1. **2022 December [10 Marks]**

**Balance Sheet of S as on 31st March, 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Liabilities | | Rs. | Assets | Rs. |
| Capital | 22,00,000 | 31,50,000 | Cash at Bank | 5,50,000 |
| *Add:* Net Profit (WN.1) | 6,50,000 | Trade receivables | 12,61,000 |
|  |  | (WN. 2) |  |
|  | 28,50,000 | Vehicles (WN. 3) | 2,70,000 |
| *Add:* Introduction of capital | 3,00,000 | Furniture & Fixtures | 5,85,000 |
|  | (WN. 4) |  |
| Outstanding commission |  | Inventories | 6,50,000 |
| 35,000 | Prepaid expenses | 15,000 |
| Trade payables | 1,46,000 |
| 33,31,000 | 33,31,000 |

**Working Note 1**

**Profit and Loss Account (Revised)**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Outstanding Commission To Net profit | 35,000  6,50,000 | By Balance b/d  By Prepaid expenses | 6,70,000  15,000 |
| 6,85,000 | 6,85,000 |

**Working Note 2**

**Trade Receivables**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Balance b/d | 13,00,000 | By Provision for Doubtful Debts By Balance c/d (b/f) | 39,000  12,61,000 |
| 13,00,000 | 13,00,000 |

**Working Note 3**

**Vehicles A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Balance b/d To Bank a/c | 2,75,000  50,000 | By Depreciation  By Balance c/d (b/f) | 55,000  2,70,000 |
| 3,25,000 | 3,25,000 |

**2. 2022 May [20 Marks]**

**In the books of Mr. B**

**Manufacturing Account for the year ended 31st March, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars |  | Rs. | Particulars | Rs. |
| To Opening Stock of | 17,50,000 | 5,25,000 | By Cost of Manufactured | 28,28,000 |
| Raw Materials |  | goods transferred to |
|  |  | Trading A/c |
| To Purchase |  |
| Less: Purchase Return | 17,500 | 17,32,500 |
| To Carriage Inwards |  | 52,500 |
| To Direct Wages | 2,80,000 |
| To Power | 1,05,000 |
| To Coal and fuel | 52,500 |
| To Factory Rent and | 70,000 |
| Rates |
| To Depreciation on | 10,500 |
| Machinery |
| 28,28,000 | 28,28,000 |

**Trading Account for the year ended 31st March, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Rs. | Particulars |  | Rs. |
| To Opening Stock of finished goods | 2,62,500 | By Sales | 29,75,000 | 29,40,000  3,50,000 |
| To Cost of goods transferred from Manufacturing A/c | 28,28,000 | Less: Sales Return By Closing Stock | 35,000 |
|  |
| To Gross Profit c/d | 1,99,500 |
| 32,90,000 | 32,90,000 |

**Profit and Loss Account for the year ended 31st March, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars |  | Rs. | Particulars | Rs. |
| To Carriage Outward | 70,000 | 24,500 | By Gross Profit b/d | 1,99,500 |
| To Discount Allowed | 10,500 | By Accrued Commission\* | 43,750 |
| To Commission Paid | 17,500 | By Accrued Interest | 52,500 |
| To Dividend Paid | 14,000 |
| To General Expenses | 14,000 |
| To Advertisement | 17,500 |
| To Salaries |  |
| Add: Outstanding | 7,000 | 77,000 |
| To Interest Paid | 24,500  5,250 | 19,250 |
| Less: Prepaid |
| To Provision for Bad & | 7,000 | 14,000 |
| Doubtful Debts |
| Add: Bad Debts | 14,000 |
| Less: Old Provision for | 7,000 |
| Doubtful Debts |
| To Depreciation on Building |  | 3,500 |
| To Net Profit c/d | 84,000 |
| 2,95,750 | 2,95,750 |

\*Alternatively Accrued Commission may be treated as Expenses, in that case total Commission will be Rs. 61,250 (Rs.17,500 + Rs.43,750) and Net Loss will be Rs. 3,500.

