount a promissory note has been accepted by A)			
Mar. 04	C	Dr.	31,000	
	To Bills Receivable A/c			30,000
	To Discount Received A/c			1,000
	(Promissory note endorsed in favour of C)			
Apr. 06	A	Dr.	30,100	
	To C			30,100
	(Promissory note dishonoured on due date and noting charges are paid by C)			

Bills of Exchange

Apr. 06	C	Dr.		31,100	
	To Bank A/c				30,100
	(Cheque paid to C)				
Apr. 06	Bank A/c	Dr.		30,100	
	To A				30,100
	(Cheque received from A)				

A's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 04	Sales A/c		50,000	Mar. 04	Cash A/c		20,000
Apr. 06	C		30,100	Mar. 04	Bills Receivable A/c		30,000
				Apr. 06	Bank A/c		30,100
			80,100				80,100

C's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 04	Bills Receivable A/c		30,000	Mar. 04	Balance b/d		31,000
Mar. 04	Discount Received A/c		1,000	Apr. 06	A		30,100
Apr. 06	Bank A/c		30,100				
			61,100				61,100

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar.	Purchases A/c	Dr.	50,000	

Bills of Exchange

04					
	To B				50,000
	(Goods purchased from B)				
Mar. 04	B	Dr.		50,000	
	To Cash A/c				20,000
	To Bills Payable A/c				30,000
	(40% of the amount paid in cash and for the remaining amount a promissory note has been accepted)				
Apr. 06	Bills Payable A/c	Dr.		30,000	
	Noting Charges A/c	Dr.		100	
	To B				30,100
	(Promissory note dishonoured on due date and noting charges to be paid)				
Apr. 06	B	Dr.		30,100	
	To Bank A/c				30,100
	(Cheque paid to B)				

B's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 04	Cash A/c		20,000	Mar. 04	Purchases A/c		50,000
Mar. 04	Bills Payable A/c		30,000	Apr. 06	Bills Payable A/c		30,000
Apr. 06	Bank A/c		30,100	Apr. 06	Noting Charges A/c		100
			80,100				80,100

Books of C Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 04	Bills Receivable A/c	Dr.	30,000	

Bills of Exchange

	Discount Allowed A/c	Dr.	1,000	
	To B			31,000
	(Promissory note received from B)			
Apr. 06	B	Dr.	30,100	
	To Bills Receivable A/c	Dr.		30,000
	To Cash A/c			100
	(Promissory note dishonoured on due date and noting charges paid)			
Apr. 06	Bank A/c	Dr.	30,100	
	To B			31,100
	(Cheque received from B)			

B's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 04	Balance b/d		31,000	Mar. 04	Bills Receivable A/c		30,000
Apr. 06	Bills Receivable A/c		30,000	Mar. 04	Discount Allowed A/c		1,000
Apr. 06	Cash A/c		100	Apr. 06	Bank A/c		30,100
			61,100				61,100

Answer 23:

Books of Mohan Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Feb. 01	Naresh	Dr.	25,000		
	To Sales A/c				25,000
	(Goods sold to Naresh)				
Feb. 01	Bills Receivable A/c	Dr.	25,000		
	To Naresh				25,000

Bills of Exchange

	(Naresh accepted the bill)				
Feb. 01	Raja	Dr.		25,300	
	To Bills Receivable A/c				25,000
	To Discount Received A/c				300
	(Bills receivable endorsed in favour of Raja)				
Apr. 27	Naresh	Dr.		25,000	
	To Raja				25,000
	(Bills receivable cancelled)				
Apr. 27	Raja	Dr.		25,000	
	To Cash A/c				25,000
	(Cash paid to Raja)				
Apr. 27	Naresh	Dr.		400	
	To Interest A/c				400
	(Interest due to be received)				
Apr. 27	Bills Receivable A/c	Dr.		25,400	
	To Naresh				25,400
	(Naresh accepted the new bill)				
May 30	Cash A/c	Dr.		25,400	
	To Bills Receivable A/c				25,400
	(Bill honoured on due date)				

Answer 24:

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 01	A	Dr.	15,000	
	To Sales A/c			15,000
	(Goods sold to A)			
Mar. 01	Bills Receivable A/c	Dr.	15,000	
	To A			15,000

Bills of Exchange

	(A accepted the bill)				
Apr. 28	Bill Sent for Collection A/c	Dr.		15,000	
	To Bills Receivable A/c				15,000
	(Bill sent to bank for collection)				
May 03	A	Dr.		15,150	
	To Bill Sent for Collection A/c				15,000
	To Bank A/c				150
	(Bill dishonoured on due date and bank noting charges paid by bank)				

Books of A Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Mar. 01	Purchases A/c	Dr.	15,000		
	To B			15,000	
	(Goods purchased from B)				
Mar. 01	B	Dr.	15,000		
	To Bills Payable A/c			15,000	
	(Bill drawn by B, accepted)				
May 03	Bills Payable A/c	Dr.	15,000		
	Noting Charges A/c	Dr.	150		
	To B			15,150	
	(Bill dishonoured on due date and noting charges paid)				

Bills of Exchange

Answer 25:

Books of Kamal Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 15	Vimal	Dr.	25,000	
	To Sales A/c			25,000
	(Goods sold to Vimal)			
Jan. 15	Bills Receivable A/c	Dr.	25,000	
	To Vimal			25,000
	(Vimal accepted the bill)			
	Case-(i): Bill retained till maturity			
Mar. 18	Vimal	Dr.	25,000	
	To Bills Receivable A/c			25,000
	(Bill dishonoured on due date)			
	Case-(ii): Bill discounted with bank @ 6% p.a.			
Jan. 15	Bank A/c	Dr.	24,750	
	Discounting Charges A/c	Dr.	250	
	To Bills Receivable A/c			25,000
	(Bill discounted with bank @ 6% p.a. for 2 months)			
Mar. 18	Vimal	Dr.	25,000	
	To Bank A/c			25,000
	(Bill dishonoured on due date)			
	Case-(iii): Bill endorsed in favour of Sharad			
Jan. 15	Sharad	Dr.	25,000	
	To Bills Receivable A/c			25,000
	(Bill endorsed in favour of Sharad)			
Mar. 18	Vimal	Dr.	25,000	
	To Sharad			25,000
	(Bill dishonoured on due date)			
	Case-(iv): Bill sent to bank for collection			

Bills of Exchange

Mar. 13	Bills Sent for Collection A/c	Dr.	25,000	
	To Bills Receivable A/c			25,000
	(Bill sent to bank for collection)			
Mar. 18	Vimal	Dr.	25,000	
	To Bills Sent for Collection A/c			25,000
	(Bill dishonoured on due date)			

Books of Vimal Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 15	Purchases A/c	Dr.	25,000	
	To Kamal			25,000
	(Goods purchased from Kamal)			
	<i>Same entry will be passed in all the four cases</i>			
Mar. 18	Bills Payable A/c	Dr.	25,000	
	To Kamal			25,000
	(Bill dishonoured on due date)			

Answer 26:

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
July 01	Bills Receivable A/c	Dr.	10,000	
	To Y			10,000
	(Y accepted the bill)			
	<i>Case (i): Bill retains till due date</i>			
Oct. 04	Y	Dr.	10,075	
	To Bills Receivable A/c			10,000
	To Cash A/c			75
	(Bill dishonoured on due date and noting charges paid)			

Bills of Exchange

	Case (ii): Bill discounted with the bank				
July 01	Bank A/c	Dr.		10,000	
	To Bills Receivable A/c				10,000
	(Bill discounted with bank)				
Oct. 04	Y	Dr.		10,075	
	To Bank A/c				10,075
	(Bill dishonoured on due date and noting charges paid by bank)				
	Case (iii): Bill endorsed to Z				
July 01	Z	Dr.		10,000	
	To Bills Receivable A/c				10,000
	(Bill endorsed in favour of Z)				
Oct. 04	Y	Dr.		10,075	
	To Z				10,075
	(Bill dishonoured on due date and noting charges paid by Z)				
	Case (iv): Bill sent to bank for collection				
July 01	Bill Sent for Collection A/c	Dr.		10,000	
	To Bills Receivable A/c				10,000
	(Bill sent to bank for collection)				
Oct. 04	Y	Dr.		10,075	
	To Bill Sent for Collection A/c				10,000
	To Bank A/c				75
	(Bill dishonoured on due date and noting charges paid by bank)				

Books of Y Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				

Bills of Exchange

July 01	X	Dr.		10,000	
	To Bills Payable A/c				10,000
	(Bill drawn by X, accepted)				
	<i>Same entry will be passed in both the cases</i>				
Oct. 04	Bills Payable A/c	Dr.		10,000	
	Noting Charges A/c	Dr.		75	
	To X				10,075
	(Bill dishonoured on due date and noting charges paid)				

Books of Z Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
July 01	Bills Receivable A/c	Dr.	10,000		
	To X			10,000	
	(Bills receivable, received from X)				
Oct. 04	X	Dr.	10,075		
	To Bills Receivable A/c			10,000	
	To Cash A/c			75	
	(Bill dishonoured on due date and noting charges paid)				

Answer 27:

X's Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
(i)	Y	Dr.	50,600		
	To Bank A/c			50,600	
	(Bill dishonoured)				
(ii)	Y	Dr.	50,600		
	To Z			50,600	

Bills of Exchange

	(Bill endorsed to Z, dishonoured)				
(iii)	Y	Dr.		50,600	
	To Bills Receivable A/c				50,000
	To Cash A/c				600
	(Bill dishonoured)				

Y's Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
(i)	Bills Payable A/c	Dr.		50,000	
	Noting Charges A/c	Dr.		600	
	To X				50,600
	(Bill dishonoured)				
(ii)	Bills Payable A/c	Dr.		50,000	
	Noting Charges A/c	Dr.		600	
	To X				50,600
	(Bill dishonoured)				
(iii)	Bills Payable A/c	Dr.		50,000	
	Noting Charges A/c	Dr.		600	
	To X				50,600
	(Bill dishonoured)				

Answer 28:

Books of A Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	B	Dr.		6,000	
	To Sales A/c				6,000
	(Goods sold to B)				
	Bills Receivable A/c	Dr.		6,000	
	To B				6,000
	(B accepted the bill)				

Bills of Exchange

	C	Dr.		6,000	
	To Bills Receivable A/c				6,000
	(Bill endorsed in favour of C)				
	B	Dr.		6,060	
	To C				6,060
	(Bills dishonoured on due date and noting charges receivable from B and payable to C)				

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Purchases A/c	Dr.	6,000	
	To A			6,000
	(Goods purchased from A)			
	A	Dr.	6,000	
	To Bills Payable A/c			6,000
	(Bill drawn by A, accepted)			
	Bills Payable A/c	Dr.	6,000	
	Noting Charges A/c	Dr.	60	
	To A			6,060
	(Bill dishonoured on due date and noting charges paid)			

Books of C Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Bills Receivable A/c	Dr.	6,000	
	To A			6,000
	(Bills receivable, received from A)			
	D	Dr.	6,000	
	To Bills Receivable A/c			6,000
	(Bill endorsed in favour of D)			
	A	Dr.	6,060	

Bills of Exchange

	To D				6,060
	(Bill dishonoured on due date and noting charges receivable from A and payable to D)				

Books of D Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
	Bills Receivable A/c	Dr.	6,000		
	To C			6,000	
	(Bills receivable, received from C)				
	Bank A/c	Dr.	5,700		
	Discounting Charges A/c	Dr.	300		
	To Bills Receivable A/c			6,000	
	(Bill discounted with bank)				
	C	Dr.	6,060		
	To Bank A/c			6,060	
	(Bill dishonoured on due date and noting charges paid by bank)				

Answer 29:

Books of Satish Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Jan. 01	Bills Receivable A/c (1)	Dr.	14,000		
	Bills Receivable A/c (2)	Dr.	16,000		
	Bills Receivable A/c (3)	Dr.	18,000		
	To Harish			48,000	
	(Harish accepted bills)				
Jan. 03	Rajnish	Dr.	14,000		
	To Bills Receivable A/c (1)			14,000	
	(Bill endorsed in favour of Rajnish)				

Bills of Exchange

Jan. 15	Bank A/c	Dr.		15,900	
	Discounting Charges A/c	Dr.		100	
	To Bills Receivable A/c (2)				16,000
	(Bills discounted with bank at discount of Rs 100)				
Feb. 04	Bill Sent for Collection A/c	Dr.		18,000	
	To Bills Receivable A/c (3)				18,000
	(Bill sent to bank for collection)				
Mar. 04	Harish	Dr.		16,240	
	To Bank A/c				16,240
	(Bill dishonoured on due date and noting charges paid)				
Mar. 04	Harish	Dr.		300	
	To Interest A/c				300
	(Interest due to be received)				
Mar. 04	Bills Receivable A/c (4)	Dr.		16,540	
	To Harish				16,540
	(Harish accepted the new bill)				
Apr. 04	Bank A/c	Dr.		18,000	
	To Bills Sent for Collection A/c				18,000
	(Bill honoured on due date)				
May 07	Cash A/c	Dr.		16,540	
	To Bills Receivable A/c (4)				16,540
	(Bill honoured on due date)				

Books of Harish Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Jan. 01	Satish	Dr.	48,000	

Bills of Exchange

	To Bills Payable A/c (1)				14,000
	To Bills Payable A/c (2)				16,000
	To Bills Payable A/c (3)				18,000
	(Bill drawn by Satish, accepted)				
Feb. 04	Bills Payable A/c (1)	Dr.		14,000	
	To Cash A/c				14,000
	(Bill honoured on due date)				
Mar. 04	Bills Payable A/c (2)	Dr.		16,000	
	Noting Charges A/c	Dr.		240	
	To Satish				16,240
	(Bill dishonoured on due date and noting charges paid)				
Mar. 04	Interest A/c	Dr.		300	
	To Satish				300
	(Interest due to be paid)				
Mar. 04	Satish	Dr.		16,540	
	To Bills Payable A/c (4)				16,540
	(New bill drawn by Satish, accepted)				
Apr. 04	Bills Payable A/c (3)	Dr.		18,000	
	To Cash A/c				18,000
	(Bill honoured on due date)				
May 07	Bills Payable A/c (4)	Dr.		16,540	
	To Cash A/c				16,540
	(Bill honoured on due				

Bills of Exchange

	date)				
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Answer 30:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Oct. 30	B	Dr.	14,000	
	To Sales A/c			14,000
	(Goods sold to B)			
Oct. 30	Bills Receivable A/c (1)	Dr.	2,000	
	Bills Receivable A/c (2)	Dr.	4,000	
	Bills Receivable A/c (3)	Dr.	8,000	
	To B			14,000
	(B accepted bills)			
Oct. 30	C	Dr.	4,000	
	To Bills Receivable A/c (2)			4,000
	(Bill endorsed in favour of C)			
Dec. 03	Bank A/c	Dr.	7,640	
	Discounting Charges A/c	Dr.	360	
	To Bills Receivable A/c (3)			8,000
	(Bill discounted with the bank @ 18 p.a. for 3 months)			
2017				
Jan. 02	Cash A/c	Dr.	2,000	
	To Bills Receivable A/c (1)			2,000
	(Bill honoured on due date)			
Mar. 03	B	Dr.	8,040	
	To Bank A/c			8,040
	(Bill dishonoured on due			

Bills of Exchange

	date and noting charges paid by bank)				
Mar. 03	Cash A/c	Dr.		3,040	
	To B				3,040
	(Cash received from B)				
Mar. 03	B	Dr.		150	
	To Interest A/c				150
	(Interest due to be received)				
Mar. 03	Bills Receivable A/c	Dr.		5,150	
	To B				5,150
	(B accepted the new bill)				
June 06	Cash A/c	Dr.		5,150	
	To Bills Receivable A/c				5,150
	(Bill honoured on due date)				

Books of B Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Oct. 30	Purchases A/c	Dr.	14,000		
	To A			14,000	
	(Goods purchased from A)				
Oct. 30	A	Dr.	14,000		
	To Bills Payable A/c (1)			2,000	
	To Bills Payable A/c (2)			4,000	
	To Bills Payable A/c (3)			8,000	
	(Bill drawn by A, accepted)				
2017					
Jan. 02	Bills Payable A/c (1)	Dr.	2,000		
	To Cash A/c			2,000	

Bills of Exchange

	(Bill honoured on due date)				
Feb. 02	Bills Payable A/c (2)	Dr.	4,000		
	To Cash A/c			4,000	
	(Bill honoured on due date)				
Mar. 03	Bills Payable A/c (3)	Dr.	8,000		
	Noting Charges A/c	Dr.	40		
	To A			8,040	
	(Bill dishonoured on due date and noting charges paid)				
Mar. 03	A	Dr.	3,040		
	To Cash A/c			3,040	
	(Cash paid to A)				
Mar. 03	Interest A/c	Dr.	150		
	To A			150	
	(Interest due to be paid)				
Mar. 03	A	Dr.	5,150		
	To Bills Payable A/c			5,150	
	(Bill drawn by A, accepted)				
June 06	Bills Payable A/c	Dr.	5,150		
	To Cash A/c			5,150	
	(Bill honoured on due date)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $8,000 \times 18 / 100 \times 3 / 12 = \text{Rs } 360$

Bills of Exchange

Answer 31:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Apr. 01	Bills Receivable A/c	Dr.	15,000	
	To B			15,000
	(B accepted the bill)			
Apr. 01	Bank A/c	Dr.	14,550	
	Discounting Charges A/c	Dr.	450	
	To Bills Receivable A/c			15,000
	(Bill discounted with the bank @ 12% p.a. for 3 months)			
July 04	B	Dr.	15,000	
	To Cash A/c			15,000
	(Amount paid to B to honour the bill)			

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Apr. 01	A	Dr.	15,000	
	To Bills Payable A/c			15,000
	(Bill drawn by A, accepted)			
July 04	Cash A/c	Dr.	15,000	
	To A			15,000
	(Amount received from A to honour the bill)			
July 04	Bills Payable A/c	Dr.	15,000	
	To Cash A/c			15,000
	(Bill honoured on due date)			

Bills of Exchange

Working Note:
Calculation of Discounting Charges

Discounting Charges= 15,000×12/100×3/12=Rs 450

Answer 32:

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Bills Receivable A/c	Dr.	10,000	
	To A			10,000
	(A accepted the bill)			
Jan. 04	Bank A/c	Dr.	9,800	
	Discounting Charges A/c	Dr.	200	
	To Bills Receivable A/c			10,000
	(Bills discounted with the bank @ 12% for 2 months)			
Jan. 04	A	Dr.	5,000	
	To Cash A/c			4,900
	To Discounting Charges A/c			100
	(50% of the proceeds sent to A)			
Mar. 04	A	Dr.	5,000	
	To Cash A/c			5,000
	(50% amount of the bill sent to A)			

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	B	Dr.	10,000	
	To Bills Payable A/c			10,000

Bills of Exchange

	(Bill drawn by B, accepted)				
Jan. 04	Cash A/c	Dr.		4,900	
	Discounting Charges A/c	Dr.		100	
	To B				5,000
	(50% of the proceeds received from B)				
Mar. 04	Cash A/c	Dr.		5,000	
	To B				5,000
	(50% amount of the bill received from B)				
Mar. 04	Bills Payable A/c	Dr.		10,000	
	To Cash A/c				10,000
	(Bill honoured on due date)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $10,000 \times 12 / 100 \times 2 / 12 = \text{Rs } 200$

Answer 33:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Bills Receivable A/c	Dr.	60,000	
	To B			60,000
	(B accepted the bill)			
	Bank A/c	Dr.	58,500	
	Discounting Charges A/c	Dr.	1,500	
	To Bills Receivable A/c			60,000
	(Bill discounted with the bank @ 15% p.a. for 2 months)			
	B	Dr.	15,000	
	To Cash A/c			14,625
	To Discounting Charges A/c (WN2)			375
	(Proceeds of the discounted bill, sent to B)			

Bills of Exchange

	B	Dr.	45,000	
	To Cash A/c			45,000
	(Remaining amount of the bill, sent to B)			

Books of B Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	A	Dr.	60,000	
	To Bills Payable A/c			60,000
	(Bill drawn by A, accepted)			
	Cash A/c	Dr.	14,625	
	Discounting Charges A/c	Dr.	375	
	To A			15,000
	(Proceeds of the discounted bill, received from A)			
	Cash A/c	Dr.	45,000	
	To A			45,000
	(Remaining amount of the bill received from A)			
	Bills Payable A/c	Dr.	60,000	
	To Cash A/c			60,000
	(Bill honoured on due date)			

Working Notes: WN1:

Calculation of Discounting Charges

Discounting Charges= $60,000 \times 15 / 100 \times 2 / 12 = \text{Rs } 1,500$

WN2: Calculation of Discounting Charges Credited with Remittance of Proceeds

When Net Proceeds are 58,500, then discount=1,500

When proceeds remitted are 14,625, then discount= $1,500 / 58,500 \times 14,625 = \text{Rs } 375$

Bills of Exchange

Answer 34:

Books of X Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016					
Oct. 01	Y	Dr.		60,000	
	To Bills Payable A/c				60,000
	(Bill drawn by Y, accepted)				
Oct. 01	Bills Receivable A/c	Dr.		60,000	
	To Y				60,000
	(Y accepted the bill drawn)				
Oct. 01	Bank A/c	Dr.		58,500	
	Discounting Charges A/c	Dr.		1,500	
	To Bills Receivable A/c				60,000
	(Bill dishonoured with the bank @ 10% p.a. for 3 months)				
2017					
Jan. 04	Bills Payable A/c	Dr.		60,000	
	To Cash A/c				60,000
	(Bill honoured on due date)				

Books of Y Journal					
Date	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016					
Oct. 01	Bills Receivable A/c	Dr.		60,000	
	To X				60,000
	(X accepted the bill)				
Oct. 01	X	Dr.		60,000	
	To Bills Payable A/c				60,000

Bills of Exchange

	(Bill drawn by X, accepted)				
Oct.01	Bank A/c	Dr.	58,500		
	Discounting Charges A/c	Dr.	1,500		
	To Bills Receivable A/c				60,000
	(Bill discounted with the bank @ 15% for 3 months)				
2017					
Jan. 04	Bills Payable A/c	Dr.	60,000		
	To Cash A/c				60,000
	(Bills honoured on due date)				

Working Notes:

WN1: Calculation of Discounting Charges

Discounting Charges = $60,000 \times 10/100 \times 3/12$ = Rs 1,500

Answer 35:

Books of Abha Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Dec. 01	Meera	Dr.	1,00,000		
	To Bills Payable A/c			1,00,000	
	(Bill drawn by Meera, accepted)				
Dec. 01	Bills Receivable A/c	Dr.	75,000		
	To Meera			75,000	
	(Meera accepted the bill)				
Dec. 01	Bank A/c	Dr.	72,750		
	Discount Charges A/c	Dr.	2,250		
	To Bills Receivable			75,000	
	(Bill discounted with the bank @ 12% p.a. for 3 months)				
2017					
Mar. 03	Cash A/c (1,00,000 – 75,000)	Dr.	25,000		
	To Meera			25,000	

Bills of Exchange

	(Cash received from Meera)				
Mar. 04	Bills Payable A/c	Dr.		1,00,000	
	To Cash A/c				1,00,000
	(Bill honoured on due date)				

Books of Meera Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Dec. 01	Bills Receivable A/c	Dr.	1,00,000		
	To Abha			1,00,000	
	(Abha accepted the bill)				
Dec. 01	Abha	Dr.	75,000		
	To Bills Payable A/c			75,000	
	(Bill drawn by Abha, accepted)				
Dec. 01	Bank A/c	Dr.	97,000		
	Discount Charges A/c	Dr.	3,000		
	To Receivable			1,00,000	
	(Bill discounted with the bank @ 12% p.a. for 3 months)				
2017					
Mar. 03	Abha (1,00,000 – 75,000)	Dr.	25,000		
	To Cash A/c			25,000	
	(Cash paid to Abha)				
Mar. 04	Bills Payable A/c	Dr.	75,000		
	To Cash A/c			75,000	
	(Bills honoured on due date)				

Working Notes:

WN1 Calculation of Discounting Charges for the bill drawn by Meera

Discounting Charges= $1,00,000 \times 12/100 \times 3/12 = \text{Rs } 3,000$

WN2 Calculation of Discounting Charges for the bill drawn by Abha

Discounting Charges= $75,000 \times 12/100 \times 3/12 = \text{Rs } 2,250$

Bills of Exchange

Answer 36:

Books of X Y's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 01	Bills Payable A/c		90,000	Jan. 01	Cash A/c		28,650
Jan. 01	Cash A/c		23,875	Jan. 01	Discounting Charges A/c (WN2)		1,350
Jan. 01	Discounting Charges A/c (WN4)		1,125	Jan. 01	Bills Receivable A/c		75,000
				Apr. 04	Cash A/c		10,000
			1,15,000				1,15,000

Working Notes:

WN1: Calculation of Discounting Charges for the bill drawn by Y

Discounting Charges = $90,000 \times 18 / 100 \times 3 / 12 = \text{Rs } 4,050$

WN2: Calculation of Discounting Charges Credited with Remittance of Proceeds by Y

When Net Proceeds are 85,950, then discount = 4,050

When proceeds remitted are 28,650, then discount = $4,050 / 85,950 \times 28,650 = \text{Rs } 1,350$

WN3: Calculation of Discounting Charges for the bill drawn by X

Discounting Charges = $75,000 \times 18 / 100 \times 3 / 12 = \text{Rs } 3,375$

WN4: Calculation of Discounting Charges Credited with Remittance of Proceeds by X

When Net Proceeds are 71,625, then discount = 3,375

When proceeds remitted are 23,875, then discount = $3,375 / 71,625 \times 23,875 = \text{Rs } 1,125$

Bills of Exchange

Answer 37:

Books of Barun Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2010					
Jan. 01	Arun	Dr.	10,000		
	To Sales A/c			10,000	
	(Goods sold to Arun)				
Jan. 01	Bills Receivable A/c	Dr.	10,000		
	To Arun			10,000	
	(Arun accepted the bill)				
Jan. 04	Bank A/c	Dr.	9,800		
	Discounting Charges A/c	Dr.	200		
	To Bills Receivable A/c			10,000	
	(Bill discounted with the bank @ 12% p.a. for 2 months)				
Mar. 04	Arun	Dr.	10,000		
	To Bank A/c			10,000	
	(Bill cancelled on due date)				
Mar. 04	Cash	Dr.	5,000		
	To Arun			5,000	
	(Cash received from Arun)				
Mar. 04	Arun	Dr.	125		
	To Interest A/c			125	
	(Interest due to be received)				
Mar. 04	Bills Receivable A/c	Dr.	5,125		
	To Arun			5,125	
	(Arun accepted the new bill)				
May 07	Cash A/c	Dr.	5,125		
	To Bills Receivable A/c			5,125	
	(Bill honoured on due date)				

Working Note:

WN1 Calculation of Discounting Charges

Bills of Exchange

Discounting Charges= $10,000 \times 12 / 100 \times 2 / 12 = \text{Rs } 200$

WN2 Calculation of amount of Interest

Amount of Interest= $5,000 \times 15 / 100 \times 2 / 12 = \text{Rs } 125$

Answer 38:

Books of Darshan Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 08	Varun	Dr.	40,000		
	To Sales A/c			40,000	
	(Goods sold to Varun)				
Jan. 08	Bills Receivable A/c	Dr.	40,000		
	To Varun			40,000	
	(Varun accepted the bill)				
	Case-I: Bill retained till maturity				
Mar. 11	Cash A/c	Dr.	40,000		
	To Bills Receivable A/c			40,000	
	(Bill honoured on due date)				
	Case-II: Bill discounted with the bank				
Jan. 08	Bank A/c	Dr.	39,600		
	Discounting Charges A/c	Dr.	400		
	To Bills Receivable A/c			40,000	
	(Bills discounted with the bank @ 6% p.a. for 2 months)				
	Case-III: Bill endorsed in favour of Suresh				
Jan. 08	Suresh	Dr.	40,000		
	To Bills Receivable A/c			40,000	
	(Bill endorsed in favour of Suresh)				
	Case-IV: Bill sent to bank for collection				
Mar. 11	Bill Sent for Collection A/c	Dr.	40,000		
	To Bills Receivable A/c			40,000	
	(Bills sent to bank for collection)				

Bills of Exchange

Mar. 11	Bank A/c	Dr.		5,125	
	To Bill Sent for Collection A/c				5,125
	(Bill honoured on due date)				

Books of Varun Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 08	Purchases A/c	Dr.	40,000		
	To Darshan			40,000	
	(Goods purchased from Darshan)				
Jan. 08	Darshan	Dr.	40,000		
	To Bills Payable A/c			40,000	
	(Bill drawn by Darshan, accepted)				
	<i>Same entry will be passed in all the four cases</i>				
Mar. 11	Bills Payable A/c	Dr.	40,000		
	To Cash A/c			40,000	
	(Bill honoured on due date)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $40,000 \times 6/100 \times 2/12 = \text{Rs } 400$

Answer 39:

Books of Neha Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Muskan	Dr.	20,000		
	To Sales A/c			20,000	
	(Goods sold to Muskan)				

Bills of Exchange

Jan. 01	Bills Receivable A/c	Dr.		20,000	
	To Muskan				20,000
	(Muskan accepted the bill)				
Feb. 04	Cash A/c	Dr.		19,800	
	Rebate A/c	Dr.		200	
	To Bills Receivable A/c				20,000
	(Bill retired under the rebate @ 12% p.a. for 1 month)				

Books of Muskan Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Purchases A/c	Dr.	20,000		
	To Neha			20,000	
	(Goods purchased from Neha)				
Jan. 01	Neha	Dr.	20,000		
	To Bills Payable A/c			20,000	
	(Bill drawn by Neha, accepted)				
Feb. 04	Bills Payable A/c	Dr.	20,000		
	To Cash A/c			19,800	
	To Rebate A/c			200	
	(Bill retired under the rebate of 12% p.a. before one month)				

Working Note:

Calculation of amount of Rebate

Amount of Rebate = $20,000 \times 12 / 100 \times 1 / 12 = \text{Rs } 200$

Answer 40:

Books of Leena Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2009					

Bills of Exchange

Mar. 01	Meena	Dr.	68,000	
	To Sales A/c			68,000
	(Goods sold to Meena)			
Mar. 01	Bills Receivable A/c (1)	Dr.	34,000	
	Bills Receivable A/c (2)	Dr.	34,000	
	To Meena			68,000
	(Meena accepted bills)			
Mar. 01	Bank A/c	Dr.	32,980	
	Discounting Charges A/c	Dr.	1,020	
	To Bills Receivable A/c			34,000
	(Bill discounted with the bank @ 12% p.a. for 3 months)			
May 04	Cash A/c	Dr.	33,830	
	Rebate A/c	Dr.	170	
	To Bills Receivable A/c (2)			34,000
	(Bill retired under the rebate of 6% p.a. for 1 month)			
June 04	Meena	Dr.	34,055	
	To Bank A/c			34,055
	(Bill dishonoured on due date and noting charges paid by bank)			

Books of Meena Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2009				
Mar. 01	Purchases A/c	Dr.	68,000	
	To Leena			68,000
	(Goods purchased from Leena)			
Mar. 01	Leena	Dr.	68,000	
	To Bills Payable A/c (1)			34,000
	To Bills Payable A/c (2)			34,000
	(Bills drawn by Leena, accepted)			
May 04	Bills Payable A/c (2)	Dr.	34,000	
	To Cash A/c			33,830
	To Rebate A/c			170

Bills of Exchange

	(Bill retired under the rebate of 6% p.a. for 1 month)				
June 04	Bills Payable A/c (1)	Dr.		34,000	
	Noting Charges A/c	Dr.		55	
	To Leena				34,055
	(Bill dishonoured on due date and noting charges paid)				

Working Notes:

WN1 Calculation of Discounting Charges

Discounting Charges= $34,000 \times 12 / 100 \times 3 / 12 = \text{Rs } 1,020$

WN2 Calculation of amount of Rebate

Amount of Rebate= $34,000 \times 6 / 100 \times 1 / 12 = \text{Rs } 170$

Answer 41:

Books of Kavita Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2009				
Oct. 15	Anita	Dr.	23,000	
	To Sales A/c			23,000
	(Goods sold to Anita)			
Oct. 15	Bills Receivable A/c	Dr.	23,000	
	To Anita			23,000
	(Anita accepted the bill)			
	Case-(a): Bill discounted with the bank			
Oct. 15	Bank A/c	Dr.	22,655	
	Discounting Charges A/c	Dr.	345	
	To Bills Receivable A/c			23,000
	(Bills discounted with the bank @ 9% p.a. for 2 months)			
Dec. 18	Anita	Dr.	23,095	
	To Bank A/c			23,095

Bills of Exchange

	(Bill dishonoured on due date and noting charges paid by bank)				
	Case-(b): Bill endorsed in favour of Shankar				
Oct. 15	Shankar	Dr.		23,000	
	To Bills Receivable A/c				23,000
	(Bill endorsed in favour of Shankar)				
Dec. 18	Anita	Dr.		23,095	
	To Shankar				23,095
	(Bill dishonoured on due date and noting charges are receivable by Shankar and payable by Anita)				

Books of Anita Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2009					
Oct. 15	Purchases A/c	Dr.	23,000		
	To Kavita			23,000	
	(Goods purchased from Kavita)				
Oct. 15	Kavita	Dr.	23,000		
	To Bills Payable A/c			23,000	
	(Bill drawn by Kavita, accepted)				
	Same entry will be passed in both the cases				
Dec. 18	Bills Payable A/c	Dr.	23,000		
	Noting Charges A/c	Dr.	95		
	To Kavita			23,095	
	(Bill dishonoured on due date and noting charges paid)				

Working Note:

Calculation of Discounting Charges

Discounting Charges = $23,000 \times 9/100 \times 2/12 = \text{Rs } 345$

Bills of Exchange

Answer 42:

Books of Abdulla Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 17	Tahir	Dr.	18,000	
	To Sales A/c			18,000
	(Goods sold to Tahir)			
Jan. 17	Bills Receivable A/c	Dr.	18,000	
	To Tahir			18,000
	(Tahir accepted the bill)			
Mar. 06	Tahir	Dr.	18,040	
	To Bills Receivable A/c			18,000
	To Cash A/c			40
	(Bill dishonoured on due date and noting charges paid)			
Mar. 11	Tahir (18,700 – 18,040)	Dr.	660	
	To Interest A/c			660
	(Interest due to be received)			
Mar. 11	Cash A/c	Dr.	18,700	
	To Tahir			18,700
	(Cash received from Tahir)			

Tahir's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 17	Sales A/c		18,000	Jan. 17	Bills Receivable A/c		18,000
Mar. 06	Bills Receivable A/c		18,000	Mar. 11	Cash A/c		18,700
Mar. 06	Cash A/c		40				
Mar. 11	Interest A/c		660				
			36,700				36,700

Bills of Exchange

Books of Tahir Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 01	Purchases A/c	Dr.	18,000	
	To Abdulla			18,000
	(Goods purchased from Abdulla)			
Jan. 01	Abdulla	Dr.	18,000	
	To Bills Payable A/c			18,000
	(Bill drawn by Abdulla, accepted)			
Mar. 06	Bills Payable A/c	Dr.	18,000	
	Noting Charges A/c	Dr.	40	
	To Abdulla			18,040
	(Bill dishonoured on due date and noting charges paid)			
Mar. 11	Interest A/c (18,700 – 18,040)	Dr.	660	
	To Abdulla			660
	(Interest due to be paid)			
Mar. 11	Abdulla	Dr.	18,700	
	To Cash A/c			18,700
	(Cash paid to Abdulla)			

Abdulla's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Jan. 17	Bills Payable A/c		18,000	Jan. 17	Purchases A/c		18,000
Mar. 11	Cash A/c		18,700	Mar. 06	Bills Payable A/c		18,000
				Mar. 06	Noting Charges A/c		40
				Mar. 11	Interest A/c		660
			36,700				36,700

Bills of Exchange

Answer 43:

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 01	Y	Dr.	12,000	
	To Sales A/c			12,000
	(Goods sold to Y)			
Mar. 01	Bills Receivable A/c	Dr.	12,000	
	To Y			12,000
	(Y accepted the bill)			
Mar.01	Bank A/c	Dr.	11,820	
	Discounting Charges A/c	Dr.	180	
	To Bills Receivable A/c			12,000
	(Bills discounted with the bank @ 9% p.a. for 2 month)			
May 03	Y	Dr.	12,045	
	To Bank A/c			12,045
	(Bills dishonoured on due date and noting charges paid)			
May 08	Y	Dr.	241	
	To Interest A/c			241
	(Interest due to be received)			
May 08	Bank A/c	Dr.	12,286	
	To Y			12,286
	(Cheque received from Y)			

Bills of Exchange

Y's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 01	Sales A/c		12,000	Mar. 01	Bills Receivable A/c		12,000
May 03	Bank A/c		12,045	May 08	Bank A/c		12,286
May 08	Interest A/c		241				
			24,286				24,286

Books of Y Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Mar. 01	Purchases A/c	Dr.	12,000	
	To X			12,000
	(Goods purchased from X)			
Mar. 01	X	Dr.	12,000	
	To Bills Payable A/c			12,000
	(Bill drawn by X, accepted)			
May 03	Bills Payable A/c	Dr.	12,000	
	Noting Charges A/c	Dr.	45	
	To X			12,045
	(Bill dishonoured on due date and noting charges paid)			
May 08	Interest A/c	Dr.	241	
	To X			241
	(Interest due to be paid)			
May 08	X	Dr.	12,286	
	To Bank A/c			12,286
	(Cheque issued from X)			

Bills of Exchange

X's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
2017				2017			
Mar. 01	Bills Payable A/c		12,000	Mar. 01	Purchases A/c		12,000
May 08	Bank A/c		12,286	May 03	Bills Payable A/c		12,000
				May 03	Noting Charges A/c		45
				May 08	Interest A/c		241
			24,286				24,286

Working Notes:

WN1 Calculation of Discounting Charges

Discounting Charges= $12,000 \times 9/100 \times 2/12 = \text{Rs } 180$

WN2 Calculation of amount of Interest

Amount of Interest= $12,045 \times 12/100 \times 2/12 = \text{Rs } 241$

Note: When due date falls on Public holiday or Sunday or Gazetted holiday (here May 4, 2017), then due date is preceding date (here May 03, 2017).

