

**41 Balance Sheet of Bright Ltd. as at 31st March, 2023 is as following:**

Particular	Note No.	31 <sup>st</sup> Mar. 2023 ₹	31 <sup>st</sup> Mar. 2022 ₹
<b>I. EQUITY AND LIABILITIES</b>			
1. shareholder's Funds			
(a) Share capital		2,00,000	2,00,000
(b) Reserve and surplus: Surplus, i.e., balance in statement of P & L		98,000	96,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings	1	90,000	50,000
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings (loan from bank)		....	10,000
(b) Trade payables		82,000	72,000
<b>Total</b>		<u>4,70,000</u>	<u>4,28,000</u>
<b>II. ASSETS</b>			
1. Non-Current Assets			

<b>Property, plant and equipment and intangible Assets:</b>			
<b>-Property, plant and Equipment</b>			
	<b>2</b>	<b>3,42,000</b>	<b>3,00,000</b>
<b>2. Current Assets</b>			
<b>(a) Inventories</b>			
<b>(b) Trade Receivables</b>		<b>44,000</b>	<b>50,000</b>
<b>(c) Cash and Cash Equivalents</b>		<b>76,800</b>	<b>70,000</b>
<b>Total</b>		<b><u>7,200</u></b>	<b><u>8,000</u></b>
		<b><u>4,70,000</u></b>	<b><u>4,28,000</u></b>

### Note to Accounts

Particular	31 <sup>st</sup> Mar. 2023 ₹	31 <sup>st</sup> Mar. 2022 ₹
<b>1. Long-term Borrowings</b>		
<b>Loan from Aman Ltd.</b>	<b>40,000</b>	<b>----</b>
<b>Loan from Bank</b>	<b><u>50,000</u></b>	<b><u>50,000</u></b>
	<b><u>90,000</u></b>	<b><u>50,000</u></b>
<b>2. property, plant and Equipment</b>		
<b>31.2.203     31.3.2022</b>		

(i) Land			60,000	40,000
(ii) Building			1,10,000	1,00,000
(iii) Machinery	2,44,000	2,14,000		
Less: Accumulated Dep.	<u>72,000</u>	<u>54,000</u>	<u>1,72,000</u>	<u>1,60,000</u>
			<u>3,42,000</u>	<u>3,00,000</u>

Additional Information: During the year 52,000 were paid as interim dividend.

Prepare cash flow statement.

Solution:

### Cash Flow Statement

Particulars	₹	₹
<b>(A) Operating activities</b>		
Net profit as per statement of profit & loss		2,000
Add interim dividend		<u>52,000</u>
Net profit before tax & extraordinary items		54,000
Add Depreciation		<u>18,000</u>
Net profit before working capital changes		72,000
Add increase in trade payables	10,000	
Add decrease inventories	<u>6,000</u>	<u>16,000</u>
		88,000

Less increase in Trade Receivables		<u>6,800</u>
Net cash flow from operating Activities		<u>81,200</u>
(B) Investing activities		
Purchase of land		(20,000)
Building		(10,000)
Machinery		<u>(30,000)</u>
Net cash used in investing Activities		<u>(60,000)</u>
(C) Financing Activities		
Loan from Z Ltd.		40,000
Less: Repayment of bank loan	10,000	
Less: Interim dividend paid	<u>52,000</u>	<u>(62,000)</u>
Net cash used in financing Activities		<u>(22,000)</u>
(D) Net increase in cash & cash Equivalents		(800)
(A + B + C)		
Add opening cash & cash Equivalents		<u>8,000</u>
Closing balance of cash & cash equivalents		7,200

**42. Following are the Balance Sheets of Solar Power Ltd. as at 31<sup>st</sup> March 2023 and 2022 :**

**Solar Power Ltd. BALANCE SHEET**

Particular	Note No.	31 <sup>st</sup> Mar. 2023 ₹	31 <sup>st</sup> Mar. 2022 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) share Capital		24,00,000	22,00,000
(b) Reserves and Surplus	1	6,00,000	4,00,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings		4,80,000	3,40,000
<b>3. Current Liabilities</b>			
(a) trade Payables		3,58,000	4,08,000
(b) Short-term Provisions		<u>1,00,000</u>	<u>1,54,000</u>
<b>Total</b>		<u><b>39,38,000</b></u>	<u><b>35,02,000</b></u>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			

