

1. Following Trial Balance has been extracted from the books of Sunder on 31st March, 2023:

Particulars	Dr. (₹)	Cr. (₹)
Cash in Hand .....	43,600	...
Cash at Bank .....	71,000	...
Capital .....	...	30,00,000
Drawings .....	1,26,000	...
Land and Building .....	6,51,600	...
Furniture .....	1,02,400	...
Wages .....	9,37,700	...
Discount Allowed .....	79,200	...
Discount Received .....	...	59,700
6% Loan .....	...	3,00,000
Bank Charges .....	2,100	...
Bad Debts .....	27,600	...
Sundry Debtors .....	13,15,500	...
Office Salaries .....	1,28,400	...
Purchases .....	39,81,600	...
Stock on 1st April, 2022 .....	12,04,500	...
Sales Return .....	37,500	...
Carriage Inwards .....	1,03,600	...
General Expenses .....	1,53,600	...
Plant and Machinery .....	4,32,800	...
Rent .....	72,600	...
Purchases Return .....	...	29,100
Sales .....	...	56,30,100
Insurance .....	14,100	...
Provision for Doubtful Debts .....	...	93,000
Sundry Creditors .....	...	3,73,500
<b>Total</b>	<b>94,85,400</b>	<b>94,85,400</b>

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date after following adjustments:

- Closing Stock on 31st March, 2023 was ₹ 12,74,100.
- Depreciate Plant and Machinery @ 10% and Furniture @ 5%.
- Provision for Doubtful Debts to be maintained at ₹ 1,50,000.
- Insurance includes annual premium of ₹ 7,200 on a policy which will expire on 30th September, 2023.
- Amount of Purchases includes a computer costing ₹ 60,000 purchased on 1st July, 2022 for office use and is subject to depreciation @ 10% p.a.

[Gross Profit—₹ 7,28,400; Net Profit—₹ 1,86,200; Balance Sheet Total—₹ 37,51,700.]

[**Hint:** Computer purchased is deducted from Purchases Account in the Trading Account and is shown as an asset in the Balance Sheet. Depreciation on computer is charged for nine months.]

2. Following Trial Balance was extracted from the books of Ram as on 31st March, 2023:

Debit Balances	₹	Debit Balances (Contd.)	₹
Drawings	70,000	Cash in Hand	34,500
Purchases	8,22,100	Office Furniture	35,000
Sales Return	18,200	Bad Debts	10,000
Stock on 1st April, 2022	1,14,600	Carriage Outwards	32,400
Salaries	1,61,500	Sundry Debtors	3,89,700
Wages	85,600	<b>Credit Balances</b>	
Leasehold Premises	2,50,000	Capital	9,00,000
Insurance	69,400	Purchases Return	42,400
Carriage Inwards	23,100	Sales	14,98,400
Office Expenses	95,200	Provision for Doubtful Debts (1st April, 2022)	42,400
Plant and Machinery	2,40,000	Discount	1,800
Light and Water (Factory)	79,500	Sundry Creditors	1,69,800
Cash at Bank	1,24,000		

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date after taking into account the following:

(a) Depreciation is to be written off as follows:

Leasehold premises @ 5%, Plant and Machinery @ 10%.

(b) Write off ₹ 5,000 as further Bad Debts and make a Provision for Doubtful Debts equal to ₹ 50,000.

(c) Wages of ₹ 5,700 are due but not paid.

(d) Wages include ₹ 10,000 incurred on installation of new machine. Machine was installed on 1st April, 2022.

(e) Closing stock at cost on 31st March, 2023 was ₹ 1,49,200.

(f) Unexpired Insurance premium is ₹ 6,800.

[Gross Profit—₹ 5,51,200; Net Profit—₹ 1,41,200; Balance Sheet Total—₹ 11,46,700.]

3. From the following Trial Balance of M/s. Arjun & Sons as on 31st March, 2023, prepare Trading and Profit & Loss Account and Balance Sheet:

Heads of Accounts	Debit Balances (₹)	Credit Balances (₹)
Drawings	1,80,000	...
Capital	...	8,00,000
Purchases	8,26,000	...
Sales	...	15,50,000
Opening Stock	4,20,000	...
Returns Outward	...	16,000
Carriage Inwards	12,000	...
Wages	40,000	...
Power	60,000	...
Machinery	5,00,000	...
Furniture	1,40,000	...
Rent	2,20,000	...
Salary	1,50,000	...
Insurance	36,000	...
8% Bank Loan	...	2,50,000
Debtors	2,06,000	...
Creditors	...	1,89,000
Cash in Hand	15,000	...
<b>Total</b>	<b>28,05,000</b>	<b>28,05,000</b>

