

FINAL ACCOUNTS

1. The following is trial balance of Shree Shyam as on 31st December 2021. Prepare Trading and P&L account for the year ending 31st December 2021 and balance sheet as on that date.

Particulars	Debit rupees	Credit rupees
Capital		14,00,000
Drawings	75,000	
Opening Stock	80,000	
Purchases	16,20,000	
Freight on purchases	15,000	
Wages	1,10,000	
Sales		25,00,000
Salaries	1,00,000	
Travelling expenses	23,000	
Miscellaneous expenses	35,000	
Printing and stationary	27,000	
Advertisement expenses	25,000	
Postage and telegrams	13,000	
Discount	7600	14,500
Bad debts written off (After adjusting recovery of bad debts of ₹6000 Written off in 2019)	14,000	
Building	10,00,000	
Machinery	75,000	
Furniture	40,000	
Debtors	1,50,000	
Provision for doubtful debts		19,000
Creditors		1,60,000
Investments 12% Purchased 1-10-2021	6,00,000	
Bank balance	83,900	
Total	40,93,500	40,93,500

Adjustments

1. Closing stock ₹25,000

2. Goods of ₹5000 were taken for personal use. But no entry was made in the books.

3. Machinery of ₹35,000 Purchased on 1/01/2019 was wrongly written off against profit and loss account. This asset is to be brought into the account on 1/01/2021 taking depreciation at 10% per annum on straight line basis upto 31 December 2008.

4. Depreciate building at 2 ½% per annum, Machinery 10% per annum, Furniture at 10% per annum.

5. Prohibition for bad and doubtful debts should be 6% on debtors.

6. The manager is entitled to a commission of 5% of net profits after charging his commission.

2. From the following information, prepare trading and profit and loss account for the year ended 31st March 2018 and balance sheet as on 31st March 2018

	Trial Balance			
	Debit Balances	Amount	Credit Balances	Amount
	Purchase	4,80,000	Capital	7,85,000
	Opening stock	1,10,000	Sales	9,70,000
	Carriage inward	40,000	Bill's payable	1,90,000
	Salaries	2,10,000	Returns	12,000
	Administrative expenses	1,50,000	Discount received	9000
	Plant and machinery	3,50,000		
	Bill's receivable	2,10,000		
	Returns	20,000		
	Discount	19,000		
	Bad debts	5000		
	Investments	1,00,000		
	Cash at Bank	87,000		
	Cash in hand	50,000		
	Furniture	1,35,000		
	Total	19,66,000	Total	19,66,000
	Adjustments			
	1. Closing stock ₹1,80,000.			
	2. Rate of depreciation on plant and machinery and furniture is 10%			
3.	On 31 st March 2022 the following trial balance of Miss Asmita has taken out prepare a trading account and P&L account for the year ended 31 ST March 2022 and balance sheet as on that date.			
	Debit balance	Rupees	Credit balance	Rupees
	Plant and machinery	5,50,000	Miss Asmita's capital	9,32,300
	Fixtures and fitting	17,200	Sales	12,61,770
	Factory fuels and power	5,420	Sundry creditors	2,26,800
	Office Salaries	37,450	Purchase returns	31,720
	Lighting factory	3,920	Bills payable	64,220
	Travelling expenses	9,250		
	Carriage on sale	9,600		
	Cash at bank	22,450		
	Cash in Hand	680		
	Sundry debtors	4,78,000		
	Purchases	8,32,900		
	Wages	99,150		
	Rent and taxes	17,650		
	Office expenses	27,780		
	Carriage on purchases	8,970		
	Discount	4,220		
	Drawings account	68,200		
	Stock on 1 st April 2021	2,17,250		
	Other expenses	26,800		
	Sales return	74,220		

	Insurance	5,700		
	Total	25,16,810	Total	25,16,810
Additional information:				
1. Chash depreciation 5% on plant 10 machinery and 10% on fitting and fixtures.				
2. Reserve for bad and doubtful debts 2.5% on debtors.				
3. Insurance unexpired on 31 st March 2022 ₹700.				
4. Outstanding salaries ₹3,500 and wages ₹8,000.				
5. Stock on 31 st march 2022 ₹1,65,000.				
4.	Prepare Balance sheet and profit and loss account from trial balance of a Sole proprietor on 31 st march 2018.			
	Debit balance	Rupees	Credit balance	Rupees
	Land and building	14,46,000	Capital	30,00,000
	Furniture	5,00,000	4% loan from Bank	10,00,000
	Discount	40,000	Creditors	4,95,000
	Debtors	2,80,000	Sales	32,68,000
	Advertisement	45,000	Rent received	56,000
	Bad debts	30,000	Bank overdraft	2,59,000
	Purchases	30,83,000		
	Commission	30,000		
	Plant and machinery	7,95,000		
	Motor car	2,65,000		
	Repairs and rent	50,000		
	Cash at Bank	35,000		
	Cash in hand	18,000		
	Opening stock	6,80,000		
	Salaries	2,00,000		
	Sentry expenses	34,000		
	Insurance	30,000		
	Bills receivable	4,40,000		
	Trade expenses	37,000		
	Interest on bank loan	40,000		
	Total	80,78,000	Total	80,78,000
Additional information				
1. Closing stock ₹4,95,000.				
5.	Mr. AB had prepared following trial balance from the ledger as 31 st march 2019.			
	Particulars	Debit Rupees	Credit rupees	
	Stock as on April 2018	5,00,000		
	Purchases and returns	31,00,000	45,000	
	Sales and returns	55,000	41,50,000	
	Cash in hand	2,50,000		
	Cash at bank	5,00,000		
	Traders capital		29,59,200	
	Rates and taxes	50,000		