Answer 44:

Books of A Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Feb. 01	B	Dr.	40,000	
	To Sales A/c			40,000
	(Goods sold to B)			
Feb. 01	Cash A/c	Dr.	10,000	
	Bills Receivable A/c	Dr.	30,000	
	To B			40,000

Bills of Exchange

	(Rs 10,000 received in cash from B and he accepted the bill for the remaining amount)				
May 04	B	Dr.	30,000		
	To Bills Receivable A/c				30,000
	(Bill cancelled on due date)				
May 04	Cash	Dr.	12,000		
	To B				12,000
	(Rs 12,000 received in cash from B)				
May 04	B	Dr.	270		
	To Interest A/c				270
	(Interest due to be received)				
May 04	Bills Receivable A/c	Dr.	18,270		
	To B				18,270
	(B accepted the new bill)				
June 07	Cash A/c	Dr.	18,270		
	To Bills Receivable A/c				18,270
	(Bill honoured on due date)				

Books of B Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Feb. 01	Purchases A/c	Dr.	40,000		
	To A				40,000
	(Goods purchased from A)				
Feb. 01	A	Dr.	40,000		
	To Cash A/c				10,000
	To Bills Payable A/c				30,000
	(Rs 10,000 paid in cash and for the remaining amount bill has been accepted)				
May 04	Bills Payable A/c	Dr.	30,000		
	To A				30,000
	(Bill cancelled on due date)				

Bills of Exchange

May 04	A	Dr.	12,000		
	To Cash A/c				12,000
	(Rs 12,000 paid in cash to A)				
May 04	Interest A/c	Dr.	270		
	To A				270
	(Interest due to be paid)				
May 04	A	Dr.	18,270		
	To Bills Payable A/c				18,270
	(New Bill drawn by A, accepted)				
June 07	Bills Payable A/c	Dr.	18,270		
	To Cash A/c				18,270
	(Bill honoured on due date)				

Working Note:

Calculation of amount of Interest

Amount of Interest= $18,000 \times 18/100 \times 1/12 = \text{Rs } 270$

Answer 45:

Books of X Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 15	Y	Dr.	50,000	
	To Sales A/c			50,000
	(Goods sold to Y)			
Jan. 15	Bills Receivable A/c (1)	Dr.	25,000	
	Bills Receivable A/c (2)	Dr.	25,000	
	To Y			50,000
	(Y accepted bills)			
Feb. 18	Cash A/c	Dr.	25,000	
	To Bills Receivable A/c (1)			25,000
	(Bill honoured on due date)			
Mar. 18	Y	Dr.	25,000	

Bills of Exchange

	To Bills Receivable A/c (2)			25,000
	(Bill cancelled on due date)			
Mar. 18	Y	Dr.	625	
	To Interest A/c			625
	(Interest due to be paid)			
Mar. 18	Cash A/c	Dr.	625	
	Bills Receivable A/c	Dr.	25,000	
	To Y			25,625
	(Interest received in cash by Y and a bill has also been accepted by him)			
May 21	Cash A/c	Dr.	25,000	
	To Bills Receivable A/c			25,000
	(Bill honoured on due date)			

Books of Y Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017				
Jan. 15	Purchases A/c	Dr.	50,000	
	To X			50,000
	(Goods purchased from X)			
Jan. 15	X	Dr.	50,000	
	To Bills Payable A/c (1)			25,000
	To Bills Payable A/c (2)			25,000
	(Bills drawn by X, accepted)			
Feb. 18	Bills Payable A/c (1)	Dr.	25,000	
	To Cash A/c			25,000
	(Bill honoured on due date)			
Mar. 18	Bills Payable A/c (2)	Dr.	25,000	
	To X			25,000
	(Bill cancelled on due date)			
Mar. 18	Interest A/c	Dr.	625	
	To X			625
	(Interest due to be paid)			

Bills of Exchange

Mar. 18	X	Dr.	25,625	
	To Cash A/c			625
	To Bills Payable A/c			25,000
	(Interest is paid in cash and a new bill drawn by X, accepted)			
May 21	Bills Payable A/c	Dr.	25,000	
	To Cash A/c			25,000
	(Bill honoured on due date)			

Working Note:

Calculation of amount of Interest

Amount of Interest= $25,000 \times 15 / 100 \times 2 / 12 = \text{Rs } 625$

Answer 46:

Books of Manohar Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Mar. 01	Bills Receivable A/c	Dr.	20,000	
	To Pushkar			20,000
	(Pushkar accepted the bill)			
Apr. 01	Yadu	Dr.	20,000	
	To Bills Receivable A/c			20,000
	(Bills endorsed in favour of Yadu)			
June 04	Pushkar	Dr.	20,100	
	To Yadu			20,100
	(Bill dishonoured on due date and noting charges paid by Yadu)			

Books of Pushkar Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2016				
Mar. 01	Manohar	Dr.	20,000	
	To Bills Payable A/c			20,000

Bills of Exchange

	(Bill drawn by Manohar, accepted)				
June 04	Bills Payable A/c	Dr.		20,000	
	Noting Charges A/c	Dr.		100	
	To Manohar				20,100
	(Bill dishonoured on due date and noting charges paid)				

Books of Yadu Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Apr. 01	Bills Receivable A/c	Dr.	20,000		
	To Manohar				20,000
	(Bills receivable, received from Manohar)				
May 01	Bank A/c	Dr.	19,750		
	Discounting Charges A/c	Dr.	250		
	To Bills Receivable A/c				20,000
	(Bill discounted with the bank @ 15% p.a. for 1 month)				
June 04	Manohar	Dr.	20,100		
	To Bank A/c				20,100
	(Bill dishonoured on due date and noting charges paid)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $20,000 \times 15/100 \times 1/12 = \text{Rs } 250$

Answer 47:

Books of Hari Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Bills Receivable A/c (1)	Dr.	15,000		

Bills of Exchange

	Bills Receivable A/c (2)	Dr.	20,000	
	Bills Receivable A/c (3)	Dr.	25,000	
	To Gopal			60,000
	(Gopal accepted all the bills)			
Jan. 05	Satish	Dr.	15,200	
	To Bills Receivable A/c (1)			15,000
	To Discount Received A/c			200
	(Bill endorsed in favour of Satish)			
Feb. 01	Bank A/c	Dr.	19,800	
	Discounting Charges A/c	Dr.	200	
	To Bills Receivable A/c (2)			20,000
	(Bill discounted with the bank @ 12% p.a. for 1 month)			
Mar. 04	Gopal	Dr.	20,120	
	To Bank A/c			20,120
	(Bill dishonoured on due date and noting charges paid by bank)			
Mar. 04	Gopal	Dr.	503	
	To Interest A/c			503
	(Interest due to be received)			
Mar. 04	Bills Receivable A/c (4)	Dr.	20,623	
	To Gopal			20,623
	(Gopal accepted the new bill)			
Mar. 04	Cash A/c	Dr.	24,750	
	Rebate A/c	Dr.	250	
	To Bills Receivable A/c (3)			25,000
	(Bill retired under the rebate of 12% p.a. for 1 month)			
May 04	Bill Sent for Collection A/c	Dr.	20,623	
	To Bills Receivable A/c (4)			20,623
	(Bill sent to bank for collection)			
May 07	Bank A/c	Dr.	20,623	
	To Bills for Collection A/c			20,623
	(Bill honoured on due date)			

Books of Gopal

Bills of Exchange

Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Hari	Dr.	60,000		
	To Bills Payable A/c (1)			15,000	
	To Bills Payable A/c (2)			20,000	
	To Bills Payable A/c (3)			25,000	
	(Bills drawn by Hari, accepted)				
Feb. 04	Bills Payable A/c (1)	Dr.	15,000		
	To Cash A/c			15,000	
	(Bill honoured on due date)				
Mar. 04	Bills Payable A/c	Dr.	20,000		
	Noting Charges A/c	Dr.	120		
	To Hari			20,120	
	(Bill dishonoured on due date and noting charges paid)				
Mar. 04	Interest A/c	Dr.	503		
	To Hari			503	
	(Interest due to be paid)				
Mar. 04	Hari	Dr.	20,623		
	To Bills Payable A/c (4)			20,623	
	(Bill drawn by Hari, accepted)				
Mar. 04	Bills Payable A/c (3)	Dr.	25,000		
	To Cash A/c			24,750	
	To Rebate A/c			250	
	(Bill retired under the rebate of 12% for 1 month)				
May 07	Bills Payable A/c (4)	Dr.	20,623		
	To Cash A/c			20,623	
	(Bill honoured on due date)				

Books of Satish				
Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)

Bills of Exchange

2017					
Jan. 05	Bills Receivable A/c	Dr.	15,000		
	Discount Allowed A/c	Dr.	200		
	To Hari			15,200	
	(Bills receivable, received from Hari)				
Feb. 04	Cash A/c	Dr.	15,000		
	To Bills Receivable A/c			15,000	
	(Bill honoured on due date)				

Working Note:

WN1 Calculation of Discounting Charges

Discounting Charges= $20,000 \times 12/100 \times 1/12 = \text{Rs } 200$

WN2 Calculation of amount of Rebate

Amount of Rebate= $25,000 \times 12/100 \times 1/12 = \text{Rs } 250$

WN3 Calculation of amount of Interest

Amount of Interest= $20,120 \times 15/100 \times 2/12 = \text{Rs } 503$

Answer 48:

Books of Harpal Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
	Sompal	Dr.	12,000	
	To Sales A/c			12,000
	(Goods sold to Sompal)			
	Bills Receivable A/c (1)	Dr.	5,000	
	Bills Receivable A/c (2)	Dr.	4,000	
	Bills Receivable A/c (3)	Dr.	3,000	
	To Sompal			12,000
	(Sompal accepted the bills)			
	Rajpal	Dr.	5,000	
	To Bills Receivable A/c (1)			5,000

Bills of Exchange

	(Bill endorsed in favour of Rajpal)				
	Sompal	Dr.		5,030	
	To Rajpal				5,030
	(Bill dishonoured on due date and noting charges paid by Rajpal)				
	Sompal	Dr.		200	
	To Interest A/c				200
	(Interest due to be received)				
	Bills Receivable A/c (4)	Dr.		5,230	
	To Sompal				5,230
	(Sompal accepted the new bill)				
	Sompal	Dr.		4,025	
	To Bills Receivable A/c (2)				4,000
	To Cash A/c				25
	(Bill dishonoured on due date and noting charges paid)				
	Sompal	Dr.		150	
	To Interest A/c				150
	(Interest due to be received)				
	Cash A/c	Dr.		2,175	
	Bills Receivable A/c (5)	Dr.		2,000	
	To Sompal				4,175
	(Rs 2,175 received in cash and a new bill for Rs 2,000 has been accepted by Sompal)				
	Cash A/c	Dr.		3,000	
	To Bills Receivable A/c (3)				3,000
	(Bill honoured on due date)				
	Cash A/c	Dr.		5,230	
	To Bills Receivable A/c (4)				5,230
	(Bill honoured on due date)				
	Cash A/c	Dr.		2,000	
	To Bills Receivable A/c (5)				2,000
	(Bill honoured on due date)				

Bills of Exchange

Sompal's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Sales A/c		12,000		Bills Receivable A/c (1)		5,000
	Rajpal		5,030		Bills Receivable A/c (2)		4,000
	Interest A/c		200		Bills Receivable A/c (3)		3,000
	Bills Receivable A/c (2)		4,000		Bills Receivable A/c (4)		5,230
	Cash A/c		25		Cash A/c		2,175
	Interest A/c		150		Bills Receivable A/c (5)		2,000
			21,405				21,405

Answer 49:

Books of Ritesh Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Aug. 01	Bills Receivable A/c	Dr.	12,000		
	To Naina			12,000	
	(Naina accepted the bill)				
Aug. 01	Bank A/c	Dr.	11,680		
	Discounting Charges A/c	Dr.	320		
	To Bills Receivable A/c			12,000	
	(Bill discounted with the bank @ 8% for 4 months)				
Aug. 01	Naina	Dr.	6,000		
	To Cash A/c			5,840	
	To Discounting Charges A/c			160	
	(Half of the proceeds from discounting of bill, sent to Naina)				

Bills of Exchange

Dec. 04	Naina	Dr.		6,000	
	To Cash A/c				6,000
	(Half of the amount of the bill, sent to Naina)				

Books of Naina Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Aug. 01	Ritesh	Dr.	12,000		
	To Bills Payable A/c			12,000	
	(Bill drawn by Ritesh, accepted)				
Aug. 01	Cash A/c	Dr.	5,840		
	Discounting Charges A/c	Dr.	160		
	To Ritesh			6,000	
	(Half of the proceeds from discounting of bill, received from Ritesh)				
Dec. 04	Cash A/c	Dr.	6,000		
	To Ritesh			6,000	
	(Half of the amount of the bill, received from Ritesh)				
Dec. 04	Bills Payable A/c	Dr.	12,000		
	To Cash A/c			12,000	
	(Bill honoured on due date)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $12,000 \times 8/100 \times 4/12$ = Rs 320

Bills of Exchange

Answer 50:

Books of Bhanu Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Bills Receivable A/c	Dr.	8,000		
	To Naman			8,000	
	(Naman accepted the bill)				
Jan. 01	Naman	Dr.	8,000		
	To Bills Payable A/c			8,000	
	(Bill drawn by Naman, accepted)				
Jan. 02	Bank A/c	Dr.	7,800		
	Discounting Charges A/c	Dr.	200		
	To Bills Receivable A/c			8,000	
	(Bill discounted with the bank @ 10% p.a. for 3 months)				
Apr. 04	Bills Payable A/c	Dr.	8,000		
	To Cash A/c			8,000	
	(Bill honoured on due date)				

Books of Naman Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2017					
Jan. 01	Bhanu	Dr.	8,000		
	To Bills Payable A/c			8,000	
	(Bill drawn by Bhanu, accepted)				
Jan. 01	Bills Receivable A/c	Dr.	8,000		
	To Bhanu			8,000	
	(Bhanu accepted the bill)				
Jan. 02	Bank A/c	Dr.	7,800		
	Discounting Charges A/c	Dr.	200		
	To Bills Receivable A/c			8,000	
	(Bill discounted with the bank @ 10% p.a. for 3 months)				

Bills of Exchange

Apr. 04	Bills Payable A/c	Dr.		8,000	
	To Cash A/c				8,000
	(Bill honoured on due date)				

Working Note:

Calculation of Discounting Charges

Discounting Charges= $8,000 \times 10/100 \times 3/12$ =Rs 200

Answer 51:

Books of Rupali Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Nov. 01	Priya	Dr.	30,000		
	To Bills Payable A/c			30,000	
	(Bill drawn by Priya, accepted)				
Nov. 01	Bills Receivable A/c	Dr.	25,000		
	To Priya			25,000	
	(Priya accepted the bill)				
Nov. 01	Bank A/c	Dr.	24,200		
	Discounting Charges A/c (25,000 – 24,200)	Dr.	800		
	To Bills Receivable A/c			25,000	
	(Bills discounted with the bank at discount of Rs 800)				
2006					
Feb. 04	Cash A/c (30,000 – 25,000)	Dr.	5,000		
	To Priya			5,000	
	(Cash received from Priya)				
Feb. 04	Bills Payable A/c	Dr.	30,000		
	To Cash A/c			30,000	
	(Bill honoured on due date)				

Bills of Exchange

Books of Priya Journal					
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)	
2016					
Nov. 01	Bills Receivable A/c	Dr.	30,000		
	To Rupali			30,000	
	(Rupali accepted the bill)				
Nov. 01	Rupali	Dr.	25,000		
	To Bills Payable A/c			25,000	
	(Bill drawn by Rupali, accepted)				
Nov. 01	Bank A/c	Dr.	29,000		
	Discounting Charges A/c (30,000 – 29,000)	Dr.	1,000		
	To Bills Receivable A/c			30,000	
	(Bill discounted with the bank at discount of Rs 1,000)				
2006					
Feb. 04	Rupali (30,000 – 25,000)	Dr.	5,000		
	To Cash A/c			5,000	
	(Cash paid to Rupali)				
Feb. 04	Bills Payable A/c	Dr.	25,000		
	To Cash A/c			25,000	
	(Bill honoured on due date)				

Rectification of Errors

From

D K GOEL

Solutions

ACCOUNTANCY

Rectification of Errors

Answer 1:

Two-Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Mridula's A/c	Dr.	5,000	
	To Sales A/c			5,000
	(Credit sales to Mridula were omitted to be recorded)			
ii)	Purchases A/c	Dr.	8,000	
	To Nayna's A/c			8,000
	(Credit purchases from Nayna were omitted to be recorded)			
iii)	Priya's A/c	Dr.	12,000	
	To Purchases Return A/c			12,000
	(Goods returned to Priya were omitted to be recorded)			
iv)	Sales Return A/c	Dr.	10,000	
	To Rashi's A/c			10,000
	(Goods returned from Rashi were omitted to be recorded)			

Answer 2:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Mridula's A/c	Dr.	4,500	
	To Sales A/c			4,500
	(Credit sales to Mridula were recorded as Rs 500 instead of Rs 5,000)			
ii)	Purchases A/c	Dr.	7,200	
	To Nayna's A/c			7,200
	(Credit purchases from Nayna were recorded as Rs 800 instead of Rs 8,000)			
iii)	Priya's A/c	Dr.	10,800	
	To Purchases Return A/c			10,800

Rectification of Errors

(Goods returned to Priya were recorded as Rs 1,200 instead of Rs 12,000)				
iv)	Sales Return A/c	Dr.	9,000	
	To Rashi's A/c			9,000
(Goods returned from Rashi were recorded as Rs 1,000 instead of Rs 10,000)				

Answer 3:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Sales A/c	Dr.	400	
	To Mridula's A/c			400
(Credit sales to Mridula were recorded as Rs 5,400 instead of Rs 5,000)				
ii)	Nayna's A/c	Dr.	800	
	To Purchases A/c			800
(Credit purchases from Nayna were recorded as Rs 8,800 instead of Rs 8,000)				
iii)	Purchases Return A/c	Dr.	200	
	To Priya's A/c			200
(Goods returned to Priya were recorded as Rs 12,200 instead of Rs 12,000)				
iv)	Rashi's A/c	Dr.	1,000	
	To Sales Return A/c			1,000
(Goods returned from Rashi were recorded as Rs 11,000 instead of Rs 10,000)				

Rectification of Errors

Answer 4:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Ram's A/c	Dr.	5,000	
	To Sales A/c			2,500
	To Purchases A/c			2,500
	(Goods sold to Ram wrongly passed through Purchases Book)			
ii)	Purchases A/c	Dr.	1,000	
	Sales A/c	Dr.	1,000	
	To Shyam's A/c			2,000
	(Goods purchased from Shyam wrongly passed through Sales Book)			
iii)	Mohan's A/c	Dr.	2,200	
	To Purchases Return A/c			1,100
	To Sales Return A/c			1,100
	(Goods returned to Mohan wrongly passed through Sales Return Book)			
iv)	Sales Return A/c	Dr.	500	
	Purchases Return A/c	Dr.	500	
	To Ganesh's A/c			1,000
	(Goods returned by Ganesh wrongly passed through Purchases Return Book)			

Answer 5:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Purchases A/c	Dr.	5,500	
	To Modern Traders A/c			5,500
	(Credit purchases from Modern Traders were omitted to be recorded)			
ii)	Creditors A/c	Dr.	1,500	

Rectification of Errors

	To Purchases Return A/c		1,500
	(Purchases return of Rs 1,500 was not recorded)		
iii)	Geeta Traders A/c	Dr.	1,800
	To Sales A/c		1,800
	(Goods sold to Geeta Traders were recorded as Rs 200 instead of Rs 2,000)		
iv)	Sales Return A/c	Dr.	1,800
	To Sunil & Co.		1,800
	(Goods returned by Sunil & Co. were omitted to be recorded)		
v)	Creditors A/c	Dr.	8,100
	To Purchases A/c		8,100
	(Goods purchased for Rs 900 were recorded as Rs 9,000)		
vi)	Sales A/c	Dr.	100
	To X		100
	(Invoice for goods sold was overcast by Rs 100)		

Answer 6:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases A/c	Dr.	2,600	
	Sales A/c	Dr.	2,600	
	To Ajay's A/c			5,200
	(Goods purchased from Ajay were recorded in Sales Book)			
2)	Surendra's A/c	Dr.	8,800	
	To Sales A/c			4,400
	To Purchases A/c			4,400
	(Goods sold to Surendra recorded in Purchases Book)			
3)	Sales Return A/c	Dr.	1,000	
	Purchases Return A/c	Dr.	1,000	

Rectification of Errors

	To Customer's A/c		2,000
	(Goods returned by a customer recorded in Purchases Return Book)		
4)	Sales A/c	Dr.	36
	To Rajesh's A/c		36
	(Credit sales of Rs 126 to Rajesh were recorded as Rs 162)		
5)	Sales A/c	Dr.	700
	To Furniture A/c		700
	(Sale of furniture was recorded as sale of goods)		
6)	Drawings A/c	Dr.	800
	To Rent A/c		800
	(Rent paid for proprietor's residence, debited to Rent Account)		

Answer 7:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Raja Ram's A/c	Dr.	5,000	
	To Sales A/c			2,500
	To Purchases A/c			2,500
	(Sale of goods to Raja Ram recorded in Purchases Book)			
2)	Salaries A/c	Dr.	800	
	To Hari Babu's A/c			800
	(Salary paid to Hari Babu wrongly debited to his personal account)			
3)	Furniture A/c	Dr.	1,000	
	To Purchases A/c			1,000
	(Purchase of furniture recorded in Purchases Book)			
4)	Building A/c	Dr.	5,000	
	To Buildings Repairs A/c			5,000
	(Amount spent on the extension of building debited to Buildings Repairs Account)			

Rectification of Errors

5)	Sales Return A/c	Dr.	1,200	
	Purchases Return A/c	Dr.	1,200	
	To Mani Ram's A/c			2,400
	(Goods returned by Mani Ram recorded in Returns Outward Book)			

Answer 8:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Furniture A/c	Dr.	10,000	
	To Purchases A/c			10,000
	(Purchase of Furniture wrongly debited to Purchases Account)			
b)	Machinery A/c	Dr.	20,000	
	To Purchases A/c			20,000
	(Purchase of machinery recorded through Purchases Book)			
c)	Repairs A/c	Dr.	1,400	
	To Machinery A/c			1,400
	(Repairs incurred on machinery debited to Machinery Account)			
d)	Machinery A/c	Dr.	2,000	
	To Repairs A/c			2,000
	(Repairs incurred on the purchase of second hand machinery debited to Repairs Account)			
e)	Sales A/c	Dr.	3,000	
	To Machinery A/c			3,000
	(Sale of old machinery credited to Sales Account)			

Rectification of Errors

Answer 9:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Machinery A/c	Dr.	5,000	
	To Purchases A/c			5,000
	(Purchase of machinery debited to Purchases Account)			
2)	Legal Charges A/c	Dr.	700	
	To Mohan Kapoor's A/c			700
	(Legal charges paid to Mohan Kapoor debited to his personal account)			
3)	Machinery A/c	Dr.	10,000	
	To Escorts Company A/c			10,000
	(Payment made for machinery debited to company's account)			
4)	Typewriter A/c	Dr.	6,000	
	To Purchases A/c			6,000
	(Purchase of typewriter recorded in Purchases Book)			
5)	Drawings A/c	Dr.	20,000	
	To General Expenses A/c			20,000
	(Purchase of motor cycle for proprietor debited to General Expenses Account)			
6)	Gas Engine A/c	Dr.	15,000	
	To Purchases A/c			15,000
	(Payment made for purchase of Gas Engine debited to Purchases Account)			
7)	Ram's A/c	Dr.	400	
	To Shyam's A/c			400
	(Rectifying entry made)			

Rectification of Errors

Answer 10:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Building A/c	Dr.	4,500	
	To Repairs A/c			4,500
	(Amount spent on the extension of building debited to Repairs Account)			
2)	Machinery A/c	Dr.	3,600	
	To Wages A/c			3,600
	(Wages paid for installation of new machinery debited to Wages Account)			
3)	Building A/c	Dr.	10,000	
	To Repairs A/c			10,000
	(Amount spent on the construction of a godown debited to Repairs Account)			
4)	Wages A/c	Dr.	1,500	
	To Bahadur Singh's A/c			1,500
	(Wages paid to a worker debited to his personal account)			
5)	Sales A/c	Dr.	500	
	To Furniture A/c			500
	(Sale of furniture recorded as sale of goods)			
6)	Shyam's A/c	Dr.	620	
	To Ram's A/c			620
	(Cheque received from Ram credited to Shyam)			

Rectification of Errors

Answer 11:

Two Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Drawings A/c	Dr.	5,000	
	To Radio A/c			5,000
	(Purchase of radio for personal use debited to Radio Account)			
ii)	Drawings A/c	Dr.	1,000	
	To Purchases A/c			1,000
	(Goods taken by the proprietor omitted to be recorded)			
iii)	Y's A/c	Dr.	500	
	Bank A/c	Dr.	500	
	To X's A/c			500
	To Cash A/c			500
	(Cheque received from X debited to Y's Account and instead of bank, Cash Account is debited)			
iv)	Ram Lal's A/c	Dr.	1,300	
	To General Expenses A/c			1,300
	(Cheque received from Ram Lal dishonoured and debited to General Expenses Account)			
v)	Drawings A/c	Dr.	3,000	
	To Travelling Expenses A/c			3,000
	(Amount spent by the proprietor for private travel debited to Travelling Expenses Account)			
vi)	Vijay's A/c	Dr.	500	
	To Ajay's A/c			500
	(Credit purchase from Ajay posted to the credit of Vijay)			
vii)	Chandan Lal's A/c	Dr.	1,600	
	To Bad Debts Recovered A/c			1,600
	(Amount written-off as bad debts were			

Rectification of Errors

recovered and credited to Debtors Account)

Answer 12:

One Sided Errors

1. Purchases Book has been overcastted by Rs 1,000. Since it is an error of casting that means individual creditors accounts have been posted correctly and only the total of purchases book has been posted incorrectly to the debit side of Purchases Account. Thus, Purchases Account will be rectified by recording Rs 1,000 on the credit side of Purchases Account.

Purchases Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Overcasting of Purchases book		1,000

2. Purchases from Ram Rs 20,000 has been omitted to be posted to his account. This mistake is happened only in Ram's Account which means that the total of Purchases Book is correct. Thus, in order to rectify this error Rs 20,000 should be posted on the credit side of Ram's Account.

Ram's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Omission in posting		20,000

3. Purchase from Shyam Rs 15,000 has been posted to the debit side of his account. It implies that there is no mistake in Purchases account, however, Shyam's account has been wrongly debited with Rs 15,000 instead of crediting. Thus, rectification will be done by posting the double amount (Rs 30,000) on the credit side of Shyam's Account.

Shyam's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Error in posting to the wrong side		30,000

4. Purchases made from Ghanshayam Rs 10,000 have been posted to his account as Rs 1,000. It is a mistake at the time of posting in the ledger account which implies that there is no mistake in the Purchases Account. In this case, Ghanshyam's Account was credited with lesser amount. So, Rs 9,000 more will be credited to his account for rectification of this error.

Rectification of Errors

Ghanshyam's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Less amount on the credit side		9,000

5. Purchases made from Sitaram Rs 5,000 have been posted to his account as Rs 50,000. It implies that his account is credited with an excess amount of Rs 45,000 (50,000 – 5,000). Thus, in order to rectify this error Rs 45,000 is debited to Sitaram's Account.

Sitaram's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
	Excess amount on the credit side		45,000				

Answer 13:

One Sided Errors

- Sales book has been undercasted by Rs 5,000. Since it is an error of casting that means individual debtors accounts have been posted correctly and only the total of sales book has been posted incorrectly to the credit side of Sales Account. In this case it has been undercasted accordingly it would be rectified by crediting Sales Account with Rs 5,000.

Sales Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
					Undercasting of Sales Book		5,000

- Credit sale to Sita Rs 6,300 has been posted to her account as Rs 3,600. It implies that Sita's Account was debited with lesser amount. Thus, Rs 2,700 more will be debited to her account for rectification of this error.

Sita's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)

Rectification of Errors

	Less amount on the debit side		2,700				

3. Credit sale to Radha Rs 2,400 has been posted to her account as Rs 4,200. In this case, Radha's Account was debited with an excess amount of Rs 1,800 and accordingly Rs 1,800 should be credited to her account.

Parbati's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Excess amount on the debit side		1,800

4. A credit sale to Parbati Rs 3,000 has been posted to the credit side of her account. This transaction must have been recorded on the debit side of Parbati's Account, but, mistakenly it was recorded on the credit side. Thus, Rs 6,000 must be debited to her account.

Parbati's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount (Rs)
	Error in posting to the wrong side		6,000				

5. A credit sale to Laxmi Rs 5,600 has been posted to the credit side of her account as Rs 6,500. In this case, the transaction was recorded on the wrong side with wrong amount. Thus, Rs 12,100 (5,600 + 6,500) must be debited to her account.

Laxmi's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
	Error in posting to the wrong side with wrong amount		12,100				

Rectification of Errors

Answer 14(A):

One Sided Errors

1. Purchases of Rs 800 from Sachin have been omitted to be posted to his account. It is a mistake at the time of posting in the ledger. Since the entry in the Purchases Book is correct, total of Purchases Book will also be correct. The mistake is only in Sachin's account where Rs 800 has not been posted to the credit side of his account. So it would be rectified by crediting Sachin's account with Rs 800.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Omission in posting		800

2. Purchases of Rs 800 from Sachin have been posted to his account as Rs 80. It is a mistake at the time of posting in the ledger. Because the entry in the Purchase Book is correct, so there is no mistake in Purchases account, the mistake will affect only Sachin's Account where lesser amount has been credited to his account. So, Rs 720 more will be credited to his account for rectification of this error.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Less amount on the credit side		720

3. Purchases of Rs 800 from Sachin have been posted to his account as Rs 880. It is a mistake at the time of posting in the ledger. Because the entry in the Purchase Book is correct, so there is no mistake in Purchases account, the mistake will affect only Sachin's account where an excess amount of Rs 80 is credited to his account. So Rs 80 will be debited to his account for rectification of this error.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
	Excess amount on the credit side		80				

4. Purchase of Rs 800 from Sachin have been posted to the debit side of his account. It is a mistake at the time of posting in the ledger. There is no mistake in Purchases account the mistake will affect only Sachin's account. Sachin's account has been wrongly debited with Rs 800 instead of crediting his account. Hence rectification would be made by double the amount of entry.

Sachin's Account							
Dr.							Cr.

Rectification of Errors

Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Error in posting to the wrong side		1,600

5. Purchase of Rs 800 from Sachin have been posted to the debit side of his account as Rs 80. It is a mistake at the time of posting in the ledger. There is no mistake in Purchases account the mistake will affect only Sachin's account. Sachin's account has been wrongly debited with Rs 80 instead of crediting his account as Rs 800. Hence rectification would be made by adding these two amounts and Rs 880 will be credited to his account.