*Adjustments:*

- (i) Closing Stock ₹ 6,40,000.
  - (ii) Wages Outstanding ₹ 24,000.
  - (iii) Bad Debts ₹ 6,000 and Provision for Bad and Doubtful Debts to 5% on Debtors.
  - (iv) Rent is paid for 11 months.
  - (v) Loan from bank was taken on 1st October, 2022.
  - (vi) Provide Depreciation on Machinery @ 10% p.a.
  - (vii) Provide Manager's Commission at 10% on net profit after charging such commission.
- [Gross Profit—₹ 8,24,000; Net Profit—₹ 2,92,727; Balance Sheet Total—₹ 14,35,000.]

**[Hints:** 1. Interest on Bank Loan outstanding for 6 months: ₹ 1,000.

$$2. \text{Manager's Commission} = ₹ 3,22,000 (\text{Net Profit before Commission}) \times 10/110 \\ = ₹ 29,273.]$$

4. Following is the Trial Balance of Bharat on 31st March, 2023:

Particulars	Dr. (₹)	Cr. (₹)
Capital .....	...	45,600
Plant and Machinery .....	50,000	...
Office Furniture and Fittings .....	2,600	...
Stock on 1st April, 2022 .....	48,000	...
Accrued Commission .....	12,000	...
Sundry Debtors .....	45,700	...
Cash in Hand .....	7,600	...
Cash at Bank .....	6,500	...
Wages .....	1,50,000	...
Salaries .....	14,000	...
Purchases .....	2,13,500	...
Sales .....	...	4,80,000
Sundry Creditors .....	...	40,000
Commission .....	...	12,000
Returns Inward .....	9,300	...
Provision for Doubtful Debts .....	...	2,500
Drawings .....	7,000	...
Returns Outward .....	...	5,500
Rent .....	6,000	...
Factory Lighting and Heating .....	800	...
Insurance .....	6,300	...
General Expenses .....	1,000	...
Bad Debts .....	2,500	...
Discount .....	6,500	3,700
<b>Total</b> .....	<b>5,89,300</b>	<b>5,89,300</b>

Following adjustments are to be made:

- (a) Stock on 31st March, 2023 ₹ 52,000.
- (b) Three months' factory lighting and heating due but not paid ₹ 300.
- (c) 5% depreciation to be written off on furniture.
- (d) Write off further Bad Debts ₹ 700.
- (e) Provision for Doubtful Debts to be increased to ₹ 3,000 and Provision of Discount on Debtors @ 2% to be made.

(f) During the year, machinery was purchased for ₹ 20,000 but it was debited to the Purchases Account.

You are required to prepare Trading Account, Profit & Loss Account and Balance Sheet.

[Gross Profit—₹ 1,35,600; Net Profit—₹ 1,00,830; Balance Sheet Total—₹ 1,91,730.]

5. From the following Trial Balance, prepare Trading Account, Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date:

Debit Balances	₹	Credit Balances	₹
Purchases	3,00,000	Sales	4,79,760
Drawings	3,500	Purchases Return	12,200
Plant and Machinery	1,23,000	Capital	5,90,000
Motor Vehicles	1,76,000	Creditors	11,870
Building	3,80,000	Bank Loan	33,700
Sundry Debtors	80,000		
Stock in Trade (1.4.2022)	8,400		
Sales Return	1,800		
Wages	2,800		
Carriage Inwards	890		
Carriage Outwards	300		
Telephone Charges	3,290		
Salaries	12,000		
Insurance and Taxes	31,200		
Printing and Stationery Expenses	1,350		
Cash in Hand	3,000		
	11,27,530		11,27,530

Following adjustments are to be considered:

- Closing Stock ₹ 15,270.
- Printing and Stationery expenses due ₹ 58,650.
- Outstanding liabilities for salaries ₹ 12,000.
- An old machine valued at ₹ 12,000 (Book Value of which was ₹ 2,000) was given in exchange for a new machine purchased on 1st April, 2022. The machine given in exchange was not recorded in the books. Cheque issued for new machine purchased was accounted in the books of account.
- Depreciation @ 10% p.a. is to be provided on all fixed assets except building.

[Gross Profit—₹ 1,93,340; Net Profit—₹ 53,650; Balance Sheet Total—₹ 7,56,370.]

