



GRADE: XI	SUBJECT: ACCOUNTANCY(055)	DATE: 10.02.2025	TIME: 3 HRS	MARKS: 80
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General Instructions:-

1. This question paper contains 31 questions. All questions are compulsory.
2. Question nos. 1 to 20 carries 1 mark each.
3. Question nos. 21 to 26 carry 4marks each.
4. Question nos. 27 to 30 carry 6 marks each.
5. Question nos. 31 carry 12 marks.

Q1. Which account is debited, when rent is paid by Debit card ?1M

Ans: Rent a/c.

Q2. What is GST ?1M

Ans: It is a destination based tax on consumption of goods and services. It is proposed to be levied at all stages right from manufacture up to final consumption.

Q3. Debit balance as per Cash Book is also known as _____ balance.1M
a) favourable b) overdraft c) abnormal d) unfavourable.

Ans: a) favourable.

Q4. State Golden rule for Nominal Account?1M

Ans: Debit, all expenses & losses and Credit, all income & gains.

Or

Increase in capital is credited and decrease in capital is _____.

Ans: Debited.

Q5. Surplus of income over expenses is _____.1M
a) Profit b) Deficit c) Loss d) Financial Statements

Ans: a)Profit.

Q6. What is Net Profit ?1M

Ans:

If the total of the credit side of the profit and loss account is more than the total of the debit side, the difference is the *net profit* for the period of which it is being prepared.

Q7. Outstanding expenses are shown on the side of Balance Sheet.1M
a) Assets b) Liability c) Both d) None of these

Ans: b) Liability

Q8. In _____ basis of accounting, actual cash receipts and actual cash payments are recorded. **1M**
a) Accrual b) Hybrid c) Cash d) Mercantile

Ans: **c) Cash**

Q9. If the capital is Rs. 2,60,000 and Assets are Rs. 5,00,000. What is the amount of liabilities? **1M**

Ans: **2,40,000**

Q10. When Closing Capital is greater than the Opening Capital, the difference is _____. **1M**
a) Profit b) Loss c) Assets d) Liabilities

Ans: **a) Profit**

Q11. Assertion: The financial statements do not reflect the true position of a business. **1M**

Reasoning: Accounting information is sometimes based on estimates.

- a) Both A and R are correct, and R is the correct explanation of A.
- b) Both A and R are correct, but R is not the correct explanation of A.
- c) A is correct, but R is incorrect.
- d) A is incorrect, but R is correct.

Ans: **a) Both A and R are correct, and R is the correct explanation of A.**

Q12. Discount earned is transferred to credit side of account. **1M**

- a) Current A/c b) Profit & Loss c) Trading d) Capital

Ans: **b) Profit & Loss**

Q13. Closing stock is always valued at cost or market price which is _____. **1M**

- a) more b) less c) zero d) equal

Ans: **b) less**

Q14. Wages paid for installation of Machinery should be debited to _____. **1M**

- a) wages A/c b) machinery A/c c) cash A/c d) Installation A/c

Ans: **b) machinery A/c**

Q15. Which of the following is not a business transaction? **1M**

- a) Bought furniture of ₹ 10,000 for business.
- b) Paid for salaries of employees ₹ 5,000.
- c) Paid son's fees from her personal bank account ₹ 20,000.
- d) Paid son's fees from the business ₹ 2,000.

Ans: **c) Paid son's fees from her personal bank account ₹ 20,000.**

Q16. Errors occurred due to wrong posting are called as errors of _____. **1M**

- a) principle b) commission c) compensating d) omission

Ans: **b) commission**

Q17. Excess of credit over to debit in Profit & Loss Account indicates _____. **1M**

- a) Net Profit b) Gross Profit c) Gross Loss d) Net Loss

Ans: **Net Profit**

Q18. All direct expenses are transferred to account. **1M**

Ans: **Trading**

Q19. Purchased Motor Car from Tata & Company worth Rs.2,00,000 at 18% GST. Find out GST amount. **1M**

Ans: **36,000**

Q20. Pick the odd one out: **1M**

a) Computer b) Goodwill c) Patents d) Trade Mark

Ans: **Computer**

Q21. Show the accounting equation for the following transactions. **4M**

- 1) Mr. Mehta started business with Rs.80,000
- 2) Purchased goods on credit from Ashwin Rs.12,000.
- 3) Purchased Furniture from S.M Furniture Mart on credit Rs.6,000
- 4) Sold goods to Anand worth Rs.10,000.
- 5) Withdrew cash for personal use Rs.2,500
- 6) Sold goods costing Rs.12,000 at profit of Rs.2,000.