Sachin's Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount(Rs)	Date	Particulars	J.F.	Amount(Rs)
					Error in posting to the wrong side with wrong amount		880

Answer 14(B):

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Suspense A/c	Dr.	800	
	To Sachin's A/c			800
	(Goods purchased from Sachin omitted to be credited to his account)			
2)	Suspense A/c	Dr.	720	
	To Sachin's A/c			720
	(Goods purchased from Sachin credited to his account as Rs 80, instead of Rs 800)			
3)	Sachin's A/c	Dr.	80	
	To Suspense A/c			80
	(Goods purchased from Sachin credited to his account as Rs 880, instead of Rs 800)			

Rectification of Errors

4)	Suspense A/c	Dr.	1,600	
	To Sachin's A/c			1,600
	(Goods purchased from Sachin debited to his account)			
5)	Suspense A/c	Dr.	880	
	To Sachin's A/c			880
	(Goods purchased from Sachin debited to his account as Rs 80)			

Answer 15:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Suspense A/c	Dr.	14,000	
	To Sales A/c			7,000
	To Purchases A/c			7,000
	(Goods sold to Mohan wrongly recorded in Purchases Book)			
b)	Purchases A/c	Dr.	9,000	
	Sales A/c	Dr.	9,000	
	To Suspense A/c			18,000
	(Credit purchases from Rohan recorded in Sales Book)			
c)	Suspense A/c	Dr.	8,000	
	To Purchases Return A/c			4,000
	To Sales Return A/c			4,000
	(Goods returned to Rakesh recorded in Sales Return Book)			
d)	Sales Return A/c	Dr.	1,000	
	Purchases Return A/c	Dr.	1,000	
	To Suspense A/c			2,000
	(Goods returned from Mahesh recorded in Purchases Return Book)			
e)	Suspense A/c	Dr.	4,000	

Rectification of Errors

To Purchases Return A/c	2,000
To Purchases A/c	2,000
(Goods returned to Naresh recorded in Purchases Book)	

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Sales A/c	7,000	Difference as per Trial Balance (<i>Balancing Figure</i>)	6,000
Purchases A/c	7,000	Purchases A/c	9,000
Purchases Return A/c	4,000	Sales A/c	9,000
Sales Return A/c	4,000	Sales Return A/c	1,000
Purchases Return A/c	2,000	Purchases Return A/c	1,000
Purchases A/c	2,000		
	26,000		26,000

Answer 16:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Suspense A/c	Dr.	100	
	To Purchases A/c			100
	(Overcasting of Purchases Book)			
2)	Sales A/c	Dr.	1,000	
	To Suspense A/c			1,000
	(Overcasting of Sales Book)			
3)	Suspense A/c	Dr.	800	
	To Umakant's A/c			800
	(Goods purchased from Umakant not posted to his account)			
4)	Suspense A/c	Dr.	70	
	To Commission A/c			70
	(Amount of Rs 500 posted to the credit side of Commission Account, instead of Rs			

Rectification of Errors

570)			
5)	Bharti's A/c	Dr.	400
	To Suspense A/c		400
(Goods sold to Bharti for Rs 4,400 posted as Rs 4,000)			
6)	X's A/c	Dr.	1,500
	To Sales A/c		750
	To Purchases A/c		750
(Goods sold to X recorded in Purchases Book)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	430	Sales A/c	1,000
Purchases A/c	100	Bharti's A/c	400
Uma Kant's A/c	800		
Commission A/c	70		
	1,400		1,400

Answer 17:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Suspense A/c	Dr.	17,715	
	To X's A/c			17,715
(Amount received from X not posted to his account)				
2)	Depreciation A/c	Dr.	9,500	
	To Suspense A/c			9,500
(Amount written-off as depreciation not posted to Depreciation Account)				
3)	Furniture A/c	Dr.	1,50,000	
	To Purchases A/c			1,50,000
(Amount paid for purchase of furniture				

Rectification of Errors

debited to Purchases Account)			
4)	Suspense A/c	Dr.	94
	To Customer's A/c		94
(Discount allowed credited with less amount in Customer's Account)			
5)	Sales Return A/c	Dr.	900
	To Suspense A/c		900
(Shortfall in return inward book)			
6)	Sales A/c	Dr.	3,600
	To Suspense A/c		3,600
(An item of sale of Rs 5,900 posted as Rs 9,500 in Sales Account)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
X's A/c	17,715	Difference in Trial Balance	3,809
Customer's A/c	94	Depreciation A/c	9,500
		Sales Return A/c	900
		Sales A/c	3,600
	17,809		17,809

Answer 18:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	D & Co. A/c	Dr.	360	
	To Suspense A/c			360
(Goods sold to D & Co. for Rs 620 posted to company's account as Rs 260)				
2)	Suspense A/c	Dr.	185	
	To Rent A/c			185
(Credit balance of Rs 755 of rent received shown as Rs 570)				

Rectification of Errors

3)	Suspense A/c	Dr.	200	
	To Purchases Return A/c			200
	(Total of return outwards book was not posted)			
4)	Purchases A/c	Dr.	100	
	Sales A/c	Dr.	100	
	To Suspense A/c			200
	(Goods purchased from Prakash entered in Sales Book)			
5)	Suspense A/c	Dr.	100	
	To Sales A/c			100
	(Undercasting of Sales Book)			
6)	Sohan's A/c	Dr.	100	
	To Suspense A/c			100
	(Total of credit side of Sohan's Account was overcasted)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	175	D & Co.	360
Rent A/c	185	Purchases A/c	100
Purchases Return A/c	200	Sales A/c	100
Sales A/c	100	Sohan's A/c	100
	660		660

Answer 19:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Suspense A/c	Dr.	800	
	To Sales A/c			400
	To Purchases A/c			400
	(Sale of goods wrongly treated as purchase of goods but customer account correctly debited, now rectified)			
2)	Suspense A/c	Dr.	260	

Rectification of Errors

	To Bills Receivable A/c		260
	(Bills receivable dishonoured wrongly debited to bills receivable, now rectified)		
3)	Sales Return A/c	Dr.	80
	To Peter's A/c		80
	(Goods returned by Peter not recorded, now rectified)		

Answer 20:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Supplier's A/c	Dr.	891	
	To Suspense A/c			891
	(Goods purchased of Rs 99 on credit posted to the credit side of Supplier's Account as Rs 990)			
ii)	Suspense A/c	Dr.	75	
	To Discount Received A/c			75
	(Discount received from a creditor omitted to be posted to Discount Account)			
iii)	Sales A/c		1,400	
	To Furniture A/c			1,400
	(Sale of furniture recorded in Sales Book)			
iv)	Sundry Debtors A/c	Dr.	900	
	To Suspense A/c			900
	(Amount due from a customer omitted to be included in sundry debtors)			
v)	Sales Return A/c	Dr.	3,000	
	To Customer's A/c			3,000
	(Goods returned by a customer were taken into stock but omitted to be recorded)			
vi)	Suspense A/c	Dr.	710	
	To Customer's A/c			710
	(Goods returned by a customer posted to			

Rectification of Errors

the debit side of his/her account)

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	1,006	Supplier's A/c	891
Discount Received A/c	75	Sundry Debtors A/c	900
Customer's A/c	710		
	1,791		1,791

Answer 21:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Suspense A/c	Dr.	18	
	To Madhav's A/c			18
	(Entry for goods for Rs 102, posted to his account as Rs 120)			
b)	Discount Allowed A/c	Dr.	200	
	To Suspense A/c			200
	(Total of discount allowed was credited to the account)			
c)	Jadav's A/c	Dr.	275	
	To Madhav's A/c			275
	(Amount paid by Madhav credited to Jadav)			
d)	Stationery A/c	Dr.	26	
	To Suspense A/c			26
	(Amount paid for stationery omitted to be posted)			
e)	Purchases A/c	Dr.	100	
	To Suspense A/c			100
	(Debit side of Purchases Account undercasted)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	308	Discount Allowed A/c	200
Madhav's A/c	18	Stationery A/c	26
		Purchases A/c	100
	326		326

Answer 22:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Suspense A/c	Dr.	420	
	To Purchases Return A/c			420
	(Total of the returns outward book has not been posted to ledger)			
b)	Purchases A/c	Dr.	350	
	Sales A/c	Dr.	350	
	To Suspense A/c			700
	(Purchases from Y has been entered in the Sales Book)			
c)	Z's A/c	Dr.	680	
	To Suspense A/c			680
	(Sale to Z of Rs 390 has been credited to his account as Rs 290)			
d)	Sales A/c	Dr.	4,500	
	Suspense A/c	Dr.	900	
	To Furniture A/c			5,400
	(Sale of furniture of Rs 5,400 had been entered as Rs 4,500 in Sales Account)			
e)	Drawings A/c	Dr.	500	
	To Purchases A/c			500
	(Goods taken by the proprietor omitted to be recorded)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference as per Trial Balance (<i>Balancing Figure</i>)	60	Purchases A/c	350
Purchases Return A/c	420	Sales A/c	350
Furniture A/c	900	Z's A/c	680
	1,380		1,380

Answer 23:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Suspense A/c	Dr.	2,000	
	To Ravish's A/c			2,000
	(An amount of Rs 8,000 received from Ravish posted as Rs 6,000)			
b)	Suspense A/c	Dr.	1,000	
	To Sales Return A/c			1,000
	(Overcasting of Return Inwards book)			
c)	Suspense A/c	Dr.	10,000	
	To Sales A/c			10,000
	(Total of Sales Book omitted to be posted to Sales Account)			
d)	Purchases A/c	Dr.	7,000	
	Sales A/c	Dr.	7,000	
	To Suspense A/c			14,000
	(Credit purchases from Nanak recorded in Sales Book)			
e)	Machinery A/c	Dr.	10,000	
	To Purchases A/c			5,000
	To Suspense A/c			5,000
	(Purchase of machinery recorded as purchases)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Difference in Trial Balance	6,000	Purchases A/c	7,000
Ravish's A/c	2,000	Sales A/c	7,000
Sales Return A/c	1,000	Machinery A/c	5,000
Sales A/c	10,000		
	19,000		19,000

Answer 24:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Suspense A/c Dr.		800	
	To Sales Return A/c			800
	(Overcasting of Sales Return Book)			
b)	Sahu's A/c Dr.		2,000	
	To Suspense A/c			2,000
	(Goods returned to Sahu omitted to be posted)			
c)	Purchases A/c Dr.		4,000	
	To Narula's A/c			4,000
	(Goods purchased from Narula omitted to be recorded)			
d)	Machinery A/c Dr.		500	
	To Sundry Expenses A/c			50
	To Suspense A/c			450
	(Installation charges on new machinery debited to Sundry Expenses Account)			
e)	Drawings A/c Dr.		1,400	
	To Rent A/c			1,000
	To Suspense A/c			400
	(Rent paid for residential accommodation of proprietor debited to Rent Account)			

Rectification of Errors

Suspense Account				
Dr.		Cr.		
Particulars	Amount(Rs)	Particulars	Amount(Rs)	
Difference as per Trial Balance (<i>Balancing Figure</i>)	2,050	Sahu's A/c	2,000	
Sales Return A/c	800	Machinery A/c	450	
		Drawings A/c	400	
	2,850		2,850	

Answer 25:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Suspense A/c	Dr.	10,800	
	To A's A/c			10,800
	(Amount received from Mr. A posted to the debit of his account)			
ii)	Suspense A/c	Dr.	2,000	
	To Purchases Return A/c			1,000
	To Purchases A/c			1,000
	(Purchases return debited to Purchases Account)			
iii)	Suspense A/c	Dr.	4,000	
	To Discount A/c			4,000
	(Discount received debited to Discount Account)			
iv)	Repairs A/c	Dr.	2,740	
	To Motor Car A/c			1,740
	To Suspense A/c			1,000
	(Repairs made to motor car debited to Motor Car Account)			
v)	B's A/c	Dr.	4,000	
	To A's A/c			4,000
	(Amount paid to B debited to A's Account)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
A's A/c	10,800	Difference as per Trial Balance (<i>Balancing Figure</i>)	15,800
Purchases Return A/c	1,000	Repairs A/c	1,000
Purchases A/c	1,000		
Discount A/c	4,000		
	16,800		16,800

Answer 26:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases A/c Dr.		540	
	To Sales Return A/c			100
	To C's A/c			440
	(Sales return book overcasted, total of purchases book carried forward less, goods purchased debited to C's Account, now rectified)			
2)	Furniture A/c Dr.		425	
	To Wages A/c			425
	(Wages paid for making office table debited to Wages Account)			
3)	Rent A/c Dr.		1,650	
	To Suspense A/c			1,650
	(Rent paid credited to Rent Account)			
4)	Suspense A/c Dr.		450	
	To Ghanshyam's A/c			450
	(Cash received from Ghanshyam posted as Rs 50 instead of Rs 500)			
5)	Kamal's A/c Dr.		720	
	To Kamlesh's A/c			520
	To Suspense A/c			200
	(Amount paid to Kamal debited to Kamlesh's Account)			

Rectification of Errors

6)	Suspense A/c	Dr.		2,500	
	To Purchases Return A/c				2,500
	(Total of Purchases Return Book omitted to be posted)				

Suspense Account			
Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Ghanshyam's A/c	450	Difference as per Trial Balance (Balancing Figure)	1,100
Purchases Return A/c	2,500	Rent A/c	1,650
		Kamal's A/c	200
	2,950		2,950

Answer 27:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Suspense A/c	Dr.	1,650	
	To Purchases Return A/c			825
	To Sales Return A/c			825
	(Total of Purchases Return Book posted to the debit of Sales Return Account)			
2)	Purchases A/c	Dr.	1,800	
	Sales A/c	Dr.	180	
	To Suresh's A/c			1,980
	(Purchases made from Suresh recorded as sale)			
3)	Bad Debts A/c	Dr.	328	
	To Suspense A/c			328
	(Amount written-off as bad debts omitted to be debited to Bad Debts Account)			
4)	X's A/c	Dr.	500	
	To Y's A/c			500
	(Amount of purchases from X and Y wrongly recorded in Purchases Book)			
5)	Ramesh's A/c	Dr.	2,340	
	To Suspense A/c			2,340

Rectification of Errors

(Goods returned to Ramesh posted to his account as Rs 260 instead of Rs 2,600)			
6)	Loss by Theft A/c	Dr.	2,210
	To Suspense A/c		2,210
(Amount stolen by an ex-employee debited to Suspense Account)			
7)	Suspense A/c	Dr.	500
	To Machinery A/c		500
(Depreciation omitted to be posted to Machinery Account)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance (Balancing Figure)	2,728	Bad Debts A/c	328
Purchases Return A/c	825	Ramesh's A/c	2,340
Sales Return A/c	825	Loss by Theft A/c	2,210
Machinery A/c	500		
	4,878		4,878

Answer 28:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases A/c	Dr.	700	
	Sales A/c	Dr.	700	
	To Ram's A/c			1,400
(Goods purchased from Ram passed through Sales Book)				
2)	Shyam's A/c	Dr.	3,000	
	To Purchases Return A/c			1,500
	To Sales Return A/c			1,500
(Goods returned to Shyam passed through Returns Inward Book)				
3)	Prepaid Rent A/c	Dr.	450	

Rectification of Errors

	To Suspense A/c		450
	(Prepaid rent omitted to be brought forward)		
4)	Suspense A/c	Dr.	240
	To Purchases Return A/c		120
	To Purchases A/c		120
	(Purchases return recorded in Purchases Book)		
5)	Repairs A/c	Dr.	180
	Radio A/c	Dr.	1,920
	To Purchases A/c		2,000
	To Subhash's A/c		100
	(Amount paid for purchase of radio and repairs on radio entered in Purchases Book)		

Suspense Account			
Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance (Balancing Figure)	210	Prepaid Rent A/c	450
Purchase Return A/c	120		
Purchase A/c	120		
	450		450

Note: Item number 3 & 4 affected the agreement of Trial Balance.

Answer 29:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Drawings A/c	Dr.	500	
	To General Expenses A/c			500
	(Amount paid for purchase of radio for proprietor debited to General Expenses Account)			
b)	Suspense A/c	Dr.	600	
	To Sales A/c			300
	To Purchases A/c			300

Rectification of Errors

(Goods sold to Ram entered in Purchases Book)			
c)	Kewal's A/c	Dr.	50
	Kanwal's A/c	Dr.	50
	To Suspense A/c		100
(Amount paid to Kewal credited to Kanwal)			
d)	Rent A/c	Dr.	450
	To Landlord's Personal A/c		450
(Payment of rent debited to Landlord's Personal Account)			
e)	Suspense A/c	Dr.	300
	To Wages		300
(Payment of wages posted twice)			
f)	Sales Return A/c	Dr.	10
	To Suspense A/c		10
(Undercasting of Sales Return Book)			
g)	Sales Return A/c	Dr.	100
	To Customer's A/c		100
(Goods returned by a customer omitted to be recorded)			
h)	Repairs A/c	Dr.	500
	Suspense A/c	Dr.	50
	To Machinery A/c		550
(Repairs debited to Machinery Account)			

Answer 30:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Surinder's A/c	Dr.	180	
	To Suspense A/c			180
(Goods purchased from Surinder for Rs 350 credited as Rs 530)				

Rectification of Errors

2)	Suspense A/c	Dr.	80	
	To Dinesh's A/c			80
	(Goods sold of Rs 800 debited as Rs 880)			
3)	Suspense A/c	Dr.	50	
	To Debtor's A/c			50
	(Cheque received from debtor posted as Rs 1,200 instead of Rs 1,250)			
4)	Machinery A/c	Dr.	780	
	To Suspense A/c			72
	To Freight A/c			708
	(Freight paid on machinery debited to Freight Account)			
5)	Suspense A/c	Dr.	260	
	To Navin Kumar's A/c			260
	(Goods returned by a customer debited to his account)			
6)	Repairs A/c	Dr.	1,440	
	To Motor Car A/c			1,400
	To Suspense A/c			40
	(Repairs paid for motor car debited to Motor Car Account)			
7)	Suspense A/c	Dr.	1,000	
	To Purchases A/c			500
	To Purchases Return A/c			500
	(Purchases return posted to debit of Purchases Account)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Dinesh's A/c	80	Difference as per Trial Balance	1,098
Debtor's A/c	50	Surinder's A/c	180
Navin Kumar's A/c	260	Machinery A/c	72
Purchases A/c	500	Repairs A/c	40
Purchases Return A/c	500		
	1,390		1,390

Rectification of Errors

Answer 31:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Purchases Return A/c	Dr.	710	
	To Suspense A/c			710
	(Total of purchases return book posted twice)			
2)	Advertisement Expenses A/c	Dr.	800	
	To Purchases A/c			800
	(Goods distributed as free samples omitted to be recorded)			
3)	Creditors A/c	Dr.	900	
	Machinery A/c	Dr.	5,600	
	To Purchases A/c			6,500
	(Purchase of machinery for Rs 5,600 recorded in Purchases Account as Rs 6,500)			
4)	Sales A/c	Dr.	1,200	
	To Ram Lal's A/c			1,200
	(Cash sales wrongly entered in Sales Book)			
5)	Trading A/c	Dr.	1,500	
	To Closing Stock A/c			1,500
	(Closing stock overvalued)			
6)	Sales Return A/c	Dr.	1,580	
	To Suspense A/c			1,580
	(Omitted totalling of Sales Return Book)			
7)	Insurance Premium A/c	Dr.	700	
	Interest on Overdraft A/c	Dr.	320	
	To Bank A/c			1,020
	(Recording is made for payment of insurance premium and interest charged on overdraft)			
8)	Drawings A/c	Dr.	200	
	To Suspense A/c			200
	(An amount of Rs 200 omitted to be posted to Drawings Account)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference as per Trial Balance	2,800	Purchases Return A/c	710
		Sales Return A/c	1,580
		Drawings A/c	200
		Balance b/d	310
	2,800		2,800

Answer 32:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
a)	Madan's A/c	Dr.	5,400	
	To Sales A/c			5,400
	(Goods sold for Rs 6,000 recorded as Rs 600)			
b)	Purchases A/c	Dr.	1,500	
	Sales A/c	Dr.	1,500	
	To Ajay's A/c			3,000
	(Credit purchases wrongly passed through Sales Book)			
c)	Repairs A/c	Dr.	300	
	To Building A/c			300
	(Repairs to building debited to Building Account)			
d)	Rohit's A/c	Dr.	2,050	
	Suspense A/c	Dr.	2,970	
	To Mohit's A/c			5,020
	(Amount paid to Rohit debited to Mohit's Account)			
e)	Purchases Return A/c	Dr.	400	
	To Suspense A/c			400
	(Overcasting of Purchases Return Book)			

Rectification of Errors

Answer 33:

One Sided Errors

Rectifying Journal Entries				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Suspense A/c	Dr.	1,000	
	To Sales A/c			1,000
	(Undercasting of Sales Book)			
ii)	Sales Return A/c	Dr.	1,500	
	To Green & Co.			1,500
	(Goods returned by Green & Co. omitted to be recorded)			
iii)	Suspense A/c	Dr.	5,000	
	To Gupta & Co.			5,000
	(Goods purchased debited to supplier account)			
iv)	Furniture A/c	Dr.	10,000	
	To Purchases A/c			10,000
	(Purchase of furniture recorded in Purchases Book)			
v)	Suspense A/c	Dr.	2,500	
	To A's A/c			2,500
	(Cash received from A omitted to be posted to his account)			

Answer 34:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Ashish's A/c	Dr.	5,000	
	To Discount A/c			5,000
	(Cheque received from Ashish dishonoured and debited to Discount Account)			
ii)	Purchases A/c	Dr.	540	
	Sales A/c	Dr.	540	
	To Suspense A/c			1,080
	(Purchases recorded in Sales Book)			

Rectification of Errors

iii)	Salaries A/c	Dr.	1,000	
	To Yugakshi's A/c			900
	To Suspense A/c			100
	(Payment of salary debited to personal account of Yugakshi)			
iv)	Furniture A/c	Dr.	500	
	To Purchases A/c	Dr.		450
	To Jyoti's A/c			50
	(Furniture purchased from Jyoti entered in Purchases Book)			

Answer 35:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Purchases A/c	Dr.	1,000	
	To Suspense A/c			1,000
	(Undercasting of Purchases Book)			
ii)	Building A/c	Dr.	20,000	
	To Wages A/c			20,000
	(Payment made for construction of building debited to Wages Account)			
iii)	Ramesh's A/c	Dr.	2,400	
	To Sales A/c			1,200
	To Purchases A/c			1,200
	(Credit sale recorded as purchases)			
iv)	Purchases A/c	Dr.	4,500	
	To Suspense A/c			4,500
	(Goods purchased for Rs 5,000 posted as Rs 500)			
v)	Mahesh Chand's A/c	Dr.	2,000	
	To Bad Debts Recovered A/c			2,000
	(Bad debts recovered posted to the personal account of Mahesh Chand)			
vi)	Ramesh's A/c	Dr.	360	

Rectification of Errors

	To Purchases A/c		360	
	(Purchases from Ramesh recorded as Rs 1,400 instead of Rs 1,040)			
vii)	Advertisement Expenses A/c	Dr.	5,000	
	To Purchases A/c			5,000
	(Goods distributed as free samples omitted to be recorded)			
viii)	Sales Return A/c	Dr.	1,500	
	To Green & Co.			1,500
	(Sales return omitted to be recorded)			

Answer 36:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Suspense A/c	Dr.	21,500	
	To Purchases Returns A/c			21,500
	(Total of Return Outwards Book omitted to be posted)			
ii)	Ramesh's A/c	Dr.	7,700	
	To Suspense A/c			7,700
	(Sale of Rs 4,300 to Ramesh credited to him as Rs 3,400)			
iii)	Shyam's A/c	Dr.	270	
	To Sales A/c			270
	(Sales of Rs 2,960 recorded as Rs 2,690 in Sales Book)			
iv)	Sales A/c	Dr.	4,500	
	Suspense A/c	Dr.	900	
	To Furniture A/c			5,400
	(Sale of furniture recorded in Sales Account)			
v)	Drawings A/c	Dr.	1,000	
	To Purchases A/c			1,000
	(Goods taken by the proprietor omitted to be recorded)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Purchases Return A/c	21,500	Difference as per Trial Balance (<i>Balancing Figure</i>)	14,700
Furniture A/c	900	Ramesh's A/c	7,700
	22,400		22,400

Answer 37:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Purchases A/c	Dr.	10,000	
	Sales A/c	Dr.	10,000	
	To Shiv's A/c			20,000
	(Purchases from Shiv entered in Sales Book)			
ii)	Bills Receivable A/c	Dr.	18,000	
	Bills Payable A/c	Dr.	18,000	
	To Ganesh's A/c			36,000
	(Bills receivable recorded as bills payable)			
iii)	Suspense A/c	Dr.	8,000	
	To Purchases A/c			4,000
	To Purchases Returns A/c			4,000
	(Purchases return wrongly debited to Purchases Account)			
iv)	Prepaid Salaries A/c	Dr.	2,000	
	To Suspense A/c			2,000
	(Prepaid salary omitted to be brought forward)			
v)	Repairs A/c	Dr.	1,000	
	To Furniture A/c			1,000
	(Repair of furniture debited to Furniture Account)			

Rectification of Errors

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Purchases A/c	4,000	Difference as per Trial Balance (<i>Balancing Figure</i>)	6,000
Purchases Return A/c	4,000	Prepaid Salaries A/c	2,000
	8,000		8,000

Answer 38:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Sales Return A/c	Dr.	2,000	
	To Suspense A/c			2,000
	(Undercasting of Sales Return Book)			
ii)	Furniture A/c	Dr.	6,000	
	To Purchases A/c			6,000
	(Purchase of office table recorded as purchases)			
iii)	Furniture A/c	Dr.	7,500	
	To Wages A/c			7,500
	(Payment made for making showcases debited to Wages Account)			
iv)	Suspense A/c	Dr.	740	
	To Creditor's A/c			740
	(Purchases recorded with less amount in Creditor's Account)			
v)	Y's A/c	Dr.	4,000	
	To Allowances A/c			4,000
	(Cheque received from Y dishonoured and debited to Allowances Account)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	1,260	Sales Return A/c	2,000
Creditor's A/c	740		
	2,000		2,000

Rectification of Errors

Answer 39:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Suspense A/c	Dr.	2,100	
	To Purchases Returns A/c			2,100
	(Total of Purchases Return Book omitted to be posted)			
ii)	Ram's A/c	Dr.	7,700	
	To Suspense A/c			7,700
	(Sale of Rs 4,300 to Ram credited to his account as Rs 3,400)			
iii)	Purchases A/c	Dr.	4,000	
	Sales A/c	Dr.	4,000	
	To Suspense A/c			8,000
	(Purchases were recorded in Sales Book)			
iv)	Suspense A/c	Dr.	900	
	Sales A/c	Dr.	4,500	
	To Furniture A/c			5,400
	(Sale of furniture of Rs 5,400 recorded in Sales Account as Rs 4,500)			
v)	Drawings A/c	Dr.	750	
	To Purchases A/c			750
	(Goods taken by the proprietor omitted to be recorded)			

Suspense Account			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Difference in Trial Balance	12,700	Purchases A/c	4,000
Purchases Return A/c	2,100	Sales A/c	4,000
Furniture A/c	900	Ram's A/c	7,700
	15,700		15,700

Rectification of Errors

Answer 40:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
i)	Sales A/c	Dr.	500	
	To Furniture A/c			500
	(Sale of furniture recorded in Sales Account)			
ii)	Machinery A/c	Dr.	2,000	
	Raman's A/c	Dr.	14,000	
	To Purchases A/c			16,000
	(Purchase of machinery of Rs 2,000 recorded through Purchases Book with Rs 16,000)			
iii)	Suspense A/c	Dr.	11,000	
	To Rajat's A/c			5,000
	To Bhagat's A/c			6,000
	(Cash received from Rajat debited to Bhagat)			
iv)	Suspense A/c	Dr.	2,700	
	To Machinery A/c			2,700
	(Depreciation provided on machinery posted to Machinery Account as Rs 300 instead of Rs 3,000)			

Answer 41:

One Sided Errors

Journal				
Date	Particulars	L.F.	Debit Amount(Rs)	Credit Amount(Rs)
1)	Sales A/c	Dr.	500	
	To Suspense A/c			500
	(Overcasting of Sales Book)			
2)	Suspense A/c	Dr.	15,000	
	To Aradhya's A/c			15,000
	(Purchases of Rs 6,000 from Aradhya debited to her account as Rs 9,000)			
3)	Sales Return A/c	Dr.	8,000	
	Purchases Return A/c	Dr.	8,000	
	To Ayan's A/c			16,000
	(Return inwards recorded in Purchases Return Book)			

Rectification of Errors

4)	Wages A/c	Dr.	90	
	To Cash A/c			90
	(Wages paid Rs 3,980 recorded as Rs 3,890)			

Answer 42:

Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
a.	Purchases A/c	Dr.	1,000	
	To Suspense A/c			1,000
	(Rectifying entry made)			
b.	Furniture A/c	Dr.	10,000	
	To Purchases A/c			10,000
	(Rectifying entry made)			
c.	Purchases A/c	Dr.	1,500	
	Sales A/c	Dr.	1,500	
	To Ram			3,000
	(Rectifying entry made)			
d.	Rent A/c	Dr.	4,000	
	To Landlord's A/c			4,000
	(Rectifying entry made)			

Answer 43:

Journal				
Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
a.	Suspense A/c	Dr.	4,000	
	To Sales A/c			2,000
	To Purchases A/c			2,000
	(Rectifying entry made)			
b.	BA & Co.	Dr.	5,000	
	To AB & Co.			5,000
	(Rectifying entry made)			

Rectification of Errors

c.	Suspense A/c	Dr.	1,000
	To Sales A/c		1,000
(Rectifying entry made)			

FINANCIAL STATEMENTS

From

D K GOEL

Solutions

ACCOUNTANCY

Financial Statements

Answer 1:

Trading Account for the year ended March 31, 2017					
Dr.			Cr.		
Particulars	Amount(Rs)		Particulars	Amount(Rs)	
Opening Stock	2,50,000		Sales	18,00,000	
Purchases	7,00,000		Less: Sales Returns	36,000	17,64,000
Less: Purchases Returns	22,000	6,78,000	Closing Stock		6,00,000
Carriage Inward	34,000				
Wages	2,06,000				
Custom Duty	15,000				
Gas, Fuel & Power	60,000				
Dock Charges	8,000				
Manufacturing Expenses	2,48,000				
Factory Lighting	96,000				
Gross Profit (<i>Balancing Figure</i>)	7,69,000				
	23,64,000				23,64,000

Answer 2(A):

Trading Account for the year ended March 31, 2017				
Dr.		Cr.		
Particulars	Amount(Rs)	Particulars	Amount(Rs)	
Adjusted Purchases	15,00,000	Sales	21,40,000	
Freight & Packing	15,000	Less: Return Inwards	40,000	21,00,000
Factory Expenses	60,000			
Gross Profit (<i>Balancing Figure</i>)	5,25,000			
	21,00,000			21,00,000

Note: Closing Stock will not be shown on the Credit side of Trading Account since it has already been adjusted while calculating adjusted purchases.

Adjusted Purchases = Opening Stock + Net Purchases – Closing Stock

Financial Statements

Answer 2(B):

Financial Statement of....					
Trading Account for the year ended ...					
Dr.			Cr.		
Particulars	Amount (Rs)	Particulars	Amount (Rs)		
Adjusted Purchase	5,50,000	Sales	6,88,000		
Wages	40,000				
Gross Profit (<i>Balancing Figure</i>)	98,000				
	6,88,000		6,88,000		

Note:

As adjusted purchases is given, it means opening and closing stock are already adjusted. So, these two stocks will not be considered while calculating Gross Profit.

Answer 3:

Gross Profit = Net Sales – Cost of Good Sold

Cost of Good Sold = Opening Stock + Net Purchases + Direct Expenses – Closing Stock
 = 32,000 + 2,80,000 + 20,000 – 50,000
 = Rs 2,82,000

Net Sales = Sales – Sales Return
 = 4,00,000 – 8,000
 = 3,92,000

∴ Gross Profit = 3,92,000 – 2,82,000
 = Rs 1,10,000

Financial Statements

Answer 4:

$$\text{Cost of Good Sold} = \text{Opening Stock} + \text{Net Purchases} + \text{Direct Expenses} - \text{Closing Stock}$$

$$\begin{aligned}\text{Net Purchases} &= \text{Purchases} - \text{Purchases Returns} \\ &= 6,80,000 - 30,000 = 6,50,000\end{aligned}$$

$$\begin{aligned}\text{Direct Expenses} &= \text{Carriage Inwards} + \text{Wages} \\ &= 20,000 + 50,000 = 70,000\end{aligned}$$

$$\begin{aligned}\therefore \text{Cost of Goods Sold} &= 0 + 6,50,000 + 70,000 - 0 \\ &= \text{Rs } 7,20,000\end{aligned}$$

$\frac{3}{4}$ th of the goods are sold for Rs 6,00,000

$$\text{Cost of } \frac{3}{4} \text{th of the Goods Sold} = \frac{3}{4} \times 7,20,000 = 5,40,000$$

$$\begin{aligned}\text{Gross Profit} &= \text{Net Sales} - \text{Cost of Good Sold} \\ &= 6,00,000 - 5,40,000 \\ &= \text{Rs } 60,000\end{aligned}$$

Answer 5(A):

$$\begin{aligned}\text{Cost of Good Sold} &= \text{Net Sales} - \text{Gross Profit} \\ &= 15,000 - 6,000 \\ &= \text{Rs } 9,000\end{aligned}$$

$$\text{Cost of Good Sold} = \text{Opening Stock} + \text{Net Purchases} + \text{Direct Expenses} - \text{Closing Stock}$$

$$9,000 = 5,000 + (10,000 - 900) + 1,000 - \text{Closing Stock}$$

$$\begin{aligned}\text{Closing Stock} &= 15,100 - 9,000 \\ &= \text{Rs } 6,100\end{aligned}$$

Answer 5(B):

$$\begin{aligned}\text{Cost of Good Sold} &= \text{Net Sales} + \text{Gross Loss} \\ &= (3,60,000 - 5,000) + 20,000 \\ &= \text{Rs } 3,75,000\end{aligned}$$

$$\text{Cost of Good Sold} = \text{Opening Stock} + \text{Net Purchases} + \text{Direct Expenses} - \text{Closing Stock}$$

$$3,75,000 = 38,000 + (3,40,000 - 4,000) + 26,000 - \text{Closing Stock}$$

$$\begin{aligned}\text{Closing Stock} &= 4,00,000 - 3,75,000 \\ &= \text{Rs } 25,000\end{aligned}$$

Financial Statements

Answer 6:

Trading Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Cost of Goods Sold	12,10,000	Sales	15,00,000
Gross Profit (<i>Balancing Figure</i>)	2,90,000		
	15,80,000		15,80,000

Note:

Cost of Good Sold = Opening Stock + Net Purchases + Direct Expenses – Closing Stock

So, when the value of cost of goods sold is given, the items used to calculate it (i.e. opening stock, net purchases, direct expenses and closing stock) will not appear in the Trading Account.

