

**Q16. The following is the Trial Balance of Ashok as on 31<sup>st</sup> March, 2024:**

Particular	Amount	Particular	Amount
Building	1,50,000	Capital	30,000
Purchases (Adjusted)	2,90,000	Sales	5,29,500
Salaries	5,000	Wages Outstanding (At the end)	8,000
Bad Debts	2,000	Provision for Depreciation on Furniture	12,000
Wages	10,000	Apprentice Premium	500
Rent	5,000	Sundry Creditors	20,000
Prepaid Rent (At the end)	3,000		
Insurance	5,000		
Furniture (At Cost)	60,000		
Drawings	5,000		
Sundry Debtors	25,000		
Closing Stock	40,000		
	6,00,000		6,00,000

**Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2024 and Balance Sheet as on that date after making the following adjustment:**

- I. Salaries for the month of March, 2024 of 1,000 were unpaid which are to be provided Balance in the account included 800 paid in advance
- II. Insurance is Prepaid to the extent of 2,000
- III. Depreciate Furniture by 10% on original cost and Building by 5%
- IV. Stock of 1,500 was taken by Ashok for his personal use.
- V. Make a Provision for Doubtful Debts equal to 10% of Sundry Debtors.

**Solution –**

**In the Books of.....**

**Dr      Trading and Profit & Loss Account for the Year ended March 31, 2024**  
**Cr**

Particulars	Amount	Particulars	Amount
To Purchases A/c                      2,90,000		By Sales A/c	5,29,500
Less: Drawings A/c                      1,500	2,88,500		
To Wages A/c	10,000		
To Gross Profit A/c (b/f)	2,31,000		
	5,29,500		5,29,500
To Salaries A/c                      5,000		By Gross Profit A/c	2,31,000
Add: Outstanding Salaries                      1,000		By Apprentice Premium A/c	500
Less: Advance Salaries                      800	5,200		
To Bad Debts A/c	2,000		
To Rent A/c	5,000		
To Insurances A/c                      5,000			
Less: Prepaid Insurance                      2,000	3,000		
To Depreciation on A/c			
Furniture                      6,000			
Building                      7,500	13,500		
To Provision for Doubtful Debts A/c	2,500		
To Net Profit (B/F)	2,00,300		
	2,31,500		2,31,500

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

Liabilities	Amount	Assets	Amount
Creditors	20,000	Furniture	60,000

Outstanding Salaries	1,000	Less: Depreciation	6,000	
Outstanding Wages	8,000	Less: Provision for dep. On Fur	<u>18,000</u>	36,000
Capital	30,000	Building	1,50,000	
Add: Net Profit	2,00,300	Less: Depreciation	7,500	1,42,500
Less: Drawings	<u>6,500</u>	Debtors	<u>25,000</u>	
	2,23,800	Less: Provision for DD	2,500	22,500
		Insurance		5,000
		Advance Salaries		800
		Prepaid Insurance		2,000
		Closing Stock		40,000
		Prepaid Rent		3,000
	2,52,800			2,52,800

**Q17. From the following Trial Balance and additional information of Bharat, a proprietor prepare Trading and Profit and Loss Account for the year ending 31<sup>st</sup> March, 2024 and the Balance Sheet as at that date:**

Heads of Account	L.F	Debit Balance	Credit Balance
Opening Stock		90,000	
Purchases		4,50,000	
Sales			6,00,000
Wages		60,000	
Wages Outstanding (At the end)			20,000
Carriage Inwards		15,000	
Salaries		51,000	

Insurance		3,000	
General Expenses		8,100	
Prepaid General Expenses		20,000	
Machinery		75,000	
Debtors		45,000	
Creditors			62,100
Cash in Hand		15,000	
Cash at Bank		15,500	
Capital			1,80,000
Drawings		15,000	
Input CGST		2,500	
Input SGST		25,00	
Input IGST		4,500	
Output CGST			3,500
Output SGST			3,500
Output IGST			3,000
Total		8,72,100	8,72,100

**Additional Information:**

- I. Salaries outstanding for the month of March, 2024 is 7,500
- II. Prepare Insurance is 900
- III. Depreciate Machinery @ 15% p.a.
- IV. Value of Closing Stock is 1,11,000
- V. Bharat took goods of 2,000 for personal use which was not recorded (Ignore GST).