Drawings	45,000	
Salaries	95,000	
Postage and telegram	1,05,000	
Insurance	90,000	
Salesman Commission	78,000	
Printing and stationary	95,500	
Advertisement	1,70,000	
Furniture and fittings	5,50,000	
Motor car	48,000	
Discount	50,000	75,000
General expenses	65,700	
Carriage inward	10,000	
Carriage outward	22,000	
Wages	50,000	
Sundry debtors and creditors	10,00,000	4,00,000
Total	69,29,200	69,29,200

You are required to prepare trading and profit and loss account for the year ended on 31st March, 2019 and balance sheet as on that date after considering following adjustments:

1. Closing stock as on 31st March, 2019 ₹1,45,000.
2. AB had withdrawn goods worth ₹50,000 during the year.
3. Purchases include purchase of furniture worth ₹1,00,000.
4. Debtors include bad debts of ₹50,000.
5. Sales includes goods worth ₹1,50,000 Sent out to MN and company on approval and remained unsold as on 31st march 2019. The cost of the goods was ₹1,00,000.
6. Provision for bad debts is to be created at 5% of sundry debtors.
7. Depreciate furniture and fittings by 10% and 20% on motor car.
8. Salesmen are entitled to a commission of 10% on sales.

6. From the given trial balance, prepare trading and profit and loss account for the year ended on 31st March, 2025 and a balance sheet as on that date.

Debit balances	Rupees	Credit balances	Rupees
Opening stock	25,000	Sales	2,07,500
Purchases	1,55,000	Capital	1,44,300
Cash in hand	1050	Creditors	14,050
Cash at bank	6000		
Drawings	2000		
Rates and taxes	2500		
Postage and Telegram	5800		
Commission on sales	17,500		
Insurance	4500		
Advertising	8500		
Furniture	11,000		
Printing and stationary	1500		
Motor car	24,000		
Bad debt	1000		

	Carriage inward	5000		
	Salaries	30,000		
	Wages	10,000		
	Audit expenses	5500		
	Debtors	50,000		
	Total	3,65,850	Total	3,65,850
	Adjustments:			
	1. Cost of goods in stock as on 31 st March, 2025 ₹72,500.			
	2. Write off bad debts worth ₹2500.			
	3. Depreciate furniture by 10% and motor car by 20%.			
	4. Salesmen are entitled to 10% commission on sales.			
7.	From the trial balance given for Shree Sahara, prepare Trading A/c, Profit & Loss A/c, for the year ending 31/3/2018 and balance sheet as on 31/3/2018.			
	Debit balances	Rupees	Credit balances	Rupees
	Opening stock	3,400	Capital	20,000
	Purchases	19,220	Creditors	11,120
	Wages	1,480	Sales	34,400
	Carriage inward	1,080	Rent received	480
	Carriage outward	400		
	Salary	1,200		
	Land-building	16,000		
	Furniture	920		
	Depreciation of furniture	100		
	Debtors	16,200		
	Insurance premium	320		
	Stationary expenses	500		
	Miscellaneous expenses	880		
	Repair expenses	200		
	Cash-bank	2,500		
	Drawings	1,600		
	Total	66,000	Total	66,000
	Additional information:			
	1. Value of closing stock ₹1,520.			
	2. Unpaid salary is ₹240.			
	3. Depreciation on building is rated at 5% per annum.			
	4. Prepaid insurance is ₹20.			
	5. Rent received in advance was ₹60.			
	6. Purchase on credit of ₹140 unrecorded in books.			
8.	From the given below trial balance of Shree Tiwari, prepare final accounts for the year ending 31/03/2024.			
	Particulars	Debit ₹	Credit ₹	
	Furniture	1,280		
	Motor vehicles	12,500		
	Building	15,000		
	Capital		25,000	

		Bad debts	250	
		Provision for bad debts		400
		Debtors and creditors	7,600	
		Opening stock	6,920	
		Purchase and sales	10,950	30,900
		Bank overdraft		5,700
		Sales return and purchase return	400	250
		Advertisement	900	
		Interest on bank overdraft	236	
		Commission		750
		Cash	1,300	
		Tax and insurance	2,500	
		General expenses	1,564	
		salary	6,600	
		Total	68,000	68,000
	Adjustments:			
	1. Closing stock was ₹6,500.			
	2. Depreciation: Building-5%, Furniture-10%, Motor Vehicles-20%			
	3. ₹170 is due for interest on overdraft.			
	4. Salary ₹600 and taxes ₹240 are outstanding.			
	5. Insurance ₹200 is prepaid.			
	6. 1/3rd of commission received is for next year.			
	7. Write off further ₹200 as bad debts and provision for bad debts is to made equal to 10% on debtors.			
9.	From the following balances as on 31/3/24 of Shri Akash and the adjustments given below, prepare trading A/c and P&L A/c for the year ending and balance sheet as on that date.			
		Particulars	Debit ₹	Credit ₹
		Machinery	30,000	
		Bank overdraft		15,690
		Cash	300	
		Discount		210
		Bad debts	1400	
		Bad debts reserve		3240
		Rent and insurance	1000	
		Agents Commission	9870	
		Stationary expenses	1480	
		Office expenses	2910	
		Rent received		1700
		Carriage inward	2310	
		Railway Freight	16,940	
		Furniture	3500	
		Dividend		1000
		Creditors		20,000
		Building	32,000	
		Debtors	61,400	