Answer 7(A):

Gross Profit = 40% on Sales

$$\begin{aligned} &= \frac{40}{100} \times 8,00,000 \\ &= \text{Rs } 3,20,000 \end{aligned}$$

$$\begin{aligned} \text{Cost of Good Sold} &= \text{Sales} - \text{Gross Profit} \\ &= 8,00,000 - 3,20,000 \\ &= \text{Rs } 4,80,000 \end{aligned}$$

Answer 7(B):

$$\begin{aligned} \text{Gross Profit} &= 33\frac{1}{3}\% \text{ on Sales} \\ &= \frac{100}{3 \times 100} \times 12,00,000 \\ &= \text{Rs } 4,00,000 \end{aligned}$$

$$\begin{aligned} \text{Cost of Good Sold} &= \text{Sales} - \text{Gross Profit} \\ &= 12,00,000 - 4,00,000 \\ &= \text{Rs } 8,00,000 \end{aligned}$$

Answer 8:

Gross Profit = 20% on Cost or $\frac{1}{5}$ th on Cost

$\frac{1}{5}$ th on Cost = $\frac{1}{6}$ th on Sales

$$\therefore \text{Gross Profit} = \frac{1}{6} \times 9,00,000 \\ = 1,50,000$$

$$\begin{aligned} \text{Cost of Good Sold} &= \text{Sales} - \text{Gross Profit} \\ &= 9,00,000 - 1,50,000 \\ &= \text{Rs } 7,50,000 \end{aligned}$$

Answer 9:

Gross Profit = 40% on Sales

$$\begin{aligned} &= \frac{40}{100} \times 15,60,000 \\ &= \text{Rs } 6,24,000 \end{aligned}$$

$$\begin{aligned} \text{Cost of Good Sold} &= \text{Net Sales} - \text{Gross Profit} \\ &= 15,60,000 - 6,24,000 \\ &= \text{Rs } 9,36,000 \end{aligned}$$

Cost of Good Sold = Opening Stock + Net Purchases + Direct Expenses – Closing Stock

$$9,36,000 = 1,20,000 + 9,30,000 + 0 - \text{Closing Stock}$$

$$\begin{aligned} \text{Closing Stock} &= 10,50,000 - 9,36,000 \\ &= \text{Rs } 1,14,000 \end{aligned}$$

Answer 10:

Gross Profit = 30% on Cost

Let the Cost of Goods sold be ' x '

$$\text{Gross Profit} = \frac{30}{100} x$$

Cost of Good Sold = Sales - Gross Profit

$$x = 19,50,000 - \frac{30}{100} x$$

$$x + \frac{30}{100} x = 19,50,000$$

$$\frac{100x + 30x}{100} = 19,50,000$$

$$x = \frac{19,50,000 \times 100}{130} = \text{Rs } 15,00,000$$

Cost of Good Sold = Opening Stock + Net Purchases + Direct Expenses - Closing Stock

$$15,00,000 = 4,80,000 + 13,60,000 + 0 - \text{Closing Stock}$$

$$\begin{aligned} \text{Closing Stock} &= 18,40,000 - 15,00,000 \\ &= \text{Rs } 3,40,000 \end{aligned}$$

Answer 11:

Gross Profit = 25% on Sales or $\frac{1}{4}$ on Sales

$\frac{1}{4}$ on Sales = $\frac{1}{3}$ *rd* on Cost

$$\begin{aligned} \text{Gross Profit} &= \frac{1}{3} \times 4,50,000 \\ &= \text{Rs } 1,50,000 \end{aligned}$$

Cost of Good Sold = Sales - Gross Profit

$$4,50,000 = \text{Sales} - 1,50,000$$

$$\text{Sales} = \text{Rs } 6,00,000$$

Financial Statements

Answer 12:

Profit and Loss Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount(Rs)
General Expenses	12,000	Gross Profit	7,69,000
Charity	3,000	Interest on Investments	12,000
Office Lighting	5,000	Sundry Receipts	6,000
Law Charges	5,800	Discount Received	6,200
Advertisement	14,200	Commission Received	2,000
Bank Charges	1,200		
Commission	7,000		
Rent, Rates and Taxes	30,000		
Indirect Expenses	2,100		
Printing & Stationery	1,500		
Carriage Outwards	20,000		
Office Expenses	16,000		
Fire Insurance Premium	18,000		
Telephone Expenses	13,500		
Establishment Expenses	2,500		
Miscellaneous Expenses	7,100		
Traveler's Salary	60,000		
Repair	4,300		
Net Profit	5,72,000		
	7,95,200		7,95,200

Answer 13:

Financial Statement of M/s Rajiv & Sons			
Trading Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	50,000	Net Sales	11,00,000
Net Purchases	6,00,000	Closing Stock	70,000
Direct Expenses	60,000		
Gross Profit (Balancing Figure)	4,60,000		
	11,70,000		11,70,000

Financial Statements

Profit and Loss Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount(Rs)
Administration Expenses	45,000	Gross Profit	4,60,000
Selling & Distribution Expenses	65,000		
Loss by Fire	20,000		
Net Profit	3,30,000		
	4,60,000		4,60,000

Working Notes:

Operating Profit = Net Profit – Non-Operating Income + Non-Operating Expenses

= 3,30,000 – 0 + 20,000 = Rs 3,50,000

Loss by Fire is a non-operating expense, thus, added to the net profit to arrive at operating profit.

Answer 14:

Operating Profit = Net Profit – Non-Operating Income + Non-Operating Expenses

Non-Operating Income = Dividend Received + Rent Received

= 6,000 + 24,000

= 30,000

Non-Operating Expenses = Loss on Sale of Furniture + Loss by Fire + Interest on Loan + Donation

= 12,000 + 50,000 + 10,000 + 5,100

= Rs 77,100

∴ Operating Profit = 5,00,000 – 30,000 + 77,100 = Rs 5,47,100

Note: Salary being an operating expense was already taken into account while determining net profit, thus, it will be ignored now.

Answer 15:

Balance Sheet as on March 31, 2017				
Liabilities		Amount(Rs)	Assets	Amount(Rs)
Capital	3,32,300		Fixed Assets	
Add: Net Profit	57,200		Furniture & Fixtures	7,500
Less: Drawings	6,000	3,83,500	Motor Car	40,000
Loan		50,000	Building	1,50,000
			Plant & Machinery	1,20,000
Current Liabilities			Current Assets	
Creditors		61,300	Closing Stock	70,000
Bills Payable		3,200	Debtors	80,100

Financial Statements

		Bills Receivable	4,400
		Investments	20,000
		Cash at Bank	4,800
		Cash in Hand	1,200
	4,98,000		4,98,000

Answer 16:

Trading Account for the year ended March 31, 2017					
Dr.			Cr.		
Particulars		Amount (Rs)	Particulars		Amount(Rs)
Opening Stock		40,000	Sales	1,27,000	
Purchases	60,000		Less: Sales Returns	1,500	1,25,500
Less: Purchases Returns	1,275	58,725	Closing Stock		35,000
Wages		10,000			
Freight inwards		1,000			
Gross Profit (Balancing Figure)		50,775			
		1,60,500			1,60,500

Profit and Loss Account for the year ended March 31, 2017			
Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Discount Allowed	350	Gross Profit	50,775
Bank Charges	100	Discount Received	800
Salaries	7,000		
Freight Outwards	1,200		
Rent, Rates and Taxes	2,000		
Advertisement	2,000		
Net Profit	38,925		
	51,575		51,575

Financial Statements

Balance Sheet as on March 31, 2017				
Liabilities		Amount(Rs)	Assets	Amount(Rs)
Capital	1,13,075		Fixed Assets	
Add: Net Profit	38,925	1,52,000	Plant & Machinery	90,000
Current Liabilities			Current Assets	
Sundry Creditors		20,000	Sundry Debtors	45,000
Bills Payable		5,000	Cash at Bank	7,000
			Closing Stock	35,000
		1,77,000		1,77,000

Answer 17:

Financial Statements of Sh. Damodar Parshad				
Trading Account for the year ended March 31, 2016				
Dr.				Cr.
Particulars	Amount(Rs)	Particulars	Amount (Rs)	
Opening Stock	10,000	Sales	98,650	
Purchases	58,000	Less: Return Inwards	3,520	95,130
Less: Return Outwards	2,600	Closing Stock		22,000
Wages	2,000			
Carriage on Purchase	2,360			
Duty on Imported Goods	2,700			
Gross Profit (Balancing Figure)	44,670			
	1,17,130			1,17,130

Profit and Loss Account for the year ended March 31, 2016			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Carriage on sales	710	Gross Profit	44,670
Office Salaries	4,800	Discount Received	750
Rent & Taxes	2,400	Commission	1,200
Bad Debts	600		
Discount Allowed	640		
Scooter Repairs	850		
Commission	1,800		
Interest on X's Loan	1,500		
Net Profit	33,320		

Financial Statements

	46,620		46,620

Balance Sheet as on March 31, 2016				
Liabilities		Amount(Rs)	Assets	Amount(Rs)
Capital	40,000		Fixed Assets	
Add: Net Profit	33,320		Land & Building	20,000
Less: Drawings	6,000	67,320	Scooter	6,600
Loan from X		10,000		
Current Liabilities			Current Assets	
Creditors		5,600	Closing Stock	22,000
Bills Payable		3,000	Debtors	25,400
Creditors for Rent		500	Bills Receivable	3,500
			Cash at bank	7,820
			Cash in hand	1,100
		86,420		86,420

Answer 18:

Financial Statements of Sh. Badri Vishal					
Trading Account for the year ended March 31, 2017					
Dr.					Cr.
Particulars		Amount(Rs)	Particulars		Amount (Rs)
Opening Stock		18,000	Sales	1,80,000	
Purchases	1,50,000		Less: Return Inwards	4,000	1,76,000
Less: Return Outwards	6,000	1,44,000	Closing Stock		15,000
Freight		8,500			
Carriage Inwards		2,000			
Power		2,200			
Gross Profit (Balancing Figure)		16,300			
		1,91,000			1,91,000

Profit and Loss Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount(Rs)
Interest on Overdraft	1,500	Gross Profit	16,300
Rent & Taxes	7,000	Commission Received	2,200

Financial Statements

Commission	3,000	Interest Received	800
Sundry Expenses	3,900	Net Loss (<i>Balancing Figure</i>)	22,200
Salaries & Wages	20,000		
Insurance Premium	1,600		
Carriage Outwards	800		
Audit Fees	1,700		
Lighting	2,000		
	41,500		41,500

Balance Sheet as on March 31, 2017				
Liabilities		Amount(Rs)	Assets	Amount(Rs)
Capital	1,28,200		Fixed Assets	
Less: Net Loss	22,200		Freehold Property	30,000
Less: Drawings*	11,800	94,200	Motor Vehicle	39,800
			Typewriter	8,000
Current Liabilities			Current Assets	
Creditors		17,800	Closing Stock	15,000
Bank Overdraft		15,000	Debtors	32,600
			Cash in hand	1,600
		1,27,000		1,27,000

*Drawings = Household Expenses + Life Insurance Premium = 10,000 + 1,800 = Rs 11,800

Answer 19:

Financial Statement of Sh. Akhilesh Singh					
Trading Account for the year ended March 31, 2017					
Dr.					Cr.
Particulars		Amount(Rs)	Particulars		Amount(Rs)
Opening Stock		30,000	Sales	3,45,800	
Purchases	2,30,000		Less: Sales Return	12,500	3,33,300
Less: Purchases Return	15,200	2,14,800			
Freight, Octroi and Carriage		26,000			
Commission on Purchases		1,200			
Wages & Salaries		10,800			
Coal, Gas and Power		7,600			
Custom Duty on Imported Goods		4,500			
Gross Profit (<i>Balancing Figure</i>)		38,400			
		3,33,300			3,33,300

Financial Statements

Profit and Loss Account for the year ended March. 31, 2017			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Fire Insurance Premium	820	Gross Profit	38,400
Printing & Stationery	2,100	Interest on Investments	800
Postage & Telegram	710	Commission Received	4,400
Travelling Expenses	4,250	Discount Received	1,600
Depreciation	1,000		
General Expenses	8,350		
Commission	4,600		
Interest on Loan	3,000		
Net Profit	20,370		
	45,200		45,200

Balance Sheet as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital	89,760	Fixed Assets	
Add: Net Profit	20,370	Goodwill	8,000
Less: Income tax	3,000	Business Premises	40,000
Less: Drawings	7,200	Patents	8,400
Loan on Mortgage	30,000	Horses and Carts	20,300
Current Liabilities		Current Assets	
Creditors	26,700	Closing Stock	46,200
Banker's Account	5,200	Debtors	26,100
Bills Payable	2,280	Cash in Hand	2,570
		Bills Receivable	4,540
		Investment	8,000
	1,64,110		1,64,110

Financial Statements

Answer 20:

Trading Account for the year ended March 31, 2017					
Dr.					Cr.
Particulars		Amount(Rs)	Particulars		Amount (Rs)
Opening Stock		23,500	Sales	1,30,000	
Purchases	46,800		Less: Return Inwards	6,600	1,23,400
Less: Return Outwards	2,800	44,000	Closing Stock		36,500
Freight Inwards		1,100			
Productive Expenses		27,000			
Rent (1/3 of 7,500)		2,500			
Gross Profit (Balancing Figure)		61,800			
		1,59,900			1,59,900

Profit and Loss Account for the year ended March 31, 2017			
Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Freight Outwards	3,000	Gross Profit	61,800
Unproductive Wages	5,800	Discount Received	2,100
Trade Expenses	1,200	Misc. Receipts	500
Salaries	9,600	Bad Debts Recovered	4,000
Rent (2/3 of 7,500)	5,000		
Legal Expenses	800		
Donation	600		
Bad Debts	4,750		
Bank Charges	2,800		
Interest on Loan	2,400		
Net Profit	32,450		
	68,400		68,400

Balance Sheet as on March 31, 2017			
Liabilities		Amount(Rs)	Assets
Capital	1,37,450		Fixed Assets
Add: Net Profit	32,450		Trade Marks
Less: Drawings (Life Insurance Premium)	6,000	1,63,900	Fixed Deposit with PNB
Loan on Mortgage		20,000	Motor Vehicles
			50,000

Financial Statements

		Leasehold Land	60,000
Current Liabilities		Current Assets	
Sundry Creditors	16,100	Closing Stock	36,500
		Sundry Debtors	30,000
		Cash in Hand	1,300
		Loose Tools	7,200
	2,00,000		2,00,000

Financial Statements- With Adjustments

From

D K GOEL

Solutions

ACCOUNTANCY

Financial Statements- With Adjustments

Answer 1:

Financial Statements of Raghunath Ji Trading Account for the year ended March 31, 2017

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Opening Stock	12,000		Sales	86,000
Purchases	40,000		Less: Sales Return	6,000
Less: Purchases Return	4,000	36,000	Closing Stock	16,000
Carriage	700			
Wages	10,000			
Add: Outstanding	2,000	12,000		
Gross Profit (<i>Balancing Figure</i>)	35,300			
	96,000			96,000

Profit and Loss Account for the year ended March 31, 2017

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount(Rs)
Depreciation: (<i>WN</i>)			Gross Profit	35,300
Machinery	2,000		Discount	400
Building	2,500	4,500	Interest	800
Salaries	2,400			
Add: Outstanding	1,200	3,600		
Insurance	800			
Less: Prepaid	200	600		
Rent & Taxes	1,800			
Add: Outstanding	1,000	2,800		
Office Expenses	1,200			
Travelling Expenses	400			
Commission	400			
Net Profit (<i>Balancing Figure</i>)	23,000			
	36,500			36,500

Balance Sheet as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	62,000	Fixed Assets	
Add: Net Profit	23,000	Machinery	20,000
	85,000		

Financial Statements- With Adjustments

Current Liabilities		Less: Depreciation	2,000	18,000
Creditors	10,800	Building	50,000	
Outstanding Wages	2,000	Less: Depreciation	2,500	47,500
Outstanding Salaries	1,200			
Outstanding Rent	1,000	Current Assets		
		Closing Stock		16,000
		Prepaid Insurance		200
		Debtors		16,000
		Cash in Hand		2,300
	1,00,000			1,00,000

Working Note:

Calculation of Depreciation

Depreciation on Building = $50,000 \times 5 / 100 = 2,500$

Depreciation on Machinery = $20,000 \times 10 / 100 = 2,000$

Answer 2:

Trading Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	22,300	Sales	3,17,400
Purchases	2,30,000	Less: Sales Return	6,400
Less: Purchases Return	5,200	Closing Stock	70,000
Wages	30,200		
Gross Profit (Balancing Figure)	1,03,700		
	3,81,000		3,81,000

Profit and Loss Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation: (WN1)		Gross Profit	1,03,700
Freehold	5,000	Interest on Drawings	500
Premises		Commission	2,700
Furniture	1,800	Add: Accrued	500
Interest on Capital (WN2)	9,000	Rent	2,600
Incidental Trade Expenses	11,200		

Financial Statements- With Adjustments

Insurance	1,850	Less: Rent received in advance	200	2,400
Audit Fees	800	Interest	1,400	
Salaries	15,200	Add: Accrued	600	2,000
Discount Allowed	7,500	Discount Received		4,200
Net Profit (<i>Balancing Figure</i>)	63,650			
	1,16,000			1,16,000

Balance Sheet
as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	1,50,000	Fixed Assets	
Add: Interest on Capital	9,000	Freehold Premises	1,00,000
Add: Net Profit	63,650	Less: Depreciation	5,000
Less: Drawings	12,000	Office Furniture	9,000
Less: Interest on Drawings	500	Less: Depreciation	1,800
Less: Income Tax	3,600	Investments	8,000
	2,06,550		
Current Liabilities		Current Assets	
Creditors	24,830	Closing Stock	70,000
Rent received in advance	200	Accrued Interest	600
		Accrued Commission	500
		Debtors	32,400
		Bills Receivable	5,200
		Cash at Bank	7,600
		Cash in Hand	5,080
	2,31,580		2,31,580

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Freehold Premises = $1,00,000 \times 5/100 = 5,000$

Depreciation on Office Furniture = $9,000 \times 20/100 = 1,800$

WN2: Calculation of Interest on Capital

Interest on Capital = $1,50,000 \times 6/100 = 9,000$

Financial Statements- With Adjustments

Answer 3:

Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	6,800	Sales	1,10,000
Purchases	66,000	Less: Return Inwards	8,000
Less: Return Outwards	1,500	Closing Stock	7,000
Less: Drawings	4,000		
Carriage Inward	3,000		
Gross Profit (<i>Balancing Figure</i>)	38,700		
	1,09,000		1,09,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	38,700
Land & Building	300	Discount received	500
Motor Vehicle	2,000	Rent received	300
Salary	9,000		
Add: Outstanding	200		
Rent & Insurance	3,000		
Less: Pre-paid	200		
Old Bad Debts	500		
Add: New Bad Debts	—		
Add: New Provision (WN2)	1,000		
Less: Old Provision	700		
Interest on Bank Loan	300		
Carriage Outward	2,500		
Advertisement	3,500		
General Expenses	3,400		
Net Profit (<i>Balancing Figure</i>)	14,700		
	39,500		39,500

Financial Statements- With Adjustments

Balance Sheet
as on March 31, 2017

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	30,000	35,700	Fixed Assets		11,700
Add: Net Profit	14,700		Land & Buildings	12,000	
Less: Drawings (5,000 + 4,000)	9,000		Less: Depreciation	300	
Current Liabilities		10,000	Motor Vehicles	10,000	8,000
Creditors	10,000		Less: Depreciation	2,000	
Outstanding Salaries	200		Current Assets		7,000
Bank Loan	9,500		Closing Stock		
Bills Payable	2,000		Prepaid Insurance		200
		57,400	Debtors	20,000	19,000
			Less: Provision for Bad Debts	1,000	
			Bills Receivables		6,000
			Cash at Bank		3,500
			Cash in Hand		2,000
					57,400

Working Notes:

WN1: Calculation of Depreciation

$$\text{Depreciation on Land \& Buildings} = 12,000 \times \frac{2.5}{100} = 300$$

$$\text{Depreciation on Motor Vehicles} = 10,000 \times \frac{20}{100} = 2,000$$

WN2: Calculation of Provision for Doubtful Debts

$$\text{Provision for Doubtful Debts} = 20,000 \times \frac{5}{100} = 1,000$$

Answer 4:

Trading Account
for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	3,000	Sales	15,000
Purchases	12,000	Less: Return Inwards	1,000
Less: Return Outwards	2,000	Closing Stock	4,500
	10,000		

Financial Statements- With Adjustments

Gross Profit (<i>Balancing Figure</i>)	5,500	
	18,500	18,500

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount(Rs)
Depreciation on Furniture (<i>WN</i>)	60	Gross Profit	5,500
Establishment Charges	2,200	Commission received	500
Outstanding Salaries	100	<i>Less:</i> Comm. received in advance	100
Taxes & Insurance	500	Accrued Interest on Deposits	210
<i>Add:</i> Outstanding Taxes	200		
<i>Less:</i> Prepaid Insurance	50		
Old Bad Debts	500		
<i>Add:</i> New Bad Debts	—		
<i>Add:</i> New Provision	1,000		
<i>Less:</i> Old Provision	700		
Outstanding Interest on Bank Overdraft	300		
Net Profit (<i>Balancing Figure</i>)	2,000		
	6,110		6,110

Balance Sheet as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	10,000	Fixed Assets	
<i>Add:</i> Net Profit	2,000	Furniture	600
<i>Less:</i> Drawings	1,400	<i>Less:</i> Depreciation	60
	10,600		540
Current Liabilities		Current Assets	
Creditors	2,000	Closing Stock	4,500
Outstanding Salaries	100	Prepaid Insurance	50
Outstanding Taxes	200	Debtors	5,000
Bills Payable	2,500	<i>Less:</i> Provision for Bad Debts	1,000
Bank Overdraft	2,000	Bills Receivables	3,000
Commission received in advance	100	Deposits	4,000
Outstanding Interest on Bank Overdraft	300	<i>Add:</i> Accrued Interest	210
		Cash in Hand	1,500
	17,800		17,800

Working Note:

Financial Statements- With Adjustments

Calculation of Depreciation

Depreciation on Furniture = $600 \times 10/100 = 60$

Answer 5:

Financial Statements of Messrs Gupta & Co.

Trading Account

for the year ended March 31, 2009

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Opening Stock	5,760		Sales	98,440
Purchases 40,675			Less: Return Inwards 680	97,760
Less: Return Outwards 500	40,175		Closing Stock	6,800
Carriage on Purchases	2,040			
Wages	8,480			
Fuel & Power	4,730			
Gross Profit (<i>Balancing Figure</i>)	43,375			
	1,04,560			1,04,560

Profit and Loss Account

for the year ended March 31, 2009

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Depreciation: (WN1)			Gross Profit	43,375
Machinery 2,000			Rent received 9,000	
Patents 1,500	3,500		Add: Accrued 1,000	10,000
Salaries 25,000			Net Loss (<i>Balancing Figure</i>)	4,200
Add: Outstanding 1,500	26,500			
Insurance 600				
Less: Prepaid (WN2) 85	515			
Old Bad Debts 210				
Add: Further Bad Debts 500				
Add: New Provision (WN3) 700				
Less: Old Provision 340	1,070			
Carriage on Sales	3,200			
General Expenses	22,790			
	57,575			57,575

Balance Sheet

Financial Statements- With Adjustments

as on March 31, 2009

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	92,000	Fixed Assets	
Less: Net Loss	4,200	Machinery	20,000
Less: Drawings	5,245	Less: Depreciation	2,000
	82,555	Patents	7,500
Current Liabilities		Less: Depreciation	1,500
Creditors	6,300	Building	32,000
Outstanding Salaries	1,500	Freehold Land	10,000
		Current Assets	
		Closing Stock	6,800
		Prepaid Insurance	85
		Sundry Debtors	14,500
		Less: Further Bad Debts	500
		Less: New Provision for Bad Debts	700
		Accrued Rent	1,000
		Cash at Bank	2,630
		Cash in Hand	540
	90,355		90,355

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Machinery = $20,000 \times 10 / 100 = 2,000$

Depreciation on Patents = $7,500 \times 20 / 100 = 1,500$

WN2: Calculation of Pre-paid Insurance

If a policy is expiring on 30 September, 2009, it means insurance is pre-paid for the period 31 March 2009 – 30 September 2009 = 6 months

Pre-paid Insurance = $170 \times 6 / 12 = 85$

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate} / 100 = (14,500 - 500) \times 5 / 100 = 700$

Answer 6:

Financial Statements- With Adjustments

Financial Statement of A Trading Account for the year ended March 31, 2008

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	3,460	Sales	15,450
Purchases	5,475	Less: Sales Return	200
Less: Purchases Return	125	Closing Stock	3,250
Gross Profit (<i>Balancing Figure</i>)	9,690		
	18,500		18,500

Profit and Loss Account for the year ended March 31, 2008

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	9,690
Building	375	Commission Received	375
Furniture	64		
Loose Tools	1,250		
Salaries	3,300		
Add: Outstanding	300		
Taxes & Insurance	1,250		
Add: Outstanding	120		
Taxes			
Less: Prepaid Insurance	100		
Old Bad Debts	125		
Add: Further Bad Debts	100		
Debts			
Add: New Provision (WN2)	185		
Less: Old Provision	200		
Stationery	450		
Less: Drawings (1/2)	225		
Interest	118		
General Expenses	782		
Net Profit (<i>Balancing Figure</i>)	2,171		
	10,065		10,065

Balance Sheet

Financial Statements- With Adjustments

as on March 31, 2008

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	12,500	14,446	Fixed Assets		
Add: Net Profit	2,171		Building	7,500	
Less: Drawings (1/2 of Stationery)	225		Less: Depreciation	375	7,125
Current Liabilities			Furniture	640	
Creditors	2,500		Less: Depreciation	64	576
Outstanding Salaries	300		Loose tools	6,250	
Outstanding Taxes	120		Less: Depreciation	1,250	5,000
Bank Overdraft	2,850		Current Assets		
			Closing Stock		3,250
			Prepaid Insurance		100
			Debtors	3,800	
			Less: Further Bad Debts	100	
			Less: Provision for Bad Debts	185	3,515
			Cash in Hand		650
		20,216			20,216

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Buildings = $7,500 \times 5/100 = 375$

Depreciation on Furniture = $640 \times 10/100 = 64$

Depreciation on Patents = $6,250 - 5,000 = 1,250$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100$

= $(3,800 - 100) \times 5/100 = 185$

Answer 7:

Trading Account for the year ended March 31, 2012

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	75,000	Sales	12,00,000
Purchases	8,00,000	Less:	
		Return	7,500
			11,92,500

Financial Statements- With Adjustments

Less: Return Outwards	6,000	7,94,000	Inwards	
Wages	1,25,000		Closing Stock	60,000
Less: Prepaid	5,000	1,20,000		
Gross Profit (<i>Balancing Figure</i>)		2,63,500		
		12,52,500		12,52,500

Profit and Loss Account for the year ended March 31, 2012

Dr.			Cr.		
Particulars		Amount (Rs)	Particulars		Amount (Rs)
Depreciation: (WN1)			Gross Profit		2,63,500
Furniture	3,000		Commission	4,600	
Motor Car	30,000	33,000	Less: Comm. received in advance	1,600	3,000
Salaries	35,200		Old Provision for Doubtful Debts	8,100	
Add: Outstanding (WN2)	3,200	38,400	Less: New Provision (WN3)	4,000	4,100
Rent	5,500				
Add: Outstanding Taxes (WN2)	500	6,000			
Insurance	8,400				
Less: Prepaid	1,200	7,200			
Interest on Loan	1,500				
Add: Outstanding (WN2)	300	1,800			
Old Bad Debts	1,500				
Add: Further Bad Debts	2,000	3,500			
Car Expenses		42,000			
Net Profit (<i>Balancing Figure</i>)		1,38,700			
		2,70,600			2,70,600

Balance Sheet as on March 31, 2012

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	2,50,000		Fixed Assets		
Add : Net Profit	1,38,700	3,88,700	Land & Building		2,00,000
Loan from X	10,000		Furniture	20,000	
Add: Outstanding Interest on Loan	300	10,300	Less: Depreciation	3,000	17,000
Current Liabilities			Motor Car	1,50,000	
			Less: Depreciation	30,000	1,20,000

Financial Statements- With Adjustments

Creditors	91,300		
Outstanding Salaries	3,200	Current Assets	
Outstanding Rent	500	Closing Stock	60,000
Commission received in advance	1,600	Prepaid Insurance	1,200
		Prepaid Wages	5,000
		Debtors	82,000
		Less: Further Bad Debts	2,000
		Less: Provision for Bad Debts	4,000
		Cash in Hand	16,400
	4,95,600		4,95,600

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Furniture = $20,000 \times 15/100 = 3,000$

Depreciation on Motor Car = $1,50,000 \times 20/100 = 30,000$

WN2: Calculation of Outstanding Expenses

1. Salaries for 11 months = 35,200

Salary for 1 month = $35,200/11 \times 1$

= 3,200 = Salary Outstanding

2. Rent for 11 months = 5,500

Rent for 1 month = $5,500/11 \times 1 = 500$ = Rent Outstanding

3. Interest on Loan = $10,000 \times 18/100 = 1,800$

Interest paid = 1,500

∴ Interest Outstanding = 300 (1,800 – 1,500)

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts \times Rate/100

= $82,000 - 2,000 \times 5/100 = 4,000$

Answer 8:

Extract of Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Old Bad Debts	1,400		
Add: Further Bad	2,000		

Financial Statements- With Adjustments

Debts			
Add: New	5,000		
Provision			
Less: Old Provision	3,400	5,000	
Provision for Discount on Debtors		1,900	

Extract of Balance Sheet
as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
		Current Assets	
		Debtors	1,02,000
		Less: Further Bad Debts	2,000
		Debtors	
		Less: Provision for Doubtful Debts	5,000
		Less: Provision for Discount on Debtors	1,900
			93,100

Working Notes:

WN1: Calculation of Provision for Doubtful Debts

$$\begin{aligned} \text{Provision for Doubtful Debts} &= (\text{Debtors} - \text{Further Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (1,02,000 - 2,000) \times \frac{5}{100} = 5,000 \end{aligned}$$

WN2: Calculation of Provision for Discount on Debtors

$$\begin{aligned} \text{Provision for Discount on Debtors} &= (\text{Debtors} - \text{Further Bad Debts} - \text{Provision for Doubtful Debts}) \times \frac{\text{Rate}}{100} \\ &= (1,02,000 - 2,000 - 5,000) \times \frac{2}{100} = 1,900 \end{aligned}$$

Answer 9:

Financial Statement of M/s Rahul Sons
Trading Account
for the year ended March 31, 2017

Financial Statements- With Adjustments

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	50,000	Sales	1,80,000
Purchases	1,75,000	Less: Sales Return	3,000
Less: Purchases Return	2,000	Closing Stock	32,000
Wages	3,000	Gross Loss (<i>Balancing Figure</i>)	17,000
	2,26,000		2,36,000

Profit and Loss Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Gross Loss	17,000	Commission	4,000
Depreciation on Building (WN1)	6,600	Less: Unearned	1,000
Salaries	8,000	Rent received	6,000
Add: Outstanding	1,000	Add: Accrued	2,000
Insurance	3,200	Discount Received	500
Less: Prepaid	800	Net Loss (<i>Balancing Figure</i>)	43,189
Old Bad Debts	2,000		
Add: New Bad Debts	1,000		
Add: New Provision (WN2)	4,050		
Less: Old Provision	2,500		
Provision for Discount on Debtors	1,539		
Discount Allowed	1,000		
Rent, Rates and Taxes	4,300		
Trade Expenses	1,500		
Repairs & Renewable	1,600		
Travelling Expenses	4,200		
Postage	300		
Telegram Expenses	200		
Legal Fees	500		
	54,689		54,689

Balance Sheet

as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	3,00,000	Fixed Assets	
Less: Net Loss	43,189	Building	1,10,000
Less: Drawings	32,000	Less: Depreciation	6,600
Loan	34,800	Fixture and Fittings	20,000
Current Liabilities		Current Assets	

Financial Statements- With Adjustments

Bills Payable	22,000	Closing Stock	32,000
Outstanding Salaries	1,000	Prepaid Insurance	800
Commission received in advance	1,000	Bills Receivable	50,000
		Debtors	82,000
		Less: Bad Debts	1,000
		Less: Provision for Bad Debts	4,050
		Less: Provision for Discount on Debtors	1,539
		Accrued Rent	2,000
	2,83,611		2,83,611

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Building
 $= 1,10,000 \times 6/100 = 6,600$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts
 $= \text{Debtors} - \text{Further Bad Debts} \times \text{Rate}/100$
 $= 82,000 - 1,000 \times 5/100 = 4,050$

WN3: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors
 $= \text{Debtors} - \text{Further Bad Debts} - \text{Provision for Doubtful Debts} \times \text{Rate}/100$
 $= 82,000 - 1,000 - 4,050 \times 2/100 = 1,539$

Answer 10:

Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	7,500	Sales	60,000
Purchases	36,000	Less: Return Inwards	1,000
Less: Return Outwards	500	Closing Stock	10,000
Less: Goods Destroyed by Fire	4,000		
	31,500		

Financial Statements- With Adjustments

Carriage Inward	400		
Wages & Salaries	7,500		
Coal, Gas and Water	1,000		
Gross Profit (<i>Balancing Figure</i>)	21,100		
	69,000		69,000

Profit and Loss Account for the year ended March 31, 2017

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Discount Allowed	400	Gross Profit	21,100
Stationery	2,000	Rent for premises	500
Less: Closing Stock	400	Less: Rent received in advance	100
Interest	450	Commission received	600
Add: Outstanding Interest (WN1)	150		
Provision for Doubtful Debts (WN2)	1,050		
Provision for Discount on Debtors (WN3)	189		
Loss by Fire	4,000		
Less: Ins. Claim admitted	3,000		
Advertisement	200		
Trade Expenses	8,650		
Carriage Outwards	100		
Lighting	250		
Net Profit (<i>Balancing Figure</i>)	8,061		
	22,100		22,100

Balance Sheet as on March 31, 2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital	40,000	Fixed Assets	
Add: Net Profit	8,061	Furniture	4,600
Less: Drawings (LIC)	500	Freehold Property	10,000
	47,561	Plant and Machinery	12,500
Current Liabilities		Current Assets	
Creditors	4,850	Closing Stock	10,000
Bank Loan	5,000	Insurance Company	3,000
Rent received in advance	100	Stock of Stationery	400
Outstanding Interest on Bank Loan	150	Debtors	10,500
		Less: Provision for Bad Debts	1,050
		Less: Provision for Discount	189
		Cash in Hand	7,900

Financial Statements- With Adjustments

	57,661		57,661

Working Notes:

WN1: Calculation of Outstanding Interest on Bank Loan

Interest on Bank Loan = $5,000 \times 12/100 = 600$

Interest charged by Bank = 450

\therefore Outstanding Interest = Rs 150 (600 – 450)

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts

= Sundry Debtors \times Rate/100

= $10,500 \times 10/100$ = Rs 1,050

WN3: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors

= Sundry Debtors – Provision for Bad Debts \times Rate/100

= $10,500 - 1,050 \times 2/100$ = Rs 189

Answer 11 (A):

Trading Account for the year ended March 31, 2014

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	20,000	Sales	5,90,000
Purchases	2,92,000	Less: Return Inwards	16,000
Less: Goods Destroyed by Fire	8,000	Closing Stock	40,000
Less: Drawings	2,500		
Less: Advertisement	1,500		
	2,80,000		
Duty & Clearing Charges	34,000		
Gross Profit (Balancing Figure)	2,80,000		
	6,14,000		6,14,000