<b>Property, plant and Equipment and Intangible Assets:</b>	<b>2</b>	<b>21,40,000</b>	<b>17,00,000</b>
<b>(i) Property, plant and Equipment</b>	<b>3</b>	<b>80,000</b>	<b>2,24,000</b>
<b>(ii) Intangible Assets</b>			
<b>III. Current Assets</b>		<b>4,80,000</b>	<b>3,00,000</b>
a) Current investments		<b>2,58,000</b>	<b>2,42,000</b>
b) Inventories			
c) Trade Receivables		<b>3,40,000</b>	<b>2,86,000</b>
d) Cash and Cash Equivalents		<b><u>6,40,000</u></b>	<b><u>7,50,000</u></b>
<b>Total</b>		<b><u>39,38,000</u></b>	<b><u>35,02,000</u></b>

### Notes to Account

<b>Particular</b>	<b>Note No.</b>	<b>31<sup>st</sup> Mar. 2023 ₹</b>	<b>31<sup>st</sup> Mar. 2022 ₹</b>
<b>1. Reserves and surplus</b>			
Surplus, i.e., balance in statement of profit & Loss		<b><u>60,000</u></b>	<b><u>4,00,000</u></b>
<b>2. Property, plant and Equipment</b>			
<b>Machinery</b>		<b>25,40,000</b>	<b>20,00,000</b>
<b>Less: Accumulated Depreciation</b>			

		<u>(4,00,000)</u>	<u>(3,00,000)</u>
<b>3. Intangible Assets</b>		<u>21,40,000</u>	<u>17,00,000</u>
<b>Goodwill</b>		<u>80,000</u>	<u>2,24,000</u>

### Additional information:

During the year, a piece of machinery costing 48,000 on which accumulated depreciation was 32,000. Was sold for 12,000.

Prepare cash flow statement.

Solution:

### Cash Flow Statement

Particulars	₹	₹
<b>(A) Operating Activities</b>		
Net profit before tax & extraordinary items (W.N)		3,00,000
Add depreciation (W.N.2)	1,32,000	
Add loss on sale of machine (W.N)	4,000	
Add goodwill written off	<u>1,44,000</u>	2,80,000
Net profit before working capital changes		5,80,000
Less: decrease in trade payables	50,000	
Less: Increase in inventories	16,000	

<b>Less: Increase in Trade Receivables</b>	<b><u>54,000</u></b>	<b>1,20,000</b>
<b>Net cash from operation</b>		<b>4,60,000</b>
<b>Less: short term provision for previous year (Tax)</b>		<b>1,54,000</b>
<b>Net cash flow from operating activities</b>		<b>306,000</b>
<b>(B) Investing Activities</b>		
<b>Sale of machine (W.N)</b>		<b>12,000</b>
<b>Less: Purchase of machine (W.N)</b>		<b>5,88,000</b>
<b>Net cash used in investing activities</b>		<b>5,76,000</b>
<b>(C) Financing Activities</b>		
<b>Issue of share capital</b>		<b>2,00,000</b>
<b>Increase in long-term Borrowings</b>		<b>1,40,000</b>
<b>Net cash flow from financing Activities</b>		<b>3,40,000</b>
<b>(D) Net increase in cash &amp; cash Equivalents (A + B + C)</b>		<b>70,000</b>
<b>Add opening cash &amp; cash equivalents</b>		
<b>(cash + current investment) (750000 + 300000)</b>		<b>1050,000</b>
<b>Closing balance of cash &amp; cash equivalents</b>		



		<b>11,20,000</b>
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### Calculation of net profit before tax & extraordinary items

Particulars	₹
Closing balance of surplus, i.e., balance in statement of profit & loss	6,00,000
Less: opening balance of surplus i.e., balance in statement of profit & loss	<u>4,00,000</u>
	2,00,000
Add: short term provision for current year (Tax)	<u>1,00,000</u>
Net profit before taxation & extraordinary items	<b>3,00,000</b>

Dr. Machinery A/c  
Cr.

