

PRACTICAL PROBLEM

Q1. Prepare a Trial Balance with the following information:

S.No.	Name of Account	Balance	S.No.	Name of Account	Balance
1	Capital	2,00,000	2	Stock	70,000
3	Cash	1,80,000	4	Debtors	3,00,000
5	Creditors	1,00,000	6	Bank Loan	1,50,000
7	Sales	3,00,000	8	Purchases	2,00,000

Solution-

S.No	Name of Accounts	L.F.	Debit	Credit
1	Capital Account			2,00,000
2	Cash Account		1,80,000	
3	Creditors Account			1,00,000
4	Sales Account			3,00,000
5	Stock Account		70,000	
6	Debtors Account		3,00,000	
7	Bank Loan Account			1,50,000
8	Purchases Account		2,00,000	
	Total=		7,50,000	7,50,000

Q2. Journalise the following transactions, post them into Ledger and Prepare a Trial Balance:

Date	Name of Account	Balance	Date	Name of Account	Balance
2024 April 1	Mohan Commenced business with Cash	1,00,000	2024 April 20	Received cash from Gopal	3,950
April 3	Bought goods	5,000		Discount Allowed	50
April 4	Sold goods to Gopal	4,000	April 25	Paid wages	700
April 10	Bought goods from Ram	8,000	April 27	Paid to Ram in full settlement	7,700
April 15	Paid trade expenses	2,000	April 30	Paid rent	1,500

Solution – Following are the Journal Entries

Journal

Date	Particular	L.F.	Debit	Credit
2024 April 1	Cash A/cDr To Capital A/c (Being Commenced business with cash)		1,00,000	1,00,000
April 3	Purchases A/cDr To Cash A/c (Being goods Purchased for cash)		5,000	5,000
April 4	Gopal's A/cDr To Sales A/c (Being goods sold to Gopal on credit)		4,000	4,000
April 10	Purchases A/c ...Dr To Ram's A/c (Being goods Bought from Ram on credit)		8,000	8,000
April 15	Trade Expenses A/cDr To Cash A/c (Being trade expenses paid)		2,000	2,000
April 20	Cash A/c ...Dr Discount Allowed A/cDr To Gopal's A/c (Being received cash and allowed to Gopal)		3,950 50	4,000

April 25	Wages A/c To Cash A/c (Being Wages paid)Dr	700	700
April 27	Ram's A/c To Cash A/c To Discount Received A/c (Being cash paid to Ram in full settlement)	...Dr	8,000	7,700 300
April 30	Rent A/c To Cash A/c (Being Rent Paid)Dr	1,500	1,500

Ledger

Dr				Capital Account				Cr	
Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount		
2024 April 30	To Balance c/d		1,00,000	2024 April 1	By Cash A/c		1,00,000		
			1,00,000				1,00,000		

Dr				Cash Account				Cr	
Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount		
2024 April 1 April 20	To Capital A/c To Gopal's A/c		1,00,000 3,950	2024 April 3 April 15 April 25 April 27 April 30	By Purchases A/c By Trade Expenses A/c By Wages A/c By Ram A/c By Rent A/c By Balance c/d		5,000 2,000 700 7,700 1,500 87,050		
			1,03,950				1,03,950		

Dr				Purchases Account				Cr	
Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount		
2024 April 3 April 10	To Cash A/c To Ram's A/c		5,000 8,000	2024 April 30	By Balance c/d		13,000		
			13,000				13,000		

Dr**Gopal's Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 4	To Sales A/c		4,000	2024 April 20	By Cash A/c		3,950
			4,000	April 20	By Discount Allowed A/c		50
							4,000

Dr**Discount Allowed Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 27	To Gopal's A/c		50	2024 April 1	By Balance c/d		50
			50				50

Dr**Sales Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 30	To Balance c/d		4,000	2024 April 4	By Gopal's A/c		4,000
			4,000				4,000

Dr**Ram's Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F	Amount
2024 April 27	To Cash A/c		7,700	2024 April 10	By Purchases A/c		8,000
	To Discount Received A/c		300				
			8,000				8,000