- [Hints: 1. Depreciation on Plant and Machinery ₹ 13,300 and Motor Vehicles ₹ 17,600.  
2. New machinery is short debited by ₹ 12,000 (Exchange Value) and machinery (Old) which is exchanged is in the books at ₹ 2,000. Therefore, Machinery Account is short debited by ₹ 10,000 (i.e., ₹ 12,000 – ₹ 2,000).]

6. Following balances were extracted from the books of Modern Traders on 31st March, 2023:

	₹		₹
Capital	8,50,000	Sundry Creditors	90,000
Drawings	50,000	Sales	12,00,000
Plant and Machinery	4,00,000	Postage and Courier	8,000
Accumulated Depreciation	90,000	Bad Debts	4,000
Stock on 1st April, 2022	1,50,000	Provision for Doubtful Debts	8,000
Purchases	8,20,000	Discounts received	4,000
Sundry Debtors	2,06,000	Rent Revenue	12,000
Furniture	50,000	Insurance	7,000
Freight Inwards	20,000	Salaries	2,00,000
Carriage Outwards	5,000	Wages	13,000
Rent, Rates and Taxes	46,000	Cash in Hand	62,000
Printing and Stationery	8,000	Cash at Bank	2,55,000
General Reserve	50,000		

Prepare Final Accounts for the year ended 31st March, 2023 after taking into account the following adjustments:

- Stock (at cost) on 31st March, 2023 was valued at ₹ 1,60,000 and its Net Realisable Value (Market Value) was ₹ 1,50,000.
- Outstanding Wages ₹ 5,000.
- Provision for Doubtful Debts is to be maintained at 5% of the Sundry Debtors.
- Prepaid Insurance was ₹ 1,000.
- An amount paid by the proprietor from his personal bank account of ₹ 50,000 for purchase of a machine on 1st April, 2022 was not recorded in the books. Plant and Machinery was not debited in the books by the amount paid.
- Provide Depreciation on Plant and Machinery @ 10% on cost and on Furniture @ 5%.  
[Gross Profit—₹ 3,42,000; Net Profit—₹ 31,200; Balance Sheet Total—₹ 10,26,200.]

**[Hint:** (e) Machinery Account is short debited by ₹ 50,000 and Capital Account is short credited by the same amount. Machinery was purchased on 1st April, 2022. Thus, depreciation on machinery will be charged for full year on ₹ 4,50,000 (i.e., ₹ 4,00,000 + ₹ 50,000).]

7. Sanjiv Sondhi started business on 1st April, 2022 with a capital of ₹ 3,00,000. Following Trial Balance was drawn up from his books at the end of the year:

Heads of Accounts	Debit Balances (₹)	Heads of Accounts	Credit Balances (₹)
Drawings	45,000	Capital	4,90,000
Plant and Fixtures	80,000	Sales	16,00,000
Purchases	11,60,000	Sundry Creditors	1,20,000
Carriage Inwards	20,000		
Returns Inward	40,000		
Wages	80,000		
Salaries	1,00,000		
Printing and Stationery	8,000		
Advertisement	12,000		
Trade Charges	6,000		
Rent and Taxes	14,000		
Sundry Debtors	2,50,000		
Investments	1,50,000		
Discount	5,000		
Cash at Bank	1,60,000		
Cash in Hand	80,000		
	22,10,000		22,10,000

Value of Stock as on 31st March, 2023 was ₹ 2,60,000. You are required to prepare his Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date after taking the following facts into account:

- Plant and Fixtures are to be depreciated by 10%.
- Salaries outstanding on 31st March, 2023 amounted to ₹ 35,000.
- Accrued Interest on investment amounted to ₹ 7,500.
- ₹ 5,000 are Bad Debts and a Provision for Doubtful Debts is to be created at 5% of the balance of debtors.  
(Delhi 2007, 2008, Modified)

[Gross Profit—₹ 5,60,000; Net Profit—₹ 3,62,250;  
Balance Sheet Total—₹ 9,62,250.]