Particular	₹	Particular	₹
To balance B/d	20,00,000	By Acc. Dep. A/c	32,000
		By bank A/c (sale)	12,000

To Bank A/c (purchase) (balancing figure)	5,88,000	By Profit & Loss A/c (Loss)	4,000
		By balance c/d	25,40,000
	25,88,000		22,88,000

Dr. **Accumulated Depreciation A/c**  
Cr.

Particular	₹	Particular	₹
To machinery A/c	32,000	By balance B/d	3,00,000
To balance c/d	4,00,000	By profit & loss A/c (Depreciation for the year) (balancing figure)	1,32,000
	4,32,000		4,32,000

**43. Following is the balance sheet of fine products Ltd.  
as at 31st March, 2023:**

Particular	Note No.	31 <sup>st</sup> Mar. 2023 ₹	31 <sup>st</sup> Mar. 2022 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
<b>(a) share Capital</b>		<b>3,50,000</b>	<b>3,00,000</b>

<b>(b) Reserves and Surplus</b>	<b>1</b>	<b>57,000</b>	<b>38,000</b>
<b>2. Current Liabilities</b>			
<b>(a) Trade payables</b>		<b>53,000</b>	<b>35,000</b>
<b>(b) Other current liabilities</b>		<b>6,000</b>	<b>8,000</b>
<b>(c) Short-term provision</b>	<b>2</b>	<b><u>32,000</u></b>	<b><u>28,000</u></b>
<b>Total</b>		<b><u>4,98,000</u></b>	<b><u>4,09,000</u></b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
<b>(a) Property, plant and Equipment             and Intangible Assets:</b>			
<b>(i) Property, plant and Equipment</b>	<b>3</b>	<b>2,48,000</b>	<b>2,00,000</b>
<b>(ii) Intangible Assets (goodwill)</b>		<b>40,000</b>	<b>50,000</b>
<b>(b) Non-current Investment</b>		<b>35,000</b>	<b>10,000</b>
<b>III. Current Assets</b>			
<b>(a) Inventories</b>		<b>39,000</b>	<b>57,000</b>
<b>(b) Trade Receivables</b>		<b>1,08,000</b>	<b>75,000</b>
<b>(c) Cash and Bank Balances</b>			

<b>Total</b>		<b><u>28,000</u></b>	<b><u>17,000</u></b>
		<b><u>4,98,000</u></b>	<b><u>4,09,000</u></b>

### Note to Accounts

<b>Particular</b>	<b>31<sup>st</sup> Mar. 2023 ₹</b>	<b>31<sup>st</sup> Mar. 2022 ₹</b>
<b>1. Reserve and surplus</b>		
General reserve	30,000	20,000
Surplus, i.e., in statement of profit & loss	27,000	18,000
	<b><u>57,000</u></b>	<b><u>38,000</u></b>
<b>2. Short-term, provision</b>		
Provision for tax	<b><u>32,000</u></b>	<b><u>28,000</u></b>
<b>3. Property, plant and equipment</b>		
Land and building		
Plant and Machinery	57,000	1,10,000
	<b><u>1,91,000</u></b>	<b><u>90,000</u></b>
	<b><u>2,48,000</u></b>	<b><u>2,00,000</u></b>

**Note: Proposed dividend on equity for the year ended 31st March, 2022 and 2023 are 39,000 and 45,000 respectively.**

**You are required to prepare cash flow statement for the year ended 31st March, 2023.**

**Solution:**

**cash flow statement**

Particulars	₹	₹
<b>(A) cash flow operating activities</b>		
Net profit before taxation & extraordinary items		<b>90,000</b>
Add goodwill written off		<b><u>10,000</u></b>
Net profit before working capital changes		<b>1,00,000</b>
Add increase in trade payables	<b><u>18,000</u></b>	
Decrease in inventories	<b>18,000</b>	<b><u>36,000</u></b>
		<b>1,36,000</b>
Less Decrease in other current liabilities	<b>(2,000)</b>	
Less increase in trade receivables	<b><u>(33,000)</u></b>	<b><u>35,000</u></b>
Net cash generated from operating activities		<b>1,01,000</b>
Less Provision for taxation of provision year		<b><u>28,000</u></b>
Net cash flow from operation activities		<b><u>73,000</u></b>
<b>(B) Cash flow investing activities</b>		
sale of land & building		<b>53,000</b>
less: Purchase of plant & machinery	<b>(1,01,000)</b>	