Dr**Discount Received Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 20	To Balance c/d		300	2024 April 20	By Ram's A/c		300
			300				300

Dr**Wages Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 25	To Cash A/c		700	2024 April 30	By Balance c/d		700
			700				700

Dr**Rent Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 30	To Cash A/c		1,500	2024 April 30	By Balance c/d		1,500
			1,500				1,500

Dr**Trade Expenses Account****Cr**

Date	Particulars	J.F	Amount	Date	Particulars	J.F.	Amount
2024 April 15	To Cash A/c		2,000	2024 April 30	By Balance c/d		2,000
			2,000				2,000

Trial Balance

S.No.	Name of Account	L.F.	Debit	Credit
1	Capital Account			1,00,000
2	Cash Account		87,050	
3	Purchases Account		13,000	
4	Gopal's Account			
5	Discount Allowed Account		50	
6	Sales Account			4,000
7	Ram's Account			
8	Discount Received Account			300
9	Wages Account		700	
10	Rent Account		1,500	
11	Trade Expenses Account		2,000	
	Total =		1,04,300	1,04,300

Q3. Prepare a Trial Balance from the following items:

Capital	340,000	Building	120,000
Opening Stock	8,5000	Returns Inward	1,9000
Furniture	1,26000	Returns Outward	3500
Purchases	8,9500	Trade Expenses	10,000
Cash	7,3000	Discount Received	9700
Carriage	3000	Salary	30,000
Sales	22,5000	Office Rent	22,270

Solution-

Trial Balance
As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Capital Account			340,000
2	Opening Stock Account		8,5000	
3	Furniture Account		2,6000	
4	Purchases Account		8,9500	
5	Cash Account		7,3000	
6	Carriage Account		3000	
7	Sales Account			22,5000
8	Building Account		120,000	
9	Returns Inward Account		19000	
10	Return Outwards Account			3500
11	Trade Expenses Account		10,000	
12	Discount Received Account			9700
13	Salary Account		30,000	
14	Office Rent Account		2,2700	
	Total =		57,8200	57,8200

Q4. Prepare the Trial Balance of mahesh as on 31st March, 2024. He has omitted to open a Capital Account:

Bank Overdraft	95,000	Purchases	4,45,000
Sales	8,10,000	Cash in Hand	8,500
Purchases Return	22,500	Creditors	2,15,000
Debtors	4,00,500	Sales Return	15,750
Wages	96,000	Equipment	25,000
Capital	?	Opening Stock	3,00,500

Solution –

Trial Balance of mahesh

As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Bank Overdraft Account			95,000
2	Sales Account			8,10,000
3	Purchases Return Account			22,500
4	Debtors Account		4,00,500	
5	Wages Account		96,000	
6	Purchases Account		4,45,000	
7	Cash in Hand Account		8,500	
8	Creditors Account			2,15,000
9	Sales Return Account		15,750	
10	Equipment Account		25,000	
11	Opening Stock Account		3,00,500	
12	Capital Account (Balancing Figure)			1,48,750
	Total =		13,91,250	13,91,250

Working Note:-

Amount of Capital A/c = Sum of Debit Side – Sum of Credit Side

Amount of Capital A/c = 12, 91,250 - 11, 42,500

Amount of Capital A/c = 1, 48,750

Q5. The following are the balances extracted from the books of arvind Prepare a Trial Balance as on 31st March, 2024:

Cash	2,000	Sundry Creditors	40,000
Capital	80,000	Investment	8,000
Purchases	85,000	Plant and Machinery	15,000
Sales	1,08,400	Building	20,000
Purchases Return	6,000	Furniture	6,000
Sales Return	4,000	Electricity	700
Transportation	1,800	Postage	400
Discount Allowed	500	Drawings	8,000
Printing	5,000	Salaries	6,000
Sundry Debtors	70,000	Travelling Expenses	2,000
Input CGST A/c	2,500	Output CGST A/c	1,500
Input SGST A/c	2,500	Output SGST A/c	1,500
Input IGST A/c	4,000	Output IGST A/c	6,000

