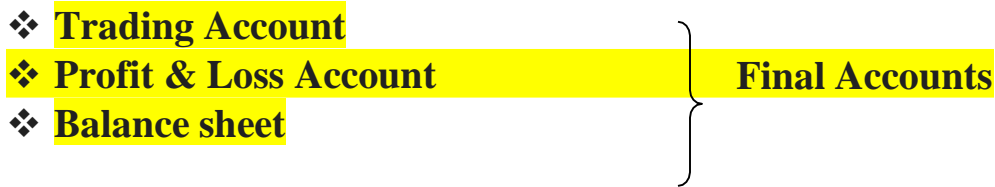


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## Unit-5

### FINAL ACCOUNTS



**Dr                      TRADING ACCOUNT FOR THE YEAR 31-03-2024                      Cr**

<i><b>Particulars</b></i>	<i><b>amount</b></i>	<i><b>Particulars</b></i>	<i><b>amount</b></i>
To opening stock		By sales      xxxx	
To Purchases    xxxx		Less: Returns   x x	
Less: Returns <u>xx</u>		By closing stock	
To carriage inwards		By Goods destroyed	
To wages		by fire accident	
To freight/cartage			
To customs duty			
To gas, fuel, coal			
To factory expenses			
To other man. Expenses			
To productive expenses			
		By gross loss	
To gross profit c/d (Transferred to P&L account)		(Transferred to P&L account)	

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## Dr      **PROFIT & LOSS ACCOUNT FOR THE YEAR 31-03-2024**      Cr

Particulars	amount	Particulars	amount
To Gross Loss b/d		By Gross profit b/d	
TO office salaries		By Interest received	
TO rent, rates, taxes		By Discount received	
TO Printing and stationery		By Commission received	
TO Legal charges		By Income from investments	
To Audit fee		By Dividend on shares	
TO Insurance		By Rent received	
TO General expenses		By Provision or Reserve for	
TO Advertisements		Bad and doubtful debts A/c	
TO Bad debts			
TO Carriage outwards			
TO Repairs			
TO			
Depreciation			
TO interest paid			
TO Interest on capital			
TO Interest on loans			
TO Discount allowed			
TO Commission			
<u>TO Net profit</u>		By Net Loss	
(Transfer to Balance sheet)		(Transfer to Balance sheet)	

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**BALANCE SHEET OF XYZ LTD. AS ON 31-03-2024**

<b>Liabilities</b>	<b>Inner(Rs)</b>	<b>Outer(Rs)</b>	<b>Assets</b>	<b>Inner(Rs)</b>	<b>Outer(Rs)</b>
Creditors			Cash in hand		
Bills payable			Cash at bank		
Bank overdraft			Bills receivable		
Loans Mortgage			Debtors		
Reserve fund			Closing stock		
<b>Capital</b>					
+ Additional capital			Furniture & fittings		
+ Interest on capital			Plant & machinery		
+ Net profit			Land & buildings		
(Less)			Goodwill		
Drawings			Prepaid expenses		
Interest on drawings			Outstanding incomes		
Net loss					

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1. Prepare Trading and Profit and Loss account for the year ended 31.12.2003 and a Balance Sheet as on that date from the following Trial Balance.

	<b>Debit Rs.</b>	<b>Credit Rs.</b>
Purchases	45,000	
Debtors	60,000	
Interest earned		1,200
Salaries	9,000	
Sales		96,300
Purchases returns		1,500
Wages	6,000	
Rent	4,500	
Sales returns	3,000	
Bad debts written off	2,100	
Creditors		36,600
Capital		31,800
Drawings	7,200	
Printing and stationary	2,400	
Insurance	3,600	
Opening stock	15,000	
Office expenses	3,600	
Furniture and fittings	6,000	
	1,67,400	1,67,400

Adjust the following

- (a) Closing stock Rs.20,000
- (b) Write off furniture @ 15% per annum.