<b>Purchase of Non-current investment</b>	<b><u>(25,000)</u></b>	<b><u>(1,26,000)</u></b>
<b>Net cash used in investing activities</b>		<b><u>(73,000)</u></b>
<b>(C) Financing Activities</b>		
<b>Issue of share capital</b>		<b>50,000</b>
<b>Less: Dividend paid during the year</b>		<b><u>(39,000)</u></b>
<b>Net cash flow from financing activities</b>		<b><u>11,000</u></b>
<b>(D) Net increase in cash &amp; cash Equivalents</b>		<b>11,000</b>
<b>(A + B + C) [73000 + (73000) + 11000]</b>		
<b>Add opening balance of cash &amp; cash equivalents</b>		<b><u>17,000</u></b>
<b>Closing balance of cash &amp; cash equivalents</b>		<b>28,000</b>

### Calculation of Net profit before tax & extraordinary items

<b>Particulars</b>	<b>₹</b>
<b>Closing balance of surplus, i.e., balance in statement of profit &amp; loss</b>	<b>27,000</b>
<b>Less: opening balance of surplus i.e., balance in statement of profit &amp; loss</b>	<b><u>18,000</u></b>
	<b>9,000</b>
<b>Add: General Reserve</b>	<b>10,000</b>

Add: Dividend paid during the year	39,000
Add: Provision for taxation of current year	<u>32,000</u>
Net profit before taxation & extraordinary items	90,000

**44. Following is the balance sheet of mevanca limited as at 31st March, 2017**

**Mevanca Limited**  
**BALANCE SHEET as at 31st March, 2017**

Particular	Note No.	31 <sup>st</sup> Mar. 2017 ₹	31 <sup>st</sup> Mar. 2016 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) share Capital		3,00,000	1,00,000
(b) Reserves and Surplus	1	25,000	1,20,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings	2	80,000	60,000
<b>3. Current Liabilities</b>			
(a) Trade payables		6,000	20,000

<b>(b) Short-term provision</b>	<b>3</b>	<b><u>68,000</u></b>	<b><u>70,000</u></b>
<b>Total</b>		<b><u>4,79,000</u></b>	<b><u>3,70,000</u></b>
<b>II. ASSETS</b>			
<b>1. Non-current Assets</b>			
<b>Property, plant and Equipment and Intangible Assets:</b>			
<b>-Property, plant and Equipment</b>	<b>4</b>	<b>3,36,000</b>	<b>1,92,000</b>
<b>2. Current Assets</b>			
<b>(a) Inventories</b>		<b>67,000</b>	<b>60,000</b>
<b>(b) Trade Receivables</b>		<b>51,000</b>	<b>65,000</b>
<b>(c) Cash and Bank Equivalents</b>		<b>25,000</b>	<b>49,000</b>
<b>(d) Other current Assets</b>		<b>---</b>	<b><u>4,000</u></b>
<b>Total</b>		<b><u>4,79,000</u></b>	<b><u>3,70,000</u></b>

### Note To Accounts

<b>Particular</b>	<b>31<sup>st</sup> Mar. 2017 ₹</b>	<b>31<sup>st</sup> Mar. 2016 ₹</b>
<b>1. Reserve and surplus</b>		



Surplus, i.e., Balance of profit & loss	<u>25,000</u>	<u>1,20,000</u>
	<u>25,000</u>	<u>1,20,000</u>
<b>2. Long-term Borrowings</b>		
10% long-term, loan	<u>80,000</u>	<u>60,000</u>
	<u>80,000</u>	<u>60,000</u>
<b>3. Short-term, provision</b>		
Provision for tax	<u>68,000</u>	<u>70,000</u>
	<u>68,000</u>	<u>70,000</u>
<b>4. Property, plant and equipment</b>		
Machinery	3,84,000	2,15,000
Accumulated Deprecation	<u>(48,000)</u>	<u>(23,000)</u>
	<u>3,36,000</u>	<u>1,92,000</u>

**Additional Information:**

(I) Additional loan was taken on 1st July, 2016.

(II) Tax of 53,000 was paid during the year.