Solution –

Trial Balance of arvind

As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Cash Account		2,000	
2	Capital Account			80,000
3	Purchases Account		85,000	
4	Sales Account			1,08,400
5	Purchases Return Account			6,000
6	Sales Return Account		4,000	
7	Transportation Account		1,800	
8	Discount Allowed Account		500	
9	Printing Account		5,000	
10	Sundry Debtors Account		70,000	
11	Input CGST Account		2,500	
12	Input SGST Account		2,500	
13	Input IGST Account		4,000	
14	Sundry Creditors Account			40,000
15	Investments Account		8,000	
16	Plant & Machinery Account		15,000	
17	Building Account		20,000	
18	Furniture Account		6,000	
19	Electricity Account		700	
20	Postage Account		400	
21	Drawing Account		8,000	
22	Salaries Account		6,000	
23	Travelling Expenses Account		2,000	
24	Output CGST Account			1,500
25	Output SGST Account			1,500
26	Output IGST Account			6,000
	Total =		2,43,400	2,43,400

Q6. From the following information, Prepare a Trial Balance of Gurman for the year ended 31st March, 2024:

Capital Accounts	1,25,000	Sales	1,54,500
Furniture and Fittings	6,400	Bank (Cr. Balance)	28,500
Motor Car	62,500	Purchases Return	1,250
Buildings	75,000	Commission (Cr.)	3,750
Total Debtors	38,000	Sales Return	2,000
Total Creditors	25,000	Advertisement	2,500
Bad Debts	1,250	Interest Account (Dr.)	1,180
Stock (1 st April,2023)	34,600	Cash Balance	6,500
Purchases	54,750	Insurance and Taxes	12,500
Input IGST A/c	3,000	Salaries	40,820
Output CGST A/c	1,500	Output SGST A/c	1,500

Solution – –

**Trial Balance of gurman
As on March 31, 2024**

S.No.	Name of Account	L.F.	Debit	Credit
1	Capital Account			2,25,000
2	Furniture & Fittings Account		6,400	
3	Motor Car Account		62,500	
4	Building Account		175,000	
5	Total Debtors Account		38,000	
6	Total Creditors Account			25,000
7	Bad Debts Account		1,250	
8	Opening Stock Account		34,600	
9	Purchases Account		54,750	
10	Input IGST Account		3,000	
11	Output CGST Account			1,500
12	Sales Account			1,54,500
13	Bank Account (Credit Balance)			28,500
14	Purchases Return Account			1,250
15	Commission Account (Credit)			3,750
16	Sales Return Account		2,000	
17	Advertisement Account		2,500	
18	Interest Account (Debit)		1,180	
19	Cash Balance Account		6,500	
20	Insurance & Tax Account		12,500	
21	Salaries Account		40,820	
22	Output SGST Account			1,500
	Total =		441,000	441,000

Q7. From the following balances extracted from the Ledger of Nagrath, prepare Trial Balance as on 31st March, 2024:

Capital	75,00,000	Building	7,50,000
Plant	15,00,000	Stock on 1 st April, 2020	12,50,000
Cash in Hand	2,500	Cash at Bank	5,75,000
Commission Received	1,75,000	Rates, taxes and insurance	30,000
Discount (Dr.)	55,000	Discount (Cr.)	45,000
Purchases Return	50,000	Sundry Creditors	2,50,000
Interest Received	30,000	Sales	62,50,000
Repairing Charges	1,25,000	Book Debts	15,00,000
General Expenses	3,00,000	Rent	62,500
Wages	5,00,000	Purchases	48,00,000
Furniture	1,20,000	Carriage and Freight	75,000
Sales Return	90,000	Delivery Van	5,00,000
Loan Advanced	6,00,000	Travelling Expenses	50,000
Office Salaries	6,25,000	Drawings	6,00,000

