

1. 2022 December [4 Marks]

**In the books of A  
Machinery A/c**

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
01.04.2019	To Bank	1,50,000	31.03.2020	By Depreciation	30,000
	(1,30,000+20,000)	<u>1,50,000</u>	31.03.2020	By Balance c/d	<u>1,20,000</u>
01.04.2020	To Balance b/d	1,20,000			<u>1,50,000</u>
		<u>1,20,000</u>	31.03.2021	By Depreciation	30,000
01.04.2021	To Balance b/d	90,000	31.03.2021	By Balance c/d	<u>90,000</u>
01.10.2021	To Bank	50,000			<u>1,20,000</u>
01.10.2021	To Profit on Sale	<u>16,750</u>	01.10.2021	By Bank A/c	1,00,000
		<u>1,56,750</u>	01.10.2021	By Depreciation	6,750
			31.03.2022	By Depreciation	1,875
			31.03.2022	By Balance c/d	<u>48,125</u>
					<u>1,56,750</u>

**Alternative: Calculation of Book Value of Machines**

	Machine 1 (in ₹)	Machine 2 (in ₹)
Date of Purchase	01.04.2019	01.10.2021
Original Cost	1,50,000	
Depreciation for (2019-20) (SLM)	<u>(30,000)</u>	
WDV on 31.03.2020	1,20,000	
Depreciation for (2020-21) (SLM)	<u>(30,000)</u>	
WDV on 31.03.2021	90,000	
Depreciation for (2021-22) (WDV)	<u>(6,750)</u>	
WDV (original cost of Machine 2) on 1.10.2021	83,250	50,000
Sale Proceeds	<u>(1,00,000)</u>	
Profit on Sale	16,750	
Depreciation for 2021-22 (WDV @ 15%) (3 months)	-	<u>(1,875)</u>
WDV on 31.03.2022	-	48,125

2. 2022 May [10 Marks]

**Plant and Machinery Account for the year ended 31<sup>st</sup> March, 2021**

		₹			₹
01-04-20	To Balance b/d	95,00,000	01-09-20	By Bank (Sales)	3,75,000
01-09-20	To Bank (14,00,000 + 44,600)	14,44,600		By Depreciation (on sold machine)	73,811
				By Loss on sale	13,22,659
				By Loss on scrapping the machine	18,84,562
				By Depreciation (on Scrapped machinery)	81,938
				By Depreciatio	6,60,471
				By Balance c/d	<u>65,46,159</u>
		<u>109,44,600</u>			<u>109,44,600</u>

**Working Note:**

(i)	Calculation of loss on sale of machine on 01-09-2020		
	Cost on 1-4-2018		21,87,000
	Less: Depreciation @ 10% on ` 21,87,000		(2,18,700)
	W.D.V. on 31-03-2019		19,68,300
	Less: Depreciation @ 10% on ` 19,68,300		(1,96,830)
	W.D.V. on 31-03-2020		17,71,470
	Less: Depreciation @ 10% on ` 17,71,470 for 5 months		(73,811)
			16,97,659
	Less: Sale proceeds on 01-09-2020		(3,75,000)
	Loss		13,22,659
(ii)	Calculation of loss on scrapped machine		
	Cost on 1-4-2019		21,85,000
	Less: Depreciation @ 10% on ` 21,85,000		(2,18,500)
	W.D.V. on 31-3-2020		19,66,500
	Less: Depreciation @ 10% on ` 19,66,500 for 5 months		(81,938)
	Loss		18,84,562
(iii)	Depreciation		
	Balance of machinery account on 1-4-2020		95,00,000
	Less: W.D.V of machinery sold	17,71,470	
	W.D.V. of machinery scrapped	19,66,500	(37,37,970)
	Balance of other machinery after sale and scrap on 1-4-2020		57,62,030
	Depreciation @ 10% on ` 57,62,030 for 12 months		5,76,203
	Depreciation @ 10% on ` 14,44,600 for 7 months		84,268
			6,60,471