8. Following Trial Balance has been extracted from the books of Santosh on 31st March, 2023:

Particulars	Debit Balances ₹	Credit Balances ₹
Drawings	20,000	...
Plant and Machinery	10,00,000	...
Furniture and Fixtures	1,20,000	...
Capital A/c	...	19,60,000
Sales	...	46,80,000
Loose Tools	2,00,000	...
Goodwill	1,00,000	...
Opening Stock	2,00,000	...
Returns Outward	...	40,000
Discount	...	60,000
Purchases	21,20,000	...
Returns Inward	80,000	...
Wages	10,00,000	...
Sundry Creditors	...	2,40,000
Provision for Doubtful Debts	...	20,000
Carriage Inwards	1,20,000	...
Salaries	4,16,000	...
General Expenses and Insurance	7,20,000	...
Rent	1,44,000	...
Postage	40,000	...
Output IGST	...	1,00,000
Output CGST	...	50,000
Output SGST	...	50,000
Sundry Debtors	5,60,000	...
Bimal	20,000	...
Cash and Bank Balances	1,40,000	...
Input IGST	1,10,000	...
Input CGST	45,000	...
Input SGST	45,000	...
<b>Total</b>	<b>72,00,000</b>	<b>72,00,000</b>

Following additional information is available:

- Stock on 31st March, 2023 was ₹ 3,08,000.
- Depreciation is to be charged on Plant and Machinery at 5% and Furniture and Fixtures at 6%. Loose Tools are revalued at ₹ 1,60,000.
- Provision for Doubtful Debts is to be maintained at 5% on Sundry Debtors.
- Remuneration of ₹ 20,000 paid to Bimal, an employee, is debited to his personal account.
- Unexpired insurance was ₹ 4,000.

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date.

[Gross Profit—₹ 15,08,000; Net Profit—₹ 1,26,800; Balance Sheet Total—₹ 23,06,800.]

9. The Trial Balance of Tejinder as on 31st March, 2023 was as follows:

Ledger Accounts	Dr. (₹)	Cr. (₹)
Purchases .....	1,62,505	...
Sales .....	...	2,52,400
Provision for Doubtful Debts .....	...	5,200
Sundry Debtors .....	50,200	...
Sundry Creditors .....	...	34,476
Opening Stock .....	26,725	...
Wages .....	23,137	...
Salaries .....	5,575	...
Furniture .....	7,250	...
Postage .....	4,226	...
Power and Fuel .....	1,350	...
Trade Expenses .....	5,831	...
Bad Debts .....	525	...
Loan to Suraj @ 10% p.a. (1st December, 2022) .....	3,000	...
Cash in Hand and at Bank .....	10,000	...
Trade Expenses Accrued but not Paid .....	...	700
Drawings .....	4,452	...
Capital .....	...	12,000
Outstanding Wages .....	...	2,000
Input CGST .....	5,000	...
Input SGST .....	5,000	...
Output CGST .....	...	4,000
Output SGST .....	...	4,000
<b>Total</b>	<b>3,14,776</b>	<b>3,14,776</b>

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet after considering the following information:

- Depreciation on Furniture @ 10% to be charged.
- Sundry Debtors include ₹ 500 due from a customer who has become insolvent.
- Provision for Doubtful Debts @ 5% on Sundry Debtors is to be maintained.
- Goods costing ₹ 1,500 were destroyed by fire and insurance company admitted a claim for ₹ 1,000.
- Stock on 31st March, 2023 was ₹ 12,550.

[Gross Profit—₹ 52,733; Net Profit—₹ 37,666;

Balance Sheet Total—₹ 82,390.]

[Hint: Insurance claim will be lodged for ₹ 1,500 by passing the following entry:

		₹	₹
Loss of Stock by Fire A/c	...Dr.	1,500	
To Purchases A/c			1,500

Since, Insurance company has admitted claim of ₹ 1,000, it means loss of ₹ 500 will be transferred to Profit & Loss Account.]

10. From the following Trial Balance of Gaurav and additional information given, prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at 31st March, 2023:

Particulars	Dr. (₹)	Cr. (₹)
Opening Stock .....	62,500	...
Capital .....	...	4,66,000
Debtors .....	75,000	...
Creditors .....	...	77,500
Purchases .....	5,00,000	...
Sales .....	...	8,75,000
Carriage .....	10,000	...
Wages and Salaries .....	31,250	...
Commission .....	...	16,750
Machinery .....	1,38,750	...
Furniture .....	25,000	...
Bad Debts Recovered .....	...	8,000
Cash in Hand .....	37,500	...
Land and Building .....	5,00,000	...
Insurance .....	21,250	...
10% Bank Loan .....	...	50,000
Interest on Bank Loan .....	3,000	...
Bank .....	24,500	...
Drawings .....	62,500	...
Input CGST .....	15,000	...
Input SGST .....	15,000	...
Input IGST .....	10,000	...
Output CGST .....	...	19,000
Output SGST .....	...	19,000
<b>Total</b>	<b>15,31,250</b>	<b>15,31,250</b>

*Adjustments:*

- Value of the Closing Stock as on 31st March, 2023 is ₹ 50,000.
- Wages and Salaries outstanding are ₹ 12,500 and Insurance prepaid is ₹ 5,000.
- Depreciate Machinery and Furniture @ 10% and 15% p.a. respectively. Machinery included a machine which was purchased for ₹ 38,500 on 30th September, 2022.
- Goods costing ₹ 10,000 were taken by Gaurav for his personal use but no entry has been made in the books of account.