Solution –

**Trial Balance of Sri Nagrath
As on March 31, 2024**

S.No.	Name of Account	L.F.	Debit	Credit
1	Capital Account			75,00,000
2	Plant Account		15,00,000	
3	Cash In Hand Account		2,500	
4	Commission Received Account			1,75,000
5	Discount (Dr.) Account		55,000	
6	Purchases Return Account			50,000
7	Interest Received Account			30,000
8	Repairing Charges Account		1,25,000	
9	General Expenses Account		3,00,000	
10	Wages Account		5,00,000	
11	Furniture's Account		1,20,000	
12	Sales Return Account		90,000	
13	Loan Advanced Account		6,00,000	
14	Office Salaries Account		6,25,000	
15	Building Account		7,50,000	
16	Opening Stock Account		12,50,000	
17	Cash at Bank Account		5,75,000	
18	Rates, Taxes & Insurance Account		30,000	
19	Discount (Cr.) Account			45,000
20	Sundry Creditors Account			2,50,000
21	Sales Account			62,50,000
22	Book Debts Account		15,00,000	
23	Rent Account		62,500	
24	Purchases Account		48,00,000	

25	Carriage & Freight Account		75,000	
26	Delivery Van Account		5,00,000	
27	Travelling Expenses Account		50,000	
28	Drawings Account		6,00,000	
29	Suspense Account		1,90,000	
	Total =		1,43,00,000	1,43,00,000

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Q8. From the following Ledger account balances extracted from the books of Ashok, prepare a Trial Balance as on 31st March, 2024:

Purchases	1,04,000	Drawings	7,950
Sundry Debtors	18,550	Sundry Creditors	8,300
Premises	62,000	Returns Inward	5,360
Sales	1,49,000	Furniture	15,600
Return Outward	8,900	Cash in Hand	390
Rates and Taxes	780	Capital	85,000
Cash at Bank	1,560	Factory Wages	5,830
Carriage Inwards	650	Carriage Outwards	260
Salaries	3,900	Rent Received	2,990
Stock (1 st April, 2023)	25,000	Insurance	2,100
Input IGST A/c	5,000	Bad Debts	260
Input CGST A/c	2,500	Output IGST A/c	10,000
Input SGST A/c	2,500		

Solution –

Trial Balance of shivam

As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Purchases Account		1,04,000	
2	Sundry Debtors Account		18,550	
3	Premises Account		62,000	
4	Sales Account			1,49,000
5	Return Outwards Account			8,900
6	Rates and Taxes Account		780	
7	Cash at Bank Account		1,560	
8	Carriage Inwards Account		650	
9	Salaries Account		3,900	
10	Stock (1 st April, 2023) Account		25,000	
11	Drawings Account		7,950	
12	Sundry Creditors Account			8,300
13	Return Inwards Account		5,360	
14	Furniture Account		15,600	
15	Cash in Hand Account		390	
16	Capital Account			85,000
17	Factory Wages Account		5,830	
18	Carriage Outward Account		260	
19	Rent Received Account			2,990
20	Insurance Account		2,100	
21	Bad Debts Account		260	
22	Input IGST Account		5,000	
23	Input CGST Account		2,500	
24	Input SGST Account		2,500	
25	Output IGST Account			10,000
	Total =		2,64,190	2,64,190

Q9. Following Trial Balance is given but it is not correct. Prepare correct Trial Balance.

Debit Balances		Credit Balances	
Building	3,00,000	Capital	3,68,000
Machinery	85,000	Furniture	28,000
Returns Outward	13,000	Sales	5,20,000
Bad Debts	14,000	Debtors	3,00,000
Cash	2,000	Interest Received	13,000
Discount Received	15,000		
Bank Overdraft	50,000		
Creditors	2,50,000		
Purchases	5,00,000		
	12,29,000		12,29,000

Solution –

Trial Balance
As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Building A/c		3,00,000	
2	Machinery A/c		85,000	
3	Returns Outward A/c			13,000
4	Bad Debts A/c		14,000	
5	Cash A/c		2,000	
6	Discount Received A/c			15,000
7	Bank Overdraft A/c			50,000
8	Creditors A/c			2,50,000
9	Purchases A/c		5,00,000	
10	Capital A/c			3,68,000
11	Furniture A/c		28,000	
12	Sales A/c			5,20,000
13	Debtors A/c		3,00,000	
14	Interest Received A/c			13,000
	Total =		12,29,000	12,29,000

