

Q3. Prepare Trading Account from the transactions given below:

Opening Stock	33,000	Purchases Return	2,400
Purchases	29,000	Closing Stock	57,700
Sales Return	500	Carriage Inwards	100
Sales	25,400	Depreciation	2,000

Also pass the Journal entries.

Solution –

In the Books of.....

Dr

Trading Account for the Year

Cr

Particulars	Amount	Particulars	Amount
To Opening Stock A/c	33,000	By Sales A/c	25,400
To Purchases A/c	29,000	Less: Sales Return A/c	500
Less: Purchases Return A/c	2,400	By Closing Stock A/c	57,700
To Carriage Inwards A/c	100		
To Gross Profit A/c (b/f)	22,900		
	82,600		82,600

Journal Entries

Date	Particulars	L.F	Debit	Credit
	Trading A/cDr		62,600	
	To Opening Stock A/c			33,000
	To Purchases A/c			29,000
	To Carriage Inwards A/c			100
	To Sales Return A/c			500
	(Being debit side of Trading Account was Transferred)			

	Sales A/cDr Purchases Return A/cDr To Trading A/c (Being credit side of Trading Account was transferred)		25,400 2,400 27,800	
	Closing Stock A/cDr To Trading A/c (Being Closing Stock was recorded)		57,700 57,700	
	Trading A/cDr To Profit & Loss A/c (Being Amount of Gross Profit transferred to Profit & Loss A/c)		22,900 22,900	