[Gross Profit—₹ 3,18,750; Net Profit—₹ 3,06,550; Balance Sheet Total—₹ 8,42,050.]

[**Hint:** Drawings of goods by proprietor will be recorded by passing the entry as follows:

		₹	₹
Drawings A/c	...Dr.	10,000	
To Purchases A/c			10,000

11. Following is the Trial Balance of Paras on 31st March, 2023:

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Sundry Debtors	1,45,000	Sundry Creditors	63,000
Drawings	52,450	Capital A/c	7,10,000
Insurance	6,000	Returns Outward	5,000
Rent	10,000	Sales	10,00,000
General Expenses	20,000	Output CGST	20,000
Salaries	1,50,000	Output SGST	20,000
Patents and Patterns	75,000		
Machinery	2,00,000		
Freehold Land	1,00,000		
Building	3,00,000		
Stock (1st April, 2022)	57,600		
Cash at Bank	26,300		
Freight on Purchases	20,400		
Carriage on Sales	32,000		
Fuel and Power	47,300		
Wages	1,04,800		
Returns Inward	19,000		
Purchases	4,06,750		
Cash in Hand	5,400		
Input IGST	40,000		
	18,18,000		18,18,000

Following adjustments are made:

- Stock on 31st March, 2023 was valued at ₹ 68,000.
- Provision for Doubtful Debts is to be made to the extent of 5% on Sundry Debtors.
- Depreciate Machinery by 10%, Patents by 20% and Building by 5%.
- Wages include a sum of ₹ 20,000 spent on construction of a cycle shed.
- Salaries for the months of February and March, 2023 were not paid.
- Insurance includes a premium of ₹ 1,700 on a policy expiring on 30th September, 2023.
- General Manager is entitled to a commission of 10% on the net profit after charging his commission.

Prepare Final Accounts after giving effects to the adjustments.

[Gross Profit—₹ 4,37,150; Net Profit—₹ 1,19,773; Balance Sheet Total—₹ 8,82,300.]

- [Hints: 1. Calculation of Commission to General Manager: ₹ 4,37,150 (G.P.) – ₹ 1,80,000 (Salaries) – ₹ 5,150 (Insurance) – ₹ 20,000 (General Expenses) – ₹ 10,000 (Rent) – ₹ 32,000 (Carriage on Sales) – ₹ 7,250 (Provision for Doubtful Debts) – ₹ 51,000 (Depreciation) = ₹ 1,31,750; Commission =  $\frac{₹ 1,31,750 \times 10}{110} = ₹ 11,977$ .
2. Balance in GST Accounts will be Nil.]

12. Following is the Trial Balance of Atam as on 31st March, 2023:

Heads of Accounts	Dr. Balances ₹	Cr. Balances ₹
Capital A/c	...	8,00,000
Drawings A/c	60,000	...
Stock on 1st April, 2022	4,50,000	...
Purchases	26,00,000	...
Sales	...	31,00,000
Furniture	1,00,000	...
Sundry Debtors	4,00,000	...
Freight and Octroi	46,000	...
Trade Expenses	5,000	...
Salaries	55,000	...
Rent	24,000	...
Advertisement Expenses	50,000	...
Insurance Premium	4,000	...
Commission	...	13,000
Discount	2,000	...
Bad Debts	16,000	...
Provision for Doubtful Debts	...	9,000
Creditors	...	2,00,000
Cash in Hand	52,000	...
Bank	58,000	...
Land and Building	2,00,000	...
<b>Total</b>	<b>41,22,000</b>	<b>41,22,000</b>

*Adjustments:*

- (i) Stock on 31st March, 2023 was valued at ₹ 5,30,000.
- (ii) Salaries have been paid so far for 11 months only.
- (iii) Unexpired insurance is ₹ 1,000.
- (iv) Commission earned but not yet received amounting to ₹ 1,220 is to be recorded in books of account.
- (v) Provision for Doubtful Debts is to be brought up to 3% of Sundry Debtors.
- (vi) Manager is to be allowed a commission of 10% of net profits after charging such commission.
- (vii) Furniture is depreciated @ 10% p.a.
- (viii) Only one-fourth of advertisement expenses are to be written off.

