

Q18. From the following balances, prepare Trading and Profit and Loss Account for the year ending 31st March, 2024 and the Balance Sheet as on that date:

Debit Balances:		Debit Balances (Contd.)	
Machinery	2,00 000	Rent	45,000
Building	1,50,000	Sundry Expenses	20,000
Debtors	2,70,000	Carriage	15,000
Drawings	90,000	Credit Balance:	
Purchases	9,50,000	Capital	10,00,000
Wages	5,00,000	Creditors	1,40,000
Bad Debts	10,000	Sales	14,50,000
Bank	1,50,000	Commission	10,000
Opening Stock	2,00,000		

Closing Stock was of 70,000 but its net realisable value (market value) is 60,000

Solution -

In the Books of.....

Dr		Cr	
Particulars	Amount	Particulars	Amount
To Opening Stock A/c	2,00,000	By Sales A/c	14,50,000
To Purchases A/c	9,50,000	By Closing Stock A/c	60,000
To Wages A/c	5,00,000	By Gross Loss (B/F)	1,55,000
To Carriage A/c	15,000		
	16,65,000		16,65,000
To Gross Loss A/c	1,55,000	By Commission A/c	10,000
To Bad Debts A/c	10,000	By Net Loss A/c (B/F)	2,20,000

To Rent A/c	45,000		
To Sundry Expenses A/c	20,000		
	2,30,000		2,30,000

Balance Sheet

As on March 31, 2024

Liabilities	Amount	Assets	Amount
Current Liabilities:		Current Assets:	
Creditors	1,40,000	Bank	1,50,000
Long Term Liabilities and Capital:		Stock	60,000
Capital		Debtors	2,70,000
12,00,000		Fixed Assets:	
Less: Net Loss	8,90,000	Building	1,50,000
2,20,000		Machinery	4,00,000
Less: Drawings	1030,000		1030,000
90,000			