Bills receivable	2240	
Leasehold land from 1 st October 24 for 5 years	10,000	
Salary and wages	6580	
Opening stock	11,460	
Income tax refund		400
Drawings	7600	
Capital		1,00,000
Sales return	2860	
Sales		1,49,860
Purchases	92,490	
Purchase return		4240
Total	2,96,340	2,96,340

Adjustments:

1. Stock on 31/3/24 is ₹20,000.
2. Goods worth ₹2,500 were burnt by fire and the insurance company accepted a claim of ₹2,000.
3. Write off ₹1,400 as bad debts from debtors and maintain a bad debt reserve at 5%.
4. Maintain discount reserve at 2% on creditors.
5. Depreciate building and machinery at 5% and furniture at 10%.

10. The following is the trial balance of Shri Aman as on 31-03-2017

Name of accounts	Debit ₹	Credit ₹
Opening stock	30,000	
Productive wages	14,500	
Rent and taxes	4,500	
Purchase and sales	1,50,000	2,00,000
Salary	9,000	
Debtors and creditors	20,000	17,000
Goods returns	5,200	2,500
Unpaid salary		750
Capital and drawings	6,000	1,00,000
Carriage outwards	900	
Plant and machinery	12,250	
Postage expenses	900	
Bad debts and bad debts reserve	500	550
5% mortgage loan (from 1-10-16)		9,000
Cash and bank	4,500	
Discount	1,250	
Octroi	400	
Furniture	3,000	
Trade expenses	3,200	
Building	62,500	
Discount reserve on creditors	400	
Bad debt recovery		400

	Insurance premium (for year ending 30-6-17)	1,200																																																																	
	Total	3,30,200	3,30,200																																																																
	<p>Taking into account the following adjustments prepare Trading and Profit and Loss A/c and balance sheet.</p> <ol style="list-style-type: none"> Closing stock is ₹42,000 of which the market value of stock of ₹4,200 is less by 10%. Of the debtors ₹500 is to be written off as bad debts, provide 5% bad debts reserve. Provide wages unpaid ₹500. An amount of ₹2,500 paid for court fees for purchase of building was debited to trade expenses. Depreciate plant and machinery and furniture at 10%. On 1-4-16 furniture costing ₹600 was sold for ₹500. This was entered in the sales book. 																																																																		
11.	<p>From the following particulars from the books of Mr. Sanam, prepare Trading A/c and Profit and Loss A/c and Balance Sheet as at 31-03-2024, after making necessary adjustments:</p> <table border="1"> <thead> <tr> <th>Particulars</th><th>Rs.</th><th>Particulars</th><th>Rs.</th></tr> </thead> <tbody> <tr><td>Mr. Sanam's capital</td><td>54,050</td><td>Customers</td><td>12,000</td></tr> <tr><td>Opening stock</td><td>23,400</td><td>Creditors</td><td>7,400</td></tr> <tr><td>Sales</td><td>1,44,800</td><td>Loan from Dena Bank @12%</td><td>10,000</td></tr> <tr><td>Sales return</td><td>4,300</td><td>Interest paid</td><td>450</td></tr> <tr><td>Purchase</td><td>1,21,550</td><td>Printing</td><td>1,700</td></tr> <tr><td>Purchase return</td><td>2,900</td><td>Advertisement</td><td>5,600</td></tr> <tr><td>Carriage inwards</td><td>9,300</td><td>Interest received</td><td>725</td></tr> <tr><td>Salaries</td><td>4,650</td><td>Fire insurance premium</td><td>300</td></tr> <tr><td>Cash with Traders Bank Ltd.</td><td>4,000</td><td>Travelling expenses</td><td>1,165</td></tr> <tr><td>Rent</td><td>2,850</td><td>Audit fees</td><td>350</td></tr> <tr><td>Discount received</td><td>1,495</td><td>Postage-Telegrams</td><td>435</td></tr> <tr><td>Investment @5% as on 1-4-2013</td><td>2,500</td><td>Cash</td><td>190</td></tr> <tr><td>Furniture (1-4-13)</td><td>900</td><td>Drawings</td><td>5,000</td></tr> <tr><td>Discount allowed</td><td>3,770</td><td>Deposit @10% as on 1-04-13 (Dr.)</td><td>15,000</td></tr> <tr><td>General expenses</td><td>1,960</td><td></td><td></td></tr> </tbody> </table> <p>Adjustment:</p> <ol style="list-style-type: none"> Value of stock on 31-3-2014 is Rs. 39,300, includes goods returned by customers on 31-3-2024 to the value of Rs. 1,500 of which no entry has been passed in the book. Purchases include furniture on 1-1-2024 for Rs. 1,000. Depreciation should be provided on furniture at 13% p.a. 			Particulars	Rs.	Particulars	Rs.	Mr. Sanam's capital	54,050	Customers	12,000	Opening stock	23,400	Creditors	7,400	Sales	1,44,800	Loan from Dena Bank @12%	10,000	Sales return	4,300	Interest paid	450	Purchase	1,21,550	Printing	1,700	Purchase return	2,900	Advertisement	5,600	Carriage inwards	9,300	Interest received	725	Salaries	4,650	Fire insurance premium	300	Cash with Traders Bank Ltd.	4,000	Travelling expenses	1,165	Rent	2,850	Audit fees	350	Discount received	1,495	Postage-Telegrams	435	Investment @5% as on 1-4-2013	2,500	Cash	190	Furniture (1-4-13)	900	Drawings	5,000	Discount allowed	3,770	Deposit @10% as on 1-04-13 (Dr.)	15,000	General expenses	1,960		
Particulars	Rs.	Particulars	Rs.																																																																
Mr. Sanam's capital	54,050	Customers	12,000																																																																
Opening stock	23,400	Creditors	7,400																																																																
Sales	1,44,800	Loan from Dena Bank @12%	10,000																																																																
Sales return	4,300	Interest paid	450																																																																
Purchase	1,21,550	Printing	1,700																																																																
Purchase return	2,900	Advertisement	5,600																																																																
Carriage inwards	9,300	Interest received	725																																																																
Salaries	4,650	Fire insurance premium	300																																																																
Cash with Traders Bank Ltd.	4,000	Travelling expenses	1,165																																																																
Rent	2,850	Audit fees	350																																																																
Discount received	1,495	Postage-Telegrams	435																																																																
Investment @5% as on 1-4-2013	2,500	Cash	190																																																																
Furniture (1-4-13)	900	Drawings	5,000																																																																
Discount allowed	3,770	Deposit @10% as on 1-04-13 (Dr.)	15,000																																																																
General expenses	1,960																																																																		