**Balance Sheet as on 31st March, 2021**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Capital and Liabilities | |  | | Rs. | | Assets | |  | | Rs. | |
| Capital | | 3,50,000 | | 3,64,000 | | Plant & Machinery | | 1,05,000 | | 94,500 | |
| Add: Net Profit\*\* | | 84,000 | | Less: Depreciation | | 10,500 | |
| Less: Drawings | | 4,34,000 | | Land & Building  Less: Depreciation | | 3,50,000 | | 3,46,500 | |
| 70,000 | | 3,500 | |
| Bills Payable | |  | | 84,000 | | Furniture & Fixtures | | 1,40,000 | | 52,500 | |
| Sundry Creditors | | 1,75,000 | | Investments | | 87,500 | |
| Salary Outstanding | | 7,000 | | Closing Stock | | 3,50,000 | |
| Long-Term Loans | | 7,00,000 | | Loose Tools | | 1,05,000 | |
| Bank Overdraft | | 80,500 | | Sundry Debtors | |
|  | |  | |  | | Less: Provision for Bad & Doubtful Debts | | 7,000 | | 1,33,000 | |
| Bills Receivable | |  | | 52,500 | |
| Accrued Commission | | 43,750 | |
| Accrued Interest | | 52,500 | |
| Prepaid Interest | | 5,250 | |
| Cash in Hand | | 70,000 | |
| Cash at Bank | | 17,500 | |
| 14,10,500 | | 14,10,500 | |

\*\*If Accrued Commission is treated as expenses in that case Net Loss of Rs. 3,500 will be deducted from Capital Account and Closing Capital figure will be Rs. 2,76,500 and Accrued Commission Rs. 43,750 will appear under liability side of Balance Sheet.

1. **2021 December [15 Marks]**

**In the books of Mr. Black**

**Manufacturing Account for the year ended 31st March, 2021**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | |  | | Rs. | | Particulars | | | | Rs. | |
| Raw material consumed: | |  | |  | | By | | Closing Stock Work in Progress | of | 78,000 | |
| To Opening Stock of Raw Materials  *Add:* Purchases  *Less:* Closing Stock | | 2,10,000  8,50,000  1,62,000 | | 8,98,000 | | By Sale of Scrap  By Cost of goods Manufactured  (Transferred to Trading Account) | | | | 25,000  11,90,000 | |
| To Opening Stock of WIP | | 1,30,000  20,000 | | 95,000 | |
| To Wages | | 1,50,000 | |
| *Add*: Outstanding | |
| Wages | | 15,000 | |
| To Carriage on | |  | |
| Purchases | | 11,000 | |
| To Repairs to Plant | |
| To Rent (3/4) | | 45,000 | |
| To Lighting (2/3) | | 9,000 | |
| To Depreciation of Plant | | 70,000 | |
| 12,93,000 | | 12,93,000 | |

**Trading Account for the year ended 31st March, 2021**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Opening Stock of finished goods | 1,55,000 | By Sales | 16,72,000 |
| To Cost of goods transferred from | 11,90,000 | By Closing Stock | 1,81,000 |
| Manufacturing A/c |  |
| To Gross Profit c/d | 5,08,000 |
| 18,53,000 | 18,53,000 |

**Profit and Loss Account for the year ended 31st March, 2021**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars |  | Rs. | Particulars | Rs. |
| To Salaries | 1,00,000 | 1,09,000 | By Gross Profit b/d | 5,08,000 |
| *Add:* Outstanding | 9,000 | By Commission | 4,500 |
| To Telephone & Postage | 10,000 |
| To Repairs to Furniture | 3,500 |
| To Depreciation of | 7,500 |
| furniture |  |
| To Rent (1/4) | 15,000 |
| To Lighting (1/3) | 16,720 | 4,500 |  |  |
| To General Expenses | 15,000 |
| To Provision for doubtful |  |
| Debts: Required (1% of |  |
| Rs.1,67,200) |  |  |
| *Less:* Existing Provision | 16,500 | 220 |
| To Net Profit |  | 3,47,780 |
| 5,12,500 | 5,12,500 |

1. 2021 July [10 Marks]