### Trading account for the year ended 31.12.2003

**Dr**

**Cr**

Particulars		Amount (Rs.)	Particulars		Amount (Rs.)
<b>To Opening Stock</b>		15,000	<b>By Sales</b>	96,300	
<b>To Purchases</b>	45,000		<b>Less: Sales Returns</b>	3,000	
<b>Less: Returns</b>	1,500				93,300
		43,500			
<b>To Wages</b>		6,000	<b>By Closing Stock</b>		20,000
<b>To Gross profit</b>		48800			
		113,300			113,300

**Profit and Loss account for the year ended 31.12.2003**

**Dr**

**Cr**

<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>To Salaries</b>	9,000	By Gross Profit b/d	48,800
<b>To Rent</b>	4,500	By Interest Earned	1,200
<b>To Bad Debts Written Off</b>	2,100		
<b>To Printing and Stationery</b>	2,400		
<b>To Insurance</b>	3,600		
<b>To Office Expenses</b>	3,600		
<b>To Depreciation on Furniture</b>	900		
<b>To Net Profit</b>	23,900		
	50,000		50,000



**Balance sheet for the year ended 31.12.2003**

<b>Liabilities</b>		<b>Amount (Rs.)</b>	<b>Assets</b>		<b>Amount (Rs.)</b>
<b>Capital</b>	31,800		Furniture and Fittings	6,000	
<b>Add: Net Profit</b>	23,900		Less: Depreciation	900	
	55,700				5,100
<b>Less: Drawings</b>	7,200		Closing Stock		20,000
		48,500			
<b>Creditors</b>		36,600	Debtors		60,000
		85,100			85,100

2. The following figures have been extracted from the records of Fancy Stores a proprietary concern as on 31-12-2021

Furniture	15,000	Insurance	6,000
Proprietors capital a/c	54,000	Rent	22,000
Cash in hand	3,000	Sundry debtors	60,000
Opening stock	50,000	Sales	6,00,000
Fixed deposit	1,34,600	Advertisement	10,000
Drawings	5,000	Postages and telephone	3,400
Provision for bad debts	3,000	Bad debts	2,000
Cash at bank	10,000	Printing and stationery	9,000
Purchases	3,00,000	General charges	13,000
Salaries	19,000	Sundry creditors	40,000
Carriage inwards	41,000	Deposit from customers	6,000

Prepare Trading, Profit and loss account and balance sheet after taking into consideration the following information.

- (a) Closing stock as on 31st March was Rs.10,000
- (b) Salary of Rs. 2,000 is yet to paid to an employee.

### Trading Account of Fancy Stores as on 31.12.2021

**Dr**

**Cr**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
<b>To Opening Stock</b>	50,000	<b>By Sales</b>	6,00,000
<b>To Purchases</b>	3,00,000		
<b>To Carriage Inwards</b>	41,000		
<b>To Gross Profit c/d</b>	2,19,000	<b>By Closing Stock</b>	10,000
	6,10,000		6,10,000

### Profit and Loss Account of Fancy Stores as on 31.12.2021

<b>To Rent</b>		22,000	<b>By Gross Profit b/d</b>	2,19,000
<b>To Insurance</b>		6,000	<b>By provision for bad debts</b>	3000
<b>To Advertisement</b>		10,000		
<b>To Postages and Telephone</b>		3,400		
<b>To Bad Debts</b>		2,000		
<b>To Printing and Stationery</b>		9,000		
<b>To General Charges</b>		13,000		
<b>To Salaries</b>	19,000			
<b>Add: Outstanding</b>	2,000			
		21,000		
<b>To Net profit</b>		135600		
		2,22,000		2,22,000

### Balance sheet of Fancy Stores as on 31.12.2021

<b>Liabilities</b>		<b>Amount (Rs.)</b>	<b>Assets</b>		<b>Amount (Rs.)</b>
<b>Capital</b>	54,000		<b>Furniture</b>		15,000
<b>Add: Net Profit</b>	1,35,600		<b>Fixed Deposit</b>		1,34,600
	1,89,600		<b>Sundry Debtors</b>	60,000	
<b>Less: Drawings</b>	5000				
		1,84,600			57,000
<b>Sundry Creditors</b>		40,000	<b>Cash in Hand</b>		3000
<b>Deposit from Customers</b>		6000	<b>Cash at Bank</b>		10,000
<b>Outstanding Salary</b>		2,000	<b>Closing Stock</b>		10,000
		2,22,600			2,22,600