4. The loan account from Dena Bank in the books of Sanam appears as follows:

31-3-24	To Balance c/d	10,000	1-4-23	By Balance b/d	5,000
			31-03-24	By Bank A/c	5,000

5. Sundry debtors included Rs. 2,000 due from Mr. Kishan and sundry creditors included Rs. 1,000 due to him.
6. Interest paid included Rs. 300 paid to Dena Bank.
7. Interest received represents Rs. 100 from the sundry debtors and the balance on investment and deposits.
8. Provide for interest payable to Dena Bank for interest receivable on investment and deposits.
9. Provide provision for doubtful debt at 5% on the balance under "Sundry debtors"; no provision needs to be created for the deposits.

12. Trial Balance of Prachi after preparing the trading account is as follows:

Trial Balance of Prachi as on 31-03-2015

Balances	Debit (Rs.)	Credit (Rs.)
Trading account	32,000	1,23,600
Capital and drawings	1,50,000	2,91,600
Customers and Suppliers	1,20,000	1,02,000
Machinery	2,400	1,600
Discount	36,000	—
Closing stock	—	—
Investment in 12% debentures and Interest	80,000	1,600
Advertisement	24,000	—
Carriage outward	3,360	—
Bad debt and Provision of bad debts	1,600	2,760
Salary	24,000	—
Taxes and Insurance	1,800	—
Furniture	48,000	—
Sales of Furniture (01-04-2014)	—	4,000
Cash balance	4,000	—
Total	5,27,160	5,27,160

Adjustments:

1. Goods withdrawn for household use of Rs. 9,600 is not recorded.
2. Goods of Rs. 16,000 are destroyed by fire in March for which the insurance company has accepted a claim of Rs. 12,800.
3. Credit purchase of Rs. 12,000 is to be unrecorded.
4. 12% debentures were purchased on 1-10-2014.
5. Expenses incurred for advertisement campaign at the beginning of the year is transferred to advertisement suspense account. This expense is to be written off in five years.