Profit and Loss Account for the year ended March 31, 2014

Financial Statements- With Adjustments

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount (Rs)
Depreciation on Furniture (WN1)	6,050		Gross Profit	2,80,000
General Expenses	18,000		Discount Received	19,000
Less: Furniture	5,000	13,000		
Rent	10,000			
Add: Outstanding (WN2)	2,000	12,000		
Further Bad Debts	30,000			
Add: New Provision (WN3)	10,000	40,000		
Discount Allowed	15,000			
Repair Charges	2,900			
Advertisement (Free Samples)	1,500			
Salaries	1,10,000			
Net Profit (<i>Balancing Figure</i>)	98,550			
	2,99,000			2,99,000

Balance Sheet as on March 31, 2014

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	1,60,000	Fixed Assets	
Add : Net Profit	98,550	Furniture & Fittings	58,000
Less: Drawings (58,100 + 2,500)	60,600	Add: Additions	5,000
	1,97,950	Less: Depreciation	6,050
		Goodwill	16,000
Current Liabilities		Current Assets	
Creditors	1,35,000	Closing Stock	40,000
Outstanding Rent	2,000	Insurance company	8,000
		Cash at Bank	24,000
		Debtors	2,30,000
		Less: Bad Debts	30,000
		Less: Provision for Bad Debts	10,000
	3,34,950		1,90,000
			3,34,950

Working Notes:

WN1: Calculation of Depreciation

Furniture of Rs 5,000 was purchased on Oct 01, 2013

Financial Statements- With Adjustments

Depreciation on Furniture
 $= 58,000 \times 10/100 + 5,000 \times 10/100 \times 6/12$
 $= 5,800 + 250 = \text{Rs } 6,050$

WN2: Calculation of Outstanding Rent

Amount of Rent Outstanding
 $= 10,000 \times 2/10 = \text{Rs } 2,000$

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts
 $= (\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100$
 $= (2,30,000 - 30,000) \times 5/100 = \text{Rs } 10,000$

Answer 11(B):

Financial Statements of Subhash General Store Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	60,000	Sales 2,80,000	
Purchases 1,60,000		Less:	
Less: Goods Destroyed by Fire 10,000		Sales Return 15,000	2,65,000
Less: Charity 1,200			
Carriage Inwards 10,200	1,48,800	Closing Stock	55,000
Rent (2/3 rd) 8,000			
Octroi 400			
Wages 20,000			
Fuel & Power 15,700			
Gross Profit (Balancing Figure) 56,900			
	3,20,000		3,20,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)

Financial Statements- With Adjustments

Charity		1,200	Gross Profit	56,900
Stationery	500		Net Loss (<i>Balancing Figure</i>)	28,750
Less: Drawings	150	350		
Advertisement	4,800			
Less: Sign Board	1,500	3,300		
Depreciation: (WN1)				
Machinery	9,500			
Motor Car	14,000	23,500		
Salaries		36,000		
Loss by Fire	10,000			
Less: Ins. Claim admitted	6,800	3,200		
Rent (1/3 rd)		4,000		
Insurance	1,200			
Less: Prepaid (WN2)	900	300		
Motor Car Expenses		6,000		
Brokerage		700		
Carriage Outwards		2,000		
Donation		5,100		
		85,650		85,650

Balance Sheet

as on March 31, 2017

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	3,50,000		Fixed Assets		
Less: Net Loss	28,750		Furniture		5,000
Less: Drawings (12,000 + 150)	12,150	3,09,100	Machinery	80,000	
			Add: Addition	20,000	
Current Liabilities			Less: Depreciation	9,500	90,500
Creditors		32,000	Motor Car	70,000	
			Less: Depreciation	14,000	56,000
			Current Assets		
			Closing Stock		55,000
			Insurance company		6,800
			Prepaid Insurance		900
			Debtors		1,20,000
			Sign Board		1,500
			Cash at Bank		5,400
		3,41,100			3,41,100

Financial Statements- With Adjustments

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Plant & Machinery = $80,000 \times 10/100 + 20,000 \times 10/100 \times 9/12 = \text{Rs } 9,500$

Depreciation on Motor Car = $70,000 \times 20/100 = 14,000$

WN2: Calculation of Prepaid Insurance

Prepaid Insurance = $1,200 \times 9/12 = \text{Rs } 900$

Answer 12:

Journal

Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
1.	Salary A/c To Outstanding Salary A/c (Salary outstanding, now adjusted)	Dr.	5,000	5,000
2.	Prepaid Insurance A/c To Insurance A/c (Insurance pre-paid, now adjusted)	Dr.	2,000	2,000
3.	Rent A/c To Rent Received in Advance A/c (Advance rent received, now adjusted)	Dr.	4,000	4,000
4.	Accrued Commission A/c To Commission A/c (Commission receivable, now adjusted)	Dr.	1,000	1,000
5.	Interest on Capital A/c To Capital A/c (Interest on capital, now allowed)	Dr.	500	500
6.	Drawings A/c To Interest on Drawings A/c (Interest on drawings charged)	Dr.	300	300
7.	Bad Debts A/c To Debtors A/c (Bad debts written off)	Dr.	2,000	2,000

Financial Statements- With Adjustments

8.	Closing Stock A/c To Trading A/c (Closing Stock transferred to Trading Account)	Dr.		3,000		3,000
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Answer 13:

Financial Statements of Mr. Gautam Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	40,000	Sales	1,15,000
Purchases	51,000	Less: Sales Return	2,000
Less: Purchases Return	2,650	Closing Stock	60,000
Wages	20,000		
Carriage Inwards	1,200		
Coal and Gas	5,600		
Gross Profit (<i>Balancing Figure</i>)	57,850		
	1,73,000		1,73,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation: (WN1)		Gross Profit	57,850
Plant & Machinery	2,000	Accrued Interest	600
Loose Tools	450		
Furniture	60		
Rent	2,700		
Add: Outstanding Rent (WN2)	900		
Bad Debts	1,200		
Add: New Provision (WN3)	2,250		
Discount Allowed	1,500		
Provision for Discount on Debtors (WN4)	1,069		
Advertisement Expenses written-off	875		
Salaries	4,000		
Repairs	1,800		
Printing & Stationery	600		
General Expenses	250		

Financial Statements- With Adjustments

Carriage Outwards	1,500		
Net Profit (<i>Balancing Figure</i>)	37,296		
	58,450		58,450

Balance Sheet
as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	2,03,000	Fixed Assets	
Add : Net Profit	37,296	Plant & Machinery	40,000
Less : Drawings	15,000	Less : Depreciation	2,000
	2,25,296	Loose Tools	3,000
Current Liabilities		Less : Depreciation	450
Creditors	30,000	Furniture & Fixtures	1,200
Bills Payable	13,800	Less : Depreciation	60
Outstanding Rent	900	Investments	5,000
		Land & Building	60,000
		Goodwill	30,000
		Current Assets	
		Closing Stock	60,000
		Accrued Interest	600
		Advertisement Expenditure	2,625
		Bills Receivable	2,000
		Cash at Bank	25,000
		Debtors	45,000
		Less : Provision for Bad Debts	2,250
		Less : Provision for Discount	1,069
		Cash in Hand	1,400
	2,69,996		2,69,996

Working Notes:

WN1: Calculation of Depreciation

Depreciation on Plant & Machinery = $40,000 \times 5/100 = \text{Rs } 2,000$

Depreciation on Furniture & Fixtures = $1,200 \times 5/100 = \text{Rs } 60$

Depreciation on Loose Tools = $3,000 \times 15/100 = \text{Rs } 450$

WN2: Calculation of Outstanding Rent

Rent paid for 3 quarters = 2,700

Rent per quarter = $2,700/3 = \text{Rs } 900$ = Outstanding Rent

Financial Statements- With Adjustments

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors \times Rate/100 = 45,000 \times 5/100 = Rs 2,250

WN4: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors = Sundry Debtors – Provision for Bad Debts \times Rate/100
= 45,000 – 2,250 \times 2.5/100 = Rs 1,068.75 or 1,069

Answer 14:

Financial Statements of Raga Ltd. Trading Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	76,800	Sales	2,20,000
Purchases	1,50,000	Less: Sales Return	200
Less: Purchases Return	10,000	Closing Stock	20,000
Wages	500		
Less: Prepaid	40		
Carriage Inward	100		
Coal, Gas and Water	1,200		
Gross Profit (Balancing Figure)	21,240		
	2,39,800		2,39,800

Profit and Loss Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	21,240
Plant & Machinery	2,000	Discount Received	1,260
Land & Building	1,200	Apprentice Premium	5,230
Salaries	2,000		
Add: Outstanding	100		
Provision for Doubtful Debts (WN2)	2,715		
Provision for Discount on Debtors (WN3)	1,548		
Bank Charges	200		
Trade Expenses	3,800		
Rates & Taxes	870		

Financial Statements- With Adjustments

Outstanding Manager's Commission (WN4)	633		
Net Profit (<i>Balancing Figure</i>)	12,644		
	27,730		27,730

Balance Sheet
as on March 31, 2014

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	1,01,110	Fixed Assets	
Add: Net Profit	12,664	Plant & Machinery	40,000
Less: Drawings	20,000	Less: Depreciation	2,000
	93,774	Land & Building	12,000
Current Liabilities		Less: Depreciation	1,200
Outstanding Manager's Commission	633		10,800
Bills Payable	1,28,870	Current Assets	
Outstanding Salaries	100	Closing Stock	20,000
		Prepaid Wages	40
		Bills Receivable	24,500
		Cash at Bank	50,000
		Debtors	54,300
		Less: Provision for Bad Debts	2,715
		Less: Provision for Discount	1,548
		Cash in Hand	30,000
	2,23,377		2,23,377

Working Notes:

WN1: Calculation of Amount of Depreciation

$$\text{Depreciation on Plant \& Machinery} = 40,000 \times \frac{5}{100} = \text{Rs } 2,000$$

$$\text{Depreciation on Building} = 12,000 \times \frac{10}{100} = \text{Rs } 1,200$$

WN2: Calculation of Provision for Doubtful Debts

$$\begin{aligned} \text{Provision for Doubtful Debts} &= \text{Sundry Debtors} \times \frac{\text{Rate}}{100} \\ &= 54,300 \times \frac{5}{100} = \text{Rs } 2,715 \end{aligned}$$

WN3: Calculation of Provision for Discount on Debtors

Financial Statements- With Adjustments

$$\begin{aligned}\text{Provision for Discount on Debtors} &= (\text{Sundry Debtors} - \text{Provision for Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (54,300 - 2,715) \times \frac{3}{100} = \text{Rs } 1,547.5 \text{ or } 1,548\end{aligned}$$

WN4: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 13,297 (27,730 – 14,433)

$$\text{Manager's Commission} = 13,297 \times \frac{5}{105} = \text{Rs } 633$$

Answer 15:

Financial Statements of Shri Krishan Kumar Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	16,200	Sales	65,360
Purchases	47,000	Closing Stock	23,500
Wages	7,200		
General Expenses (1/5 th)	500		
Taxes and Insurance (1/5 th)	253		
Power	2,240		
Gross Profit (Balancing Figure)	15,467		
	88,860		88,860

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	15,467
Machinery	934	Commission Received	1,320
Scooter	240		
Old Bad Debts	550		
Add: Further Bad Debts	160		
Add: New Provision (WN2)	306		
Less: Old Provision	900		
Outstanding Interest on Bank Overdraft	700		
Taxes & Insurance	1,315		
Less: Pre-paid	50		
Less: T/f to Trading A/c	253		
General Expenses	2,500		

Financial Statements- With Adjustments

Less: T/f to Trading A/c	500	2,000	
Charity		105	
Scooter Expenses		500	
Trade Expenses		1,280	
Outstanding Manager's Commission (WN3)		900	
Net Profit (<i>Balancing Figure</i>)		9,000	
		16,787	16,787

Balance Sheet
as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount(Rs)
Capital	24,500	Fixed Assets	
Add: Net Profit	9,000	Machinery	9,340
Less: Drawings	2,000	Less: Depreciation	934
	31,500	Scooter	2,000
Current Liabilities		Less: Depreciation	240
Creditors	2,500	Building	11,000
Outstanding Manager's Commission	900	Current Assets	
Bills Payable	3,850	Closing Stock	23,500
Outstanding Interest on Bank Overdraft	700	Prepaid Insurance	50
Bank Overdraft	11,180	Debtors	6,280
		Less: Bad Debts	160
		Less: Provision for Bad Debts	306
		Cash in Hand	100
	50,630		50,630

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $9,340 \times 10/100 = \text{Rs } 934$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts \times Rate/100
 $= 6,280 - 160 \times 5/100 = \text{Rs } 306$

WN3: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 9,900 (16,787 – 6,887)
 Manager's Commission = $9,900 \times 10/110 = \text{Rs } 900$

Financial Statements- With Adjustments

Answer 16(A):

Financial Statement of Sh. Ghanshyam Das Trading Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	20,000	Sales	4,80,000
Purchases 2,50,000		Less: Sales Return	12,000
Less:			
Purchases 10,000	2,40,000	Closing Stock	22,000
Return			
Wages	18,000		
Carriage Inwards	6,500		
Gross Profit	2,05,500		
<i>(Balancing Figure)</i>			
	4,90,000		4,90,000

Profit and Loss Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation: (WN1)		Gross Profit	2,05,500
Land & Building 7,000		Accrued Interest on Investment	1,600
Motor Vehicle 10,000	17,000	Discount Received	1,800
Interest on Loan 2,250			
Add: Outstanding (WN2) 2,250	4,500		
General Expenses 6,400			
Less: Drawings 2,000	4,400		
Bad Debts	1,500		
Carriage Outwards	8,000		
Salaries	7,200		
Rates, Taxes and Insurance	15,000		
Advertisement	5,000		
Outstanding Manager's Commission (WN3)	13,300		
Net Profit (<i>Balancing Figure</i>)	1,33,000		
	2,08,900		2,08,900

Financial Statements- With Adjustments

Balance Sheet
as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	2,00,000	Fixed Assets	
Add: Net Profit	1,33,000	Land & Building	2,80,000
Less: Drawings	2,000	Less: Depreciation	7,000
	3,31,000	Motor Vehicle	50,000
Current Liabilities		Less: Depreciation	10,000
Creditors	25,000	Investments	16,000
Outstanding Manager's Commission	13,300	Current Assets	
Outstanding Salaries	600	Closing Stock	22,000
Bills Payable	5,400	Bills Receivable	7,500
Loan on Mortgage	30,000	Debtors	40,000
Outstanding Interest on Loan	2,250	Prepaid Insurance	3,000
	32,250	Accrued Interest on Investment	1,600
		Cash at Bank	4,450
	4,07,550		4,07,550

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Land & Building = $2,80,000 \times 2.5/100 = \text{Rs } 7,000$

Depreciation on Motor Vehicle = $50,000 \times 20/100 = \text{Rs } 10,000$

WN2: Calculation of Outstanding Interest on Loan

Outstanding Interest = $30,000 \times 15/100 \times 6/12 = \text{Rs } 2,250$

WN3: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 1,46,300 (2,08,900 – 62,600)

Manager's Commission = $1,46,300 \times 10/110 = \text{Rs } 13,300$

Answer 16(B):

Financial Statements of Mr. Sardari Lal
Trading Account
for the year ended March 31, 2017

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	32,000	Sales	2,89,600

Financial Statements- With Adjustments

Purchases	1,71,000		Less: Sales Return	600	2,89,000
Less: Purchases Return	4,000		Closing Stock		23,000
Less: Goods Destroyed by Fire	20,000	1,47,000			
Power		9,000			
Carriage Inwards		1,500			
Wages		23,000			
Gross Profit (<i>Balancing Figure</i>)		99,500			
		3,12,000			3,12,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	99,500
Traveller's Sample	900	Rent Received	600
Plant & Machinery	2,000	Discount Received	1,800
Rent & Insurance	19,900	Net Loss (<i>Balancing Figure</i>)	3,690
Less: Prepaid (WN2)	200		
New Provision	2,000		
Less: Old Provision	600		
Traveller's Commission			
Traveller's Salaries			
Salaries			
Discount Allowed			
Loss by Fire			
Advertisement Development Expenditure written-off (WN3)			
General Charges			
	1,05,590		1,05,590

Balance Sheet as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	41,000	Fixed Assets	
Less: Net Loss	3,690	Plant & Machinery	20,000
Less: Drawings	5,000	Less: Depreciation	2,000
	32,310	Traveller's Samples	2,700
Current Liabilities		Less: Depreciation	900
Creditors- Expenses	6,800	Goodwill	5,000

Financial Statements- With Adjustments

Creditors- Trade	30,000	Current Assets	
		Closing Stock	23,000
		Advertisement Development	6,400
		Prepaid Insurance	200
		Cash in Hand	110
		Debtors	14,600
		Less: Provision for Doubtful Debts	<u>2,000</u>
		Cash at Bank	2,000
	69,110		69,110

Working Notes:

WN1: Calculation of Amount of Depreciation

$$\text{Depreciation on Plant \& Machinery} = 20,000 \times \frac{10}{100} = \text{Rs } 2,000$$

$$\text{Depreciation on Traveller's Samples} = 2,700 \times \frac{100}{3 \times 100} = \text{Rs } 900$$

WN2: Calculation of Prepaid Insurance

$$\text{Prepaid Insurance} = 1,200 \times \frac{2}{12} = \text{Rs } 200$$

WN3: Calculation of Advertisement Expenditure Written-off

$$\text{Adv. Expenditure written - off} = 8,000 \times \frac{20}{100} = \text{Rs } 1,600$$

WN4: Calculation of Manager's Commission

Manager will not be entitled to any commission because there is a net loss.

Answer 17:

1. Capital Expenditure

Reason: When a fixed asset is purchased, then all the expenses up to the date at which the asset is put to use are capitalised. So, expenses incurred on carriage and installation of new machinery will be considered as capital expenditure.

2. Capital Expenditure

Reason: Whitewashing (or painting) expenses incurred on the building will increase the revenue generating capacity of the building, thus, it will be capitalised and treated as capital expenditure.

3. Revenue Expenditure

Reason: Annual insurance premium is a recurring expenditure to carry on day-to-day business activities. Thus, it is a revenue expense.

4. Capital Expenditure

Reason: Expenditure incurred once in many years to increase the working capacity and revenue generating capacity of the asset, and then it is termed as capital expenditure. Thus, repairs made to the second hand machinery (purchased recently) are a one-time expense and thus, will

Financial Statements- With Adjustments

be capitalised and treated as capital expenditure.

5. Revenue Expenditure

Reason: The amount spent on repairs of machinery is a recurring expenditure and helps in increasing the working capacity of the machinery but does not add value to it. Thus, it is a revenue expense.

6. Capital Expenditure

Reason: Expenditure incurred once in many years to increase the working capacity and revenue generating capacity of the asset, and then it is termed as capital expenditure. Thus, amount spent for air conditioning of the manager's will increase the value of the asset and thus, it is a capital expenditure.

Answer 18:

Financial Statement of Mr. Alok

Trading Account

for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	44,840	Sales	1,78,215
Purchases	1,28,295	Less: Return Inwards	2,390
Wages	20,485	Closing Stock	64,480
Less: Erection Charges of New Machinery	600		
	19,885		
Gross Profit (<i>Balancing Figure</i>)	47,285		
	2,40,305		2,40,305

Profit and Loss Account

for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	47,285
Machinery	750	Commission	2,820
Furniture	448	Less: Comm. Received in advance	300
Old Bad Debts	1,810		
Add: Further Bad Debts	500		
Add: New Provision (WN2)	1,450		
Rent	2,810		
Interest on Loan	500		
Add: Outstanding (WN3)	300		
Salaries	5,500		
Travelling Expenses	945		

Financial Statements- With Adjustments

Insurance	200	
Repairs	1,685	
Discount Allowed	2,435	
Net Profit (<i>Balancing Figure</i>)	30,472	
	49,805	49,805

Balance Sheet
as on March 31, 2014

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	59,700		Fixed Assets		
Add: Net Profit	30,472		Machinery	14,400	
Less: Drawings	5,275	84,897	Add: Erection charges	600	
8% Loan		10,000	Less: Depreciation	750	14,250
			Furniture	4,480	
Current Liabilities			Less: Depreciation	448	4,032
Creditors		29,815			
Outstanding Interest		300	Current Assets		
Commission received in advance		300	Closing Stock		64,480
			Bills Receivables		4,750
			Debtors	30,000	
			Less: Bad Debts	500	
			Less: Provision for Doubtful Debts	1,450	28,050
			Cash in Hand		9,750
		1,25,312			1,25,312

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $(14,400 + 600) \times 5/100 = \text{Rs } 750$

Depreciation on Furniture = $4,480 \times 10/100 = \text{Rs } 448$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts – Amount recoverable from X* \times Rate/100

= $30,000 - 500 - 500 \times 5/100 = \text{Rs } 1,450$

*Provision is to be maintained on Debtors other than X

WN3: Calculation of Outstanding Interest on Loan

Interest on Loan = $10,000 \times 8/100 = \text{Rs } 800$

Interest on Loan already Paid = 500

\therefore Outstanding Interest on Loan = Rs 300

Financial Statements- With Adjustments

Answer 19:

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
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 31, 2017

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

Working Note:

WN1: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = (Sundry Debtors – Further Bad Debts – Amt. recoverable from Dewan*) × Rate/100
 =(4,80,000 – 15,000 – 5,000) × 6/100=Rs 27,600

*Provision is to be maintained on Debtors other than Dewan

Answer 20:

Financial Statements of S. Sujan Singh Trading Account for the year ended March 31, 2016

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	26,420	Sales	91,230
Purchases	42,160	Less: Sales Return	1,760
			89,470

Financial Statements- With Adjustments

Less: Purchases Return	8,460		Closing Stock	29,390
Less: t/f to Building	3,000	30,700		
Wages	21,470			
Less: t/f to Building	2,000	19,470		
Carriage		4,370		
Coal, Gas and Water		720		
Gross Profit (<i>Balancing Figure</i>)		37,180		
		1,18,860		1,18,860

Profit and Loss Account for the year ended March 31, 2016

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	37,180
Plant & Machinery 1,427		Miscellaneous Receipts	500
Land & Building 750	2,177	Discount	120
Fire Insurance 490		Old Provision 2,470	
Less: Unexpired 125	365	Less: New Provision (WN2) 1,890	580
Interest on Capital	4,500		
Rates & Taxes 840			
Less: Unexpired 240	600		
Salaries	4,670		
Trade Expenses	1,990		
Bank Charges	140		
Net Profit (<i>Balancing Figure</i>)	23,938		
	38,380		37,980

Balance Sheet as on March 31, 2016

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital 90,000		Fixed Assets	
Add: Interest on Capital 4,500		Land & Building (25,000 + 3,000 + 2,000) 30,000	
Add: Net Profit 23,938		Less: Depreciation 750	29,250
Less: Drawings 6,480	1,11,958	Plant & Machinery 14,270	
		Less: Depreciation 1,427	12,843
Current Liabilities		Furniture & Fixtures	1,250
Creditors	12,170	Current Assets	
		Closing Stock	29,390
		Unexpired Fire Insurance	125
		Unexpired Rates & Taxes	240
		Bills Receivables	1,270

Financial Statements- With Adjustments

		Cash at Bank	13,000
		Debtors	37,800
		Less: Provision for Doubtful Debts	1,890
		Cash in Hand	850
	1,24,128		1,24,128

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Land & Buildings = $30,000 \times 2.5/100 = \text{Rs } 750$

Depreciation on Plant & Machinery = $14,270 \times 10/100 = \text{Rs } 1,427$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts \times Rate/100
 = $37,800 - 0 \times 5/100 = \text{Rs } 1,890$

Answer 21:

Financial Statement of Sh. Pawan Kumar

Trading Account

for the year ended March 31, 2014

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	70,000	Sales	8,20,000
Purchases	2,00,000	Add: Unrecorded Sales	15,000
Carriage	15,000		
Wages	80,000		
Manufacturing Expenses	15,000		
Gross Profit (<i>Balancing Figure</i>)	4,55,000		
	8,35,000		8,35,000

Profit and Loss Account

for the year ended March 31, 2014

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	4,55,000
Plant & Machinery	1,10,000	Rent Received	12,000
Horse & Carts	52,000	Interest on Ram's Loan	1,800
Old Bad Debts	50,000	Add: Accrued Interest (WN4)	600
Add: New Provision (WN2)	17,750		
	67,750		

Financial Statements- With Adjustments

Insurance		12,000	
Salaries	80,000		
Add: Outstanding (WN3)	16,000	96,000	
Repairs		5,000	
Rent		45,000	
Net Profit (<i>Balancing Figure</i>)		81,650	
		4,69,400	4,69,400

Balance Sheet
as on March 31, 2014

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	16,00,000	Fixed Assets	
Add : Net Profit	81,650	Plant & Machinery	12,00,000
Less: Drawings (incl. LIP and Income Tax)	1,70,000	Less: Depreciation	1,10,000
	15,11,650	Horses & Carts	2,60,000
Current Liabilities		Less: Depreciation	52,000
Creditors	2,60,000		2,08,000
Outstanding Salaries	16,000	Current Assets	
Bills Payable	2,21,200	Closing Stock	92,000
		Prepaid Insurance	1,000
		Accrued Interest	600
		Ram's Loan	20,000
		Cash at Bank	2,60,000
		Debtors	3,40,000
		Add: Unrecorded	15,000
		Less: Provision for Doubtful Debts	17,750
			3,37,250
	20,08,850		20,08,850

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Plant & Machinery = $10,00,000 \times 10/100 + 2,00,000 \times 10/100 \times 6/12 = \text{Rs } 1,10,000$

Depreciation on Horse & Carts = $2,60,000 \times 20/100 = \text{Rs } 52,000$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors + Unrecorded Sales \times Rate/100
 $= 3,40,000 + 15,000 \times 5/100 = \text{Rs } 17,750$

WN3: Calculation of Outstanding Expenses

Salaries for 10 months = 80,000
Salary for 2 months = $80,000/10 \times 2 = \text{Rs } 16,000$

Financial Statements- With Adjustments

WN4: Calculation of Accrued Interest on Ram's Loan

Interest on Loan = $20,000 \times 12/100 = \text{Rs } 2,400$

Interest on Loan already received = Rs 1,800

So, Accrued Interest = Rs 600

Answer 22:

Financial Statements of Modern Traders

Trading Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	15,000	Sales	1,20,000
Purchases	82,000	Less: Sale on Approval Basis	7,200
Freight Inwards	2,000	Closing Stock	15,000
Wages	1,300	Add: Sale on Approval Basis	6,000
Gross Profit (<i>Balancing Figure</i>)	33,500		21,000
	1,33,800		1,33,800

Profit and Loss Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	33,500
Plant & Machinery	4,000	Discount Received	400
Furniture	250	Rent Revenue	1,200
Bad Debts	400		
Add: New Provision (WN2)	670		
Less: Old Provision	800		
Carriage Outwards	500		
Insurance	700		
Less: Prepaid	100		
Rent, Rates & Taxes	4,600		
Printing & Stationery	800		
Postage & Telegram	800		
Salaries	20,000		
Net Profit (<i>Balancing Figure</i>)	3,280		
	35,100		35,100

Balance Sheet

Financial Statements- With Adjustments

as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital 85,000		Fixed Assets	
Add: Net Profit 3,280		Plant & Machinery 40,000	
Less: Drawings 5,000	83,280	Less: Depreciation 4,000	36,000
		Furniture 5,000	
Current Liabilities		Less: Depreciation 250	4,750
Creditors 23,000			
		Current Assets	
		Closing Stock 15,000	
		Add: Sale on Approval Basis 6,000	21,000
		Prepaid Insurance 100	
		Cash in Hand 6,200	
		Cash at Bank 25,500	
		Debtors 20,600	
		Less: Sale on Approval Basis 7,200	
		Less: Provision for Doubtful Debts 670	12,730
	1,06,280		1,06,280

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $40,000 \times 10/100 = \text{Rs } 4,000$

Depreciation on Furniture = $5,000 \times 5/100 = \text{Rs } 250$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Sale on Approval Basis}) \times \text{Rate}/100$

= $20,600 - 7,200 \times 5/100 = \text{Rs } 670$

Answer 23:

Financial Statements of Shri Santosh Kumar

Trading Account

for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	20,000	Sales	4,68,000
Purchases	2,12,000	Less: Return Inwards	8,000
Less: Return	4,000	Closing Stock	30,800
	2,08,000		

Financial Statements- With Adjustments

Outwards			
Carriage Inwards	12,000		
Wages	1,00,000		
Gross Profit (<i>Balancing Figure</i>)	1,50,800		
	4,90,800		4,90,800

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	1,50,800
Plant & Machinery 5,000		Discount	6,000
Furniture 720		Miscellaneous Receipts	2,000
Loose Tools 4,000	9,720	Interest on Investment 300	
Salaries 60,000		Add: Accrued (WN3) 300	600
Add: Salary to B.Barua 2,000	62,000		
Advertisement Expenses written-off	3,000		
Provision for Discount on Debtors (WN2)	1,120		
General Expenses & Insurance	39,000		
Postage & Telegram	4,000		
Net Profit (<i>Balancing Figure</i>)	40,560		
	1,59,400		1,59,400

Balance Sheet as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital 1,91,000		Fixed Assets	
Add: Net Profit 40,560		Plant & Machinery 1,00,000	
Less: Drawings 16,000	2,15,560	Less: Depreciation 5,000	95,000
		Furniture 12,000	
Current Liabilities		Less: Depreciation 720	11,280
Creditors 24,000		Loose Tools 20,000	
Bank Overdraft 3,200		Less: Depreciation 4,000	16,000
Outstanding Salaries 5,000		10% Investment	6,000
Suspense Account 2,500		Current Assets	
		Goodwill	10,000
		Closing Stock	30,800
		Advertisement Expenditure	12,000
		Accrued Interest on Investments	300
		Cash in Hand	14,000
		Debtors 56,000	
		Less: Provision for Discount on Debtors 1,120	54,880

Financial Statements- With Adjustments

	2,50,260		2,50,260

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $1,00,000 \times 5/100 = \text{Rs } 5,000$

Depreciation on Furniture = $12,000 \times 6/100 = \text{Rs } 720$

Depreciation on Loose Tools = $\text{Rs } 4,000$ ($20,000 - 16,000$)

WN2: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors = $56,000 \times 2/100 = \text{Rs } 1,120$

WN3: Calculation of Accrued Interest on Investment

Interest on Investment = $6,000 \times 10/100 = \text{Rs } 600$

Interest on Loan already received = $\text{Rs } 300$

So, Accrued Interest = $\text{Rs } 300$

Answer 24:

(a)

Financial Statement of....