**In the books of M/s Designer wear**

**Trading and Profit & Loss Account (for the year ending 31 .3.2021)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | | Rs. | |  | |  | | Rs. | |
| To | | Purchases | | 17,00,000 | | By | | Sales | | 20,00,000 | |
| To | | Gross profit | | 8,50,000 | | By | | Closing stock | | 5,50,000 | |
|  | |  | | 25,50,000 | |  | |  | | 25,50,000 | |
| To | | Interest | | 33,300 | | By | | Gross profit | | 8,50,000 | |
|  | | (9,000+8,550+8,100+7,650) | |  | |
| To | | Telephone charges | | 50,000 | |
| To | | Travelling expenses | | 45,000 | |
| To | | Maintenance expenses | | 25,000 | |
| To | | Entertainment expenses | | 5,000 | |
| To | | Electricity exp 40,000 | |  | |
|  | | Add: outstanding 20,000 | | 60,000 | |
| To | | Carriage outward | | 60,000 | |
| To | | Depreciation | |  | |
|  | | Building 5% 30,000 | |  | |
|  | | Furniture 10% 1,000 | | 31,000 | |
| To | | Misc. exp | | 15,000 | |
| To | | Net profit | | 5,25,700  8,50,000 | |  | |  | |  | |
| 8,50,000 | |

**Balance Sheet as on 31st March, 2021**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| LIABILITIES | Rs. | Rs. | ASSETS | Rs. | Rs. |
| Capital | 3,00,000 | 9,65,700 | Building | 6,00,000 | 5,70,000 |
| Further Capital | 2,00,000 | Less: dep | 30,000 |
| Less: Drawings | (60,000) | Furniture | 10,000 |  |
| Add: Net profit | 5,25,700 | Less: dep | 1,000 | 9,000 |
|  |  |  | Security | 7,000 |
|  |  |  | deposit- |  |
| Bank Loan | 3,00,000 |  | Telephone |  |
| Less: repayment | 60,000 | 2,40,000 | Bank | 89,700 |
| outstanding | 20,000 | Closing stock | 5,50,000 |
| electricity exp |  |  |
| 12,25,700 | 12,25,700 |

**Working note:**

**Bank Account**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **PARTICULARS** | **RS.** |  | **PARTICULARS** | **RS.** |
| To | Capital | 3,00,000 | By | Building | 6,00,000 |
| To | Further capital | 2,00,000 | By | Furniture | 10,000 |
| To | Bank loan | 3,00,000 | By | Bank loan repaid | 60,000 |
| To | Sales | 20,00,000 | By | Interest | 33,300 |
| By | Security deposit | 7,000 |
| By | Drawings | 60,000 |
| By | Purchase | 17,00,000 |
| By | Telephone charges | 50,000 |
| By | Travelling expenses | 45,000 |
| By | Maintenance | 25,000 |
|  | expenses |  |
| By | Entertainment | 5,000 |
|  | expenses |  |
| By | Electricity | 40,000 |
|  | By | Carriage outward | 60,000 |
| By | Misc. expenses | 15,000 |
|  | By | Balance c/d | 89,700 |
| 28,00,000 |  |  | 28,00,000 |

5. 2021 July [5 Marks]

1. Transfer to provisions - (i), (iv)
2. Transfer to reserves - (ii)
3. Neither related to provisions nor reserves - (iii), (v).

**6. 2020 November [5 Marks]**

**(i) Amount of salaries to be charged to P & L A/c for the year ended 31stDecember, 2019**

Employees = 9 x Rs. 44,000 x 12 = Rs.47,52,000 Trainees = 2 x Rs. 21,000 x 6 = Rs. 2,52,000 Salaries charged to P & L A/c Rs.50,04,000

**(ii) Amount actually paid as salaries during 2019**

Employees = 9 x Rs. 44,000 x 11 + 9 x Rs. 40,000 = Rs. 47,16,000

Trainees = 2 x Rs.21,000 x 5 = Rs. 2,10,000

Amount paid as salaries Rs. 49,26,000

**(iii) Outstanding salaries as on 31.12.2019**

Employees = 9 x Rs. 44,000 = Rs. 3,96,000

Trainees = 2 x Rs. 21,000 = Rs. 42,000 Outstanding salaries Rs. 4,38,000

**7. 2020 November [10 Marks]**

**Manufacturing A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | Rs. | **Particulars** | Rs. |
| To Raw Material Consumed (Balancing Figure)  To Wages (W.N. 2)  To Depreciation (W.N. 1)  To Direct Expenses (W.N. 3) | 9,15,000  3,15,000  3,95,000  2,07,000 | By Trading A/c (W.N. 4) | 18,32,000 |
| **18,32,000** | **18,32,000** |