Ans:

Transaction	Assets	=	Liabilities	+	Capital
1) Mr. Mehta started business with Rs.80,000	80,000	=	-	+	80,000
	80,000	=	-	+	80,000
2) Purchased goods on credit from Ashwin Rs.12,000.	12,000	=	12,000	+	-
	92,000	=	12,000	+	80,000
3) Purchased Furniture from S.M Furniture Mart on credit Rs.6,000	6,000	=	6,000	+	-
	98,000	=	18,000	+	80,000
4) Sold goods to Anand worth Rs.10,000.	-10,000	=	-	+	-
	10,000	=	-	+	-
	98,000	=	18,000	+	80,000
5) Withdrew cash for personal use Rs.2,500	-2,500	=	-	+	-2,500
	95,500	=	18,000	+	77,500
6) Sold goods costing Rs.12,000 at profit of Rs.2,000.	14,000	=	-	+	2,000
	-12,000	=	-	+	-
	97,500	=	18,000	+	79,500

Q22. Rectify the following errors. **4M**

1. Rent of Rs. 7500 paid to Mrs. Shala has been debited to his Personal Account.
2. Goods sold to Aryan for Rs.2,000 on credit were not entered in the Sales Book.
3. Repairs to Furniture Rs. 250 have been debited to Furniture A/c.
4. Cash received from Mr. Sawant Rs.500 was credited to Mr. Shinde.

Ans:

Journal				
Particulars		L/F	Debit Amount	Credit Amount
Rent a/c	Dr		7500	
To, Mrs. Shala a/c				7500
(Being Rent paid to Shala debited to his personal account now rectified)				
Aryan a/c	Dr		2000	
To, Sales a/c				2000
(Being Goods sold to Aryan for Rs.2,000 on credit were not entered, now rectified)				
Repairs a/c	Dr		250	
To, Furniture a/c				250
(Being the repairs wrongly debited to furniture account, now rectified)				
Shinde a/c	Dr		500	
To, Sawant a/c				500
(Being cash received from Sawant credited Shinde account now rectified account)				

Or

Write and explain the different types of errors that are usually committed in recording business transaction.

Ans:

Various types of errors:

(i) *Errors of commission:* Errors caused due to wrong recording of a transaction, wrong totalling, wrong casting, wrong balancing, etc.

(ii) *Errors of Omission:* Errors caused due to omission of recording a transaction entirely or partly in the books of account.

(iii) *Errors of Principle:* Errors arising due to wrong classification of receipts and payments between revenue and capital receipts and revenue and capital expenditure.

(iv) *Compensating errors:* Two or more errors committed in such a way that they nullify the effect of each other on the debits and credits.

Q23. Prepare Purchase Book & Purchase Return Book from the following transactions with GST in Maharashtra. 4M

2018

Aug. 05 Purchased from M/s. Rama Delhi (Invoice No. 780) 30 T.V. @ Rs.10,000 each & 4 Home Theatres at Rs.12,500 each @ 10% T.D

Aug. 07 03 T.V. Return to M/s. Rama Delhi (Gross) (Found defective) Debit Note No. 211

Aug. 20 Bought from M/s. Time Electronics Haryana (Invoice No. 11)
5 Washing Machines @ Rs.10,000 each &
5 LCD T.V. @ Rs.25,000 each @ 5% T.D.

Rate of GST applicable on above purchases are CGST @ 9% ,SGST @ 9% & IGST @ 18%.