Trading Account

for the year ended 31 March, 2015

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount (Rs)
Opening Stock	10,000		Sales	70,000
Purchases	36,000		Less: Return Inwards	2,000
Less: Return Outwards	1,000	35,000	Closing Stock	12,000
Wages	10,000			
Add: Outstanding Wages	2,000	12,000		
Gross Profit (<i>Balancing Figure</i>)	23,000			
	80,000			80,000

Profit and Loss Account

for the year ended March 31, 2015

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount (Rs)
Interest on Loan	800		Gross Profit	23,000
Add: Outstanding	700	1,500	Commission Received	7,200
Depreciation on Machinery		2,500		

Financial Statements- With Adjustments

Old Bad Debts	2,400		
Add: New Bad Debts	500		
Add: New Provision for Bad Debts	575		
Less: Old Provision for Bad Debts	700	2,775	
Repair		2,000	
Rent		1,000	
Net Profit (<i>Balancing Figure</i>)		20,425	
		30,200	30,200

Balance Sheet
as on March 31, 2015

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	43,000	Fixed Assets	
Add: Net Profit	20,425	Machinery	50,000
Loan from Bank	15,000	Less: Depreciation	2,500
Current Liabilities		Vehicles	10,000
Creditors	15,300	Current Assets	
Outstanding Wages	2,000	Closing Stock	12,000
Outstanding Interest on Loan	700	Debtors	12,000
		Less: New Bad Debts	500
		Less: New Provision for Bad Debts	575
		Cash in Hand	16,000
	96,425		96,425

(b) Values Involved:

- (i) Matching principle has been adopted (outstanding wages and depreciation)
- (ii) Prudence principle has been adopted (provision for bad and doubtful debts)

Answer 25:

Financial Statement of Ritesh Traders
Trading Account
for the year ended March 31, 2008

Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	5,620	Sales	3,74,800
Purchases	1,54,200	Closing Stock	19,000
Wages	1,26,000		
Less: Wrong inclusion	4,800		
Carriage Inward	900		

Financial Statements- With Adjustments

Freight on Purchase	700		
Duty on Import of Goods	4,200		
Gross Profit (<i>Balancing Figure</i>)	1,06,980		
	3,93,800		3,93,800

Profit and Loss Account for the year ended March 31, 2008

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Depreciation:			Gross Profit	1,06,980
Land & Building 50,000			Interest on Securities	6,400
Plant & Machinery 18,680	68,680		Discount Received	420
Insurance 2,800				
Less: Prepaid 700	2,100			
Old Bad Debts –				
Add: New Bad Debts 2,000				
Add: New Provision 690				
Less: Old Provision –	2,690			
Postage	500			
Trade Expenses	1,000			
Salaries	8,000			
Repairs to Machinery	1,400			
Discount Allowed	1,500			
Net Profit (<i>Balancing Figure</i>)	27,930			
	1,13,800			1,13,800

Balance Sheet as on March 31, 2008

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital 13,47,600		Fixed Assets	
Add : Net Profit 27,930		Plant & Machinery 1,82,000	
Less: Drawings 5,600	13,69,930	Add: Wages 4,800	
		Less: Dep. 18,680	1,68,120
		Land & Building 10,00,000	
		Less: Dep. 50,000	9,50,000
Current Liabilities		Current Assets	
Creditors 40,000		Closing Stock 19,000	
Bills Payable 4,000		Securities 6,00,000	
X's Loan 18,600		Prepaid Insurance 700	
Bank Overdraft 3,40,000		Bills Receivable 7,000	
Loan 11,000		Debtors 15,800	
		Less: Bad debts 2,000	
		Less: Provision 690	13,110

Financial Statements- With Adjustments

		Cash in Hand	25,600
	17,83,530		17,83,530

Working Note:

WN1: Calculation of Depreciation

Depreciation on Machinery = $1,86,800 \times 10/100 = \text{Rs } 18,680$

Depreciation on Building = $10,00,000 \times 5/100 = \text{Rs } 50,000$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100$

= $(15,800 - 2,000) \times 5/100 = \text{Rs } 690$

Answer 26:

Trading Account for the year ended March 31, 2013

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Opening Stock	82,000		Sales	6,75,000
Purchases 4,40,000			Less: Return Inwards 25,000	6,50,000
Less: Return Outwards 37,000	4,03,000		Closing Stock	1,12,500
Carriage Inward	6,000			
Fuel and Water	4,750			
Gross Profit (Balancing Figure)	2,66,750			
	7,62,500			7,62,500

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

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Depreciation:			Gross Profit	2,66,750
Plant & Machinery 30,000			Commission 4,000	
Motor Vehicle 30,000	60,000		Less: Unearned 1,200	2,800
Salaries & Wages 24,000			Provision for Doubtful Debts	
Add: Outstanding 4,800	28,800		(Old Provision - New Provision)	5,305
Old Bad Debts 4,250				
Add: Further Bad Debts 500	4,750			

Financial Statements- With Adjustments

Trade Expenses	2,500	
Rent, Rates and Taxes	12,000	
Net Profit (<i>Balancing Figure</i>)	1,66,805	
	2,74,855	2,74,855

Balance Sheet
as on March 31, 2013

Liabilities		Amount(Rs)	Assets		Amount(Rs)
Capital	3,25,000	4,76,805	Fixed Assets		
Add : Net Profit	1,66,805		Plant & Machinery	2,00,000	
Less : Drawings	15,000		Less : Dep.	30,000	1,70,000
			Motor Vehicle	1,50,000	
			Less : Dep.	30,000	1,20,000
Current Liabilities			Current Assets		
Creditors	55,000		Closing Stock		1,12,500
Outstanding Salaries and Wages	4,800		Debtors	70,000	
Unearned Commission	1,200		Less : Bad Debts	500	
			Less : Provision for Bad Debts	695	68,805
			Cash in Hand		16,500
			Cash at Bank		50,000
		5,37,805			5,37,805

Working Note:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $2,00,000 \times 15/100$ =Rs 30,000

Depreciation on Motor Vehicle = $1,50,000 \times 20/100$ =Rs 30,000

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100 = (70,000 - 500) \times 1/100$ =Rs 695

WN3: Calculation of Outstanding Salaries and Wages

Salaries and Wages paid for 10 months = 24,000

Salaries and Wages outstanding for 2 months = $24,000 \times 2/10$ = Rs 4,800

Answer 27:

Financial Statements- With Adjustments

Financial Statements of Shri R. Lal Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	11,460	Sales	1,40,370
Purchases 80,000		Less: Return Inwards	4,240
Less: Return Outwards 2,820	77,180	Closing Stock	14,290
Carriage Inwards	2,310		
Wages	6,280		
Gross Profit (<i>Balancing Figure</i>)	53,190		
	1,50,420		1,50,420

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	53,190
Building 625		Rent 2,100	
Furniture 175		Add: Accrued 200	2,300
Additions to Building 140	940	Discount	190
Salary & Commission 9,870			
Add: Outstanding Salaries 570	10,440		
Bad Debts 1,400			
Add: Further Bad Debts 570			
Add: New Provision (WN2) 3,690			
Less: Old Provision 3,240	2,420		
Interest on Capital	5,000		
Rates & Insurance 1,300			
Less: Unexpired 240	1,060		
Railway Freight on Sales	16,940		
Office Expenses	1,340		
Printing & Stationery	660		
Postage & Telegram	820		
Net Profit (<i>Balancing Figure</i>)	16,060		
	55,680		55,680

Balance Sheet as on March 31, 2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital 1,00,000		Fixed Assets	

Financial Statements- With Adjustments

Add: Interest on Capital	5,000		Building	25,000	
Add: Net Profit	16,060		Less: Depreciation	625	24,375
Less: Drawings	17,600	1,03,460	Additions to Building	7,000	
			Less: Depreciation	140	6,860
Current Liabilities			Office Furniture	3,500	
Sundry Creditors		18,920	Less: Depreciation	175	3,325
Outstanding Salaries		570			
			Current Assets		
			Closing Stock		14,290
			Bills Receivable		1,240
			Accrued Rent		200
			Unexpired Insurance		240
			Cash in Hand		2,210
			Sundry Debtors	62,070	
			Less: Further Bad Debts	570	
			Less: Provision for Discount on Debtors	3,690	57,810
			Cash at Bank		12,400
		1,22,950			1,22,950

Working Notes

WN1: Calculation of Amount of Depreciation

$$\text{Depreciation on Building} = 25,000 \times \frac{2.5}{100} = \text{Rs } 625$$

$$\text{Depreciation on Addition to Building} = 7,000 \times \frac{2}{100} = \text{Rs } 140$$

$$\text{Depreciation on Office Furniture} = 3,500 \times \frac{5}{100} = \text{Rs } 175$$

WN2: Calculation of Provision for Doubtful Debts

$$\begin{aligned} \text{Provision for Doubtful Debts} &= (\text{Sundry Debtors} - \text{Further Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (62,070 - 570) \times \frac{6}{100} = \text{Rs } 3,690 \end{aligned}$$

Answer 28:

**Financial Statements of Karan
Trading Account**

Financial Statements- With Adjustments

for the year ended March 31, 2010

Dr.			Cr.
Particulars	Amount	Particulars	Amount (Rs)
Opening Stock	6,25,000	Sales	13,72,000
Purchases	9,03,000	Less: Return Inwards	22,000
Less: Return Outwards	13,000	Closing Stock	6,50,000
Less: Goods taken for personal use	5,000		
Direct Expenses	75,000		
Gross Profit (<i>Balancing Figure</i>)	4,15,000		
	20,00,000		20,00,000

Profit and Loss Account

for the year ended March 31, 2010

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	4,15,000
Building	15,000	Interest on Invest.	5,000
Furniture	8,000	Add: Accrued	5,000
Fire Insurance Premium	20,000	Commission	30,000
Less: Prepaid	5,000	Less: Unearned	10,000
Provision for Doubtful Debts (WN2)	12,500		
Outstanding Interest on Bank Overdraft	20,000		
Salaries	90,000		
Add: Outstanding	10,000		
Postage, Stationery & Telephone	25,000		
Net Profit (<i>Balancing Figure</i>)	2,49,500		
	4,45,000		4,45,000

Balance Sheet

as on March 31, 2010

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	3,00,000	Fixed Assets	
Add: Net Profit	2,49,500	Land & Building	3,00,000
Less: Drawings (45,000 + 5,000)	50,000	Less: Depreciation	15,000
	4,99,500	Furniture	80,000
Current Liabilities		Less: Depreciation	8,000
Trade Creditors	4,50,000	Investment	1,00,000
Outstanding Salaries	10,000	Current Assets	
Outstanding Interest on Bank Overdraft	20,000	Closing Stock	6,50,000
Bank Overdraft	4,00,000		

Financial Statements- With Adjustments

Unearned Commission	10,000	Accrued Interest	5,000
		Prepaid Insurance	5,000
		Cash in Hand	35,000
		Trade Debtors	2,50,000
		Less: Provision for Discount on Debtors	12,500
			2,37,500
	13,89,500		13,89,500

Working Notes

WN1: Calculation of Amount of Depreciation

Depreciation on Building = $3,00,000 \times 5/100 = \text{Rs } 15,000$

Depreciation on Furniture = $80,000 \times 8/100 = \text{Rs } 8,000$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $\text{Sundry Debtors} - \text{Further Bad Debts} \times \text{Rate}/100$

= $2,50,000 - 0 \times 5/100 = \text{Rs } 12,500$

Answer 29:

Financial Statements of Mr. Amar Chand Trading Account for the year ended March 31, 2016

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	62,000	Sales	4,48,000
Purchases	3,15,000	Less: Return Inwards	3,700
Less: Return Outwards	2,500	Closing Stock	
Carriage on Purchases	7,500		
Gross Profit (<i>Balancing Figure</i>)	1,08,300		
	4,90,300		4,90,300

Profit and Loss Account for the year ended March 31, 2016

Financial Statements- With Adjustments

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount (Rs)
Depreciation: (WN1)			Gross Profit	1,08,300
Furniture	1,725		Commission Received	2,400
Sales Van	15,000	16,725	Interest on Drawings	1,500
Repairs	2,300		Discount Received	3,800
Add: Outstanding	200	2,500		
Old Bad Debts	2,400			
Add: Further Bad Debts	2,000			
Add: New Provision (WN2)	3,900			
Less: Old Provision	3,000	5,300		
Discount Allowed		2,600		
Provision for Discount on Debtors (WN3)		1,482		
Rent	10,000			
Add: Outstanding (WN4)	2,000	12,000		
Insurance	3,600			
Less: Prepaid (WN5)	2,700	900		
Interest on Capital		16,000		
Carriage on Sales		1,200		
Salaries		25,000		
Sales Van Expenses		6,000		
Net Profit (Balancing Figure)		26,293		
		1,16,000		1,16,000

Balance Sheet
as on March 31, 2016

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	2,00,000	Fixed Assets	
Add: Interest on Capital	16,000	Furniture	10,000
Add: Net Profit	26,293	Add: Additions	6,000
Less: Drawings	30,000	Less: Depreciation	1,725
Less: Interest on Drawings	1,500	Sales Van	75,000
	2,10,793	Less: Depreciation	15,000
			60,000
Current Liabilities		Current Assets	
Sundry Creditors	43,000	Closing Stock	46,000
Outstanding Salaries	5,000	Bills Receivable	12,100
Outstanding Repairs	200	Bank of Tokyo	32,800
Outstanding Rent	2,000	Prepaid Insurance	2,700
Bills Payable	4,300	Cash in Hand	24,800
		Sundry Debtors	80,000
		Less: Bad debts	2,000
		Less: Provision for Doubtful Debts	3,900

Financial Statements- With Adjustments

		Less: Provision for Discount on Debtors	1,482	72,618
	2,65,293			2,65,293

Working Notes:

WN1: Calculation of Amount of Depreciation

$$\text{Depreciation on Furniture} = 10,000 \times \frac{15}{100} + 6,000 \times \frac{15}{100} \times \frac{3}{12} = \text{Rs } 1,725$$

$$\text{Depreciation on Salesvan} = 75,000 \times \frac{20}{100} = \text{Rs } 15,000$$

WN2: Calculation of Provision for Bad Debts

$$\begin{aligned} \text{Provision for Bad Debts} &= (\text{Sundry Debtors} - \text{Further Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (80,000 - 2,000) \times \frac{5}{100} = \text{Rs } 3,900 \end{aligned}$$

WN3: Calculation of Provision for Discount on Debtors

$$\begin{aligned} \text{Provision for Discount on Debtors} &= (\text{Sundry Debtors} - \text{Further Bad Debts} - \text{Provisions for Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (80,000 - 2,000 - 3,900) \times \frac{2}{100} = \text{Rs } 1,482 \end{aligned}$$

WN4: Calculation of Outstanding Rent

Rent is paid @ Rs 1,000 per month

Annual Rent = $1,000 \times 12 = \text{Rs } 12,000$

Rent Already Paid = Rs 10,000

Therefore, Outstanding Rent = Rs 2,000

WN5: Calculation of Prepaid Insurance

Insurance is prepaid for 9 months

$$\text{Prepaid Insurance} = 3,600 \times \frac{9}{12} = \text{Rs } 2,700$$

Answer 30:

Financial Statements- With Adjustments

Trading Account for the year ended March 31, 2011

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Opening Stock	19,800	Sales	95,000
Purchases 72,100		Less: Return Inwards	1,300
Less: Return Outwards 2,700	69,400	Closing Stock	61,700
Salaries & Wages (1/4 th)	5,125		
Carriage Inwards	3,200		
Gross Profit (<i>Balancing Figure</i>)	57,875		
	1,55,400		1,55,400

Profit and Loss Account for the year ended March 31, 2011

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	57,875
Machinery 375		Discount Received	2,910
Furniture 500			
Sales Van 3,000	3,875		
Bad Debts 3,000			
Add: Further Bad Debts 200			
Add: New Provision (WN2) 900	4,100		
Office Expenses	6,210		
Telephone Charges	1,050		
Rent and Taxes 10,700			
Add: Outstanding 900	11,600		
Postage & Telegram	950		
Printing & Stationery	2,750		
Salaries & Wages (3/4 th)	15,375		
Commission	8,400		
Sales Van Expenses	1,400		
Net Profit (<i>Balancing Figure</i>)	5,075		
	60,785		60,785

Balance Sheet as on March 31, 2011

Liabilities	Amount	Assets	Amount
-------------	--------	--------	--------

Financial Statements- With Adjustments

	(Rs)		(Rs)
Capital 50,000		Fixed Assets	
Add: Net Profit 5,075		Furniture 5,000	
Less: Drawings 7,500	47,575	Less: Depreciation 500	4,500
		Machinery 15,000	
Current Liabilities		Less: Depreciation 375	14,625
Creditors for Machinery 15,000		Sales Van 15,000	
Sundry Creditors 35,750		Less: Depreciation 3,000	12,000
Outstanding Rent 900			
Bills Payable 23,000		Current Assets	
		Closing Stock	61,700
		Bills Receivable	12,000
		Cash in Hand	300
		Sundry Debtors 18,200	
		Less: Further Bad Debts 200	
		Less: Provision for Doubtful Debts 900	17,100
	1,22,225		1,22,225

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Furniture = $5,000 \times 10/100 = \text{Rs } 500$

Depreciation on Sales Van = $15,000 \times 20/100 = \text{Rs } 3,000$

Depreciation on Machinery = $15,000 \times 10/100 \times 3/12 = \text{Rs } 375$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts \times Rate/100 = $18,200 - 200 \times 5/100 = \text{Rs } 900$

Answer 31:

Financial Statements of M/s Green Club Ltd.

Trading Account for the year ended ...

Dr.			Cr.		
Particulars		Amount (Rs)	Particulars		Amount (Rs)
Opening Stock		1,25,000	Sales	2,50,000	2,25,000 —
Purchases	35,000		Less: Return Inwards	25,000	
Less: Return Outwards	6,000	29,000			
Wages	3,000				
Less: Prepaid	1,000	2,000			
Gross Profit (<i>Balancing Figure</i>)		69,000			

Financial Statements- With Adjustments

2,25,000	2,25,000

Profit and Loss Account for the year ended ...

Dr.			Cr.
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation on Machinery (WN1)	1,000	Gross Profit	69,000
Discount Allowed	3,500	Commission Received	5,400
Provision for Discount on Debtors (WN3)	2,280	Discount Received	1,000
Old Bad Debts	3,500	Accrued Interest on Investment (WN4)	1,155
Add: Further Bad Debts	1,500		
Add: New Provision (WN2)	2,910		
Less: Old Provision	4,500		
	3,410		
Salaries	12,300		
Lighting	5,000		
Postage and Telegram	600		
Rent and Rates	1,000		
Packing and Transport	500		
General Expenses	400		
Insurance	4,000		
Net Profit (<i>Balancing Figure</i>)	42,565		
	76,555		76,555

Balance Sheet as on ...

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	50,000	Fixed Assets	
Add: Net Profit	42,565	Machinery	20,000
Less: Drawings	—	Less: Depreciation	1,000
	92,565	Investments	23,100
Current Liabilities		Current Assets	
Creditors	55,000	Closing Stock	40,000
		Prepaid Wages	1,000
		Accrued Interest on Investment	1,155
		Debtors	50,000
		Less: Further Bad Debts	1,500
		Less: New Provision for Bad Debts	2,910
		Less: Provision for Discount on Debtors	2,280
		Cash in Hand	20,000
	1,47,565		1,47,565

Financial Statements- With Adjustments

Working Notes:

WN1: Calculation of Amount of Depreciation

$$\text{Depreciation on Machinery} = 20,000 \times \frac{5}{100} = \text{Rs } 1,000$$

WN2: Calculation of Provision for Doubtful Debts

$$\begin{aligned} \text{Provision for Doubtful Debts} &= (\text{Sundry Debtors} - \text{Further Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (50,000 - 1,500) \times \frac{6}{100} = \text{Rs } 2,910 \end{aligned}$$

WN3: Calculation of Provision for Discount on Debtors

$$\begin{aligned} \text{Provision for Discount on Debtors} &= (\text{Sundry Debtors} - \text{Further Bad Debts} - \text{Provision for Bad Debts}) \times \frac{\text{Rate}}{100} \\ &= (50,000 - 1,500 - 2,910) \times \frac{5}{100} = \text{Rs } 2,280 \end{aligned}$$

WN4: Calculation of Accrued Interest on Investment

$$\text{Accrued Interest} = 23,100 \times \frac{5}{100} = \text{Rs } 1,155$$

Answer 32:

Financial Statements of Mr. Ram

Trading Account

for the year ended December 31, 2015

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	42,000	Sales	4,10,000
Purchases 2,00,000			
Less: Purchases Return 8,000	1,92,000		
Carriage Inwards	5,800		
Wages 44,000			
Add: Outstanding (WN6) 4,000	48,000		
Gross Profit (Balancing Figure)	1,22,200		
	4,10,000		4,10,000

Profit and Loss Account

for the year ended December 31, 2015

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Depreciation: (WN1)		Gross Profit	1,22,200

Financial Statements- With Adjustments

Plant	6,000		Commission	7,500	
Furniture	3,500	9,500	Less: Unearned	1,500	6,000
Rent	27,500		Interest on Investment	700	
Add: Outstanding (WN6)	2,500	30,000	Add: Accrued (WN4)	700	1,400
Provision for Doubtful Debts (WN2)		5,000	Special Rebate		800
Provision for Discount on Debtors (WN3)		1,900			
Carriage Outwards		3,200			
Insurance	1,500				
Less: Prepaid (WN5)	500	1,000			
Salaries	33,000				
Add: Outstanding (WN6)	3,000	36,000			
Office Expenses	6,600				
Add: Outstanding (WN6)	600	7,200			
Discount		2,000			
Net Profit (Balancing Figure)		34,600			
		1,30,400			1,30,400

Balance Sheet
as on December 31, 2015

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital	1,50,000	Fixed Assets	
Add: Net Profit	34,600	Plant	60,000
		Less: Depreciation	6,000
Current Liabilities		Furniture	20,000
Sundry Creditors	20,000	Less: Depreciation	3,500
Outstanding Wages	4,000	14% Investments	10,000
Outstanding Rent	2,500	Current Assets	
Outstanding Salaries	3,000	Closing Stock	60,000
Outstanding Office Expenses	600	Accrued Interest on Investments	700
Unearned Commission	1,500	Prepaid Insurance	500
Bank Overdraft	24,000	Cash in Hand	5,400
		Sundry Debtors	1,00,000
		Less: Provision for Doubtful Debts	5,000
		Less: Provision for Discount on Debtors	1,900
	2,40,200		93,100
			2,40,200

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Plant = $60,000 \times 10/100 = \text{Rs } 6,000$

Financial Statements- With Adjustments

Depreciation on Furniture = $15,000 \times 20/100 + 5,000 \times 20/100 \times 6/12 = \text{Rs } 3,500$

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = Sundry Debtors – Further Bad Debts \times Rate/100
 = $1,00,000 - 0 \times 5/100 = \text{Rs } 5,000$

WN3: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors = Sundry Debtors – Further Bad Debts – Provision for Bad Debts \times Rate/100
 = $1,00,000 - 0 - 5,000 \times 2/100 = \text{Rs } 1,900$

WN4: Calculation of Accrued Interest on Investments

Interest on Investments = $14,000 \times 10/100 = \text{Rs } 1,400$
 Interest Already Received = Rs 700
 \therefore Accrued Interest on Investments = Rs 700

WN5: Calculation of Prepaid Insurance

Prepaid Insurance = $1,500 \times 4/12 = \text{Rs } 500$

WN6: Calculation of Outstanding Expenses

Rent, Wages, Salaries and Office Expenses have been paid for 11 months. Outstanding Expense will be:

Outstanding Rent = $27,500 \times 1/11 = \text{Rs } 2,500$

Outstanding Wages = $44,000 \times 1/11 = \text{Rs } 4,000$

Outstanding Salary = $33,000 \times 1/11 = \text{Rs } 3,000$

Outstanding Office Expenses = $6,600 \times 1/11 = \text{Rs } 600$

Answer 33:

Financial Statements of Sh. Ajay Oswal Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Opening Stock	16,000	Sales	2,70,000
Purchases	1,48,000	Less: Return Inwards	5,600
Less: Return Outwards	4,100	Closing Stock	26,000
Salaries & Wages (1/4 th of 40,000)	10,000		
Carriage Inwards	8,200		
Gross Profit (Balancing Figure)	1,12,300		
	2,90,400		2,90,400

Profit and Loss Account for the year ended March 31, 2017

Financial Statements- With Adjustments

Dr.			Cr.	
Particulars		Amount (Rs)	Particulars	Amount (Rs)
Salaries & Wages	38,000		Gross Profit	1,12,300
Add: Omitted	2,000		Accrued Income	2,500
Less: T/f to Trading	10,000	30,000	Interest	900
Bad Debts	2,000		Add: Accrued (WN2)	450
Add: Further Bad Debts	800			1,350
Add: New Provision (WN1)	7,300			
Less: Old Provision	3,500	6,600		
Carriage Outwards		3,700		
Advertisement	3,000			
Less: Prepaid	600	2,400		
General Expenses	4,500			
Less: Prepaid Insurance (WN3)	750	3,750		
Rent		13,000		
Outstanding Manager's Commission (WN4)		2,700		
Net Profit (<i>Balancing Figure</i>)		54,000		
		1,16,150		1,16,150

Balance Sheet

as on March 31, 2017

Liabilities		Amount (Rs)	Assets		Amount (Rs)
Capital	3,00,000	3,46,000	Fixed Assets		
Add: Net Profit	54,000		Goodwill		25,000
Less: Drawings (Income Tax)	8,000		Land & Building		2,00,000
			Furniture		15,000
Current Liabilities			Patents & Patterns		6,000
Creditors		26,200	Loan to Mr. Malik		10,000
Outstanding Manager’s Commission		2,700	Current Assets		
Outstanding Rent		1,000	Closing Stock		26,000
			Prepaid Insurance		750
			Prepaid Advertisement		600
			Accrued Income		2,500
			Accrued Interest		450
			Deposit with PNB		15,000
			Debtors	75,800	
			Less: Wrongly Included	2,000	
			Less: Bad Debts	800	
			Less: Provision for Bad Debts	7,300	65,700
			Cash in Hand		8,900
		3,75,900			3,75,900

Financial Statements- With Adjustments

Working Notes:

WN1: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = (Sundry Debtors – Further Bad Debts) × Rate/100
 = (73,800 – 800) × 10/100 = Rs 7,300

WN2: Calculation of Accrued Interest on Loan to Malik

Interest = 10,000 × 18/100 × 9/12 = Rs 1,350

Interest Already Received = Rs 900

∴ Accrued Interest = Rs 450

WN3: Calculation of Pre-paid Insurance

Annual Insurance Premium = 3,000

Premium for the period 01 April 2012 - 30 June 2012 = 3,000 × 3/12 = Rs 750

WN4: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 56,700 (1,16,150 – 59,450)

Manager's Commission = 56,700 × 5/105 = Rs 2,700

Answer 34:

Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	67,000	Sales	2,60,000
Purchases	1,20,000	Less: Return Inwards	3,000
Less: Advertisement	4,000	Closing Stock	80,000
Manufacturing Wages	40,000		
Less: New Machinery	10,000		
Gross Profit (<i>Balancing Figure</i>)	1,24,000		
	3,37,000		3,37,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation: (WN1)		Gross Profit	1,24,000

Financial Statements- With Adjustments

Plant & Machinery	38,500		Commission Received	6,000	
Fixture & Fittings	2,400	40,900	Add: Accrued	1,000	7,000
Rent	28,000				
Less: Prepaid (WN2)	4,000	24,000			
Bad Debts	4,000				
Add: Further Bad Debts	2,000				
Add: New Provision (WN3)	2,800	8,800			
Outstanding Interest on Loan (WN4)		400			
Insurance	2,600				
Less: Prepaid (WN5)	500	2,100			
Advertisement		4,000			
Salaries & Wages		24,000			
Repairs & Renewals		1,600			
Interest & Discount		4,400			
Net Profit (<i>Balancing Figure</i>)		20,800			
		1,31,000			1,31,000

Balance Sheet

as on March 31, 2017

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital	5,00,000	Fixed Assets	
Add: Net Profit	20,800	Plant & Machinery	3,80,000
Less: Drawings	36,000	Add: New Machinery	10,000
12% Loan	20,000	Less: Depreciation	38,500
		Fixture & Fittings	12,000
Current Liabilities		Less: Depreciation	2,400
Sundry Creditors	30,000		9,600
Outstanding Salaries & Wages	2,000	Current Assets	
Outstanding Interest on Loan	400	Closing Stock	80,000
Bank Overdraft	15,000	Accrued Commission	1,000
		Prepaid Insurance	500
		Prepaid Rent	4,000
		Cash in Hand	46,600
		Sundry Debtors	58,000
		Less: Further Bad Debts	2,000
		Less: Provision for Doubtful Debts	2,800
		Bills Receivable	5,800
	5,52,200		5,52,200

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Plant & Machinery = $3,80,000 \times 10/100 + 10,000 \times 10/100 \times 6/12 = \text{Rs } 38,500$

Financial Statements- With Adjustments

Depreciation on Fixtures & Fittings = $12,000 \times 20/100 = \text{Rs } 2,400$

WN2: Calculation of Prepaid Rent

Rent paid for 14 months = Rs 28,000

Prepaid Rent = $28,000 \times 2/14 = \text{Rs } 4,000$

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100$

= $(58,000 - 2,000) \times 5/100 = \text{Rs } 2,800$

WN4: Calculation of Interest on Loan

Interest on Loan Outstanding = $20,000 \times 12/100 \times 2/12 = \text{Rs } 400$

WN5: Calculation of Prepaid Insurance

Prepaid Insurance = $1,000 \times 6/12 = \text{Rs } 500$

Answer 35:

Financial Statements of Mr. Karuna Trading Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	15,000	Sales	5,30,000
Purchases	3,30,000		
Less: Drawings	2,000		
Less: Charity	1,500		
Less: Return Outwards	8,000		
Wages	33,000		
Add: Outstanding (WN2)	3,000		
Power	5,400		
Gross Profit (Balancing Figure)	1,55,100		
	5,30,000		5,30,000

Profit and Loss Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount(Rs)

Financial Statements- With Adjustments

Depreciation: (WN1)			Gross Profit	1,55,100
Furniture	800		Discount	3,000
Motor Car	40,000	40,800	Miscellaneous Income	3,060
Rent	7,480			
Add: Outstanding (WN2)	680	8,160		
Salaries	30,800			
Add: Outstanding (WN2)	2,800	33,600		
Charity (1,500 + 500)		2,000		
Motor Car Expenses		18,000		
Insurance		3,600		
Outstanding Manager's Commission (WN3)		5,000		
Net Profit (<i>Balancing Figure</i>)		50,000		
		1,61,160		1,61,160

Balance Sheet
as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital	2,00,000	Fixed Assets	
Add: Net Profit	50,000	Furniture	8,000
Less: Drawings (5,000 + 2,000)	7,000	Less: Depreciation	800
	2,43,000	Motor Car	2,00,000
Current Liabilities		Less: Depreciation	40,000
Trade Creditors	37,000		1,60,000
Outstanding Manager's Commission	5,000	Current Assets	
Outstanding Salaries	2,800	Closing Stock	36,000
Outstanding Rent	680	Debtors	53,000
Outstanding Wages	3,000	Unexpired Insurance	600
		Cash in Hand	34,680
	2,91,480		2,91,480

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Furniture = $8,000 \times 10/100 = \text{Rs } 800$

Depreciation on Motor Car = $2,00,000 \times 20/100 = \text{Rs } 40,000$

WN2: Calculation of Outstanding Expenses

Outstanding Rent = $7,480 \times 1/11 = \text{Rs } 680$

Outstanding Wages = $33,000 \times 1/11 = \text{Rs } 3,000$

Financial Statements- With Adjustments

Outstanding Salaries = $30,800 \times 1/11 = \text{Rs } 2,800$

WN3: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 55,000 (1,61,160 – 1,06,160)

Manager's Commission = $55,000 \times 10/110 = \text{Rs } 5,000$

Answer 36:

Financial Statement of Sh. Parveen Kumar Trading Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	40,000	Sales	5,10,000
Purchases	3,20,000	Add: Unrecorded	12,000
Less: Return Outwards	8,000	Less: Return Inwards	7,000
Less: Furniture	5,000	Closing Stock	60,000
Manufacturing Expenses	44,000		
Carriage Inward	3,500		
Freight Inwards	4,300		
Gross Profit (Balancing Figure)	1,76,200		
	5,75,000		5,75,000

Profit and Loss Account for the year ended March 31, 2014

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation: (WN1)		Gross Profit	1,76,200
Furniture	1,500	Rent of Premises sublet	4,000
Patents	1,600	Less: Unearned (WN5)	2,000
Insurance Premium	6,000	Discount	1,800
Less: Prepaid (WN2)	600		
Further Bad Debts	600		
Add: New Provision (WN3)	4,570		
Less: Old Provision	2,500		
Outstanding Interest on Naresh's Loan (WN4)	4,500		
Outstanding Advertisement Bill	3,200		
Trade Expenses	7,200		
Salaries & Wages	15,800		
Postage & Telegrams	1,500		
Stationery	800		
Net Profit (Balancing Figure)	1,35,830		
	1,80,000		1,80,000

Financial Statements- With Adjustments

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Balance Sheet
as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital	1,20,000	Fixed Assets	
Add: Net Profit	1,35,830	Patents	8,000
Loan from Naresh	40,000	Less: Depreciation	1,600
		Furniture (10,000 + 5,000)	15,000
Current Liabilities		Less: Depreciation	1,500
Creditors	47,000	Land & Building	2,00,000
Outstanding Advertisement Bill	3,200		
Unearned Rent	2,000	Current Assets	
Bank Overdraft	24,200	Closing Stock	60,000
Outstanding Interest on Loan	4,500	Prepaid Insurance Premium	600
		Debtors	80,000
		Add: Unrecorded	12,000
		Less: Bad Debts	600
		Less: Provision for Doubtful Debts	4,570
		Cash in Hand	9,400
	3,76,730		3,76,730

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Patents = $8,000 \times \frac{1}{5} = \text{Rs } 1,600$

Depreciation on Furniture = $15,000 \times \frac{10}{100} = \text{Rs } 1,500$

WN2: Calculation of Prepaid Insurance

Prepaid Insurance = $1,200 \times \frac{6}{12} = \text{Rs } 600$

WN3: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} + \text{Unrecorded Sales} - \text{Further Bad Debts}) \times \frac{\text{Rate}}{100}$
 $= (80,000 + 12,000 - 600) \times \frac{5}{100} = \text{Rs } 4,570$

WN4: Calculation of Outstanding Interest on Loan

Outstanding Interest = $40,000 \times \frac{15}{100} \times \frac{9}{12} = \text{Rs } 4,500$

WN5: Calculation of Rent Received in Advance

Rent Received in Advance = $4,000 \times \frac{6}{12} = \text{Rs } 2,000$

Financial Statements- With Adjustments

Answer 37:

Financial Statements of Mr. Gupta

Trading Account

for the year ended March 31, 2014

Dr.			Cr.	
Particulars	Amount (Rs)		Particulars	Amount(Rs)
Opening Stock	65,000		Sales	9,50,000
Purchases 7,10,000			Closing Stock	90,000
Add: Unrecorded 20,000	7,30,000			
Wages	22,000			
Store Consumed	2,000			
Lighting & Heating 7,200				
Add: Outstanding 3,000	10,200			
Freight & Dock Charges	8,000			
Gross Profit (<i>Balancing Figure</i>)	2,02,800			
	10,40,000			10,40,000

Profit and Loss Account

for the year ended March 31, 2014

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Interest on Loan 1,500			Gross Profit	2,02,800
Add: Outstanding (WN1) 1,000	2,500		Rent Received 3,900	
Further Bad Debts 2,000			Less: Rent received in Advance (WN4) 300	3,600
Add: New Provision (WN2) 7,000	9,000		Discount	600
Trade Expenses	5,000			
Provision for Discount on Debtors (WN3)	2,660			
Rent 16,500				
Add: Outstanding (WN5) 1,500	18,000			
Travelling Expenses	3,800			
Establishment Expenses	18,000			
Net Profit (<i>Balancing Figure</i>)	1,48,040			
	2,07,000			2,07,000

Balance Sheet

as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital 2,50,000		Fixed Assets	
Add: Net Profit 1,48,040	3,98,040	Fixed Assets	3,00,000

Financial Statements- With Adjustments

Loan from Mr. Yadav	20,000		
Current Liabilities		Current Assets	
Sundry Creditors	80,000	Closing Stock	90,000
Add: Unrecorded	20,000	Cash in Hand	6,000
Outstanding Wages	2,000	Sundry Debtors	
Outstanding Trade Expenses	500	Less: Further Bad Debts	2,000
Outstanding Lighting & Heating	3,000	Less: Provision for Doubtful Debts	7,000
Outstanding Rent	1,500	Less: Provision for Discount on Debtors	2,660
Outstanding Interest on Loan	1,000		1,30,340
Rent received in advance	300		
	5,26,340		5,26,340

Working Notes:

WN1: Calculation of Outstanding Interest on Loan

Interest on Loan = $20,000 \times 15/100 \times 10/12 = \text{Rs } 2,500$

Interest Already Paid = Rs 1,500

\therefore Outstanding Interest on Loan = Rs 1,000

WN2: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts = $(\text{Sundry Debtors} - \text{Further Bad Debts}) \times \text{Rate}/100$

$= (1,42,000 - 2,000) \times 5/100 = \text{Rs } 7,000$

WN3: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors = $(\text{Sundry Debtors} - \text{Further Bad Debts} - \text{Provision for Bad Debts}) \times \text{Rate}/100$

$= (1,42,000 - 2,000 - 7,000) \times 2/100 = \text{Rs } 2,660$

WN4: Calculation of Advance Rent Received

Advance Rent = $3,900 \times 1/13 = \text{Rs } 300$

WN5: Calculation of Outstanding Rent

Out standing Rent = $16,500 \times 1/11 = \text{Rs } 1,500$

Answer 38:

Financial Statements of Mr. Tarun Ghosh
Trading Account
for the year ended March 31, 2017

Financial Statements- With Adjustments

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Opening Stock	38,000		Sales	15,40,000
Purchases 12,60,000			Less: Sale on Approval Basis	10,000
Less: Return 15,000	12,45,000			15,30,000
Outwards			Closing Stock	50,000
Wages	20,000		Add: Sale on Approval Basis	8,000
Gross Profit (<i>Balancing Figure</i>)	2,85,000			58,000
	15,88,000			15,88,000

Profit and Loss Account for the year ended March 31, 2017

Dr.			Cr.	
Particulars	Amount(Rs)		Particulars	Amount(Rs)
Provision for Discount on Debtors	3,000		Gross Profit	2,85,000
Bad and Doubtful Debts	1,500		Accrued Interest on Loan	500
Depreciation:			Interest on Drawings	3,000
Business Premises 10,000				
Tools 3,000				
Packing Machinery 6,000				
Furniture 8,000	27,000			
Interest on Capital	24,000			
Wages	1,600			
Salaries	54,000			
Rent	58,400			
Net Profit (<i>Balancing Figure</i>)	1,19,000			
	2,88,500			2,88,500