**Raw Material A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | Rs. | **Particulars** | Rs. |
| To Opening Stock A/c | 1,27,000 | By Raw Material Consumed (from | 9,15,000 |
|  |  | Manufacturing A/c above) |
| To Creditors A/c (W.N. 5) | 14,40,000 | By Closing Stock A/c | 6,52,000 |
| (Balancing Figure) |
| 15,67,000 | 15,67,000 |

**Working Notes:**

1. Since purchase of Machinery worth Rs. 12,00,000 has been omitted.

So, depreciation omitted from being charged = 12,00,000 X 15%

= Rs. 1,80,000

Correct total depreciation expense = Rs. (2,15,000 + 1,80,000)

= 3,95,000

1. Wages worth Rs. 50,000 will be excluded from manufacturing account as they pertain to office and hence will be charged P&L A/c. So the revised wages amounting

Rs. 3,15,000 will be shown in manufacturing account.

1. Expenses to be excluded from direct expenses:

Office Electricity Charges (80,000 X 25%) 20,000

Delivery Charges to Customers 22,000

Total expenses not part of Direct Expenses 42,000

=> Revised Direct Expenses = Rs. (2,49,000 - 42,000)

= Rs. 2,07,000

Fuel charges are related to factory expenses and also freight inwards are incurred for bringing goods to factory/ godown so they are part of direct expenses.

1. Revised Balance to be transferred to Trading A/c:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Particulars**  Current Balance transferred | | | Rs.  17,44,000 | | |
| Add: Depreciation charges not recorded earlier | | | 1,80,000 | | |
| Less: Wages related to Office | | | (50,000) | | |
| Less: Office Expenses | | | (42,000) | | |
|  | | |  | | |
| Revised balance to be transferred | | | **18,32,000** | | |
| (V) | **Creditors A/c** | | |  | | |
| **Particulars** | Rs. | **Particulars** | | Rs. |
| To Bank A/c | 23,50,000 | By Balance b/d | | 15,70,000 |
| To Balance c/d |  | By Raw Materials A/c | |  |
| 6,60,000 | (Bal. figure) | | 14,40,000 |
| 30,10,000 | 30,10,000 |

# 8. 2019 November [5 Marks]

# In the Books of Mr. Shyamal

**Manufacturing Account for the Year ended 31.03.2019**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Particulars |  | Units | Amount  Rs. | Particulars | Units | Amount  Rs. |
| To Opening Work- in-Process |  | 9,000 | 26,000 | By Closing Work- in-Process | 14,000 | 48,000 |
| To Raw Materials Consumed:  Opening Inventory  *Add:* Purchases  Inventory  To Direct Wages  – W.N. (1)  To Direct expenses:  Hire charges on Machinery  – W.N. (2)  To Indirect expenses: Hire charges of Factory  Repairs &  Maintenance | 2,60,000  8,20,000 |  | 7,60,000 | By Trading A/c – Cost of finished goods transferred | 5,00,000 | 19,33,600 |
| 10,80,000  (3,20,000) |
|  | 4,05,600 |  |
| 3,50,000 |  |
| 2,60,000 |  |
| 1,80,000 | \_\_\_\_\_\_\_\_ |
| 19,81,600 | 19,81,600 |

# Working Notes:

## (1) Direct Wages – 5,00,000 units @ Rs.0.80 = Rs.4,00,000 14,000 units @ Rs.0.40 = Rs. 5,600

Rs. 4,05,600

(2) Hire charges on Machinery – 5,00,000 units @ Rs.0.70 = Rs.3,50,000

**9. 2019 November [10 Marks]**

**Profit and Loss Account (Revised)**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Outstanding expenses To Net profit | 1,85,000  13,50,000 | By Balance b/d  By Prepaid insurance | 15,10,000  25,000 |
| 15,35,000 | 15,35,000 |