	<div>6. The book value of furniture sold is Rs. 6,000.</div> <div>7. Write off Rs. 2,000 from debtors and provide 5% for bad debt reserve.</div> <div>8. Calculate depreciation at 5% on furniture and 10% on machinery.</div> <div>9. Brokerage of Rs. 2,280 is yet to be received.</div>																																																																																																
13.	<div>Trial Balance of Maithili is given below, prepare final accounts in the books of Maithili for the year ending 31st March 2023:</div> <table><tr><th>Debit Balances</th><th>Rs.</th><th>Credit Balances</th><th>Rs.</th></tr><tr><td>Purchases</td><td>3,10,000</td><td>Sales</td><td>4,15,000</td></tr><tr><td>Opening stock</td><td>50,000</td><td>Capital</td><td>2,88,600</td></tr><tr><td>Cash in hand</td><td>2,100</td><td>Sundry creditors</td><td>40,000</td></tr><tr><td>Cash at Bank</td><td>12,000</td><td></td><td></td></tr><tr><td>Drawings</td><td>4,000</td><td></td><td></td></tr><tr><td>Rates and taxes</td><td>5,000</td><td></td><td></td></tr><tr><td>Salaries</td><td>32,000</td><td></td><td></td></tr><tr><td>Postages and Telephones</td><td>11,500</td><td></td><td></td></tr><tr><td>Salesmen's commission</td><td>35,000</td><td></td><td></td></tr><tr><td>Insurance</td><td>9,000</td><td></td><td></td></tr><tr><td>Advertising</td><td>17,000</td><td></td><td></td></tr><tr><td>Furniture and fittings</td><td>22,000</td><td></td><td></td></tr><tr><td>Printing and stationery</td><td>3,000</td><td></td><td></td></tr><tr><td>Motor Car</td><td>48,000</td><td></td><td></td></tr><tr><td>Bad debts</td><td>2,000</td><td></td><td></td></tr><tr><td>Cash discounts</td><td>4,000</td><td></td><td></td></tr><tr><td>General expenses</td><td>14,000</td><td></td><td></td></tr><tr><td>Carriage inward</td><td>10,000</td><td></td><td></td></tr><tr><td>Carriage outward</td><td>22,000</td><td></td><td></td></tr><tr><td>Wages</td><td>20,000</td><td></td><td></td></tr><tr><td>Audit expenses</td><td>11,000</td><td></td><td></td></tr><tr><td>Sundry debtors</td><td>1,00,000</td><td></td><td></td></tr><tr><td>Total</td><td>7,43,600</td><td>Total</td><td>7,43,600</td></tr></table> <div>Adjustments:</div> <div>1. Cost of goods in stock as on 31st March, 2023 was Rs. 1,45,000.</div> <div>2. Maithili had withdrawn goods worth Rs. 5,000 during the year.</div> <div>3. Purchases included purchases of Furniture worth Rs. 10,000.</div> <div>4. Write further bad debts worth Rs. 5,000.</div> <div>5. Provision for bad debts is to be created at 5% of debtors. Also create a discount reserve on debtors at 2% and creditors at 2%.</div> <div>6. Depreciate furniture by 10% and Motor Car by 20%.</div> <div>7. The Salesmen are entitled to a Commission of 10% on Sales.</div>	Debit Balances	Rs.	Credit Balances	Rs.	Purchases	3,10,000	Sales	4,15,000	Opening stock	50,000	Capital	2,88,600	Cash in hand	2,100	Sundry creditors	40,000	Cash at Bank	12,000			Drawings	4,000			Rates and taxes	5,000			Salaries	32,000			Postages and Telephones	11,500			Salesmen's commission	35,000			Insurance	9,000			Advertising	17,000			Furniture and fittings	22,000			Printing and stationery	3,000			Motor Car	48,000			Bad debts	2,000			Cash discounts	4,000			General expenses	14,000			Carriage inward	10,000			Carriage outward	22,000			Wages	20,000			Audit expenses	11,000			Sundry debtors	1,00,000			Total	7,43,600	Total	7,43,600
Debit Balances	Rs.	Credit Balances	Rs.																																																																																														
Purchases	3,10,000	Sales	4,15,000																																																																																														
Opening stock	50,000	Capital	2,88,600																																																																																														
Cash in hand	2,100	Sundry creditors	40,000																																																																																														
Cash at Bank	12,000																																																																																																
Drawings	4,000																																																																																																
Rates and taxes	5,000																																																																																																
Salaries	32,000																																																																																																
Postages and Telephones	11,500																																																																																																
Salesmen's commission	35,000																																																																																																
Insurance	9,000																																																																																																
Advertising	17,000																																																																																																
Furniture and fittings	22,000																																																																																																
Printing and stationery	3,000																																																																																																
Motor Car	48,000																																																																																																
Bad debts	2,000																																																																																																
Cash discounts	4,000																																																																																																
General expenses	14,000																																																																																																
Carriage inward	10,000																																																																																																
Carriage outward	22,000																																																																																																
Wages	20,000																																																																																																
Audit expenses	11,000																																																																																																
Sundry debtors	1,00,000																																																																																																
Total	7,43,600	Total	7,43,600																																																																																														
14.	<div>From the following Trial Balance of Shri Divyaparekh, prepare Trading and profit and loss A/c for the year ending on 31-03-2021 and the balance sheet as on that date.</div>																																																																																																

Trial Balance as on 31.3.2021

Name of Account	Debit (Rs.)	Credit (Rs.)
Building	72,000	
Furniture	10,000	
Bank	9,000	
Cash	1,000	
15% Loan since 1.4.2015		30,000
Capital		50,000
Debtors and Creditors	50,000	50,000
Opening Stock	12,000	
Purchases and purchase returns	2,50,000	10,000
Sales and Sales returns		3,22,000
Rent	6,000	
Salaries	16,000	
Provident Fund		1,000
Provident Fund Contribution	500	
Interest on 15% Loan	2,000	
Postage and Telegram	1,000	
Carriage Inward	1,000	
Commission	6,000	
Insurance Premium	1,000	
Bad Debts	1,500	
Bills Receivable	4,000	
Discount Received		2,000
Total	4,55,000	4,55,000

Adjustments:

1. Closing stock was Rs. 84,000 of which the market value of 10% stock is less by 10%.
2. Depreciate Building by 5% and Furniture by 10% p.a.
3. Goods costing Rs. 10,000 were destroyed by fire and the claim was admitted by Insurance Co. for Rs. 8,000. This is not recorded in the books.
4. Write off Rs. 600 from debtors as bad debts and provide for Reserve for bad and doubtful debts at 5% on debtors.
5. Insurance paid in advance Rs. 200.
6. Salary outstanding amounted to Rs. 1,000.
7. Furniture costing Rs. 2,000 was sold for Rs. 1,500 on credit and the same is recorded in the Sales Book.