3. The Trial Balance of Prasad Laboratories on 31st December, 2002 is given below:

Debit balances	Rs	Credit balances	Rs
Plant	160000	Capital account	200,000
Purchases	136,000	Sales	254000
Sales returns	2,000	Purchase returns	2,550
Opening stock	60,000	Discounts received	1,600
Discount allowed	700	Sundry creditors	50,000
Bank Balance	4150		
Sundry debtors	90,000		
Salaries	13,600		
Wages	20,000		
Freight	3,900		
Rent, rates and taxes	4,000		
Advertisement	13,800		
	508150		508150

Adjust the following:

- (a) Closing stock Rs. 30,000
- (b) Rent paid in advance Rs. 500
- (c) Depreciate Plant @ 10% per annum

### Trading Account of Prasad Laboratories on 31st December, 2002

**Dr**

**Cr**

Particulars		Amount (Rs.)	Particulars		Amount (Rs.)
<b>To Opening Stock</b>		60,000	<b>By Sales</b>	254000	
<b>To Purchases</b>	136000		<b>Less: Sales Returns</b>	2,000	
<b>Less: Returns</b>	2,550				252,000
		133,450			
<b>To Wages</b>		20,000			
<b>To Freight</b>		3,900			
<b>To Gross Profit c/d</b>		64,650	<b>By Closing Stock</b>		30,000
		282,000			282,000

### Profit and Loss Account of Prasad Laboratories on 31st December, 2002

**Dr**

**Cr**

<b>To Salaries</b>		13,600	<b>By Gross Profit b/d</b>	64,650
<b>To Rent, Rates and Taxes</b>	4,000		<b>By Discounts Received</b>	1,600
<b>Less: Prepaid</b>	500			
		3500		
<b>To Advertisement</b>		13800		
<b>To Discount Allowed</b>		700		
<b>To Depreciation on Plant</b>		16,000		
<b>To Net profit</b>		18650		
		66250		66250



### Balance Sheet of Prasad Laboratories on 31st December, 2002

<b>Liabilities</b>		<b>Amount (Rs.)</b>	<b>Assets</b>		<b>Amount (Rs.)</b>
<b>Capital</b>	200,000		Plant	160,000	
<b>Add: Net Profit</b>	18,650		Less: Depreciation	16,000	144,000
	218,650		<b>Sundry Debtors</b>		90,000
<b>Sundry Creditors</b>		50,000			
			Closing Stock		30,000
			Bank Balance		4,150
			Prepaid Rent		500
		268,650			268,650

4. From the following Trial Balance of Vikram Foundary Works, prepare Trading Ac-count and Profit and Loss Account for the year ending 31st March 2020. Also prepare a Balance Sheet as on that date.

Dr	Rs	Cr	Rs
Electricity	12,000	Interest	14,000
Land	1,40,000	Discount	6,000
Interest	16,000	Sales	8,00,000
Wages	50,000	Returns	10,000
Opening Stock	20,000	Sundry creditors	60,000
Rent	24,000	Capital	3,02,000
Office expenses	30,000	Bills payable	15,000
Purchases	300000		
Buildings	4,00,000		
Salaries	90,000		
Power, gas and water	30,000		
Returns	20,000		
Furniture	15,000		
Sundry debtors	60,000		

Adjustments:

- (a) Outstanding salaries Rs.10,000
- (b) Closing stock Rs. 80,000
- (c) Depreciate building at 10 per cent per annum
- (d) Interest received in advances Rs. 2,000