**Balance Sheet of Mittal as on 31st December, 2018**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Liabilities | |  | | Rs. | | Assets | | Rs. | | Rs. | |
| Capital | | 51,00,000 | |  | | Cash at Bank | |  | | 5,20,000 | |
| *Add:* Net Profit | | 13,50,000 | | 61,36,000 | | Trade receivables | | 21,00,000 | | 19,95,000 | |
|  | | 64,50,000 | | *Less:* Provision for | |  | |
|  | |  | | doubtful debts | | (1,05,000) | |
| *Less:* Drawings | | (6,20,000) | | Plant and | | 31,00,000 | | 27,90,000 | |
|  | | Machinery | | (3,10,000) | |
| *Add:* Interest on | | 58,30,000  3,06,000 | | *Less:* Depreciation  Furniture & Fixtures | |
| 4,00,000 | |
| capital | | 1,85,000 | | *Less:* Depreciation | | (20,000) | | 3,80,000 | |
| Outstanding | |  | |
| expenses | | 13,84,000 | | Inventories | | 19,95,000 | |
| Trade payables | |  | |
| Prepaid insurance | | 25,000 | |
| 77,05,000 | | 77,05,000 | |
|  | |  | |

1. **2019 May [20 Marks]**

**Trading & Profit and Loss Account of**

**Mr. Sandeep for the year ended 31st December, 2018**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Particular s | | | | Rs. | | Rs. | | Particular s | | | Rs. | | Rs. | |
| To | | Opening Stock | return | 12,000 | | 1,400 | | By | | Sales | 9,000 | | 8,000 | |
| To | | Purchase |  | |  | | *Less*: Sales return | (1,000) | |
| *Less:* Purchase | (2,000) | | 10,000 | | By | | Closing stock | 4,500 | |
| To | | Gross Profit  To Salary  Add: Outstanding salary  To Tax & Insurance  Add: Outstanding Prepaid insurance  To Bad debt  Opening provision Closing provision  To Interest on overdraft  To Depreciation on furniture  2,500  100  500  200  (50)  500  (1,000)  1,000 12,500  2,600  650  500  300  160  By Gross Profit  By Commission  Less: Advance By Accrued interest By Net Loss  500  (100) 12,500  1,100  400  210  2,500  4,210 4,210 |  | 1,100 | |
| To Salary  *Add:* Outstanding salary  To Tax & Insurance  *Add:* Outstanding Prepaid insurance  To Bad debt  Opening provision Closing provision  To Interest on overdraft  To Depreciation on furniture | | | | 2,500  100  500  200  (50)  500  (1,000)  1,000 | | 12,500  2,600  650  500  300  160 | | By Gross Profit  By Commission  *Less:* Advance By Accrued interest By Net Loss | | | 500  (100) | | 12,500  1,100  400  210  2,500 | |
| 4,210 | | 4,210 | |

# Balance Sheet of Mr. Sandeep as on 31.3.2018

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particular s | Rs. | Rs. | Particular s | Rs. | Rs. |
| Capital  *Less:* drawing Net loss  Bank overdraft Add: interest Creditors  Bills payable  Outstanding expenses: Salary  Tax  Commission received in advance | 16,000  (2,000)  (2,500)  2,000  300  100  200 | 11,500  2,300  2,000  2,500  300  100 | By Furniture  *Less*: Depreciation Bill receivable Investment  Add: accrued interest  Debtors  *Less:* Provision on bad debts  Closing stock Cash in hand Prepaid insurance | 1,600  (160)  4,000  210  5,000  (1,000) | 1,440  3,000  4,210  4,000  4,500  1,500  50 |
| 18,700 | 18,700 |

1. **2018 November [5 Marks]**

**Trading and P&L A/c for the year ended 31st March 2018**

Dr. Cr.

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Cost of Goods Sold | 22,00,000 | By Sales | 45,00,000 |
| To Gross Profit c/d | 23,00,000 |  |
| To Salaries A/c | 45,00,000 | By Gross Profit b/d | 45,00,000 |
| 12,00,000 | 23,00,000 |
| To General Expenses To Selling Expenses (1% of 45,00,000)  To Commission to Manager (on Net Profit before charging such commission)  To Net Profit | 6,00,000  45,000  1,00,000  4,00,000 | By Other Income | 45,000 |
| 23,45,000 | 23,45,000 |

1. **2018 May [20 Marks]**

**M/s Raghuram & Associates**

**Trading Account for the year ended 31st March 2018**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Details** | **Amount** | **Particulars** | **Details** | **Amount** |
|  |  | Rs. |  |  | Rs. |
| To Opening Stock | 12,00,000 | 3,20,000 | By Sales | 15,00,000 | 14,76,000 |
| To Purchases |  | *Less:* Sales Returns | (24,000) |
| *Less:* Purchase | (18,000) | 11,82,000 | By Closing Stock | 4,10,000 |
| Returns |  |  |
| To Freight | 62,000 |  |
| To Gross Profit c/d | 3,22,000 |  |
| 18,86,000 | 18,86,000 |