Balance Sheet as on March 31, 2017

Liabilities	Amount(Rs)		Assets	Amount(Rs)
Capital	3,00,000		Fixed Assets	
Add: Interest on Capital	24,000		Business Premises	2,00,000
Add: Net Profit	1,19,000		Less: Depreciation	10,000
Less: Drawings	60,000		Furniture & Fixtures	40,000
Less: Interest on Drawings	3,000	3,80,000	Less: Depreciation	8,000
Secured Loan	20,000		Packing Machinery	60,000
			Less: Depreciation	6,000
Current Liabilities			Tools	15,000
Sundry Creditors	40,000		Less: Depreciation	3,000
Bills Payable	12,000		Loan to Ram Narain	10,000
Bank Overdraft	33,000		Current Assets	

Financial Statements- With Adjustments

		Closing Stock (50,000 + 8,000)	58,000
		Bills Receivable	4,100
		Accrued Interest on Loan	500
		Sundry Debtors	1,31,500
		Less: Sale on Approval Basis	10,000
		Less: Bad & Doubtful Debts	1,500
		Less: Provision for Discount on Debtors	3,000
		Cash in Hand	7,400
	4,85,000		4,85,000

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Premises = $2,00,000 \times 5/100 = \text{Rs } 10,000$

Depreciation on Furniture = $40,000 \times 20/100 = \text{Rs } 8,000$

Depreciation on Packing Machinery = $60,000 \times 10/100 = \text{Rs } 6,000$

Depreciation on Tools = $\text{Rs } 3,000 (15,000 - 12,000)$

WN2: Calculation of Provision for Discount on Debtors

Provision for Discount on Debtors = $(\text{Sundry Debtors} - \text{Further Bad Debts} - \text{Provision for Bad Debts}) \times \text{Rate}/100$
 $= (1,31,500 - 1,500 - 0) \times 2.5/100 = \text{Rs } 3,250$

WN3: Calculation of Accrued Interest

Accrued Interest = $10,000 \times 12/100 \times 5/12 = \text{Rs } 500$

Answer 39:

Financial Statements of Mr. Din Dayal Trading Account for the year ended March 31, 2014

Dr.			Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	41,000	Sales	2,80,000
Purchases	2,20,000	Less: Return Inwards	6,000
Less: Return Outwards	2,000	Closing Stock	75,000
Less: Goods Lost by Fire	10,000		
Carriage Inwards	3,500		
Gross Profit (Balancing Figure)	96,500		

Financial Statements- With Adjustments

	3,49,000		3,49,000

Profit and Loss Account for the year ended March 31, 2014

Dr.				Cr.
Particulars	Amount(Rs)	Particulars	Amount(Rs)	
Loss by Fire	10,000	Gross Profit	96,500	
Less: Insurance Claim	7,500	Commission	6,000	
Printing & Advertisement (1/2)	2,500	Less: Unearned	2,000	4,000
Outstanding Interest on Loan	900	Interest on Investments		600
Insurance Premium	1,800	Rent from Sublet		4,800
Carriage Outwards	500	Old Provision	3,000	
Telephone	7,300	Less: New Provision for Doubtful Debts (WN1)	2,000	1,000
Bad Debts	400			
Rent	9,600			
Salary	20,000			
Travelling Expenses	1,400			
Outstanding Manager's Commission (WN2)	6,000			
Net Profit (<i>Balancing Figure</i>)	54,000			
	1,06,900			1,06,900

Balance Sheet as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount(Rs)
Capital	1,75,000	Fixed Assets	
Add: Net Profit	54,000	Investments	5,000
Less: Drawings	4,000	Land & Building	1,40,000
Loan	20,000	Furniture	10,000
Current Liabilities		Current Assets	
Creditors	24,000	Closing Stock	75,000
Sales Tax Collected	3,000	Insurance Company	7,500
Unearned Commission	2,000	Debtors	40,000
Outstanding Manager's Commission	6,000	Less: Provision for Doubtful Debts	2,000
Outstanding Interest on Loan	900	Cash in Hand	2,900
		Unexpired Printing & Advertisement	2,500
	2,80,900		2,80,900

Working Notes:

Financial Statements- With Adjustments

WN1: Calculation of Provision for Doubtful Debts

Provision for Doubtful Debts=(Sundry Debtors – Further Bad Debts) × Rate/100
 =(40,000 – 0) ×5/100=Rs 2,000

WN2: Calculation of Manager's Commission

Profit before Manager's Commission= Rs 60,000 (1,06,900 – 46,900)
 Manager's Commission=60,000 × 10/100= Rs 6,000

Answer 40:

Financial Statements of M/s Raj & Bros. Trading Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Opening Stock	16,800	Sales	3,09,000
Purchases 2,43,000		Less: Return Inwards	8,000
Less: Return Outwards 5,700	2,37,300	Closing Stock	6,000
Freight Inward	8,600		
Gross Profit (Balancing Figure)	44,300		
	3,07,000		3,07,000

Profit and Loss Account for the year ended March 31, 2017

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount(Rs)
Depreciation on Plant (WN1)	2,700	Gross Profit	44,300
Salaries	9,300	Income on Investments	3,600
Rates and Taxes 5,700		Discount Received	2,250
Add: Outstanding 5,000	10,700		
Interest on Loan 1,000			
Add: Outstanding (WN2) 800	1,800		
Printing & Advertisement	14,600		
Discount	1,340		
General Expenses	3,610		
Audit Fees	500		
Insurance	800		
Travelling Expenses	3,000		
Outstanding Manager's Commission (WN3)	180		
Net Profit (Balancing Figure)	1,620		
	50,150		50,150

Financial Statements- With Adjustments

Balance Sheet
as on March 31, 2017

Liabilities		Amount(Rs)	Assets		Amount(Rs)
Capital	78,000		Fixed Assets		
Add: Net Profit	1,620		Plant & Machinery	30,000	
Less: Drawings	10,000	69,620	Less: Depreciation	2,700	27,300
10% Bank Loan		24,000	Furniture		3,800
			Investments		25,000
Current Liabilities			Current Assets		
Trade Creditors		4,800	Closing Stock		6,000
Outstanding Rent		5,000	Cash at Bank		18,300
Outstanding Interest		800	Trade Debtors		24,000
Outstanding Manager's Commission		180			
		1,04,400			1,04,400

Working Notes:

WN1: Calculation of Amount of Depreciation

Depreciation on Machinery = $18,000 \times 10/100 + 12,000 \times 10/100 \times 9/12 = \text{Rs } 2,700$

WN2: Calculation of Outstanding Interest on Bank Loan

Interest on Loan = $24,000 \times 10/100 \times 9/12 = \text{Rs } 1,800$

Interest Already Paid = Rs 1,000

Outstanding Interest = Rs 800

WN3: Calculation of Manager's Commission

Profit before Manager's Commission = Rs 1,800 (50,150 – 48,350)

Manager's Commission = $1,800 \times 10/100 = \text{Rs } 180$

Financial Statements of Not-for-Profit Organisations

From

D K GOEL

Solutions

ACCOUNTANCY

Financial Statements of Not-for-Profit Organisations

Answer 1:

Income and Expenditure Account for the year ending 31 March, 2016			
Dr.			Cr.
Expenditure	Amount (Rs)	Income	Amount (Rs)
Rent	48,000	Subscription	3,46,000
Salary	2,40,000	Entrance Fees	5,700
Insurance Premium	12,600	Locker Rent	22,000
Telephone charges	18,200	Interest	15,000
Printing	4,100	Miscellaneous Income	700
Surplus (Excess of Income over Expenditure)	78,500	Income from Advertisement	12,000
	4,01,400		4,01,400

Answer 2:

Case: 1

Income and Expenditure Account for the year ending March 31,2017			
Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Entrance Fees	1,50,000

Case: 2

Income and Expenditure Account for the year ending March 31,2017			
Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Entrance Fees	1,50,000

Case: 3

Balance Sheet as on March 31,2017			
Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund xxx			
Add: Entrance Fees 1,50,000	xxx		

Case: 4

Income and Expenditure Account
for the year ending March 31,2017

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
		Entrance Fees (60% of 1,50,000)	90,000

Balance Sheet
as on March 31,2017

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital Fund xxx Add: Entrance Fees (40% of 1,50,000) 60,000	xxx		

Answer 3:

Balance Sheet
as on ...

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Prize Fund 80,000 Add: Interest on Prize Fund Investment 6,000 Add: Donation for Prize Fund Investment 25,000 Less: Expenses (Prizes Given) 10,000	1,01,000	Prize Fund Investments	60,000

Answer 4:

Balance Sheet
as on

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Tournament Fund 2,00,000 Add: Contribution for Tournament Fund 40,000 Add: Interest on Tournament 12,000			

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Fund Investments				
Add: Receipts from	20,000			
Tournament Tickets				
Less: Tournament Expenses	80,000	1,92,000		

Answer 5:

Balance Sheet
as on March 31,2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Tournament Fund	60,000		
Add: Donations for Tournament Fund	12,000		
Add: Interest on Tournament Fund Investments	4,800		
Less: Tournament Expenses	13,600		
	63,200		

Answer 6:

Income and Expenditure Account
for the year ending March 31,2017

Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Subscription	6,00,000
		Less: Outstanding in the beginning (1-4-2016)	60,000
		Add: Outstanding at the end (31-3-2017)	40,000
		Add : Advance received in the beginning (1-4-2016)	32,000
		Less: Advance at the end (31-3-2017)	38,000
			5,74,000

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Balance Sheet
as on March 31,2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Advance Subscription	32,000	Outstanding Subscription	60,000

Balance Sheet
as on March 31,2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Advance Subscription	38,000	Outstanding Subscription	40,000

Answer 7:

Income and Expenditure Account
for the year ending March 31,2017

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
		Subscription	6,50,000
		Less: Outstanding in the beginning (1-4-2016)	16,000
		Add: Outstanding at the end (31-3-2017)	25,000
		Add : Advance received in the beginning (31-3-2016)	7,500
		Less: Advance at the end (31-3-2017)	10,000
			6,56,500

Answer 8:

Income and Expenditure Account
for the year ending March 31,2017

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Subscription	50,000
		Less: Outstanding in the beginning as	18,500

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		on 31-03-2016 (20,000 – 1,500)		
		Add: Outstanding at the end as on 31-3-2017 (6,000 – 1,500)	4,500	
		Add : Advance in the beginning as on 31-3-2016	8,000	
		Less: Advance at the end as on 31-3-2017	9,000	35,000

Answer 9:

Subscription Account

Dr.		Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)
Outstanding Subscription (March 31, 2016)	30,000	Advance Subscription (March 31, 2016)	14,000
Income & Expenditure A/c (200 × 1,000)	2,00,000	Receipts and Payments A/c (total amount received during the year)	2,05,000
Advance Subscription (March 31, 2017)	40,000	Outstanding Subscription (March 31, 2017)-Balancing Figure	51,000
	2,70,000		2,70,000

Answer 10:

Income and Expenditure Account
for the year ending March 31,2017

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Subscriptions (240 × 500)	1,20,000

Balance Sheet
as on March 31,2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Advance Subscription	3,000	Subscription Outstanding for 2016-17	12,000
		Outstanding for 2015-16 (9,000 – 5,000)	4,000
			16,000

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Answer 11:

Income and Expenditure Account
for the year ending March 31,2017

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Subscription 60,000	
		Add: Outstanding at the end (25,000 – 3,000) 22,000	
		Add: Advance in the beginning (2015-16) 4,000	86,000

Balance Sheet
as on March 31,2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Advance Subscription	5,000	Outstanding Subscription	
		Outstanding for 2015-16 3,000	
		Outstanding for 2016- 17 22,000	25,000

Answer 12:

Income and Expenditure Account
for the year ending March 31,2013

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Salaries	18,200	Subscription 46,100	
Printing & Stationery	7,300	Less: Outstanding in the beginning (2011-12) 4,500	
Rent 15,000		Add: Outstanding at the end (2012-13) 6,000	47,600
Less: Outstanding in the beginning 1,000		Interest	2,500
Add: Outstanding at the end 1,500	15,500	Donation	6,000
Depreciation on Furniture (WN) 1,250		Receipts from advertisement in the year book	5,200
Expenditure on Charity Show 16,100			
Surplus (Excess of Income over Expenditure) 2,950			

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	61,300		61,300

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Outstanding Rent	1,500	Cash	16,100
Tournament Fund 12,000		Subscription Outstanding	6,000
Less: Tournament Expenses 7,500	4,500	Furniture 8,000	
Donation for Building Extension	20,000	Add: Additions 6,000	
Capital Fund 30,900		Less: Depreciation 1,250	12,750
Add: Surplus 2,950	33,850	Investments 15,000	
		Add: Additions 10,000	25,000
	59,850		59,850

Balance Sheet
as on March 31, 2012

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Outstanding Rent	1,000	Cash	4,400
Capital Fund (<i>Balancing Figure</i>)	30,900	Outstanding Subscription	4,500
		Furniture	8,000
		Investments	15,000
	31,900		31,900

Working Notes: Calculation of Depreciation on Furniture

$$\text{Depreciation on opening balance} = 800 \left(8,000 \times \frac{10}{100} \right)$$

$$\text{Depreciation on additional purchases (purchased on July 01, 2012)} = 450 \left(6,000 \times \frac{10}{100} \times \frac{9}{12} \right)$$

$$\text{Total} = 800 + 450 = \text{Rs } 1,250$$

Answer 13:

Income and Expenditure Account
for the year ending March 31, 2014

Dr.				Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)	
Salaries	15,400	Subscription	40,000	
Stationery 700		Less: Outstanding in the beginning	3,200	

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Add: Outstanding at the end	250	950	Add: Outstanding at the end	4,500	
Rent	12,300		Less: Received in Advance	600	40,700
Less: Outstanding in the beginning	900		Interest on Investments		6,000
Add: Outstanding at the end	1,000	12,400	Bank Interest		200
Postage		400			
Loss on Sale of Furniture		2,600			
Surplus (<i>Excess of Income over Expenditure</i>)		15,150			
		46,900			46,900

Balance Sheet
as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Outstanding Rent	1,000	Cash	19,600
Advance Subscription	600	Investments	50,000
Outstanding Stationery	250	Land	50,000
Life Membership Fees	8,100	Furniture	15,000
Capital Fund	1,23,300	Less: Sale	5,000
Add: Surplus	15,150		10,000
	1,38,450	Bicycle	1,800
		Govt. Bonds	12,500
		Subscription Outstanding	4,500
	1,48,400		1,48,400

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Outstanding Rent	900	Cash	6,000
Capital Fund (<i>Balancing Figure</i>)	1,23,300	Investments	50,000
		Land	50,000
		Furniture	15,000
		Subscription Outstanding	3,200
	1,24,200		1,24,200

Answer 14:

Income and Expenditure Account
for the year ending March 31, 2015

Dr.				Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)	
Canteen Expenses	3,500	Subscription	80,000	
Miscellaneous Expenses	800	Less: Outstanding in the beginning (2013-14)	7,000	
Staff Salary	35,400	Add: Outstanding at the end (2014-15)	5,600	
Less: Outstanding in the beginning (2013-14)	1,200	Add: Advance in the beginning (2013-14)	2,000	

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Add: Outstanding at the end (2014-15)	1,800	36,000	Less: Advance at the end (2014-15)	2,500	78,100
Telephone Expenses		4,800	Entrance Fees		12,000
Depreciation:			Sale of Newspapers		200
Sports Equipment	6,000		Canteen Collections		4,400
Furniture 25,000×20100	5,000	11,000	Interest on Deposits		1,600
Insurance		2,000			
Surplus (<i>Excess of Income over Expenditure</i>)		38,200			
		96,300			96,300

Balance Sheet
as on March 31, 2015

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Furniture	10,000
Opening Balance	59,000	Add: Additions	15,000
Add: Surplus	38,200	Less: Depreciation	5,000
Life Membership Fees	15,000	Sports Equipment	20,000
Subscription Received in Advance	2,500	Less: Depreciation	6,000
Salaries Outstanding	1,800	Subscription Outstanding	5,600
		Investments	46,000
		Cash in Hand	6,700
		Cash in Deposit Account	20,000
		Cash in Current Account	4,200
	1,16,500		1,16,500

Balance Sheet
as on March 31, 2014

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Subscription Received in Advance	2,000	Cash in Hand	4,000
Salaries Outstanding	1,200	Cash in Deposit Account	16,000
Capital Fund (<i>Balancing Figure</i>)	59,000	Cash in Current Account	5,200
		Subscription Outstanding	7,000
		Furniture	10,000
		Sports Equipment	20,000
	62,200		62,200

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Answer 15:

Income and Expenditure Account for the year ending March 31, 2014

Dr.							Cr.
Expenditure		Amount(Rs)	Income		Amount (Rs)		
Office Expenses		8,000	Subscription	26,000			
Tournament Expenses		6,000	<i>Less:</i> Outstanding in the beginning (2012-13)	3,000			
Salary	12,000		<i>Add:</i> Outstanding at the end (2013-14)	4,000		27,000	
<i>Add:</i> Outstanding at the end (2013-14)	2,000	14,000	Entrance Fee			4,000	
Depreciation on:			Sale of old newspapers			2,000	
Furniture	3,000		Accrued Interest on Investments			4,500	
Sports Equipment	4,500		Deficit (<i>Excess of Expenditure over Income</i>)			6,000	
Building	8,000	15,500					
		43,500					43,500

Balance Sheet as on March 31, 2014

Liabilities		Amount(Rs)	Assets		Amount (Rs)
Outstanding Salary		2,000	Cash		16,000
Tournament Fund	15,000		Subscription Outstanding		4,000
<i>Less:</i> Tournament Expenses	15,000	–	Furniture	20,000	
Legacy		35,000	<i>Add:</i> Additions	10,000	
Capital Fund	1,78,000		<i>Less:</i> Depreciation	3,000	27,000
<i>Less:</i> Deficit	6,000	1,72,000	10% Investments		45,000
			Sports Equipment	25,000	
			<i>Add:</i> Additions	20,000	
			<i>Less:</i> Depreciation	4,500	40,500
			Building	80,000	
			<i>Less:</i> Depreciation	8,000	72,000
			Accrued Interest on Investments		4,500
		2,09,000			2,09,000

Balance Sheet as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (<i>Balancing Figure</i>)	1,78,000	Cash	5,000
		Subscription Outstanding	3,000
		Building	80,000
		Furniture	20,000
		10% Investments	45,000
		Sports Equipment	25,000

Financial Statements of Not-for-Profit Organisations

	1,78,000	1,78,000

Answer 16:

Income and Expenditure Account for the year ending March 31, 2017

Dr.				Cr.
	Expenditure	Amount(Rs)	Income	Amount (Rs)
	Sports Material Consumed	19,000		
	Add: Opening Stock (2015-16)	7,500		
	Less: Closing Stock (2016-17)	6,400		
	Less: Creditors in the beginning (2015-16)	2,000		
	Add: Creditors at the end (2016-17)	2,600		
		20,700		

Answer 17:

Income and Expenditure Account for the year ending March 31, 2017

Dr.				Cr.
	Expenditure	Amount(Rs)	Income	Amount (Rs)
	Medicines Consumed	60,80,700		
	Add: Opening Stock (2015-16)	1,75,750		
	Less: Closing Stock (2016-17)	1,44,650		
		61,11,800		

Note: In this question since the purchases made during the year is given, therefore, we will ignore the creditors for medicines while calculating the medicines consumed.

Answer 18:

Calculation of Amount of Stationery to be recorded in Income & Expenditure A/c:

Particulars	Amount (Rs)
Amount paid for stationery	42,000
Add: Stock (01.04.2014)	7,000
Less: Stock of stationery (31.03.2015)	3,000
Add: Advance paid for stationery (01.04.2014)	6,000
Less: Advance paid for stationery (31.03.2015)	1,500
Add: Creditors for stationery (31.03.2015)	8,000
Less: Creditors for stationery (01.04.2014)	4,000
Amount of stationery to be recorded in I&E A/c	54,500

Answer 19:

Income and Expenditure Account
for the year ending March 31,2014

Dr.				Cr.
Expenditure	Amount (Rs)	Income	Amount (Rs)	
Loss on Sale of Furniture	3,400	Subscription	96,000	
Upkeep of Fields and Pavilion	3,400	<i>Less:</i> Outstanding in the beginning (2012-13)	800	
Medicines	4,000	<i>Add:</i> Outstanding at the end (2013-14)	2500*	
<i>Add:</i> Opening Stock (2012-13)	480	<i>Add:</i> Advance in the beginning (2012-13)	600	
<i>Less:</i> Closing Stock (2013-14)	650	<i>Less:</i> Advance at the end (2013-14)	900	97,400
Match Expenses	8,800	Sales of Grass		200
Maintenance Expenses	3,600	Interest on Fixed Deposits	450	
Rent & Taxes	8,950	<i>Add:</i> Accrued Interest	450	900
Grass Seeds	500	Donations		5,000
Depreciation on Furniture	1,500	Match Fund Receipts		12,000
Salaries	17,000	Members Admission Fees		3,500
<i>Less:</i> Outstanding in beginning (2012-13)	1,200			
<i>Add:</i> Outstanding at the end (2013-14)	1,400			
Surplus (Excess of Income over Expenditure)	67,820			
	1,19,000			1,19,000

Balance Sheet
as on March 31,2014

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Furniture	20,000
Opening Balance	34,680	<i>Less:</i> Sale	5,000
<i>Add:</i> Surplus	67,820	<i>Less:</i> Depreciation	1,500
Subscription Received in Advance	900	Cash	1,500
Outstanding Salaries	1,400	Bank	6,000
		Fixed Deposits @ 9%	10,000
		Interest Accrued on Fixed Deposits	450
		Stock of Medicines	650
		Subscription Outstanding (2,500+200)	2,700
		Car	40,000
		Building	30,000
	1,04,800		1,04,800

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Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Subscription Received in Advance	600	Cash	800
Outstanding Salaries	1,200	Bank	4,200
Capital Fund (<i>Balancing Figure</i>)	34,680	Fixed Deposit @ 9%	10,000
		Stock of Medicines	480
		Furniture	20,000
		Subscription Outstanding	1,000
	36,480		36,480

* Subscription outstanding at the end of the year amounted to Rs 2,500 belongs to the year of 2013-14 only. It does not include the outstanding subscription of Rs 200 (1,000 – 800) for the previous year.

Note: Surplus as per the textbook is Rs 64,620. However, as per the above solution, the surplus works out to be Rs 67,820.

Answer 20:

Income and Expenditure Account
for the year ending March 31, 2007

Dr.				Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)	
Newspapers	4,100	Subscription	53,000	
Electricity Bill	2,000	Less: Outstanding (6,000 – 600)	5,400	58,400
Salary	6,000	Accrued Interest on Fixed Deposits (40,000×9100×312)		900
Less: Outstanding in the beginning (2005-06)	900	Entrance Fees		2,500
Add: Outstanding at the end (2006-07)	1,200	Municipal Grant		20,000
Rent	13,600	Profit on Sale of Furniture		3,400
Surplus (<i>Excess of Income over Expenditure</i>)	59,200			
	85,200			85,200

Balance Sheet
as on March 31, 2007

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Furniture	30,000
Opening Balance	71,100	Add: Additions	21,000
Add: Surplus	59,200	Less: Sale	8,000
Subscription Received in Advance	1,000	Books	14,000
Salaries Outstanding	1,200	Add: Additions	21,200
		Subscription Outstanding (5,400+600)	6,000
		Fixed Deposit	40,000
		Accrued Interest on Fixed Deposits	900
		Cash	7,400

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	1,32,500		1,32,500

Balance Sheet
as on March 31, 2006

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Salaries Outstanding	900	Cash	25,000
Capital Fund (<i>balancing figure</i>)	71,100	Subscription Outstanding	3,000
		Furniture	30,000
		Books	14,000
	72,000		72,000

Answer 21:

Income and Expenditure Account
for the year ending March 31, 2008

Dr.				Cr.	
Expenditure	Amount(Rs)		Income	Amount (Rs)	
Stationery	60,000		Subscription	5,80,000	
Add: Opening Stock (2006-07)	5,000		Less: Outstanding in the beginning (2006-07)	30,000	
Less: Closing Stock (2007-08)	14,000	51,000	Add: Outstanding at the end (2007-08)	48,000	
Rent Paid	1,76,000		Less: Advance at the end (2008-09)	10,000	5,88,000
Add: Rent Outstanding	16,000	1,92,000	Interest on Investments		28,000
Insurance	3,000				
Less: Prepaid	2,250	750			
Salaries	2,64,000				
Surplus (<i>Excess of Income over Expenditure</i>)	1,08,250				
	6,16,000				6,16,000

Balance Sheet
as on March 31, 2008

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	3,70,000
Opening Balance	6,75,000	Investments (WN)	4,00,000
Add: Surplus	1,08,250	Prepaid Insurance	2,250
Subscription Received in Advance	10,000	Subscription Outstanding	48,000
Rent Outstanding	16,000	Stock of Stationery	14,000
Life Membership Fees	25,000		
	8,34,250		8,34,250

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Balance Sheet
as on March 31, 2007

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (<i>Balancing Figure</i>)	6,75,000	Cash	2,40,000
		Investments (<i>WN</i>)	4,00,000
		Subscription	30,000
		Outstanding	
		Stock of Stationery	5,000
	6,75,000		6,75,000

Working Notes: Calculation of Amount of Investments

Let Investments Amount = Rs x
Interest = Investments Amount × Rate/100
28,000 = x × 7/100
x = 28,000 × 100/7 = Rs 4,00,000

Answer 22:

Income and Expenditure Account
for the year ending March 31, 2013

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
Doctor's Honorarium	9,000	Subscription	47,996
Salaries	27,500	<i>Less:</i> Outstanding in the beginning (2011-12)	240
Medicines	30,590	<i>Add:</i> Outstanding at the end (2012-13)	280
<i>Add:</i> Opening Stock (2011-12)	8,810	<i>Add:</i> Advance in the beginning (2011-12)	64
<i>Less:</i> Closing Stock (2012-13)	9,740	<i>Less:</i> Advance at the end (2012-13)	100
Petty Expenses	461	Donations	14,500
Expenses on Charity Show	750	Interest on Investments	7,000
Depreciation:		Proceeds from Charity Show	10,450
Equipments (21,200 + 15,000 – 31,600)	4,600		
Building (40,000 – 38,000)	2,000		
Surplus (<i>Excess of Income over Expenditure</i>)	5,979		
	79,950		79,950

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	3,775

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Opening Balance	1,77,316		Subscription Outstanding	280
Add: Surplus	5,979	1,83,295	Stock of Medicines	9,740
Subscription received in Advance		100	Equipments	31,600
			Building	38,000
			Investments (WN)	1,00,000
		1,83,395		1,83,395

Balance Sheet as on March 31,2012

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Subscription received in Advance	64	Cash	7,130
Capital Fund	1,77,316	Subscription Outstanding	240
		Stock of Medicines	8,810
		Equipments	21,200
		Building	40,000
		Investments (WN)	1,00,000
	1,77,380		1,77,380

Working Notes: Calculation of Amount of Investments

Let Investments Amount = Rs x
Interest = Investments Amount × Rate/100
7,000 = x × 7/100
x = 7,000 × 100/7 = Rs 1,00,000

Answer 23:

Income and Expenditure Account for the year ending March 31,2016

Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
Salaries	1,60,000		
Less: Outstanding in the beginning (2014-15)	15,000		
Add: Outstanding at the end (2015-16)	25,000		
Add: Advance in the beginning (2014-15)	12,000		
Less: Advance at the end (2015-16)	10,000		
	1,72,000		

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Answer 24:

Income and Expenditure Account for the year ending March 31, 2016

Dr.			Cr.	
Expenditure	Amount (Rs)		Income	Amount (Rs)
Salaries	4,00,000			
Add: Outstanding at the end (62,000 – 10,000)	52,000			
Add: Advance in the beginning (2015-16)	18,000	4,70,000		

Answer 25:

Income and Expenditure Account for the year ending March 31, 2016

Dr.			Cr.	
Expenditure	Amount(Rs)		Income	Amount (Rs)
Charities	1,500		Subscription (400 × 100)	40,000
Sundry Expenses	1,000		Journey Income	5,600
Salaries	16,500		Add: Accrued Income	400
Add: Outstanding Salaries	1,500	18,000	Donations	4,000
Cost of Lectures	3,000		Interest on Bonds	900
Loss on Sale of Furniture	1,600		Add: Accrued Interest on Bonds	300
Newspapers	3,800		Rent of the Hall	15,400
Journey Expenses	4,400		Proceeds of Lectures	4,700
Depreciation:			Sale of old newspapers	300
Building	7,500			
Mowing Machine	750			
Furniture (WN)	3,000			
Books	4,000	15,250		
Postage		400		
Conveyance		800		
Surplus (Excess of Income over Expenditure)	21,850			
	71,600			71,600

Balance Sheet as on March 31, 2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Furniture	10,000
Opening Balance	1,09,700	Add: Additions	7,000
Add: Surplus	21,850	Less: Sale	2,000
	1,31,550		

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Subscription Received in Advance	800	Less: Depreciation	3,000	12,000
Salaries Outstanding	1,500	Books	6,000	
Donations	4,000	Add: Addition	14,000	
		Less: Depreciation	4,000	16,000
		Subscription Outstanding (40,000 – 38,000)		2,000
		Building	75,000	
		Less: Depreciation	7,500	67,500
		Mowing Machine	10,000	
		Less: Depreciation	750	9,250
		Accrued Journey Income		400
		12% Bonds		10,000
		Accrued Interest on Bonds		300
		Cash		20,400
	1,37,850			1,37,850

Balance Sheet
as on March 31, 2015

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (<i>Balancing Figure</i>)	1,09,700	Cash	7,200
		Subscription Outstanding	1,500
		Buildings	75,000
		Furniture	10,000
		Books	6,000
		12% Bonds	10,000
	1,09,700		1,09,700

Working Notes: Calculation of Depreciation on Furniture

Opening Balance =	10,000
Add: Purchases =	7,000
Less: Sale =	2,000
Closing Balance =	15,000

Depreciation = $15,000 \times 20/100 = \text{Rs } 3,000$

Answer 26:

Income and Expenditure Account
for the year ending March 31,2014

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Honorarium to Clerk	10,000	Subscription (600 × 10 × 12)	72,000
Car Expenses	4,200	Interest on Investments	2,700
Insurance Premium	1,200	Add: Accrued Interest	300
Less: Prepaid Insurance	300	Rent of the Hall	8,700
Medicines	800	Add: Accrued Rent	2,000
Add: Outstanding Bill	200	Grant from Local Authority	4,000
Charities	2,000	Proceeds of Charity Show	16,800
Meeting Expenses	5,400	Sundries	1,200
Electricity	4,800	Entrance Fees	5,000
Expenses on Charity Show	6,200		
Surplus (Excess of Income over Expenditure)	78,200		
	1,12,700		1,12,700

Balance Sheet
as on March 31,2014

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Prepaid Insurance	300
Opening Balance	3,800	Accrued Interest	300
Add: Donation (17,500 + 2,500)	20,000	Accrued Rent	2,000
Add: Entrance Fees	10,000	Car	80,000
Add: Surplus	78,200	Investment	20,000
Endowment Fund	14,000	Building Advance	25,000
Life Membership Fees	6,000	Subscription Outstanding	
Medicine Bill Outstanding	200	Add: Outstanding (2012-13)	200
Subscription Received in Advance	500	Add: Outstanding (2013-14)(2,000 + 2,500*)	4,500
		Cash	400
	1,32,700		1,32,700

Balance Sheet
as on March 31,2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (Balancing Figure)	3,800	Cash	3,000
		Subscription Outstanding	800
	3,800		3,800

Financial Statements of Not-for-Profit Organisations

* Donations wrongly included in subscriptions.