Purchase Day Book

Date	Name of Supplier	Inward Invoice No.	L/F	Details	Total	Purchase	CGST	SGST	IGST
2018									
Aug-05	M/s. Rama Delhi	780							
	30 T.V. x10,000 each			3,00,000					
	4 Home Theatres x 12500 each			50,000					
				3,50,000					
	Less Trade Discount @ 10%			35,000					
				3,15,000					
	Add IGST @ 18%			56,700	3,71,700	3,15,000			56,700
Aug-20	M/s. Time Electronics Hariyana	11							
	5 Washing Machine x10000			50,000					
	5 LCD x 25,000 each			1,25,000					
				1,75,000					
	Less Trade Discount @ 5%			8,750					
				1,66,250					
	Add IGST @ 18%			29,925	1,96,175	1,66,250			29,925
	Total				5,67,875	4,81,250			86,625

Purchase Return Book

Date	Debit Note No	Name of Supplier	L/F	Details	Total	Purchase	CGST	SGST	IGST
2018									
Aug-07	211	M/s. Rama Delhi							
		3 T.V. x10,000 each		30,000					
		Less Trade Discount @ 10%		3,000					

				27,000				
		Add IGST @ 18%		4,860	31,860	27,000		4,860
		Total			31,860	27,000		4,860

Or

Prepare Sales Book & Sales Return book of M/s. Sourabh of Maharashtra from the following transactions with GST.4M

2018

Aug.07. Sold to M/s. Mehul Brothers, Delhi (Invoice No. 362) 30 Shirts @ Rs.250 per Shirt 40 Pants @ Rs.350 perPant. Trade Discount @ 10%.

Aug10.Returned 5 Shirts by M/s. Mehul Brothers, Delhi (Gross) Credit Note No. 61

Aug 18. Sold to M/s. Raja Traders, Jalana (Invoice No. 363) 20 Jackets @ Rs.450 per Jacket 10 Plain Shirts @ Rs.200 per Shirt. Trade Discount @ 10%

Rate of GST applicable on above Readymade CGST @ 9% SGST @ 9% IGST @ 18%

Ans:

Sales Day Book									
Date	Name of Customer	Outward Invoice No.	L/F	Details	Total	Sales	CGST	SGST	IGST
2018									
Aug-07	M/s. Mehul Bros. Delhi	362							
	30 Shirts @ Rs,250 each			7,500					
	40 Pants @ Rs,350 each			14,000					
				21,500					
	Less Trade Discount @ 10%			2,150					
				19,780					
	Add IGST @ 18%			3,560	23,340	19,780			3,560
Aug-18	M/s. Raja Traders, Jalana	363							
	20 Jackets @ Rs.450 per			9,000					
	10 Shirts @ Rs.200 per			2,000					
				11,000					
	Less Trade Discount @ 10%			1,100					

				9,900					
	Add CGST @ 9%			891					
	Add SGST @ 9%			891	11,682	9,900	891	891	
	Total				35,022	29,680	891	891	3,560

Sales Return Book									
Date	Name of Customer	Credit Note No.	L/F	Details	Total	Sales	CGST	SGST	IGST
2018									
Aug-10	M/s. Mehul Bros. Delhi	362							
	5 Shirts @ Rs,250 each			1,250					
	Less Trade Discount @ 10%			125					
				1,125					
	Add IGST @ 18%			203	1,328	1,125			203
	Total				1,328	1,125			203

Q24. Explain any two of the following: 4M

- a). Business Entity Concept b). Matching Concept c) Consistency Concept d) Dual Aspect Concept

Ans:

a). Business Entity Concept:

This concept assumes that business has distinct and separate entity from its owners. Thus, for the purpose of accounting, business and its owners are to be treated as two separate entities.

b). Matching Concept:

The concept of matching emphasises that expenses incurred in an accounting period should be matched with revenues during that period. It follows from this that the revenue and expenses incurred to earn these revenue must belong to the same accounting period.

c) Consistency Concept:

This concepts states that accounting policies and practices followed by enterprises should be uniform and consistent one the period of time so that results are composable. Comparability results when the same accounting principles are consistently being applied by different enterprises for the period under comparison, or the same firm for a number of periods.

d) Dual Aspect Concept:

This concept states that every transaction has a dual or two-fold effect on various accounts and should therefore be recorded at two places. The duality principle is commonly expressed in terms of fundamental accounting equation, which is: **Assets = Liabilities + Capital**

Q25. Answer the following questions.