Prepare cash flow statement.

**Solution:**

**Cash Flow Statement**

Particulars	₹	₹
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<b>(A) Cash flow from operating activities</b>		
Net profit for the year (25000 - 120000)		<b>(95,000)</b>
Add: Provision for taxation of current year (w.n)		<b><u>51,000</u></b>
Net profit before tax & extraordinary items		<b>(44,000)</b>
Add: Depreciation on machinery	<b>25,000</b>	
Add: Interest on long term loan	<b><u>7,500</u></b>	<b><u>32,500</u></b>
Net profit before working capital changes		<b>(11,500)</b>
Add Decrease in trade receivables	<b>14,000</b>	
Decrease in other current Assets	<b><u>4,000</u></b>	<b><u>18,000</u></b>
		<b>6,500</b>
Less: Decrease in trade payables	<b>14,000</b>	
Increase in inventories	<b><u>7,000</u></b>	<b><u>(21,000)</u></b>
Net cash used in operation		<b><u>(14,500)</u></b>
Less: Tax paid		<b><u>(53,000)</u></b>
Net cash used in operating activities		<b><u>(67,500)</u></b>
<b>(B) Investing activities</b>		
Purchase of machinery		<b><u>1,69,000</u></b>
Net cash used in investing activities		<b><u>1,69,000</u></b>
<b>(C) Cash flow from financing activities</b>		

Issue of share capital	2,00,000
Borrowing from loan	<u>20,000</u>
	2,20,000
Less: Interest on loan	<u>7,500</u>
Net cash flow from financing Activities	<u>2,12,500</u>
(D) Net decrease in cash & cash equivalents	(24,000)
(A + B + C)	
Add: opening cash & cash equivalents	<u>49,000</u>
Closing balance of cash & cash equivalents	<u>25,000</u>

Dr. Provision for Taxation A/c  
Cr.

Particular	₹	Particular	₹
To Bank A/c (Tax paid)m	53,000	By balance B/d	70,000
To balance c/d	68,000	By profit & loss A/c (Depreciation for the year) (balancing figure)	51,000
	1,21,000		1,21,000

Interest paid on loan

Interest = (60,000 x 10%) + (20,000 x 10% 9/12)

$$= (6,000 + 1,500) = 7,500$$

**45. Following is the Balance sheet of X Ltd. as at 31st March, 2018:**

**BALANCE SHEET OF X LTD. as at 31st March, 2018**

Particular	Note No.	31 <sup>st</sup> Mar. 2018 ₹	31 <sup>st</sup> Mar. 2017 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) share Capital		19,00,000	17,00,000
(b) Reserves and Surplus	1	6,00,000	3,00,000
<b>2. Non-Current Liabilities</b>			
Long-term Borrowings	2	5,00,000	4,00,000
<b>3. Current Liabilities</b>			
(a) Short-term Borrowings	3	1,70,000	1,75,000
(b) Short-term provision	4	<u>2,00,000</u>	<u>1,65,000</u>
<b>Total</b>		<u>33,70,000</u>	<u>27,40,000</u>
<b>II. ASSETS</b>			

<b>1. Non-current Assets</b>			
<b>(a) Property, plant and Equipment and Intangible Assets:</b>			
<b>(i) Property, plant and Equipment</b>	<b>5</b>	<b>24,00,000</b>	<b>19,00,000</b>
<b>(ii) Intangible Assets</b>	<b>6</b>	<b>2,00,000</b>	<b>3,00,000</b>
<b>(b) Non-current Investments</b>		<b>3,00,000</b>	<b>2,00,000</b>
<b>2. Current Assets</b>			
<b>(a) Current Investments</b>		<b>1,40,000</b>	<b>1,70,000</b>
<b>(b) Inventories</b>		<b>2,60,000</b>	<b>1,30,000</b>
<b>(c) Cash and cash Equivalents</b>		<b><u>70,000</u></b>	<b><u>40,000</u></b>
<b>Total</b>		<b><u>33,70,000</u></b>	<b><u>27,40,000</u></b>