### Trading Account of Vikram Foundary Works for the year ending 31st March 2020

Particulars		Amount (Rs.)	Particulars		Amount (Rs.)
<b>To purchases</b>	300000				
<b>Less returns</b>	10000				
		290000			
<b>To Opening Stock</b>		20,000	<b>By Sales</b>	800000	
<b>To Wages</b>		50,000	<b>Less: Sales Returns</b>	20,000	
<b>To Power, Gas and Water</b>		30,000			780000
<b>To Gross Profit c/d</b>		470000	<b>By Closing Stock</b>		80,000
		860,000			860,000

**Profit and Loss Account of of Vikram Foundary Works for the year ending 31st March 2020**

<b>To Rent</b>		24000	<b>By Gross Profit b/d</b>		470000
<b>To Office Expenses</b>		30000	<b>By Interest Received</b>	14000	
<b>To Salaries</b>	90,000		<b>Less Received in advance</b>	2000	
<b>Add: Outstanding</b>	10,000				12000
		100000			
<b>To Electricity</b>		12000	<b>By Discount Received</b>		6000
<b>To interest</b>		16000			
<b>To Depreciation on Building</b>		40,000			
<b>To Net profit</b>		266000			
		488000			488000

**Balance Sheet of Vikram Foundary Works for the year ending 31st March 2020**

<b>Liabilities</b>		<b>Amount (Rs.)</b>	<b>Assets</b>		<b>Amount (Rs.)</b>
<b>Capital</b>	302000		Land		140000
<b>Add: Net Profit</b>	266000		Buildings	400000	
		568000	<b>Less Depreciation</b>	40000	
					360000
<b>Sundry Creditors</b>		60,000	Furniture		15,000
<b>Bills Payable</b>		15,000	Sundry Debtors		60,000
<b>Outstanding Salaries</b>		10,000	Closing Stock		80,000
<b>Interest Received in Advance</b>		2,000			
		655000			655000

5. Prepare Trading and profit and loss account for the year ended 31.12.2001 and a Balance Sheet as on that date from the following Trial Balance.

	Dr, Rs.	Cr Rs.
Furniture	6,500	
Plant and machinery	60,000	
Buildings	75,000	
Capital		1,25,000
Bad debts	1,750	
Reserve for bad debts		3,000
Sundry debtors	40,000	
Sundry creditors		24,100
Stock (1.1.2001)	34,600	
Purchases	54,750	
Sales		1,54,500
Bank overdraft		28,500
Sales returns	2,000	
Purchases returns		1,250
Advertising	4,500	
Interest	1,180	
Commission received		3,750
Cash in hand	6,500	
Salaries	33,000	
General expenses	7,820	
Car expenses	9,000	
Taxes and insurance	3,500	
	3,40,000	3,40,000

### Trading account for the year ended 31.12.2001

Particulars		Amount (Rs.)	Particulars		Amount (Rs.)
<b>To Opening Stock</b>		34600	<b>By Sales</b>	154500	
<b>To Purchases</b>	54750		<b>Less: Sales Returns</b>	2000	
<b>Less: Returns</b>	1,250				152500
		53500			
<b>To Gross Profit c/d</b>		64400			
		152500			152500

**Profit and loss account for the year ended 31.12.2001**

<b>To Salaries</b>		33000	<b>By Gross Profit b/d</b>		64400
<b>To General Expenses</b>		7820	<b>Reserve for bad debts</b>		3000
<b>To Car Expenses</b>		9000			
<b>To Taxes and Insurance</b>		3500			
<b>To Advertising</b>		4500			
<b>To Bad Debts</b>		1750	<b>By Commision Received</b>		3750
<b>To Interest</b>		1,180			
<b>To Net profit</b>		10400			
		71150			71150



### Balance sheet for the year ended 31.12.2001

<b>Liabilities</b>		<b>Amount (Rs.)</b>	<b>Assets</b>		<b>Amount (Rs.)</b>
<b>Capital</b>	125000		Plant and Machinery		60000
<b>Add: Net Profit</b>	10400		Buildings		75000
		135400			
<b>Sundry Creditors</b>		24100	Furniture		6500
			Sundry Debtors		40,000
<b>Bank Overdraft</b>		28500			
			Cash in Hand		6500
		188000			188000