4M

- a). Write any two objectives of Accounting.
b). What do you understand by Accounting Concepts.

Ans: a)

- i). ***Maintenance of Records of Business Transactions***
 ii). ***Calculation of Profit and Loss***

b).

The basic accounting concepts are referred to as the fundamental ideas or basic assumptions underlying the theory and practice of financial accounting and are broad working rules of accounting activities.

Or

Explain the meaning of any two of the following terms. **4M**

- a). Liability b). Stock c). Business Transaction d). Drawings

Ans:

a). **Liability:** Liabilities are obligations or debts that an enterprise has to pay at some time in the future. Liabilities are classified as current and non-current

b). **Stock:**

Stock (inventory) is a measure of something on hand-goods, spares and other items in a business. It is called *Stock in hand*. In a trading concern, the stock on hand is the amount of goods which are lying unsold as at the end of an accounting period is called *closing stock* (ending inventory). Similarly, *opening stock* (beginning inventory) is the amount of stock at the beginning of the accounting period.

c). **Business Transaction:**

An event involving some value between two or more entities. It can be a purchase of goods, receipt of money, payment to a creditor, incurring expenses, etc. It can be a cash transaction or a credit transaction.

d). **Drawings:**

Withdrawal of money and/or goods by the owner from the business for personal use is known as drawings. Drawings reduces the investment of the owners.

Q26. Following information of an accounting year is given: Opening Capital as on 31.03.2017 Rs.62,000; Drawings Rs.5,000 Additional Capital added during the year Rs.9,000 and Closing Capital as on 31.03.2018 Rs.50,000. **Calculate the Profit or Loss for the year ended 31st March, 2018. 4M**

Ans:

Calculation of Profit or Loss		
Particulars	Amount	Amount
Closing Capital		50000
Add: Drawings		<u>5000</u>
		55000
Less: Additional Capital	9000	
Less: Opening Capital	<u>62000</u>	71000
Loss for the year		16000

Q 27. Journalise the following transactions, prepare ledger accounts and trial balance in the books of Manju. 6M

2019

June 1. Purchased Computer from Akshay & co. in cash of Rs. 20,000.

June 3. Cash Sale to Rakesh of Rs. 1,00,000 and SGST @9% and CGST @9% applicable.

June 8. Cash Purchases from Mangesh Rs. 50,000 and SGST @9% and CGST @9% applicable.

Ans:

In the books of Manju					
Journal					
Date	Particulars		L/F	Debit Amount	Credit Amount
01-06-2019	Computer a/c	Dr		20,000	
	To, Cash a/c				20,000
(Being Computer purchased in cash)					
03-06-2019	Cash a/c	Dr		1,18,000	
	To, Output CGST a/c				9,000
	To, Output SGST a/c				9,000
	To, Sales a/c				1,00,000
(Being Goods sold in cash to Rakesh and GST charged)					
08-06-2019	Purchase a/c	Dr		50,000	
	Input CGST a/c	Dr		4,500	
	Input SGST a/c	Dr		4,500	
	To, Cash a/c				59,000
(Being Goods purchased in cash and GST charged)					

Computer a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
01-06-2019	To, Cash		20000	30-06-2019	By Bal c/d		20000
			20000				20000
01-07-2019	To Bal b/d		20000				

Cash a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
03-06-2019	To, Output CGST a/c		9000	01-06-2019	By Computer a/c		20000
03-06-2019	To, Output SGST a/c		9000	08-06-2019	By, Purchase a/c		50000
03-06-2019	To, Sales a/c		100000	08-06-2019	By, Input CGST a/c		4500
				08-06-2019	By, Input SGST a/c		4500
				30-06-2019	By Bal c/d		39000
			118000				118000
01-07-2019	To Bal b/d		39000				