### Notes To Accounts

<b>Particular</b>	<b>31<sup>st</sup> Mar. 2018 ₹</b>	<b>31<sup>st</sup> Mar. 2017 ₹</b>
<b>1. Reserve and surplus</b>		
<b>Surplus, i.e., Balance of profit &amp; loss</b>	<b><u>6,00,000</u></b>	<b><u>3,00,000</u></b>
	<b><u>6,00,000</u></b>	<b><u>3,00,000</u></b>
<b>2. Long-term Borrowings</b>		

<b>12% Debentures</b>	<b><u>5,00,000</u></b>	<b><u>4,00,000</u></b>
	<b><u>5,00,000</u></b>	<b><u>4,00,000</u></b>
<b>3. Short-term Borrowings</b>		
<b>Bank overdraft</b>	<b><u>1,70,000</u></b>	<b><u>1,75,000</u></b>
	<b><u>1,70,000</u></b>	<b><u>1,75,000</u></b>
<b>4. Short-term Provision</b>		
<b>Provision for tax</b>	<b>2,00,000</b>	<b>1,65,000</b>
	<b>2,00,000</b>	<b>1,65,000</b>
<b>5. Property, plant and equipment</b>		
<b>Machinery</b>	<b>26,00,000</b>	<b>20,00,000</b>
<b>Less: Accumulated Depreciation</b>	<b><u>(2,00,000)</u></b>	<b><u>(1,00,000)</u></b>
	<b><u>24,00,000</u></b>	<b><u>19,00,000</u></b>
<b>6. Intangible Assets</b>		
<b>Goodwill</b>	<b><u>2,00,000</u></b>	<b><u>3,00,000</u></b>
	<b><u>2,00,000</u></b>	<b><u>3,00,000</u></b>

#### **Additional Information**

- (i) 1,00,000, 12% debentures were issued on 1st April, 2027.
- (ii) During the year, a piece of machinery costing 80,000 on which accumulated depreciation was 40,000 was sold at a gain of 10,000.

**Prepare a cash flow statement.**

**Solution:**

**Cash Flow statement**

Particulars	₹	₹
<b>(A) Operating Activities</b>		
Net profit for the year (6,00,000 - 3,00,000)		3,00,000
Add provision for taxation of current year		<u>2,00,000</u>
Net profit before taxation & extraordinary items		5,00,000
Add Interest on 12% debentures	60,000	
Add Depreciation on machinery	1,40,000	
Add Goodwill Amortised	<u>1,00,000</u>	<u>3,00,000</u>
		8,00,000
Less: Gain on sale of machinery		<u>(10,000)</u>
Net profit before working capital changes		7,90,000
Less: Increase in inventories		<u>(1,30,000)</u>
Net cash generated from operation		6,60,000
Less: tax paid		<u>(1,65,000)</u>
Net cash flow from operating activities		<u>4,95,000</u>
<b>(B) Investing activities</b>		

sale of machinery		50,000
Less: purchase of machinery	6,80,000	
Less: Investment	<u>1,00,000</u>	<u>(7,80,000)</u>
Net cash used in investing activities		<u>(7,30,000)</u>
<b>(C) Financing Activities</b>		
Issue of share capital	2,00,000	
Debentures	<u>1,00,000</u>	3,00,000
Less: Repayment of short term borrowings	(5,000)	
Less: Interest on debentures	<u>(60,000)</u>	<u>(65,000)</u>
Net cash flow from financing activities		<u>2,35,000</u>
<b>(D) Net increase/Decrease in cash &amp; cash equivalents (A + B + C)</b>		<b>NIL</b>
Add opening balance of cash & cash equivalents (cash + current investments) [40000 + 170000]		2,10,000
Closing balance of cash & cash equivalents		2,10,000

Dr.

Machinery A/c

Cr.

Particular	₹	Particular	₹
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To Balance B/d	20,00,000	By Acc. Dep. A/c	40,000
To profit & loss A/c (Gain)	10,000	By Bank A/c (sale)	50,000
To Bank A/c (purchase) (Bal. fig.)	<u>6,80,000</u>	By Balance C/d	<u>26,00,000</u>
	26,90,000		26,90,000

Dr. **Accumulated Depreciation A/c**  
Cr.

Particular	₹	Particular	₹
To machinery A/c	40,000	By balance B/d	1,00,000
To Balance c/d	2,00,000	By depreciation	1,40,000
	2,40,000		2,40,000