**M/s Raghuram & Associates**

**Profit and Loss Account for the year ended 31st March 2018**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | | | **Details** | | **Amount** | | **Particulars** | **Details** | **Amount** | |
|  | | |  | | Rs. | |  |  | Rs. | |
| To Salaries  To Rent for Godown  *Add:* Outstanding  To Provision for Doubtful (W.N.4) | | Debts | 55,000  5,000 | | 72,000  60,000  16,200 | | By Gross profit b/d  By Discount received |  | 3,22,000  12,000 | |
| To Rent and Taxes | | |  | | 24,000 | | | |  | |
| To Discount Allowed | | |  | | 7,500 | | | |  | |
| To Carriage outwards | | |  | | 8,500 | | | |  | |
| To Printing and stationery | | |  | | 6,000 | | | |  | |
| To Electricity charges | | |  | | 14,000 | | | |  | |
| To Insurance premium (W.N. 1) | | |  | | 4,800 | | | |  | |
| To Depreciation (W.N. 2) | | |  | | 80,000 | | | |  | |
| To General expenses | | |  | | 11,000 | | | |  | |
| To Bank Charges | | |  | | 3,800 | | | |  | |
| To Interest on loan | | | 4,400 | |  | | | |  | |
| *Add:* Outstanding (W.N. 3) | | | 100 | | 4,500 | | | |  | |
| To Motor car expenses (Repairs) | | |  | | 13,000 | | | |  | |
| To Net Profit transferred to Capital A/c | | |  | | 8,700 | | | |  | |
|  | | |  | | 3,34,000 | | | | 3,34,000 | |

**Balance Sheet of M/s Raghuram & Associates**

**as at 31st March 2018**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Liabilities*** | ***Details*** | ***Amount*** | | ***Assets*** | ***Details*** | ***Amount*** | |
|  |  | Rs. | |  |  | Rs. | |
| Capital  *Add:* Net Profit  *Less:* Drawings  *Less:* proprietor’s  Insurance Premium  Loan from Rajan  *Add:* Outstanding Interest  Sundry Creditors Outstanding rent | 14,11,400  8,700  (20,000)  (42,000)  60,000  100 | 13,58,100  60,100  62,000  5,000 | | Land & Building *Less:* Depreciation Motor Vehicles *Less:* Depreciation  Office equipment  *Less:* Depreciation  Furniture & Fixture *Less:* Depreciation Stock in Trade Sundry Debtors  *Less:* Provision for doubtful debts  Cash at hand | 5,00,000  (25,000)  1,00,000  (20,000)  2,00,000  (30,000)  50,000  (5,000)  2,80,000  (14,000) | 4,75,000  80,000  1,70,000  45,000  4,10,000  2,66,000  22,000 | |
|  |  | 1485200 | Cash in bank  Prepaid insurance  (W.N.1) | |  | | 1,200  14,85,200 |

**Working Notes:**

1. **Insurance premium** Rs.

Insurance premium as given in trial balance 48,000 Less: Personal premium (42,000) Less: Prepaid for 3 months

6,000 3 

(1,200)

15 

 

Transfer to Profit and Loss A/c 4,800

1. **Depreciation**

Building @ 5% on 5,00,000 25,000

Motor Vehicles @ 20% on 1,00,000 20,000

Furniture & Fittings @ 10% on 50,000 5,000

Office Equipment @ 15% on 2,00,000 30,000

Total 80,000

1. **Interest on Loan**

Interest on Loan Rs. 60,000 X 10% X 9/12 = 4,500

*Less:* interest as per Trial Balance = (4,400)

Amount (Outstanding) 100

1. **Provision for bad debts A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***Particulars*** | ***Amount***  ***(***Rs.***)*** | ***Particulars*** | ***Amount***  ***(***Rs.***)*** | |
| To bad debts a/c | 12,200 | By balance b/d |  | 10,000 |
| To balance c/d | 14,000 | By P&L A/c | 16,200 |
| (5% of 2,80,000) |  |
| 26,200 |
| 26,200 |