Output CGST a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
30-06-2019	To, Bal c/d		9000	03-06-2019	By Cash a/c		9000

			9000				9000
				01-07-2019	By, Bal b/d		9000

Output SGST a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
30-06-2019	To, Bal c/d		9000	03-06-2019	By Cash a/c		9000
			9000				9000
				01-07-2019	By, Bal b/d		9000

Sales a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
30-06-2019	To, Bal c/d		100000	03-06-2019	By Cash a/c		100000
			100000				100000
				01-07-2019	By, Bal b/d		100000

Purchase a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
01-06-2019	To, Cash		50000	30-06-2019	By Bal c/d		50000
			50000				50000
01-07-2019	To Bal b/d		50000				

Input CGST a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
01-06-2019	To, Cash		4500	30-06-2019	By Bal c/d		4500
			4500				4500
01-07-2019	To Bal b/d		4500				

Input SGST a/c							
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
01-06-2019	To, Cash		4500	30-06-2019	By Bal c/d		4500
			4500				4500
01-07-2019	To Bal b/d		4500				

Trial Balance as on 01.07.2019		
Particulars	Debit Amount	Credit Amount
Computer a/c	20000	
Cash a/c	39000	
Output CGST a/c		9000

Output SGST a/c		9000
Sales a/c		100000
Purchase a/c	50000	
Input CGST a/c	4500	
Input SGST a/c	4500	
Total	118000	118000

Q28. Record the following transactions in Cash book of M/s Kamal Traders. Balance for the month of July'22: Cash in hand Rs.5,000 and Bank Current A/c Rs.10,000. Prepare Two Column Cash Book. 6M

Date	Particulars	Amount(Rs.)
03	Cash Sales	2,300
05	Purchased goods and amount paid by cheque	6,000
08	Cash Sales	10,000
15	Sold goods and amount received by cheque and deposited into bank	20,000
18	Purchased Motor Car paid by Cheque	15,000
22	Cash Sales	7,000
28	Paid Rent	2,000
29	Paid Telephone expenses by cheque	500
31	Cash withdrawn from Bank for personal use	2,000

Ans:

In the books of Kamal Traders											
Cash Book											
Date	Receipt	R.No	L/F	Cash (Rs.)	Bank (Rs.)	Date	Payment	V.No	L/F	Cash (Rs.)	Bank (Rs.)
01-07-2022	To Bal b/d			5,000	10,000	05-07-2022	By Purchase				6,000
03-07-2022	To Sales			2,300		18-07-2022	By Motor Car				15,000
08-07-2022	To Sales			10,000		28-07-2022	By Rent			2,000	
15-07-2022	To Sales				20,000	29-07-2022	By Telephone Expense				500
22-07-2022	To Sales			7,000		31-07-2022	By Drawings				2,000
						31-07-2022	By Bal c/d			22,300	6,500
				24,300	30,000					24,300	30,000
01-08-2022	To Bal b/d			22,300	6,500						

OR

Mr. Mohit, the petty cashier of M/s Samaira Traders received Rupees 2,000 on May 01, 2017 from the Head Cashier. For the month, details of petty expenses are listed here under

2017 May 02 Auto fare Rs.55

03 Courier services Rs.40

04 Postal stamps Rs.105

05 Erasers/Sharpener/Pencils/Pads Rs.225

06 Speed post charges Rs.98

08 Taxi fare Rs.195

08 Refreshments Rs.85

10 Auto fare Rs.60

Prepare Analytical Petty Cash Book.