Answer 27:

Income and Expenditure Account for the year ending March 31, 2017

Dr.				Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)	
Newspapers	1,500	Subscription (500 × 50)	25,000	
Depreciation on Building	2,500	Donations	9,500	
Municipal Taxes	500	Proceeds from Entertainment	5,400	
Salaries	5,500	Accrued Interest on Investments $20,000 \times 12 \div 100 \times 5 \div 12$	1,000	
Add: Outstanding	1,000	Sale of Newspapers	450	
General Expenses	800			
Entertainment Expenses	3,500			
Charity	3,500			
Electricity Charges	1,400			
Surplus (Excess of Income over Expenditure)	21,150			
	41,350		41,350	

Balance Sheet as on March 31, 2017

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	1,175
Opening Balance	51,925	Accrued Interest on Investments	1,000
Add: Surplus	21,150	12% Investments	20,000
Outstanding Salaries	1,000	Building	50,000
Subscription Received in Advance	600	Less: Depreciation	2,500
		Subscription Outstanding	
		Outstanding for 2016	500
		Outstanding for 2017	4,500
	74,675		74,675

Balance Sheet as on March 31, 2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (Balancing Figure)	51,925	Cash	1,025
		Subscription Outstanding (400 + 500)	900
		Building	50,000
	51,925		51,925

Answer 28:

Income and Expenditure Account
for the year ending March 31, 2013

Dr.			Cr.	
Expenditure	Amount(Rs)		Income	Amount (Rs)
Salaries	13,100		Subscription (600 × 100)	60,000
Drama Expenses	6,000		Proceeds of Drama Tickets	16,000
Municipal Taxes	1,600		Sale of Waste Paper	400
Sports Materials	18,000			
Less: Closing Stock	3,600	14,400		
Upkeep of Land		3,000		
Office Expenses		7,800		
Surplus (Excess of Income over Expenditure)		30,500		
		76,400		76,400

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Sports Material	3,600
Opening Balance	1,46,600	Building (1,20,000 + 60,000)	1,80,000
Add: Surplus	30,500	Musical Instruments	30,000
Legacies	20,000	Subscription Outstanding (60,000 – 56,200 – 1,000)	2,800
Subscription Received in Advance	2,000	Cash in Hand	5,000
Prize Fund	7,000	Cash at Bank	12,600
Less: Prizes Distributed	5,600		
Charity Fund	5,000		
Less: Charity Given	3,500		
Endowment Fund	32,000		
	2,34,000		2,34,000

Balance Sheet
as on March 31, 2012

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Bank Overdraft	8,800	Cash	3,400
Advance Subscription (10 × 100)	1,000	Subscription Outstanding	3,000
Capital Fund (Balancing Figure)	1,46,600	Building	1,20,000
		Musical Instrument	30,000
	1,56,400		1,56,400

Answer 29:

Balance Sheet			
as on ...			
Liabilities	Amount(Rs)	Assets	Amount (Rs)
Prize Fund 2,00,000	2,42,500	Prize Fund Investments	2,00,000
Add: Income from Prize Fund 10,000			
Investments			
Add: Donation for Prize Fund 40,000			
Less: Prizes Awarded 7,500			

Answer 30:

Balance Sheet			
as on ...			
Liabilities	Amount(Rs)	Assets	Amount (Rs)
Match Fund 60,000	65,500	Match Fund Investments	50,000
Add: Income from Match Fund 4,500			
Investments			
Less: Expenses on Matches 6,000			
Add: Donations for Match Fund 35,000			
Less: Match Prizes Awarded 28,000			

Answer 31:

Income and Expenditure Account			
for the year ending March 31,2016			
Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
		Subscription 82,000	
		Less: Outstanding in the beginning (2014-15) 8,400	
		Add: Outstanding at the end (2015- 2016) 9,200	
		Add : Advance in the beginning (2014-15) 3,000	
		Less: Advance at the end 5,000	80,800

Financial Statements of Not-for-Profit Organisations

		(2015-16)	
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Answer 32:

Subscription Account

Dr.		Cr.	
Particulars	Amount(Rs)	Particulars	Amount (Rs)
Outstanding Subscription (2014 - 15)	2,500	Receipts and Payments A/c (Amount received during the year)	49,500
Income & Expenditure A/c (100 × 500)	50,000	Outstanding Subscription (2015 - 16) (<i>Balancing Figure</i>)	7,000
Advance Subscription (2016 - 17)	4,000		
	56,500		56,500

Balance Sheet as on March 31, 2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
		Subscription Outstanding	
		Outstanding for 2014 - 15 1,000	
		(2,500 – 1,500)	
		Outstanding for 2015 - 16 6,000	7,000
		(50,000 – 44,000)	

Answer 33:

Income and Expenditure Account for the year ending March 31, 2013

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
Wages	240	Subscription & Entrance Fees	1,860
Light, Repairs, etc.	86	Less: Outstanding in the beginning (2011-2012)	35
Rent & Rates	170	Add: Outstanding at the end (2012-2013)	45
Less: Outstanding in the beginning (2011-12)	60		1,870
Add: Outstanding at the end (2012-13)	60	Donations	120
Lecturer's Fees	835	Interest on Investments	100
Office Expenses	125	Profit from Entertainment	40
Sundry Expenses	325		
Surplus (<i>Excess of Income over Expenditure</i>)	349		
	2,130		2,130

Financial Statements of Not-for-Profit Organisations

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	394
Opening Balance	2,816	National Certificates	475
Add: Surplus	349	Furniture	40
Life Membership Fees (1,600 + 250)	1,850	Investments	3,251
Outstanding Rent	60	Musical Instruments	870
		Subscription Outstanding	45
	5,075		5,075

Balance Sheet
as on March 31, 2012

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Life Membership Fees (32 × 50)	1,600	Cash	320
Outstanding Rent	60	Investments	3,251
Capital Fund (<i>Balancing Figure</i>)	2,816	Musical Instruments	870
		Subscription Outstanding	35
	4,476		4,476

Answer 34:

Income and Expenditure Account
for the year ending March 31, 2013

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Establishment Expenses	6,000	Subscription	21,250
Less: Prepaid	400	Less: Advance at the end	750
Rent	5,400	Donations	5,000
Add: Outstanding	300	Hall Rent	1,250
Telephone Charges	540	Interest on Securities	1,000
Electric Charges	250	Add: Accrued Interest	1,400
Donations	5,000	Telephone Receipts	50
Stamps & Stationery	600		
Travelling	150		
Meeting Expenses	500		
Surplus (<i>Excess of Income over Expenditure</i>)	10,860		
	29,200		29,200

Financial Statements of Not-for-Profit Organisations

Balance Sheet
as on March 31, 2013

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash in Hand	310
Opening Balance	80,800	Cash at Bank	32,600
Add: Surplus	10,860	6% Government Securities	40,000
Add: Donations	5,000	Books	20,000
Outstanding Rent	300	Add: Additions	3,000
Advance Subscription	750	Accrued Interest on Securities	1,400
		Prepaid Establishment Expenses	400
	97,710		97,710

Balance Sheet
as on March 31, 2012

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund (<i>Balancing Figure</i>)	80,800	Cash in Hand	250
		Cash at Bank	20,550
		6% Government Securities	40,000
		Books	20,000
	80,800		80,800

Answer 35:

Income and Expenditure Account
for the year ending March 31, 2017

Dr.	Cr.
Expenditure	Income
Amount(Rs)	Amount (Rs)
Medicines	6,79,000
Add: Opening Stock (2015-16)	90,000
Less: Closing Stock (2016-17)	1,24,000
Less: Creditors in the beginning (2015-16)	2,40,000
Add: Creditors at the end (2016-17)	2,04,000
	6,09,000

Answer 36:

Income and Expenditure Account
for the year ending March 31, 2016

Dr.			Cr.
Expenditure	Amount(Rs)	Income	Amount (Rs)
Salaries 12,000		Subscription (50 × 250)	12,500
Less: Outstanding in the beginning (2014-15) 1,000		Entrance Fees	2,400
Add: Outstanding at the end (2015-16) 1,000	12,000	Rent for the Hall	7,400
General Expenses 3,000		Sale of Newspapers	1,000
Less: Prepaid Insurance 100	2,900		
Electric Charges	2,000		
Newspapers	4,000		
Postage	500		
Loss on Sale of Furniture	400		
Surplus (Excess of Income over Expenditure)	1,500		
	23,300		23,300

Balance Sheet
as on March 31, 2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	5,000
Opening Balance 1,15,500		Subscription Outstanding	
Add: Entrance Fees 1,600		Outstanding for 2014-15 500	
Add: Surplus 1,500	1,18,600	Outstanding for 2015-16 2,500	3,000
Subscription received in Advance	2,000	Prepaid Insurance	100
Outstanding Salaries	1,000	Land & Building	1,00,000
		Furniture	6,000
		Add: Additions 2,500	
		Less: Sale 1,000	7,500
		Books (5,000 + 1,000)	6,000
	1,21,600		1,21,600

Balance Sheet
as on March 31, 2015

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Outstanding Salaries	1,000	Cash	2,500
Capital Fund (Balancing Figure)	1,15,500	Subscription Outstanding	3,000
		Land & Building	1,00,000
		Furniture	6,000
		Books	5,000
	1,16,500		1,16,500

Answer 37:

Income and Expenditure Account
for the year ending March 31, 2016

Dr.			Cr.	
Expenditure	Amount(Rs)		Income	Amount (Rs)
Salaries	18,200		Subscription (500 × 100)	50,000
Add: Outstanding	1,500		Entry Fees	2,850
Less: Prepaid	2,000	17,700	Restaurant Receipts	8,000
Sports Material	20,000		Miscellaneous Income	700
Less: Closing Stock	5,000	15,000	Interest	800
Restaurant Expenses	12,600		Add: Accrued	1,200
Less: Closing Stock	1,600	11,000		2,000
Printing		4,100		
Surplus (Excess of Income over Expenditure)		15,750		
		63,550		63,550

Balance Sheet
as on March 31, 2016

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Capital Fund		Cash	15,800
Opening Balance	11,200	Subscription Outstanding	
Add: Entry Fees	2,850	Outstanding for 2014-15	300
Add: Donation	52,000	Outstanding for 2015-16	3,500
Add: Life Membership Fees	10,000	Prepaid Salaries	2,000
Add: Surplus	15,750	Accrued Interest	1,200
	91,800	Stock of Sports Material	5,000
Tournament Fund	12,200	Stock at Refreshment Room	1,600
Less: Tournament Expenses	8,500	Furniture	6,000
Subscription Received in Advance	1,600	Building	43,200
Outstanding Salaries	1,500	Investments	20,000
	98,600		98,600

Balance Sheet
as on March 31, 2015

Liabilities	Amount(Rs)	Assets	Amount (Rs)
Advance Subscription (5 × 100)	500	Cash	7,200
Capital Fund (Balancing Figure)	11,200	Subscription Outstanding	4,500
	11,700		11,700

Financial Statements of Not-for-Profit Organisations

Answer 38:

Income and Expenditure Account for the year ending March 31, 2009

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Salaries of Nurses	656	Subscription	1,115
Board, Laundry and Domestic Help	380	Less: Wrongly inclusion	100
Expenses of Car	840	Fees from Non-Members	270
Drugs & Incidental Expenses 670		Municipal Grant	1,000
Add: Outstanding Bill 128	798	Interest	38
Rent, Rates and Taxes	200	Deficit (<i>Excess of Expenditure over Income</i>)	551
	2,874		2,874

Answer 39:

Income and Expenditure Account for the year ending March 31, 2014

Dr.		Cr.	
Expenditure	Amount(Rs)	Income	Amount (Rs)
Office Expenses	8,000	Subscription	9,50,000
Telephone Charges	12,000	Add: Outstanding at the end (2013-14)	80,000
Salaries 22,000		Locker Rent	20,000
Less: Outstanding in beginning (2012-13) 2,000		Add: Accrued Rent	4,000
Add: Outstanding at the end (2013-14) 4,000	24,000	Accrued Interest on Fixed Deposits $7,00,000 \times 10 \times 100 \times 912$	52,500
Electricity Charges	18,000	Donations	90,000
Travelling Expenses	6,000	Entrance Fees	60,000
Depreciation on Sports Equipments $6,00,000 \times 10 \times 100 \times 612$	30,000		
Surplus (<i>Excess of Income over Expenditure</i>)	11,58,500		
	12,56,500		12,56,500

Answer 40:

Income and Expenditure Account for the year ending March 31, 2014

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Salary	4,500	Subscription (400×50)	20,000
Electric charges	2,400	Entrance fees	350

Financial Statements of Not-for-Profit Organisations

Stationery	1,200		Income from entertainment	3,400
Less: Stock at the end	860		Outstanding interest	400
Add: Stock in the beginning	780	1,120	Sale of old newspapers	150
Depreciation:				
Furniture	540			
Premises	800	1,340		
Surplus (<i>Excess of Income over Expenditure</i>)		14,940		
		24,300		24,300

Balance Sheet
as on March 31, 2014

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital Fund		Furniture	5,400
Opening Balance	26,980	Less: Depreciation	540
Add: Surplus	14,940	Investments	10,000
Subscription Received in Advance	500	Outstanding Interest	400
		Premises	16,000
		Less: Depreciation	800
		Subscription Outstanding (2,000+200)	2,200
		Stock of Stationery	860
		Cash	8,900
	42,420		42,420

WN1: Calculation of Capital Fund

Balance Sheet
as on 31 March, 2013

Liabilities	Amount (Rs)	Assets	Amount (Rs)
Capital Fund (<i>Balancing Figure</i>)	26,980	Premises	16,000
		Subscription Outstanding	200
		Stock of Stationery	780
		Cash	10,000
	26,980		26,980

Answer 41:

Income and Expenditure Account
for the year ending 31 March, 2015

Dr.		Cr.	
Expenditure	Amount (Rs)	Income	Amount (Rs)
Printing and Stationery	3,000	Subscription	20,000
Insurance Premium	5,000	Add: Outstanding at the end	4,000
Rent Paid	12,000	Locker Rent	3,000
Add: Rent Outstanding at the end	1,000	Sale of newspapers	2,000
Electricity Expenses	6,000		
Depreciation on Machinery (6 months)	500		
Surplus (<i>Excess of Income over Expenditure</i>)	1,500		
	29,000		29,000

Accounts from **Incomplete Records**

Accounts from Incomplete Records-

From

D K GOEL

Solutions

ACCOUNTANCY

Accounts from Incomplete Records

Answer 1:

Statement of Profit or Loss for the year ended	
Particulars	Amount (Rs)
Capital at the end of the year	2,50,000
Add: Drawings made during the year	60,000
Less: Additional capital introduced during the year	75,000
Adjusted capital at the end of the year	2,35,000
Less: Capital in the beginning of the year	2,00,000
Profit made during the year	35,000

Answer 2:

Statement of Affairs as on March ...			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Sundry Creditors	80,000	Cash in Hand	15,000
Capital (Balancing Figure)	6,40,000	Cash at Bank	70,000
		Sundry Debtors	1,20,000
		Stock	2,40,000
		Furniture	75,000
		Machinery	2,00,000
	7,20,000		7,20,000

Statement of Profit or Loss for the year ended	
Particulars	Amount (Rs)
Capital at the end of the year	6,40,000
Add: Drawings made during the year	90,000
Less: Additional capital introduced during the year	1,50,000
Adjusted capital at the end of the year	5,80,000
Less: Capital in the beginning of the year	5,00,000
Profit made during the year	80,000

Accounts from Incomplete Records

Answer 3:

Statement of Affairs as on March ...			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	6,00,000	Cash in Hand	80,000
Capital (Balancing Figure)	16,40,000	Furniture	9,00,000
		Stock in trade	2,00,000
		Building	10,00,000
		Bills Receivable	60,000
	22,40,000		22,40,000

Statement of Profit or Loss for the year ended	
Particulars	Amount (Rs)
Capital at the end of the year	16,40,000
Add: Drawings made during the year	80,000
Less: Additional capital introduced during the year	3,20,000
Adjusted capital at the end of the year	14,00,000
Less: Capital in the beginning of the year	15,00,000
Loss incurred during the year	1,00,000

Answer 4:

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Loan from Friend	45,000	Cash	99,000
Capital (Balancing Figure)	4,07,000	Bills Receivable	75,000
		Stock	48,000
		Land and Building	1,80,000
		Furniture	50,000
	4,52,000		4,52,000

Accounts from **Incomplete Records**

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	4,07,000
<i>Add:</i> Drawings made during the year (8,000 × 12)	96,000
<i>Less:</i> Additional capital introduced during the year	-
Adjusted capital at the end of the year	5,03,000
<i>Less:</i> Capital in the beginning of the year	4,50,000
Profit made during the year	53,000

Answer 5(A):

Statement of Profit or Loss <i>for the year ended December 31, 2005</i>	
Particulars	Amount (Rs)
Capital at the end of the year	24,00,000
<i>Add:</i> Drawings made during the year (10,000 × 12)	1,20,000
<i>Less:</i> Additional capital introduced during the year	4,00,000
Adjusted capital at the end of the year	21,20,000
<i>Less:</i> Capital in the beginning of the year (<i>Balancing Figure</i>)	14,60,000
Profit made during the year	6,60,000

Answer 5(B):

Closing Capital + Drawings - Additional Capital - Opening Capital = Profits
 Closing Capital = Opening Capital + Additional Capital + Profits – Drawings
 Closing Capital = 70,000 + 20,000 + 20,000 - 7,000

Accounts from Incomplete Records

Closing Capital = Rs 1,03,000

Answer 6:

Statement of Profit or Loss for the year ended March 31, 2014	
Particulars	Amount (Rs)
Capital at the end of the year (60,00,000 – 3,00,000)	57,00,000
Add: Drawings made during the year (10,000 × 3 + 15,000 × 9)	1,65,000
Less: Additional capital introduced during the year (WN)	76,000
Adjusted capital at the end of the year	57,89,000
Less: Capital in the beginning of the year	50,00,000
Profit made during the year	7,89,000

Working Note: *Calculation of additional capital introduced during the year*

Value of Investments = 80,000

Loss = 80,000 × 5% = 4,000

Sale Value of Investments = Rs 76,000(80,000 - 4,000) (Additional Capital)

Answer 7:

Statement of Affairs as on April 01, 2016			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	11,000	Cash	1,000
Bank Loan	12,000	Bank	8,000
Capital (Balancing Figure)	23,000	Debtors	10,000
		Stock	7,000
		Machinery	20,000
	46,000		46,000

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	10,000	Cash	1,500
Bank Loan	12,000	Bank	10,000
Capital (Balancing Figure)	27,500	Debtors	12,000

Accounts from **Incomplete Records**

Stock	6,000
Machinery	20,000
49,500	49,500

Statement of Profit or Loss for the year ended March 31, 2017	
Particulars	Amount (Rs)
Capital at the end of the year	27,500
Add: Drawings made during the year (1,250 × 12)	15,000
Less: Additional capital introduced during the year (WN)	10,500
Adjusted capital at the end of the year	32,000
Less: Capital in the beginning of the year	23,000
Profit made during the year	9,000

Working Note: Calculation of additional capital introduced during the year

Value of Investments = 10,000

Premium = 500 (10,000 × 5%)

Sale Value of Investments = Rs 10,500 (10,000 + 500) (Additional Capital)

Answer 8:

Statement of Affairs as on March 31, 2016			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Sundry Creditors	2,20,000	Cash in Hand	2,000
Capital (Balancing Figure)	2,65,000	Cash at Bank	30,000
		Stock-in-Trade	2,00,000
		Sundry Debtors	85,000
		Plant & Machinery	1,50,000
		Fixtures & Fittings	18,000
	4,85,000		4,85,000

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)

Accounts from **Incomplete Records**

Sundry Creditors	2,90,000	Cash in Hand	3,000
Capital (<i>Balancing Figure</i>)	3,48,000	Cash at Bank	20,000
		Stock-in-Trade	1,90,000
		Sundry Debtors	1,40,000
		Plant & Machinery	2,70,000
		Fixtures & Fittings	15,000
	6,38,000		6,38,000

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	3,48,000
Add: Drawings made during the year (7,500 × 12)	90,000
Less: Additional capital introduced during the year	50,000
Adjusted capital at the end of the year	3,88,000
Less: Capital in the beginning of the year	2,65,000
Profit made during the year	1,23,000

Answer 9:

Statement of Affairs <i>as on March ...</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Loan from Brother	1,00,000	Cash in Hand	15,400
Creditors	1,40,000	Furniture	40,000
Bank Overdraft	40,000	Sundry Debtors	2,20,000
Capital (<i>Balancing Figure</i>)	4,40,400	Less: Bad Debts	5,000
			2,15,000
		Stock	4,50,000
	7,20,400		7,20,400

Statement of Profit or Loss <i>for the year ended March 31, 2015</i>	
Particulars	Amount (Rs)
Capital at the end of the year	4,40,400
Add: Drawings made during the year (2,000 × 52) + (4,000)	1,08,000
Less: Additional capital introduced during the year	80,000

Accounts from **Incomplete Records**

Adjusted capital at the end of the year	4,68,400
Less: Capital in the beginning of the year	5,00,000
Loss incurred during the year	31,600

Answer 10:

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	4,80,000
Add: Drawings made during the year (WN1)	2,96,000
Less: Additional capital introduced during the year (WN2)	60,000
Adjusted capital at the end of the year	7,16,000
Less: Capital in the beginning of the year	5,00,000
Profit made during the year	2,16,000

Working Note:

WN 1: Calculation of Drawings

Cash Withdrawn	=	96,000 (8,000 × 12)
Payment of Income tax	=	20,000
Instalment of Personal Loan	=	1,80,000 (15,000 × 12)
		Rs 2,96,000

WN 2: Calculation of additional capital

Value of Shares = 1,00,000

Add: Profit = 20,000

Sale Value = Rs 1,20,000

Additional Capital = Rs 60,000 (1,20,000/2)

Answer 11:

Statement of Affairs <i>as on March 31, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	10,000	Cash in Hand	10,000
Bills Payable	4,000	Cash at Bank	1,00,000
Capital (Balancing Figure)	2,24,000	Stock	40,000
		Debtors	20,000
		Bills Receivable	20,000

Accounts from **Incomplete Records**

	Furniture	8,000
	Investment	40,000
	2,38,000	2,38,000

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	46,000	Cash in Hand	36,000
Bills Payable	42,000	Cash at Bank	90,000
Capital (Balancing Figure)	3,50,000	Stock	30,000
		Debtors	80,000
		Bills Receivable	24,000
		Furniture	48,000
		Investment	50,000
		Car	80,000
	4,38,000		4,38,000

Statement of Profit or Loss for the year ended March 31, 2017	
Particulars	Amount (Rs)
Capital at the end of the year	3,50,000
<i>Add: Drawings made during the year (5,000 12)</i>	60,000
<i>Less: Additional capital introduced during the year</i>	30,000
Adjusted capital at the end of the year	3,80,000
<i>Less: Capital in the beginning of the year</i>	2,24,000
Profit Before Adjustment	1,56,000
<i>Less: Depreciation on Car</i>	4,000
<i>Less: Depreciation on Furniture</i>	4,800
<i>Less: Outstanding Rent</i>	6,000
Profit made during the year	1,41,200

Final Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Opening Capital	2,24,000	Cash in Hand	36,000
Add: Net Profit	1,41,200	Cash at Bank	90,000
Add: Fresh Capital	30,000	Stock	30,000

Accounts from **Incomplete Records**

Less: Drawings	60,000	3,35,200	Debtors	80,000
Creditors		46,000	Bills Receivable	24,000
Bills Payable		42,000	Investment	50,000
Outstanding Rent		6,000	Furniture	48,000
			Less:	4,800
			Depreciation	43,200
			Car	80,000
			Less:	4,000
			Depreciation	76,000
		4,29,200		4,29,200

Answer 12:

Statement of Affairs as on March 31, 2016			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Sundry Creditors	13,500	Cash in Hand	2,200
Capital (Balancing Figure)	43,900	Cash at Bank	5,400
		Stock	25,100
		Sundry Debtors	18,700
		Furniture	6,000
	57,400		57,400

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Sundry Creditors	14,200	Cash in Hand	1,500
Capital (Balancing Figure)	66,800	Cash at Bank	8,400
		Stock	26,000
		Sundry Debtors	24,600
		Bills Receivable	3,300
		Furniture	8,000
		Typewriter	9,200
	81,000		81,000

Statement of Profit or Loss for the year ended March 31, 2017	
Particulars	Amount (Rs)
Capital at the end of the year	66,800
<i>Add: Drawings made during the year (18,000 –</i>	<i>8,800</i>

Accounts from Incomplete Records

9,200)	
Less: Additional capital introduced during the year	
Adjusted capital at the end of the year	75,600
Less: Capital in the beginning of the year	43,900
Profit Before Adjustment	31,700
Less: Depreciation on Furniture	800
Less: Depreciation on Typewriter	920
Less: Bad Debts	600
Less: Provision for Doubtful Debts	1,200
Profit made during the year	28,180

Final Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	14,200	Cash in Hand	1,500
Opening Capital	43,900	Cash at Bank	8,400
Add: Net Profit	28,180	Stock	26,000
Less: Drawings	8,800	Bills Receivable	3,300
	63,280	Sundry Debtors	24,600
		Less: Bad Debts	600
		Less: Provision for Bad Debts	1,200
			22,800
		Furniture	8,000
		Less: Depreciation	800
		Typewriter	9,200
		Less: Depreciation	920
			8,280
	77,480		77,480

Answer 13:

Statement of Affairs as on March 31, 2013			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bank Overdraft	6,500	Bills Receivable	18,600
Creditors	13,500	Cash in Hand	4,000
Bills Payable	4,800	Stock	25,400
Ram's Loan	10,000	Debtors	24,000
Outstanding Expenses	700	Furniture	15,000

Accounts from **Incomplete Records**

Capital (<i>Balancing Figure</i>)	52,500	Prepaid Expenses	1,000
	88,000		88,000

Statement of Profit or Loss <i>for the year ended March 31, 2013</i>	
Particulars	Amount (Rs)
Capital at the end of the year	52,500
<i>Add:</i> Drawings made during the year	12,000
<i>Less:</i> Additional capital introduced during the year (25,000 – 10,000)	15,000
Adjusted capital at the end of the year	49,500
<i>Less:</i> Capital in the beginning of the year	50,000
Loss Before Adjustment	(500)
<i>Less:</i> Depreciation on Furniture	1,500
<i>Less:</i> Outstanding interest on Loan	300
Loss for the year	(2,300)

Final Statement of Affairs as on March 31, 2013					
Liabilities		Amount(Rs)	Assets		Amount(Rs)
Creditors		13,500	Cash in Hand		4,000
Opening Capital	50,000		Debtors		24,000
Add: Additional Capital	15,000		Bills Receivable		18,600
Less: Net Loss	2,300		Stock		25,400
Less: Drawings	12,000	50,700	Furniture	15,000	
Loan from Ram		10,000	Less: Depreciation	1,500	13,500
Bank Overdraft		6,500	Prepaid Expenses		1,000
Bills Payable		4,800			
Outstanding Expenses		700			
Outstanding Interest on Loan		300			
		86,500			86,500

Accounts from Incomplete Records

Answer 14:

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bills Payable	10,000	Bank	10,000
Creditors	30,000	Plant	68,000
Capital (Balancing Figure)	1,40,000	Stock	40,000
		Debtors	50,000
		Furniture	12,000
	1,80,000		1,80,000

Statement of Profit or Loss for the year ended March 31, 2017	
Particulars	Amount (Rs)
Capital at the end of the year	1,40,000
Add: Drawings made during the year	24,000
Less: Additional capital introduced during the year	30,000
Adjusted capital at the end of the year	1,34,000
Less: Capital in the beginning of the year	40,000
Profit Before Adjustment	94,000
Less: Depreciation on Plant	6,800
Less: Provision for Doubtful Debts	2,500
Profit made during the year	84,700

Final Statement of Affairs as on March 31, 2017					
Liabilities	Amount(Rs)	Assets	Amount(Rs)		
Creditors	30,000	Bank	10,000		
Opening Capital	40,000	Furniture	12,000		
Add: Additional Capital	30,000	Stock	40,000		
Add: Net Profit	84,700	Debtors	50,000		
Less: Drawings	24,000	Less: Provision for Bad Debts	2,500		47,500
Bills Payable	10,000	Plant	68,000		
		Less: Depreciation	6,800		61,200
	1,70,700				1,70,700

Accounts from **Incomplete Records**

Answer 15:

Statement of Affairs <i>as on April 01, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	10,000	Cash at Bank	400
Capital (<i>Balancing Figure</i>)	32,400	Machinery	16,000
		Stock	14,000
		Debtors	8,000
		Furniture	4,000
	42,400		42,400

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	7,000	Cash at Bank	3,600
Capital (<i>Balancing Figure</i>)	35,600	Machinery	16,000
		Stock	10,000
		Debtors	9,000
		Furniture	4,000
	42,600		42,600

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	35,600
<i>Add:</i> Drawings made during the year	4,100
<i>Less:</i> Additional capital introduced during the year	600
Adjusted capital at the end of the year	39,100
<i>Less:</i> Capital in the beginning of the year	32,400
Profit Before Adjustment	6,700
<i>Less:</i> Depreciation on Machinery	1,600
<i>Less:</i> Depreciation on Furniture	200
Profit made during the year	4,900

Accounts from **Incomplete Records**

Answer 16:

Statement of Affairs <i>as on April 01, 2016</i>			
Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	52,000	Cash in Hand	20,000
Loan	10,000	Cash at Bank	30,000
Capital	74,000	Debtors	17,000
(Balancing Figure)		Stock	40,000
		Fixed Assets	29,000
	1,36,000		1,36,000

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount (Rs)	Assets	Amount (Rs)
Creditors	32,000	Cash in Hand	18,000
Loan	25,000	Cash at Bank	33,000
Capital	1,08,000	Debtors	25,000
(Balancing Figure)		Stock	60,000
		Fixed Assets	29,000
	1,65,000		1,65,000

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	1,08,000
Add: Drawings made during the year (3,000 × 6 + 4,000 × 6)	42,000
Less: Additional capital introduced during the year	50,000
Adjusted capital at the end of the year	1,00,000
Less: Capital in the beginning of the year	74,000
Profit made during the year	26,000

Accounts from **Incomplete Records**

Answer 17:

Statement of Affairs <i>as on April 01, 2015</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Loan from Wife	66,000	Cash in Hand	7,500
Creditors	45,000	Furniture	1,300
Bank Overdraft	25,000	Stock	34,000
Capital (<i>Balancing Figure</i>)	18,900	Debtors	22,500
		Land & Building	89,600
	1,54,900		1,54,900

Statement of Affairs <i>as on March 31, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	93,000	Cash in Hand	8,700
Loan from Wife	57,000	Furniture	1,300
		Stock	25,000
		Land & Building	90,000
		Capital Overdrawn (<i>Balancing Figure</i>)	25,000
	1,50,000		1,50,000

Statement of Profit or Loss <i>for the year ended March 31, 2016</i>	
Particulars	Amount (Rs)
Capital at the end of the year	(25,000)
<i>Add: Drawings made during the year (1,500 × 7 + 4,500 × 5)</i>	33,000
<i>Less: Additional capital introduced during the year</i>	50,000
Adjusted capital at the end of the year	(42,000)
<i>Less: Capital in the beginning of the year</i>	(18,900)
Loss incurred during the year	(60,900)

Accounts from **Incomplete Records**

Answer 18:

Statement of Affairs <i>as on March 31, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bills Payable	1,000	Cash at Bank	4,350
Creditors	9,000	Stock	18,700
Capital (Balancing Figure)	41,650	Debtors	12,000
		Bills Receivable	4,000
		Furniture	600
		Building	12,000
	51,650		51,650

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Bills Payable	200	Stock	20,400
Creditors	1,500	Debtors	14,000
Bank Overdraft	3,350	Bills Receivable	5,000
Capital (Balancing Figure)	46,950	Furniture	600
		Building	12,000
	52,000		52,000

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	46,950
Add: Drawings made during the year	7,520
Less: Additional capital introduced during the year	
Adjusted capital at the end of the year	54,470
Less: Capital in the beginning of the year	41,650
Profit Before Adjustment	12,820
Less: Depreciation on Furniture	30
Less: Depreciation on Building	600
Less: Provision for Doubtful Debts	1,450
Less: Outstanding Wages	3,000
Less: Outstanding Salaries	1,200
Less: Outstanding Legal Expenses	00
Add: Prepaid Insurance	250
Profit made during the year	6,090

Accounts from **Incomplete Records**

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Final Statement of Affairs as on March 31, 2017					
Liabilities		Amount(Rs)	Assets		Amount(Rs)
Creditors		1,500	Prepaid Insurance		250
Opening Capital	41,650		Bills Receivable		5,000
Add: Net Profit	6,090		Stock		20,400
Less: Drawings	7,520	40,220	Furniture	600	
Outstanding Wages		3,000	Less: Depreciation	30	570
Outstanding Salaries		1,200	Debtors	14,000	
Bills Payable		200	Less: Provision for Bad Debts	1,450	12,550
Bank Overdraft		3,350	Building	12,000	
Outstanding Legal Expenses		700	Less: Depreciation	600	11,400
		50,170			50,170

Answer 19:

Statement of Affairs <i>as on April 01, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
10% Loan from Mrs. Sachin	30,000	Cash and Bank	20,000
Creditors	32,000	Debtors	17,000
Capital (Balancing Figure)	44,000	Stock	40,000
		Furniture	29,000
	1,06,000		1,06,000

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
10% Loan from Mrs. Sachin	30,000	Cash at Bank	21,000
Creditors	22,000	Debtors	25,000
Capital (Balancing Figure)	83,000	Stock	60,000
		Furniture	29,000
	1,35,000		1,35,000

Accounts from **Incomplete Records**

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	83,000
Add: Drawings made during the year (5,000 × 12)	60,000
Less: Additional capital introduced during the year	35,000
Adjusted capital at the end of the year	1,08,000
Less: Capital in the beginning of the year	44,000
Profit Before Adjustment	64,000
Less: Depreciation on Furniture	2,900
Less: Outstanding Interest on Loan	3,000
	58,100
Less: Shop Assistant's Share (58,100 × 5/100)	2,905
Profit made during the year	55,195

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount (Rs)	Assets	Amount (Rs)
Opening Capital	44,000	Cash at Bank	21,000
Add: Net Profit	55,195	Debtors	25,000
Add: Additional Capital Introduced	35,000	Stock	60,000
Less: Drawings	60,000	Furniture	29,000
Creditors	22,000	Less: Depreciation	2,900
Shop's Assistant Share	2,905		26,100
10% Loan from Sachin	30,000		
Add: Outstanding Interest	3,000		
	1,32,100		1,32,100

Answer 20:

Statement of Affairs <i>as on April 01, 2016</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	12,100	Cash at Bank	6,000
Capital (Balancing Figure)	82,200	Stock	22,000
		Debtors	18,800
		Bills Receivable	4,000
		Fixed Assets	40,000

Accounts from **Incomplete Records**

Cash in Hand	3,500
94,300	94,300

Statement of Affairs <i>as on March 31, 2017</i>			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Loan from X	10,000	Stock	36,400
Creditors	8,000	Debtors	34,500
Bank Overdraft	15,000	Cash	4,100
Capital (Balancing Figure)	1,02,000	Fixed Assets	60,000
	1,35,000		1,35,000

Statement of Profit or Loss <i>for the year ended March 31, 2017</i>	
Particulars	Amount (Rs)
Capital at the end of the year	1,02,000
Add: Drawings made during the year (WN)	39,800
Less: Additional capital introduced during the year 25,000	12,500
Adjusted capital at the end of the year	1,29,300
Less: Capital in the beginning of the year	82,200
Profit Before Adjustment	47,100
Less: Depreciation on Fixed Assets	6,000
Less: Outstanding Interest on Loan	1,350
Less: Outstanding Salary	2,400
Add: Prepaid Insurance	300
Profit made during the year	37,650

Final Statement of Affairs <i>as on March 31, 2017</i>				
Liabilities	Amount(Rs)	Assets	Amount(Rs)	
Creditors	8,000	Cash	4,100	
Opening Capital	82,200	Stock	36,400	
Add: Additional Capital	12,500	Debtors	34,500	
Add: Net Profit	37,650	Prepaid Insurance	300	
Less: Drawings	39,800	Fixed Assets	60,000	
Outstanding Salary	2,400	Less: Depreciation	6,000	54,000

Accounts from **Incomplete Records**

Loan from X	10,000		
Bank Overdraft	15,000		
Outstanding Interest on Loan	1,350		
	1,29,300		1,29,300

Working Note: Calculation of Amount of Drawings

Cash Withdrawn	= Rs 18,000
Loan to Brother	= Rs 8,000
Rent	= Rs 10,800
Electricity Charges	= Rs 3,000
	= Rs 39,800

Answer 21:

Statement of Affairs as on March 31, 2017			
Liabilities	Amount(Rs)	Assets	Amount(Rs)
Creditors	22,000	Cash at Bank	5,000
Capital (Balancing Figure)	1,46,000	Cash in Hand	3,000
		Stock	44,000
		Debtors	21,000
		Fixed Assets	80,000
		Scooter	15,000
	1,68,000		1,68,000

Statement of Profit or Loss for the year ended March 31, 2017	
Particulars	Amount (Rs)
Capital at the end of the year	1,46,000
Add: Drawings made during the year (24,000 + 4,500 - 15,000)	13,500
Less: Additional capital introduced during the year	
Adjusted capital at the end of the year	1,59,500
Less: Capital in the beginning of the year	1,64,500
Loss Before Adjustment	(5,000)
Less: Depreciation on Fixed Assets	8,000
Less: Depreciation on Scooter	750
Less: Bad Debts	1,000

Accounts from **Incomplete Records**

Less: Provision for Doubtful Debts	1,000
Add: Accrued Commission	2,500
Loss incurred during the year	(13,250)

Final Statement of Affairs as on March 31, 2017					
Liabilities		Amount(Rs)	Assets		Amount(Rs)
Creditors		22,000	Cash in Hand		3,000
Opening Capital	1,64,500		Cash at Bank		5,000
Less: Net Loss	13,250		Stock		44,000
Less: Drawings	13,500	1,37,750	Debtors	21,000	
			Less: Bad Debts	1,000	
			Less: Provision for Bad Debts	1,000	19,000
			Fixed Assets	80,000	
			Less: Depreciation	8,000	72,000
			Scooter	15,000	
			Less: Depreciation	750	14,250
			Accrued Commission		2,500
		1,59,750			1,59,750