15. From the following Trial Balance as on 31-03-2015 and adjustments of Akul, Prepare final accounts.

Trial Balance as on 31-3-2015

Name of Account	Debit (Rs.)	Credit (Rs.)
Capital		50,000
Drawings	6,000	
Land and Building	30,000	
Machinery	10,000	

		Furniture	2,500																
		Leasehold Property (5 years from 1-4-14)	15,000																
		Sales		70,000															
		Purchase Return		2,000															
		Debtors	9,200																
		6% Loan from Chitrang (from 1-7-14)		15,000															
		Purchases	40,000																
		Sales Return	2,500																
		Freight and Octroi	5,000																
		Misc. Expenses	300																
		Stationery - Printing	250																
		Insurance Premium	500																
		Bad Debt Reserve		500															
		Discount Reserve on Debtors		190															
		Bad Debt	200																
		Commission		5,000															
		Stock (1-4-2014)	10,650																
		Salary and Wages	9,250																
		Trading Expenses	400																
		Creditors		6,000															
		Dead Stock	4,000																
		Bank Balance	2,300																
		Cash Balance	640																
		Total	1,48,690	1,48,690															
	Adjustments																		
	1. Closing stock as on 31-3-2015 was valued at Rs. 13,650.																		
	2. Fire occurred in business as on 23-3-2015 due to which goods of Rs. 5,000 were destroyed and insurance company accepted the claim of Rs. 3,000.																		
	3. Out of debtors Rs. 200 are not recoverable, so they are to be written off. Provide bad debt reserve at 5% and discount reserve on debtors at 2%.																		
	4. On 27-3-2015, goods of Rs. 3,000 were purchased which was not recorded in purchase book.																		
	5. Akul withdrew goods of Rs. 1,000 for personal use which are not recorded in the books of accounts.																		
	6. Provided depreciation at 2% on land and building, 20% on machinery and 5% on furniture.																		
	7. Prepaid insurance premium Rs. 100.																		
16.	From the following trial balance as on 31-03-2013 and adjustment of Kesha prepare final accounts:																		
	Trial Balance as on 31-03-2013																		
	<table><tr><th>Name of Account</th><th>Debit (Rs.)</th><th>Credit (Rs.)</th></tr><tr><td>Capital</td><td></td><td>70,000</td></tr><tr><td>Drawings</td><td>4,000</td><td></td></tr><tr><td>Stock (01-04-2012)</td><td>16,000</td><td></td></tr><tr><td>Purchase</td><td>1,06,000</td><td></td></tr></table>	Name of Account	Debit (Rs.)	Credit (Rs.)	Capital		70,000	Drawings	4,000		Stock (01-04-2012)	16,000		Purchase	1,06,000				
Name of Account	Debit (Rs.)	Credit (Rs.)																	
Capital		70,000																	
Drawings	4,000																		
Stock (01-04-2012)	16,000																		
Purchase	1,06,000																		

	Sales		1,08,000
	Goods Return	32,000	4,000
	Salary	8,800	
	Audit Fee	400	
	Rate and Taxes	1,000	
	Stationery	200	
	Outstanding Salary		800
	Prepaid Insurance Premium	400	
	Insurance Premium	2,000	
	Wages	3,060	
	Octroi	500	
	Demurrage	440	
	Carriage Inward	800	
	Carriage Outward	960	
	Commission		1,600
	Rent	1,200	4,000
	Bad Debt	1,200	
	Debtors	4,000	
	Creditors		20,880
	Building	32,000	
	Addition to Building (31-12-2012)	8,000	
	Cash	7,920	
	Vehicles	8,000	
	Bills	2,400	2,000
	Total	2,11,280	2,11,280

Adjustments

1. Closing stock is of Rs. 16,000, but market value of Rs. 4,000. Stock is less by 10%.
2. Bad debt reserve at 5% on debtors and discount reserve at 2% is required.
3. Rent of Rs. 800 is yet to be received and commission of Rs. 200 is received in advance.
4. Provide depreciation on building at 5%.
5. The estimated life of vehicle is approx. five years and at the expiry of the same period, the scrap value is estimated at Rs. 1,000.
6. Calculate interest on capital at 6% on 30-11-2012; additional capital of Rs. 10,000 was brought into the business. Interest on drawings Rs. 150 is to be charged.
7. Provision of Rs. 200 is made on Bills Receivable.
8. The purchase invoice of Rs. 2,000 was not recorded, but the same was included in stock.