**Solution –****In the Books of Bharat****Dr      Trading and Profit & Loss Account for the Year ended March 31, 2024****Cr**

Particulars	Amount	Particulars	Amount
To Opening Stock A/c	90,000	By Sales A/c	6,00,000
To Purchases A/c                      4,50,000		By Closing Stock	1,11,000
Less: Drawings A/c                      2,000	4,48,000		
To Wages A/c	60,000		
To Carriage Inward A/c	15,000		
To Gross Profit A/c (b/f)	98,000		
	7,11,000		7,11,000
To Salaries A/c                      51,000		By Gross Profit A/c	98,000
Add: Outstanding Salaries                      7,500	58,500		
To Insurances A/c                      3,000			
Less: Prepaid Insurance                      900	2,100		
To General Expenses A/c	8,100		
To Depreciation on Machinery A/c	11,250		
To Net Profit (B/F)	18,050		
	98,000		98,000

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

Liabilities	Amount	Assets	Amount
Creditors	62,100	Cash at Bank	15,500
Outstanding Salaries	7,500	Cash In Hand	15,000

Outstanding Wages	20,000	Machinery	75,000	
Capital	1,80,000	Less: Depreciation	<u>11,250</u>	63,750
Add: Net Profit	18,050	Debtors		45,000
Less: Drawings	<u>17,000</u>	Prepaid Insurance		900
Output SGST	1,000	Input CGST		500
		Prepaid General Expenses		20,000
		Closing Stock		1,11,000
	2,71,650			<u>2,71,650</u>

**Q18. Prepare Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2024 and Balance Sheet as at that date from the following Trial Balance:**

Heads of Account	L.F	Debit Balance	Credit Balance
Capital			1,00,000
Cash		15,000	
Bank Loan			20,000
Purchases		1,20,000	
Sales			1,50,000
Sale Return		10,000	
Purchases Return			20,000
Salary Expenses		22,000	

Insurance		5,000	
Bad Debts		5,000	
Provision for Doubtful Debts			7,000
Debtors		82,000	
Creditors			45,000
Commission			5,000
Deposits		40,000	
Opening Stock		30,000	
Drawings		14,000	
Furniture		6,000	
Input CGST		10,000	
Input SGST		10,000	
Output CGST			8,000
Output SGST			8,000
Output IGST			6,000
Total		3,69,000	3,69,000

**Adjustments:**

1. Taxes 3,000 are outstanding but Insurance 500 is prepaid.
2. Commission 1,000 received in advance for the next year.
3. Interest 2,100 is to received on Deposits and Interest on Bank Loan 3,000 is to be paid.
4. Provision for Doubtful Debts to be maintained at 10,000.
5. Depreciate Furniture by 10%.

6. The cost of Closing Stock as on 31<sup>st</sup> March, 2024 was 45,000 but its Net Realisable value (Market Value) was 50,000.
7. A fire occurred on 1<sup>st</sup> April, 2024 destroying goods costing 10,000. The Stock was fully insured (Ignore GST).

**Solution -**

**In the Books of.....**

**Dr      Trading and Profit & Loss Account for the Year ended March 31, 2024**  
**Cr**

Particulars	Amount	Particulars	Amount
To Opening Stock A/c	30,000	By Sales A/c      1,50,000	
To Purchases A/c      1,20,000		Less: Sales Return (10,000)	1,40,000
Less: Purchases Return      (20,000)	1,00,000	By Closing Stock A/c	45,000
To Gross Profit A/c (b/f)	55,000		
	1,85,000		1,85,000
To Establishment Charges A/c	22,000	By Gross Profit A/c	55,000
To Taxes and Insurance A/c      5,000		By Commission A/c      5,000	
Add: Outstanding Taxes      3,000		Less: Adv. Comm      (1,000)	4,000
Less: Prepaid Insurance      (500)	7,500	By Interest on Deposits A/c	2,100
To Interest on Bank Loan A/c	3,000		
To Bad Debts A/c      5,000			
Less: Pro. For DD (Old)      (7,000)			
Add: Pro. For DD (New)      10,000	8,000		
To Depreciation on Furniture A/c	600		
To Net Profit A/c (B/F)	20,000		
	61,100		61,100



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

Liabilities	Amount	Assets	Amount
Creditors	45,000	Furniture 6,000	
Bank Loan 20,000		Less: 10% Depreciation (600)	5,400
Add: Interest Out. 3,000	23,000	Bank	40,000
Outstanding Taxes	3,000	Cash	15,000
Capital 1,00,000		Debtors 82,000	
Less: Drawings (14,000)		Less: Provision for DD(10,000)	72,000
Add: Net Profit 20,000	1,06,000	Prepaid Insurance	500
Advance Commission	1,000	Closing Stock	45,000
Output IGST	2,000	Accrued Interest	2,100
	1,80,000		1,80,000