Q10. Redraft correctly the Trial Balance given below:

Debit Balances		Credit Balances	
Capital	8,000	Debtors	7,580
Bad Debts Recovered	250	Bank Deposited	2,750
Creditors	1,250	Discount Allowed	40
Returns Outward	350	Drawings	600
Bank Overdraft	1,570	Return Inward	450
Rent	360	Sales	13,690
Salaries	850	Bills Payable	1,350
Trade Expenses	300	Grant Received	1,000
Cash in Hand	210		
Opening Stock	2,450		
Purchases	11,870		
	12,29,000		12,29,000

Solution –

Trial Balance
As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Capital Account			8,000
2	Bad Debts Recovered Account			250
3	Creditors Account			1,250
4	Return Outward Account			350
5	Bank Overdraft Account			1,570
6	Rent Account		360	
7	Salaries Account		850	
8	Trade Expenses Account		300	
9	Cash in Hand Account		210	
10	Opening Stock Account		2,450	
11	Purchases Account		11,870	
12	Debtors Account		7,580	
13	Bank Deposited Account		2,750	
14	Discount Allowed Account		40	
15	Drawings Account		600	
16	Returns Inward Account		450	
17	Sales Account			13,690
18	Bills Payable Account			1,350
19	Grants Received Account			1,000
	Total =		27,460	27,460

Q11. Prepare correct Trial Balance from the following Trial Balance in which there are certain mistakes:

Heads of Accounts	Dr.	Cr.
Cost of Goods Sold	1,50,000	
Closing Stock		40,000
Debtors		60,000
Creditors		30,000
Fixed Assets	50,000	
Opening Stock	60,000	
Expenses		20,000
Sales		2,00,000
Capital	90,000	
Total	3,50,000	3,50,000

Solution –

**Trial Balance
As on March 31, 2024**

S.No.	Name of Account	L.F.	Debit	Credit
1	Cost of Goods Sold Amount		1,50,000	
2	Closing Stock Amount		40,000	
3	Debtors Amount		60,000	
4	Creditors Amount			30,000
5	Fixed Assets Amount		50,000	
6	Expenses Amount		20,000	
7	Sales Amount			2,00,000
8	Capital Amount			90,000
			3,20,000	3,20,000

Q12. Correct the following Trial Balance:

Debit Balances		Credit Balances	
Opening Stock	1,02,600	Debtors	45,000
Return Outward	48,000	Carriage Outwards	15,000
Salaries	36,000	Capital	1,65,600
Creditors	84,000	Machinery	54,000
Bank	1,35,000	Return Inward	9,000
Carriage Inwards	18,000	Insurance Claim Received	12,000
Rent Received	9,000	Trade Expenses	18,000
Discount Allowed	6,000	Sales	4,20,000
Purchases	3,00,000	Building	60,000
Bills Payable	60,000		
	7,98,600		7,98,600

Solution –

Trial Balance
As on March 31, 2024

S.No.	Name of Account	L.F.	Debit	Credit
1	Opening Stock Account		1,02,600	
2	Return Outwards Account			48,000
3	Salaries Account		36,000	
4	Creditors Account			84,000
5	Bank Account		1,35,000	
6	Carriage Inward Account		18,000	
7	Rent Received Account			9,000
8	Discount Allowed Account		6,000	
9	Purchases Account		3,00,000	
10	Bills Payable Account			60,000
11	Debtors Account		45,000	
12	Carriage Outwards Account		15,000	
13	Capital Account			1,65,600
14	Machinery Account		54,000	
15	Return Inwards Account		9,000	
16	Discount Received Account			12,000
17	Trade Expenses Account		18,000	
18	Sales Account			4,20,000
19	Building Account		60,000	
	Total =		7,98,600	7,98,600

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