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as on that date.

[Gross Profit—₹ 5,34,000; Net Profit—₹ 3,75,200; Balance Sheet Total—₹ 13,57,720.]

[**Hint:** Commission Payable to Manager ₹ 37,520; Advertisement expenses to be shown in the debit side of Profit & Loss Account ₹ 12,500 (*i.e.*, ₹ 50,000 × 1/4) and remaining advertisement expenses, *i.e.*, ₹ 37,500 will be shown in the assets side of the Balance Sheet.]

13. Following balances were extracted from the books of Modern Traders on 31st March, 2023:

Particulars	₹	Particulars	₹
Capital	8,50,000	Sales	12,00,000
Drawings	50,000	Postage and Courier	8,000
Plant and Machinery	4,00,000	Bad Debts	4,000
Accumulated Depreciation (Plant and Machinery)	90,000	Provision for Doubtful Debts	8,000
Stock on 1st April, 2022	1,50,000	Discount Received	4,000
Purchases	8,20,000	Rent (Cr.)	12,000
Sundry Debtors	2,06,000	Insurance	7,000
Furniture	50,000	Salaries	2,00,000
Freight Inwards	20,000	Wages	13,000
Carriage Outwards	5,000	Cash in Hand	62,000
Rent (Dr.)	46,000	Cash at Bank	2,55,000
Printing and Stationery	8,000	General Reserve	50,000
Sundry Creditors	95,000	Input IGST	20,000
Input CGST	15,000	Output IGST	45,000
Input SGST	15,000		

Prepare Profit & Loss Account for the year ended 31st March, 2023 and the Balance Sheet as at that date giving effect to the following:

- Closing Stock was ₹ 1,50,000.
- Wages Outstanding were ₹ 5,000.
- Provision for Doubtful Debts is to be maintained at 5% of Sundry Debtors.
- Depreciate Plant and Machinery by 10% and Furniture by 5% on Written Down Value Method.
- Sundry Creditors include ₹ 10,000 due to Nayak who is also included in Sundry Debtors at ₹ 15,000.
- New furniture for ₹ 12,000 was purchased on 1st April, 2022. Old furniture valued at ₹ 2,000 was exchanged and balance was paid by cheque. Purchase of furniture was recorded at the net value of furniture, i.e., ₹ 10,000.
- A fire occurred on 27th March, 2023 destroying stock costing ₹ 10,000. Insurance company conveyed acceptance of claim of ₹ 7,500 on 10th April, 2023. Final Accounts were prepared on 1st July, 2023.

[Gross Profit—₹ 3,52,000; Net Profit—₹ 52,200; Balance Sheet Total—₹ 9,92,200.]

- [Hints:** 1. (Adjustment (e))—Sundry Creditors of ₹ 10,000 (Nayak) will be adjusted against Sundry Debtors. Thereafter, Provision for Doubtful Debts will be determined.
2. Claim for Loss of Stock by Fire was admitted by the Insurance Company on 10th April, 2023, i.e., before the Final Accounts were prepared. Therefore, following the AS-4, Contingencies and Events occurring after the Balance Sheet date, loss is adjusted in the year ended 31st March, 2023.]

14. Following is the Trial Balance obtained from the books of Mr. Vishwanath on 31st March, 2023:

Heads of Accounts	Dr. (₹)	Cr. (₹)
Computers .....	37,000	...
Plant and Machinery .....	1,60,000	...
Motor Van .....	2,20,000	...
Cash in Hand .....	6,330	...
Cash at Bank .....	50,000	...
Stock on 1st April, 2022 .....	8,100	...
Debtors .....	65,300	...
Creditors .....	...	29,500
Purchases .....	2,74,685	...
Sales .....	...	5,21,870
Returns Inward .....	2,300	...
Returns Outward .....	...	2,100
Rent .....	6,700	...
Salaries .....	35,000	...
Bank Loan taken on 1st April, 2022 @ 10% p.a. ....	...	2,00,000
Carriage Outwards .....	3,100	...
Wages .....	54,755	...
Interest .....	10,000	...
Electric Charges .....	4,200	...
General Expenses .....	24,000	...
Capital .....	...	2,10,000
Input IGST .....	10,000	...
Output CGST .....	...	4,000
Output SGST .....	...	4,000
<b>Total</b>	<b>9,71,470</b>	<b>9,71,470</b>

You are required to prepare Mr. Vishwanath's Trading and Profit & Loss Account for the year ended 31st March, 2023 and his Balance Sheet as at that date after taking into account the following adjustments:

- Stock on 31st March, 2023 is ₹ 15,600.
- Depreciate Motor Van and Plant and Machinery by 10% p.a. and Computers @ 20% p.a.
- Create Provision for Doubtful Debts @ 5%.
- General Expenses include ₹ 2,000 paid for wages.