17. Following is the Trial Balance of Shri Palak Sheth as on 31-03-2013:

Trial Balance as on 31-03-2013

Name of Account	Debit (Rs.)	Credit (Rs.)
Building	30,000	
Cash on Hand	540	

Cash at Bank	10,630	
Deposit in Bank	2,000	
Interest on Bank Deposits		200
Purchases	40,675	
Sales		98,580
Goods Returns	680	500
Wages and Freight	10,480	
Coal and Power	4,730	
Bills Payable		900
Bills Receivable	1,000	
Packing Expenses	3,200	
Carriage Inward	2,040	
10% Mortgage Loan		10,000
Stock of Goods (1-04-2012)	5,760	
Land	9,000	
Machines	20,000	
Tools	7,500	
Salary (up to 28-02-2013)	14,300	
Printing & Stationery	900	
Postage & Telegram	400	
Purchase Expenses	800	
Trade Expenses	200	
Office Expenses	900	
Commission Received		100
Discount		400
Insurance	600	
Drawings	15,245	
Capital		81,000
Debtors and Creditors	15,500	5,800
Interest on Mortgage Loan	400	
Total	1,97,480	1,97,480

Adjustments

- The cost of closing stock is Rs. 6,800 but its market price is Rs. 7,000.
- Depreciate:
 - Machinery at 10%
 - Furniture at 10%
 - Tools at 20%
- Write off Rs. 500 as bad debt from debtors.
- Commission due but not received: Rs. 194.
- Insurance premium of Rs. 170 is paid on a policy valid up to 30-09-2013.
- Rs. 2,000 spent on construction of a bicycle shed for employees is included in wages.
- Maintain:
 - Bad debt reserve @ 5% on debtors
 - Discount reserve @ 2% on debtors and creditors
- Goods worth Rs. 200 are distributed free as samples and goods worth Rs. 100 are given away as charity.
- On 01-10-2012, the proprietor brought personal furniture worth Rs. 5,000 into the business, which is not recorded in the books.

18. Trial Balance of as on 31st March, 2012, is given below. Prepare Trading and Profit and Loss A/c for year ended 31-03-2012 and Balance Sheet as on that date.

**Trial Balance of Mr. Jay Soni
As on 31st March, 2012**

Debit Balance	Amount (Rs.)	Credit Balance	Amount (Rs.)
Drawings	12,000	Capital	1,00,000
Land and Building	90,000	Sales	1,40,000
Plant and Machinery	20,000	Return outward	4,000
Furniture	5,000	Loan from Prasant (on 1.7.2011 @ 6% p.a.)	30,000
Debtors	18,400	Provision for doubtful debts	1,000
Purchases	80,000	Provision for discount on debtors	380
Return inward	5,000	Profit of Textile Dept.	10,000
Carriage	10,000	Creditors	12,000
Sundry expenses	600		
Printing & Stationery	500		
Insurance	1,000		
Bad Debts	400		
Stock on goods (1.4.2011)	21,300		
Salaries and Wages	18,500		
Trade Expenses	800		
Stock of Textile goods (31.3.12)	8,000		
Cash at Bank	4,600		
Cash in Hand	1,280		
Total	2,97,380	Total	2,97,380

Additional Information

- (a) Stock of goods on 31.03.2012 valued at Rs. 27,300.
 (b) Fire occurred on 23rd March, 2012, and Rs. 10,000 worth of general goods were destroyed. The insurance company accepted a claim for Rs. 6,000 only and paid the claim money on 10th April, 2012.
 (c)
- Bad debts amounting to Rs. 400 are to be written off.
 - Provision for bad and doubtful debts is to be made at 5%.
 - Provision for discount at 2% on debtors.
 - Make a provision of 2% on creditors for discount.
- (d) Received Rs. 6,000 worth of goods on 27th March, 2012, but the invoice of purchase was not recorded in the purchases book.
 (e) Jay Soni took away goods worth Rs. 2,000 for personal use, but no record was made thereof.
 (f) Charge depreciation as follows:
- 2% on Land and Building
 - 20% on Plant and Machinery
 - 5% on Furniture

(g) Insurance prepaid amounts to Rs. 200.

19. Trial Balance of Ananya as on 31st March 2009, is given below. Prepare Trading and Profit and Loss A/c for year ended 31-03-2009 and Balance Sheet as on that date.

Trial Balance of Ananya as on 31st March, 2009

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	-	60,000
Drawings	8,000	-
9% Payal's loan (1.6.08)	-	14,000
Insurance Premium (includes Rs. 400 paid for the year ended on 30.06.09)	1,200	-
Interest on loan	630	-
Salary and Wages	6,450	-
Furniture	3,000	-
Dead stock	300	-
Demurrage	200	-
Motor car	28,000	-
Miscellaneous expenses	1,600	-
Goods returns	2,000	1,000
Contribution to P.F.	400	-
P.F.	5,000	8,000
Cash and Bank	18,000	20,000
Stock (1.4.08)	200	-
Bank Interest	25,900	-
Building	400	-
Carriage	250	-
Discount	16,650	-
Plant and Machinery	1,350	-
Depreciation on Plant and Machinery	700	-
Railway Freight and Octroi	30,000	-
Purchases and Sales	-	64,000
Discount Reserve	400	500
Bad Debt Reserve	-	2,000
Provident Fund Investment and Interest	8,000	480
Debts and Liabilities	32,000	20,000
Total	1,90,630	1,90,630

Adjustments

- Closing stock is valued at Rs. 30,000.
Of this, 10% of goods' market value is 12% less than purchase value.
15% of goods' market value is 20% less than purchase value.
20% of goods' market value is 25% more than book value.
- On 1.10.08, furniture costing Rs. 1,200 was sold to Arun for Rs. 800. This is already entered in the Sales Book.
- Increase depreciation on Plant and Machinery to 10%. Also provide 5% depreciation on Furniture.

21. Trial Balance of Mr. Krishan as on 31st March, 2010 is given below. Prepare Trading and Profit and Loss A/c for year ended 31-03-2010 and Balance Sheet as on that date.