**3. 2021 December [5 Marks]**

**Calculation of Gain/Loss on Bus damaged by Fire**

Particulars	₹
Original cost as on 1.1.2019	8,00,000
Less: Depreciation for 2018-19 (3 months)	(40,000)
WDV as on 31 <sup>st</sup> March,2019	7,60,000
Less: Depreciation for 2019-20	(1,52,000)
WDV as on 31 <sup>st</sup> March,2020	6,08,000
Less: Depreciation for 2020-21 (3 months)	(30,400)
WDV as on 1 <sup>st</sup> July,2020	5,77,600
Less: Amount received from Insurance company	(6,00,000)
Gain on Bus damaged by Fire	22,400

**Calculation of depreciation for the year ended 31<sup>st</sup> March,2021**

	<b>Machine I damaged on 1<sup>st</sup> July,2020 (8,00,000)</b>	<b>Machine II Purchased on 1<sup>st</sup> July,2020 (10,00,000)</b>
Book value as on 1 <sup>st</sup> April,2020	6,08,000	10,00,000
Purchased on 1 <sup>st</sup> July,2020		
Depreciation @20% Machines	30,400 (for 3 months)	1,50,000 (for 9 months)

Total depreciation ` **1,80,400**

**4. 2021 July [4 Marks]**

**Calculation of depreciation for the year ended 31.3.21**

	<b>Machine I (28,54,000 - 2,16,000)</b>	<b>Machine II Purchased on 1<sup>st</sup> July</b>	<b>Machine III Purchased on 1<sup>st</sup> Nov</b>	<b>Depreciation on sold machine IV</b>
Book value as on 1 <sup>st</sup> April, 2020	26,38,000	4,80,000	5,60,000	2,16,000
Depreciation @15%	3,95,700 (for full year)	54,000 (for 9 months)	35,000 (for 5 months)	8,100 (for 3 months)

Total depreciation (I + II + III + IV)

` 4,92,800

**5. 2021 January [10 Marks]**

**Truck A/c**

Date	Particulars	Amount	Date	Particulars	Amount
2019			2019		
Jan-01	To balance b/d	35,00,000	Oct-01	By bank A/c	35,00,000
Oct-01	To Profit & Loss A/c Profit on settlement of Truck (W.Note 1)	7,50,000	Oct-01	By Depreciation on lost assets	7,50,000
Date	Particulars	Amount	Date	Particulars	Amount
Oct-01	To Bank A/c	60,00,000	Dec-31	By Depr eciation A/c (W Note 3)	93,00,000
			Dec-31	By balance c/d	2,82,00,000
		4,17,50,000			4,17,50,000
2020			2020		
Jan-01	To balance b/d	2,82,00,000	Dec-31	By Depreciation A/c (W Note 3)	1,02,00,000
			Dec-31	By balance c/d	1,80,00,000
		2,82,00,000			2,82,00,000

**Working Note:**

1. Profit on settlement of truck

Original cost as on 1.7.2017	50,00,000
Less: Depreciation for 2017 (6 months)	5,00,000
	45,00,000
Less: Depreciation for 2017	10,00,000
	35,00,000
Less: Depreciation for 2019 (9 months)	7,50,000
	27,50,000
Less: Amount received from Insurance company	35,00,000
Profit on settlement of truck	7,50,000

2. Calculation of WDV of 10 trucks as on 01.01.2018

	Amount
WDV of 1 truck as on 31.12.2017 (Refer W.N 1)	35,00,000
WDV of 10 trucks as on 01.01.2018	3,50,00,000

3. Calculation for Depreciation for 2018 and 2019

	Amount
Depreciation for 2018	
On 9 trucks ( $50,00,000 \times 9 \times 20\%$ )	90,00,000
On new truck ( $60,00,000 \times 1 \times 20\% \times 3/12$ )	<u>3,00,000</u>
	<u>93,00,000</u>
Depreciation for 2019	
On 9 trucks ( $50,00,000 \times 9 \times 20\%$ )	90,00,000
On new truck (Rs $60,00,000 \times 1 \times 20\%$ )	<u>12,00,000</u>
	<u>1,02,00,000</u>

6. 2019 November [4 Marks]