[Gross Profit—₹ 1,97,730; Net Profit—₹ 58,065;  
Balance Sheet Total—₹ 5,07,565.]

- [Hints: 1. Wages = ₹ 54,755 + ₹ 2,000 (Wrongly debited to General Expenses) = ₹ 56,755.  
2. General Expenses = ₹ 24,000 – ₹ 2,000 (Wages) = ₹ 22,000.]

15. Following is the Trial Balance of Shri Bansi Lal as on 31st March, 2023. You are required to prepare Final Accounts:

Particulars	Dr. (₹)	Cr. (₹)
Sundry Creditors .....	...	63,000
Sundry Debtors .....	1,45,000	...
Capital A/c .....	...	7,10,000
Drawings .....	52,450	...
Insurance .....	6,000	...
General Expenses .....	30,000	...
Salaries .....	1,50,000	...
Patents .....	75,000	...
Machinery .....	2,00,000	...
Freehold Land .....	1,00,000	...
Building .....	3,00,000	...
Stock on 1st April, 2022.....	57,600	...
Carriage on Purchases .....	20,400	...
Carriage on Sales .....	32,000	...
Fuel and Power .....	47,300	...
Wages .....	1,04,800	...
Returns Outward .....	...	5,000
Returns Inward .....	6,800	...
Sales .....	...	9,87,800
Purchases .....	4,06,750	...
Cash at Bank .....	30,300	...
Cash in Hand .....	5,400	...
Input CGST .....	20,000	...
Input SGST .....	20,000	...
Output CGST .....	...	22,000
Output SGST .....	...	22,000
<b>Total</b>	<b>18,09,800</b>	<b>18,09,800</b>

Following adjustments are to be made:

- Stock on 31st March, 2023 was valued at ₹ 68,000.
- Provision for Doubtful Debts is to be created to the extent of 5% on Debtors.
- Depreciate Machinery by 10% and Patents by 20%.
- Wages include a sum of ₹ 20,000 spent on the erection of a cycle shed for employees and customers.
- Salaries for the month of March, 2023 amounted to ₹ 15,000 were unpaid.
- Insurance includes a premium of ₹ 1,700 on a policy expiring on 30th September, 2023.

[Gross Profit—₹ 4,37,150; Net Profit—₹ 1,62,750; Balance Sheet Total—₹ 9,02,300.]

16. Following is the Trial Balance of Sandeep on 31st March, 2023:

Particulars	Dr. (₹)	Cr. (₹)
Cash in Hand .....	10,800	...
Cash at Bank .....	2,32,600	...
Purchases .....	8,13,500	...
Sales .....	...	19,75,600
Returns Inward .....	13,600	...
Returns Outward .....	...	10,000
Wages .....	2,09,600	...
Fuel and Power .....	94,600	...
Carriage Outwards .....	64,000	...
Carriage on Purchases .....	40,800	...
Stock on 1st April, 2022 .....	1,15,200	...
Building .....	6,00,000	...
Computer .....	2,00,000	...
Machinery .....	4,00,000	...
Salaries .....	3,00,000	...
Patents .....	1,50,000	...
Advertisement Expenses .....	60,000	...
Insurance .....	12,000	...
Capital .....	...	16,00,000
Drawings .....	1,04,900	...
Sundry Debtors .....	2,90,000	...
Sundry Creditors .....	...	1,31,000
Input CGST .....	7,500	...
Input SGST .....	7,500	...
Output IGST .....	...	10,000
<b>Total</b>	<b>37,26,600</b>	<b>37,26,600</b>

Taking into account the following adjustments, prepare Trading and Profit & Loss Account and Balance Sheet:

- Stock in Hand on 31st March, 2023 is ₹ 1,36,000.
- Machinery is to be depreciated @ 10% and patents @ 20%.
- Salaries for the month of March, 2023 amounting to ₹ 30,000 were unpaid.
- Insurance includes a premium of ₹ 1,700 for the year ending 31st March, 2024.
- Wages include a sum of ₹ 40,000 spent on constructing a scooter shed for employees and customers.
- Provision for Doubtful Debts is to be created to the extent of 5% on Sundry Debtors.

[Gross Profit—₹ 8,74,300; Net Profit—₹ 3,25,500; Balance Sheet Total—₹ 19,81,600.]