Trial Balance of Mr. Krishan as on 31st March, 2010

Particulars	Debit (Rs.)	Credit (Rs.)
Krishan's Capital Account	45,000	1,00,000
Stock on 1st April, 2009	1,70,000	-
Purchases and Sales	8,000	3,00,000
Goods Returns	18,000	15,000
Freight and Carriage	5,000	-
Rent and Taxes	10,000	-
Salaries and Wages	-	1,000
Unpaid Salaries and Wages	45,000	25,000
Debtors and Creditors	-	30,000
Bank Loan at 12% p.a.	2,000	-
Bank Loan Interest	15,000	-
Printing and Advertising	-	2,200
Miscellaneous Income	1,800	800
Discount	16,700	-
General Expenses	1,300	-
Insurance (upto 30.06.2010)	2,330	-
Postage and Telegram	20,000	-
Cash in Hand	870	-
Travelling Expenses	40,000	-
Drawings	18,000	-
Cash at Bank	55,000	-
Furniture and Fittings	-	-
Total	4,74,000	4,74,000

Adjustments

The following adjustments should be made:

1. Included amongst the debtors is Rs. 3,000 due from Sudhir and included among the creditors Rs. 1,000 due to him.
2. The provision for bad and doubtful debts be created at 5% and reserve for discount at 2% on debtors.
3. Depreciation on furniture and fittings at 10% shall be written off.
4. Interest on bank loan shall be provided for the whole year.
5. A quarter of the amount of printing and advertising is to be carried forward to the next year.
6. The stock on 31.03.2010 was Rs. 1,78,000.

Prepare:

- Trading and Profit and Loss Account for the year ended 31st March, 2010

- Balance Sheet as on 31st March, 2010

22. Trial Balance of Shri Tejanand as on 31st March, 2010 is given below. Prepare Trading and Profit and Loss A/c for year ended 31-03-2010 and Balance Sheet as on that date.

Particulars	Rs.	Particulars	Rs.
Capital	2,20,000	Purchases	2,40,000
Drawings	56,000	Sales Returns	22,000
Sales	3,50,000	Purchase Returns	8,000
Opening Stock	30,000	Discount Allowed	2,000
Discount Received	1,600	Customs Duty	6,800
Salary (up to 28-2-2010)	22,000	Motor Vehicle (Asset) (<i>written</i>)	30,000
Interest on Loan	3,000	10% Loan Taken	40,000
Suppliers	40,000	Customers	82,000
Furniture (1-4-2009)	1,00,000	Addition in Furniture (1-1-2010)	20,000
Royalty	4,000	Office Expenses	22,800
Insurance Premium	21,400	Bad Debt Reserve	2,400
Cash Balance	30,000	Bank Overdraft	10,000

Adjustments:

1. Stock of goods is of Rs. 1,00,000 at the end of the year, from which the market value of half the goods is Rs. 56,000 and the market value of half the goods is Rs. 44,000.
2. Credit sales of Rs. 18,000 is **not recorded**.
3. Calculate 10% depreciation on furniture.
4. Insurance premium of Shri Tejanand of Rs. 1,400 is included in the insurance premium.
5. Write off additional bad debts of Rs. 10,000 and provide 5% bad debt reserve.
6. Calculate 10% interest on capital and collect Rs. 3,600 as interest on drawings.
7. Invoice of Rs. 4,000 for purchases is received from the creditors, which is **not recorded** by an error.

23. Trial Balance of Shri Arihant as on 31st December, 2012, is given below. Prepare Trading and Profit and Loss A/c for year ended 31-03-2012 and Balance Sheet as on that date.

Particulars	Debit (Rs.)	Credit (Rs.)
Capital	–	14,00,000
Drawings	75,000	–
Opening Stock	80,000	–
Purchases	16,20,000	–
Freight on Purchases	15,000	–
Wages	1,10,000	–
Sales	–	25,00,000

Salaries	1,00,000	—
Travelling Expenses	23,000	—
Miscellaneous Expenses	35,000	—
Printing and Stationery	27,000	—
Advertisement Expenses	25,000	—
Postage and Telegrams	13,000	—
Discount	7,600	14,500
Bad debts written off (<i>after adjusting recovery of bad debts of Rs. 6,000 written off in 2010</i>)	14,000	
Building	10,00,000	
Machinery	75,000	
Furniture	40,000	
Debtors	1,50,000	
Provision for doubtful debts		19,000
Creditors		16,00,000
Investments (12% purchased on 1st October 2012)	6,00,000	
Bank Balance	83,900	
Total	40,93,500	40,93,500

Adjustments:

(a) Closing stock is Rs. 2,25,000.

(b) Goods worth Rs. 5,000 were taken for personal use, but no entry was made in the books.

(c) Machinery worth Rs. 35,000 purchased on 1st January 2010 was wrongly written off against the Profit and Loss Account. This asset is to be brought into account on 1st January 2012, taking depreciation at 10% per annum on a straight-line basis up to 31st December 2011.

(d) Depreciate:

- Building at 2½% p.a.
- Machinery at 10% p.a.
- Furniture at 10% p.a.

(e) Provision for doubtful debts should be 6% on debtors.

(f) The manager is entitled to a commission of 5% of net profit after charging his commission.