Ans:

In the books of Samaira Traders

Analytical Petty Cash Book

Amount Received	Date	Particulars	V.No	Total Amount	Postage (Rs.)	Travelling Expenses (Rs.)	Printing & Stationery	Misc. Exp (Rs.)	L.F.	Ledger (Rs.)
2,000	01-05-2017	To, Cash								
	02-05-2017	By, Auto Fare		55		55				
	03-05-2017	By, Courier Services		40	40					
	04-05-2017	By, Postage		105	105					
	05-05-2017	By, Pen, Pencils, Pads		225			225			
	06-05-2017	By, Speed Post		98	98					
	08-05-2017	By Taxi Fare		195		195				
	08-05-2017	By Refreshment		85				85		
	10-05-2017	By, Auto Fare		60		60				
		Total Expenses		863	243	310	225	85	-	-
	31-05-2017	By, Bal c/d		1,137						
2,000				2,000						
1,137	01-06-2017	To Bal b/d								

Q29. On 31st March 2018 Bank Pass Book of Mr. Rajeev showed a credit balance of Rs.16,700 but Cash Book showed a different balance. On comparing the two books, the following differences were noticed.

- i) Cheques amounting to Rs.27,000 were deposited into bank for collection, out of which cheques amounting to Rs.23,000 only were credited upto 31st March 2018.
- ii) Cheques of Rs.40,500 were issued on 25th March 2018, of which only one cheque of Rs.1,500 was presented for payment before 31st March 2018.
- iii) Stationery Bill for Rs. 1,000 paid by cheque was not recorded in Cash book
- iv) Insurance Premium Rs.14,400 paid by bank appeared twice in the Cash Book.
- v) Pass book debit side was overcast by Rs.300.
- vi) Interest allowed by Bank Rs.800 appeared in the Pass Book only.

Prepare Bank Reconciliation Statement as on 31st March 2018.6M

In the books of Mr. Rajeev		
Bank Reconciliation Statement As on 31st March 2018		
Particulars	Amount (Rs.)	Amount (Rs.)
Balance as per Pass Book		16,700
Add :		
1. Cheques deposited but not yet collected by bank	4,000	
2. Stationery Bill for Rs. 1,000 paid by cheque was not recorded in Cash Book	1,000	
3. Pass book debit side was overcast by Rs.300.	300	5,300
Less :		
1. Cheques issued but not yet presented for payment	39,000	
2. Insurance Premium Rs.14,400 paid by bank appeared twice in the Cash Book.	14,400	
3. Interest allowed by Bank Rs.800 appeared in the Pass Book only.	800	54,200
Bank Overdraft balance as per Cash Book		32,200

Q30. On 1st April, 2016, a firm purchased a machinery for Rs 12,00,000. On 1st October, 2018, a part of the machinery purchased on 1st April, 2016 for Rs 80,000 was sold for Rs 45,000 and a new machinery at a cost Rs 1,58,000 was purchased and installed on the same date. The Company has adopted the method of providing depreciation @ 10% p.a. on the diminishing balance of the machinery.

Prepare Machinery A/c and Provision for Depreciation A/c.6M

Ans:

Machinery Account					
Date	Particulars	Amount	Date	Particulars	Amount
01-04-2016	To, Bank	12,00,000	31-03-2017	By Balance c/d	12,00,000
		12,00,000			12,00,000
01-04-2017	To Balance b/d	12,00,000	31-03-2018	By Balance c/d	12,00,000
		12,00,000			12,00,000
01-04-2018	To Balance b/d	12,00,000	01-10-2018	By Prov For Dep a/c	18,440
01-10-2018	To Bank	1,58,000	01-10-2018	By Bank	45,000
			01-10-2018	By Profit & Loss	16,560
			31-03-2019	By Balance c/d	12,78,000
		13,58,000			13,58,000
01-04-2019	To Balance b/d	12,78,000			

Provision for Depreciation Account					
Date	Particulars	Amount	Date	Particulars	Amount
31-03-2017	To, Balance c/d	1,20,000	31-03-2017	By Depreciation a/c	1,20,000
		1,20,000			1,20,000
31-03-2018	To, Balance c/d	2,28,000	01-04-2017	By Balance b/d	1,20,000
			31-03-2018	By Depreciation a/c	1,08,000
		2,28,000			2,28,000
01-10-2018	To, Machinery	18,440	01-04-2018	By Balance b/d	2,28,000
31-03-2019	To, Balance c/d	3,11,420	01-10-2018	By Depreciation a/c	3,240
			31-03-2019	By Depreciation a/c	98,620
		3,29,860			3,29,860
			01-04-2019	By Balance b/d	3,11,420