**Machinery Account**

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2017		-	2017		-
Jan. 1	To Bank A/c	4,80,000	Dec. 31	By Depreciation A/c	60,000
Jan. 1	To Bank A/c – erection charges	20,000		By Balance c/d	6,40,000
July 1	To Bank A/c	2,00,000			
		7,00,000			7,00,000
2018			2018		
Jan. 1	To Balance b/d	6,40,000	July 1	By Depreciation on sold machine	2,90,000
July 1	To Bank A/c	5,00,000		By Bank A/c	1,37,500
				By Profit and Loss A/c	44,000
			Dec. 31	By Depreciation A/c	6,46,000
		11,40,000		By Balance c/d	11,40,000

Working Note:

	Machine I -	Machine II -	Machine III -
Cost	5,00,000	2,00,000	5,00,000
Depreciation for 2017	50,000	10,000	
Written down value	4,50,000	1,90,000	
Depreciation for 2018	22,500	19,000	25,000
Written down value	4,27,500	1,71,000	4,75,000
Sale Proceeds	2,90,000		
Loss on Sale	1,37,500		

7. 2019 May [10 Marks]

In the books of Firm  
Machinery Account

		Rs.			Rs.
1.1.2015	To Bank A/c	37,000	31.12.2015	By Depreciation A/c	4,000
5	To Bank A/c (overhauling charges)	3,000	31.12.2015	By Balance c/d	
		<u>40,000</u>			<u>40,000</u>
1.1.2016	To Balance b/d	36,000	31.12.2016	By Depreciation A/c (` 5,400 + ` 750)	6,150
1.7.2016	To Bank A/c	10,000	31.12.2016	By Balance c/d (` 30,600 + ` 9,250)	39,850
		<u>46,000</u>			<u>46,000</u>
1.1.2017	To Balance b/d	39,850	1.7.2017	By Bank A/c (sale)	28,000
1.7.2017	To Bank A/c	25,000	1.7.2017	By Profit and Loss A/c (Loss on Sale - W.N. 1)	305
			31.12.2017	By Depreciation A/c (` 2,295 + ` 1,388 + 1,875)	5,558
1.1.2018	To Balance b/d	<u>64,850</u>		By Balance c/d (` 7,862 + ` 23,125)	30,987
		30,987			<u>64,850</u>
			1.7.2018	By Bank A/c (sale)	2,000
			1.7.2018	By Profit and Loss A/c (Loss on Sale - W.N. 1)	5,272
			31.12.2018	By Depreciation A/c (` 590 + ` 3,469)	4,059
			31.12.2018	By Balance c/d	<u>19,656</u>
		30,987			<u>30,987</u>

	<i>Machine I</i>	<i>Machine II</i>	<i>Machine III</i>
Cost of all machinery (Machinery cost for 2015)	40,000	10,000	25,000
	<u>4,000</u>		
Depreciation for 2015			
Written down value as on 31.12.2015	36,000		
Purchase 1.7.2016 (6 months)		10000	
Depreciation for 2016	<u>5400</u>	<u>750</u>	
Written down value as on 31.12.2016	30600	9,250	
Depreciation for 6 months (2017)	<u>2295</u>		
Written down value as on 1.7.2017	28305		
Sale proceeds	<u>28000</u>		
Loss on sale	<b><u>305</u></b>		
Purchase 1.7.2017			25,000
Depreciation for 2017 (6 months)		<u>1,388</u>	<u>1,875</u>
Written down value as on 31.12.2017		7,862	23,125
Depreciation for 6 months in 2018		<u>590</u>	
Written down value as on 1.7.2018		7,272	
Sale proceeds		<u>2,000</u>	
Loss on sale		<b><u>5,272</u></b>	
Depreciation for 2018			<u>3,469</u>
Written down value as on 31.12.2018			<b><u>19,656</u></b>

### 8. 2019 May [10 Marks]

(a) Calculation of depreciation for 5<sup>th</sup> year

(a) Depreciation per year charged for four years = ` 10,00,000 / 10 = ` 1,00,000

(b) WDV of the machine at the end of fourth year = ` 10,00,000 – ` 1,00,000 × 4  
= ` 6,00,000.

(c) Depreciable amount after revaluation = ` 6,00,000 + ` 40,000 = ` 6,40,000

(d) Remaining useful life as per previous estimate = 6 years

(e) Remaining useful life as per revised estimate = 8 years

(f) Depreciation for the fifth year and onwards = ` 6,40,000 / 8 = ` 80,000.