

Final Accounts:

Q15. Prepare Trading and Profit and Loss Account and Balance Sheet of Jagat Shah as at 31st March, 2024 from the following balances:

| | | | |
|--------------------------------------|----------|-------------------|----------|
| Capital (Cr.) | 3,60,000 | Salaries | 60,000 |
| Machinery | 70,000 | General Expenses | 20,000 |
| Sales | 8,20,000 | Rent | 50,000 |
| Purchases | 4,00,000 | Purchases Return | 5,000 |
| Sales Return | 10,000 | Debtors | 3,00,000 |
| Stock on 1 st April, 2023 | 1,00,000 | Cash | 40,000 |
| Drawings | 40,000 | Carriage Outwards | 20,000 |
| Wages | 1,00,000 | Advertising | 20,000 |
| Carriage Inwards | 5,000 | Creditors | 50,000 |

Closing Stock was valued at 2, 00,000

Solution –

In the Books of Jagat Shah

Dr Trading and Profit & Loss Account for the Year ended March 31, 2021

Cr

| Particulars | Amount | Particulars | Amount |
|----------------------------|-----------|------------------------|-----------|
| To Opening Stock A/c | 1,00,000 | By Sales A/c | 8,20,000 |
| To Purchases A/c | 4,00,000 | Less: Sales Return A/c | 10,000 |
| Less: Purchases Return A/c | 5,000 | By Closing Stock A/c | 2,00,000 |
| To Wages A/c | 1,00,000 | | |
| To Carriage Inwards A/c | 5,000 | | |
| To Gross Profit A/c (b/f) | 4,10,000 | | |
| | 10,10,000 | | 10,10,000 |
| To Salaries A/c | 60,000 | By Gross Profit A/c | 4,10,000 |
| To General Expenses A/c | 20,000 | | |

| | | | |
|--------------------------|----------|--|----------|
| To Rent A/c | 50,000 | | |
| To Carriage Outwards A/c | 20,000 | | |
| To Advertising A/c | 20,000 | | |
| To Net Profit A/c (b/f) | 2,40,000 | | |
| | 4,10,000 | | 4,10,000 |

Balance Sheet
As on March 31, 2024

| Liabilities | Amount | Assets | Amount |
|---|----------|------------------------|----------|
| Current Liabilities: | | Current Assets: | |
| Creditors | 50,000 | Cash | 40,000 |
| Long Term Liabilities and Capital: | | Debtors | 3,00,000 |
| Capital | | Closing Stock | 2,00,000 |
| 3,60,000 | | Fixed Assets: | |
| Add: Net Profit | 5,60,000 | Machinery | 70,000 |
| 2,40,000 | 6,10,000 | | 6,10,000 |
| Less: Drawings | | | |
| 40,000 | | | |