

**Q21. Trial Balance of Chatter Sen on 31<sup>st</sup> March, 2024 revealed the following balance:**

Debit Balances:		Debit Balances (Contd.)	
Plant and Machinery	10,00,000	Rent	20,000
Purchases	580,000	insurance	10,000
Sales Return	10,000	Advertisement	10,000
Opening Stock	400,000	Cash at Bank	6,9000
Discount Allowed	3500	<b>Credit Balance:</b>	
Bank Charges	750	Capital A/c	1200,000
Sundry Debtors	450,000	Sales	1,270,000
Salaries	6,8000	Purchases Return	1,2750
Wages	100,000	Discount Received	8000
Freight In	7500	Loan	50,000
Freight Out	1,2000	Sundry Creditors	200,000

stock on 31<sup>st</sup> March, 2024 was 350,000 at cost and its net realisable value (market value) was 400,000

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

**Solution - In the Books of Chatter Sen**

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

Particulars	Amount	Particulars	Amount
To Opening Stock A/c	400,000	By Sales A/c	1,270,000
To Purchases A/c	580,000	Less: Sales Return	<u>10,000</u>
Less: Purchases Return	<u>1,2750</u>		1,260,000
	56,7250	By Closing Stock A/c	350,000
To Wages A/c	100,000		
To Freight Inwards A/c	7500		

To Gross Profit b/f	53,5250		
	1,610,000		1,610,000
To Discount Allowed A/c	3500	By Gross Profit A/c	53,5250
To Bank Charges A/c	750	By Discount Received A/c	8000
To Salaries A/c	6,8000		
To Freight Outwards A/c	1,2000		
To Rent, Rates and Taxes A/c	10,000		
To Advertisement A/c	10,000		
To Net Profit B/F	41,9000		
	54,3250		54,3250

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

Liabilities	Amount	Assets	Amount
Current Liabilities:		Current Assets:	
Creditors	200,000	Bank	6,9000
loan	50,000	Debtors	45,0000
Long Term Liabilities and Capital:		Stock	350,000
Capital		Fixed Assets:	
1200,000	1619,000	Plant and Machinery	10,00,000
Add: Net Profit			1869000
41,9000	1869000		

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