**Q19. From the following Trial Balance of Pooran, prepare Trading and Profit and Loss Account for the year ending 31<sup>st</sup> March, 2024 and Balance Sheet as on that date:**

Heads of Account	L.F	Debit Balance	Credit Balance
Drawings		15,000	
Capital			3,50,000
Plant and Machinery		2,05,000	
Debtors		50,000	
Creditors			28,000
Return Inward		8,000	
Returns Outward			7,000

Discount Allowed		7,000	
Discount Received			6,000
Commission		15,000	
Interest on Bank Loan		12,000	
Furniture		55,000	
Provision for Doubtful Debts			13,000
Wages		50,000	
Salaries		45,000	
Advertisement		15,000	
Rent and Taxes		13,000	
Purchases		2,60,000	
Sales			4,00,000
Stock on 1 <sup>st</sup> April, 2023		70,000	
Carriage		5,000	
Land and Building		98,000	
Cash in Hand		8,000	
Cash at Bank		20,000	
10% Bank Loan (Taken on 1 <sup>st</sup> April, 2023)			1,50,000
Input CGST		9,000	
Input SGST		9,000	
Output IGST			15,000
Total		9,69,000	9,69,000

**Adjustments:**

1. Cost of Stock on 31<sup>st</sup> March, 2024 was 37,000 and its market value was 35,000.
2. Wages outstanding were 6,000 and salaries outstanding were 5,000 on 31<sup>st</sup> March, 2024.
3. Depreciate Land and Building @ 2 ½ %, Plant and Machinery @ 10% p.a. and Furniture @ 15% p.a.
4. Purchase includes purchase of machinery for 10,000 on 1<sup>st</sup> October, 2023.
5. Debtors include bad debts of 2,000. Maintain a provision for doubtful debts @ 10% on Debtors.
6. Manager is entitled to get 10% commission on net profit before charging such commission.

**Solution -**

**In the Books of.....**

**Dr      Trading and Profit & Loss Account for the Year ended March 31, 2024**  
**Cr**

Particulars	Amount	Particulars	Amount
To Opening Stock A/c	70,000	By Sales A/c	4,00,000
To Purchases A/c	2,60,000	Less: Sales Return	8,000
Less: Machinery	10,000		
Less: Return	7,000	By Closing Stock A/c	35,000
	2,43,000		
To Carriage A/c	5,000		
To Wages A/c	50,000		
Add: Outstanding	6,000		
	56,000		
To Gross Profit A/c (b/f)	53,000		
	4,27,000		4,27,000
To Interest on Bank Loan A/c 12,000		By Gross Profit A/c	53,000
Add: Outstanding	3,000	By Discount Received	6,000
	15,000		
To Salaries A/c	45,000	By Old Provision for DD A/c	5,000

Add: Outstanding	<u>5,000</u>	50,000	Less: Provision for DD	<u>4,800</u>	8,200
To Advertisement A/c		15,000	By Net Loss		81,500
To Commission A/c		15,000			
To Discount Allowed A/c		7,000			
To Further Bad Debts A/c		2,000			
To Rent and Taxes A/c		13,000			
To Depreciation on A/c					
Land & Building	2,450				
Plant & Machinery	21,000				
Furniture	8,250	31,700			
		<u>1,48,700</u>			<u>1,48,700</u>

### Balance Sheet As on March 31, 2024

Liabilities	Amount	Assets	Amount
Creditors	28,000	Plant & Machinery	2,05,000
Wages Outstanding	6,000	Add: Purchases	10,000
Capital	3,50,000	Less: Depreciation	21,000
Less: Drawings	15,000	Furniture	<u>55,000</u>
Less: Net Loss	81,500	Less: Depreciation	8,250
Outstanding Salaries	<u>5,000</u>	Debtors	<u>50,000</u>
			46,750

Bank Loan	1,50,000		Less: FBD	2,000	
Add: Outstanding Interest	3,000	1,53,000	Less: Provision	<u>4,800</u>	43,200
			Closing Stock		35,000
			Cash at Bank		20,000
			Land & Building	98,000	
			Less: Depreciation	2,450	95,550
			Input SGST		3,000
			Cash in Hand		8,000
		4,45,500			4,45,500