Depreciation Account					
Date	Particulars	Amount	Date	Particulars	Amount
31-03-2017	To, Prov for Dep a/c	1,20,000	31-03-2017	By Profit & Loss a/c	1,20,000
		1,20,000			1,20,000
31-03-2018	To, Prov for Dep a/c	1,08,000	31-03-2018	By Profit & Loss a/c	1,08,000
		1,08,000			1,08,000
01-10-2018	To, Prov for Dep a/c	3,240	31-03-2019	By Profit & Loss a/c	1,01,860
31-03-2019	To, Prov for Dep a/c	98,620			
		1,01,860			1,01,860

Working Note:

Calculation of Depreciation And Profit or loss on sale of Machinery					
Date	Particulars	I	II	III	Total
01-04-2016	Purchased	80,000	11,20,000		12,00,000
31-03-2017	Dep	8,000	1,12,000		1,20,000
31-03-2017	Balance	72,000	10,08,000		10,80,000
31-03-2018	Dep	7,200	1,00,800		1,08,000
31-03-2018	Balance	64,800	9,07,200		9,72,000
01-10-2018	Dep	3,240			3,240
01-10-2018	Purchased			1,58,000	1,58,000
31-03-2019	Dep		90,720	7,900	98,620
31-03-2019	Balance		8,16,480	1,50,100	9,66,580
		61,560			
	Sold	45,000			
	Loss	16,560			

OR

Kanchan Trading Centre. Dadar, purchased a Computer on 1st April 2015 for Rs.50,000. In the same year on 1st Oct additional Computer was purchased for Rs.20,000. On 1st Oct 2016 the Computer purchased on 1st April 2015 was sold for Rs.40,000 and on the same date new Computer was purchased for Rs.24,000. Their charge depreciation at 8% p.a. on Reducing Balance Method.

Prepare Computers A/c and Depreciation A/c for the first three (3) years Assuming that the accounting year closes on 31st March every year.6M

Ans:

Computer Account					
Date	Particulars	Amount	Date	Particulars	Amount
01-04-2015	To, Bank	50,000	31-03-2016	By Depreciation	4,800
01-10-2015	To, Bank	20,000	31-03-2016	By Balance c/d	65,200
		70,000			70,000
01-04-2016	To Balance b/d	65,200	01-10-2016	By Depreciation	1,840
01-10-2016	To Bank	24,000	01-10-2016	By Bank	40,000
			01-10-2016	By Profit & Loss a/c	4,160
			31-03-2017	By Depreciation	2,496
			31-03-2017	By Balance c/d	40,704
		89,200			89,200
01-04-2017	To Balance b/d	40,704	31-03-2018	By Depreciation	3,256
			31-03-2018	By Balance c/d	37,448
		40,704			40,704
01-04-2019	To Balance b/d	37,448			

Depreciation Account					
Date	Particulars	Amount	Date	Particulars	Amount
31-03-2016	To, Machinery	4,800	31-03-2016	By Profit & Loss a/c	4,800
		4,800			4,800
01-10-2016	To, Machinery	1,840	31-03-2017	By Profit & Loss a/c	4,336
31-03-2017	To, Machinery	2,496			
		4,336			4,336
31-03-2018	To, Machinery	3,256	31-03-2018	By Profit & Loss a/c	3,256
		3,256			3,256

Working

Calculation of Depreciation And Profit or loss on sale of Machinery					
Date	Particulars	I	II	III	Total
01-04-2015	Purchased	50,000			50,000
01-10-2015	Purchased		20,000		20,000
31-03-2016	Dep	4,000	800		4,800
31-03-2016	Balance	46,000	19,200		65,200
01-10-2016	Dep	1,840			1,840
01-10-2016	Balance	44,160	19,200		63,360
01-10-2016	Sold	40,000			40,000
01-10-2016	Loss	4,160			4,160
01-10-2016	Purchased			24,000	24,000
31-03-2017	Dep		1,536	960	2,496
31-03-2017	Balance		17,664	23,040	40,704
31-03-2018	Dep		1,413.12	1,843.20	3,256
31-03-2018	Balance		16,251	21,197	37,448