[Hint: Input SGST will have a Debit Balance of ₹ 5,000.]

17. On 31st March, 2023 following Trial Balance was extracted from the books of Mohan:

Particulars	Debit Balances ₹	Credit Balances ₹
Capital .....	...	3,00,000
Drawings .....	50,000	...
Debtors .....	2,00,000	...
Creditors .....	...	1,20,000
Loan .....	...	95,000
Interest on Loan .....	3,000	...
Cash .....	80,000	...
Provision for Doubtful Debts .....	...	7,000
Stock on 1st April, 2022 .....	68,000	...
Motor Vehicles .....	1,00,000	...
Bank .....	35,000	...
Land and Building .....	1,20,000	...
Bad Debts .....	5,000	...
Purchases .....	6,60,000	...
Sales .....	...	11,00,000
Purchases Return .....	...	15,000
Sales Return .....	80,000	...
Carriage Outwards .....	25,000	...
Carriage Inwards .....	30,000	...
Salaries .....	90,000	...
Rent and Insurance .....	30,000	...
Advertising .....	35,000	...
Discount Received .....	...	5,000
General Expenses .....	34,000	...
Rent Received .....	...	3,000
<b>Total</b>	<b>16,45,000</b>	<b>16,45,000</b>

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that date after taking into account the following:

- Stock as at 31st March, 2023 was valued at ₹ 70,000.
- All debtors are considered good for recovery.
- Depreciate Motor Vehicles by 20%.
- Bank intimation of customer's cheque of ₹ 10,000 being dishonoured is not recorded in the books.
- Travelling expenses of ₹ 5,000 paid to sales person was wrongly debited to his Personal Account and was included in debtors.
- Amount of ₹ 6,000 received from Ronit was credited to his account and was included in creditors. This amount was written off as bad debt in earlier years.
- Drawings included an amount of ₹ 2,000 being amount drawn in cash. It was used by Mohan for purchase of stationery used in business.

[Gross Profit—₹ 3,47,000; Net Profit—₹ 1,19,000; Balance Sheet Total—₹ 5,80,000.]

18. Following is the Trial Balance as on 31st March, 2023. Prepare Trading and Profit & Loss Account for the year ended 31st March, 2023 and Balance Sheet as at that:

Heads of Accounts	L.F.	Dr. (₹)	Cr. (₹)
Stock on 1st April, 2022 .....		8,000	...
Sales .....		...	2,20,000
Purchases .....		1,26,000	...
Productive Wages .....		56,500	...
Salaries .....		16,000	...
Stores Consumed .....		6,050	...
Carriage .....		3,050	...
Rent .....		5,200	...
Insurance .....		1,320	...
Machinery .....		52,000	...
Building .....		67,000	...
Capital Less Drawings .....		...	1,45,600
Sundry Debtors .....		44,000	...
Sundry Creditors .....		...	20,000
Secured Loan .....		...	16,000
Furniture .....		3,350	...
General Expenses .....		2,600	...
Cash in Hand .....		1,930	...
Bad Debts .....		1,020	...
Bank .....		6,580	...
Input CGST .....		3,000	...
Input SGST .....		3,000	...
Output CGST .....		...	2,500
Output SGST .....		...	2,500
<b>Total</b>		<b>4,06,600</b>	<b>4,06,600</b>

Stock on 31st March, 2023, ₹ 20,600.

You are to make adjustments in respect of the following:

- Depreciate Machinery at 10% p.a.
- Make a provision @ 5% for Doubtful Debts.
- Provide discount on debtors @ 2½%.
- Rent includes Rent deposit of ₹ 400.
- Insurance Prepaid ₹ 120.

[Gross Profit—₹ 41,000; Net Profit—₹ 6,935; Balance Sheet Total—₹ 1,88,535.]

[**Hint:** Provision for Doubtful Debts should be deducted from Sundry Debtors thereafter, Provision for Discount on Debtors should be made on the balance left after deducting provision for doubtful debts.]

19. Raman's Trial Balance as at 31st March, 2023 shows the following information:

Heads of Accounts	L.F.	Debit (₹)	Credit (₹)
Purchases		2,60,000	...
Sales		...	3,40,000
Carriage on Purchases		10,000	...

Raman took goods costing ₹ 5,000 for his personal use for which entry was not recorded in the books of account. Show the treatment in final accounts.

[Deduct from Purchases in Trading Account—₹ 5,000;  
Deduct ₹ 5,000 from the capital as drawings in the Balance Sheet.]