Q31. From the following Trial Balance of Shradha Enterprises, you are required to prepare Trading and Profit and Loss Accounts for the year ending on 31st march, 2019 and Balance Sheet as on that date.12M

Trial Balance as on 31st March, 2019

Debit balance	Amount (Rs.)	Credit balance	Amount (Rs.)
Opening Stock	2,40,000	Capital	13,00,000
Purchase	8,50,000	Sundry Creditors	1,20,000
Returns Inward	15,000	Bills Payable	60,000
Wages	29,000	Sales	25,00,000
Power & Fuel	21,800	Return Outward	8,000
Travelling Expenses	14,700	Discount	2,000
Audit fees	7,000	Bank Overdraft	1,54,000
Royalty	72,000	Reserve for Bad and doubtful debts	8,000
Discount	1,750		
Postage	13,500		
Bad Debtors	3,000		
Sundry Debtors	5,20,000		
Furniture	1,20,000		
Plant & Machinery	15,00,000		
Freehold Premises	7,02,000		
Rent, Rates & Insurance	42,250		
	41,52,000		41,52,000

Adjustments:

- Insurance is prepaid to the extent of Rs. 2,250.
- Closing Stock is valued at Rs. 3,80,000 Cost price and Rs.4,00,000 as Market Price.
- Outstanding expenses are Wages Rs.6,000 and Rent Rs.5,000.
- Written off Bad debts Rs. 2,000 and provide 2% Reserve for doubtful debts.
- Depreciation on Furniture and Plant and Machinery at 10% p.a. and on freehold premises at 5% p.a.

In the books of Shradha Enterprises

Trading & Profit & loss a/c for the year ended 31.03.2019

Particulars	Amount	Amount	Particulars	Amount	Amount
To Opening Stock		240,000	By Sales	2,500,000	
To Royalties		72,000	Less Sales Return	<u>15,000</u>	2,485,000
To Wages	29,000		By Closing Stock		380,000
Add: Outstanding	<u>6,000</u>	35,000			
To Purchase	850,000				
Less Purchase Return	<u>8,000</u>	842,000			
To Power & Fuel		21,800			
To G/P c/d		1,654,200			
		2,865,000			2,865,000
To Rent, Rates & Insurance	42,250		By G/P b/d		1,654,200
Less: Prepaid	2,250		By Discount		2,000
Add: Outstanding	<u>5,000</u>	45,000	By RDD (Old)		8,000
To Bad Debt (New)		2,000			
To RDD (New)		10,360			
To Bad Debt (Old)		3,000			
To Depreciation					
On Furniture	12,000				
On Plant & Machinery	150,000				
On Freehold Premises	<u>35,100</u>	197,100			
To Travelling Exp		14,700			
To Audit Fees		7,000			
To Discount		1,750			
To Postage		13,500			
To N/P c/d		1,369,790			
		1,664,200			1,664,200

In the books of Shradha Enterprises

Balance Sheet as on 31.03.2019

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital	1,300,000		Furniture	120,000	
Add N/P	<u>1,369,790</u>	2,669,790	Less: Depreciation	<u>12,000</u>	108,000
			Plant & Machinery	1,500,000	
Sundry Creditors		120,000	Less: Depreciation	<u>150,000</u>	1,350,000
Bills Payable		60,000	Freehold Premises	702,000	
Bank Overdraft		154,000	Less: Depreciation	<u>35,100</u>	666,900
Outstanding Wages	6,000		Sundry Debtors	520,000	
Outstanding Rent	<u>5,000</u>	11,000	Less: Bad Debt	<u>2,000</u>	
				518,000	
			Less: RDD	<u>10,360</u>	507,640
			Closing Stock		380,000
			Prepaid Insurance		2,250
		<u>3,014,790</u>			<u>3,014,790</u>