

Bank Reconciliation Statement

As on 31st December, 2018.

particular	Amount	Amount
(a) Balance As per pass book	() 10,160	10,160
<u>Add:</u>		
(c) Cheque sent for deposit but not credited by bank	22800	
(d) Cheque ^{amount} entered in cash book but not yet Banked.	1000	
(e) Bank charges debited by bank	40	3840
<u>Less:</u>		
(b) Cheque issued but not fully presented for payment. (10000 - 8000)	2000	2000
Balance As per cash book		12800

Solution

Triple Column Cash Book

Date	particular	Dr	P/Discount	Cash	Bank	Date	particular	Cr	Discount	Cash	Bank
3-1	To Balance b/d			17,500		3-1	By Bank over draft				22,900
3-10	To cash a/c	(C)			5000						
3-12	To Sales a/c	-200	12,000	7,800	3-4	By purchase a/c			4,000		
3-19	To Commission a/c		2,500		3-10	By Bank a/c (C)			5,000		
3-25	To Bank a/c (C)		2,000		3-16	By wages a/c			3,000	5,000	
3-28	To Shankar a/c	1800		16,200	3-22	By Narayhan a/c			5,000	5100	
					3-25	By drawing a/c			5,000		
					3-25	By cash a/c (C)			2,000		
3-31	To Balance c/d		600	3-31	By Balance a/c				16,100		
		2000	3200	3500					0	3600	
	Total	2000	34000	35000		Total			34000	35000	
4-1	To Balance b/d		16,100		4-1	By Balance c/d			600		

③ (i) fifo method

Opening stock 500 unit at rs 10 = 5000

Add: purchases:

April 1

2000 unit at rs 12 = 24000

April 12

2000 unit at rs 14 = 28000

total

4500 unit = 57000

Cost of goods available for sales =

4500 unit at Rs 57,000.

Cost of Good Sold Under fifo:

April 5 - 1300 units ~~at~~ where; 500 units at Rs 10
+
1000 units at Rs 12

$$= 500 \times 10 + 1000 \times 12$$

$$= 20,000 + 12,000$$

April 16 - 2000 units \geq 1000 unit at rs 12 per unit

& 1000 unit at rs 14 per unit

$$= 1000 \times 12 + 1000 \times 14$$

$$= 26,000$$

April - 20 - 200 units at rs 14

$$= 2800$$

Total cost of Good Sold = ~~17000 + 26000 + 2800~~

$$= 45800$$

so,

cost of ending inventory = ~~COGS~~ cost of goods available
for sales - COGS

$$= \cancel{45800} 57000 - 45800$$

$$= 11200$$

Ay,

Q1 Cost of Good Sold under FIFO

$$\text{April 8} = 1500 \text{ units at } 14 \text{ per unit} \\ = 1500 \times 14 = 21000$$

$$\text{April 16} = 500 \text{ units at } 14 + 1500 \text{ units at } 12 \\ = 500 \times 14 + 1500 \times 12 = 25000$$

$$\text{April 20} = 200 \text{ units at } 12 \\ = 200 \times 12 = 2400$$

$\therefore \text{Total COGS} = 48400$

$\therefore \text{Cost of ending inventory} = \text{Cost of Goods available for sale} - \text{COGS}$

$$= 57000 - 48400 \\ = 8600$$

Q2 Under WAC method

$$\text{Weighted average cost per unit} = \frac{\text{COGS available for sale}}{\text{Total unit}} \\ = \frac{37000}{30000} \\ = 1.26$$

$\therefore \text{COGS} = 3700 \text{ units at } 1.26 \\ = 3700 \times 1.26 = 4686.66$

$\therefore \text{Cost of ending inventory} = \text{ending inventory} \times \text{WACPU} \\ = 1800 \times 1.26 \\ = 1008.$

①.Nos

Machinery Account

Date	particular	Amount	Date	Particular	Amount
1-10-076	To Bank (90000+1000)	1,00,000	3-12-076	By depreciation a/c (3 month)	2500
			3-12-076	By Balance c/d	97,50
		1,00,000			1,00,0
1-10-077	To Balance b/d	97,500	31-12-077	By depreciation a/c	9750
			31-12-077	By Balance c/d	87,750
		97,500			97,500
1-1-078	To Balance b/d	97,750	30-6-078	By depreciation	4387.5
30-6-078	To profit	6,637			
30-6-078	To Bank a/c	150,000	30-6-078	By Bank	50,000
			31-12-078	By depreciation (new machine)	7500
			31-12-076	By Balance b/d	1,42,500
		244387.5			244387.5
1-1-2020	To Balance b/d	1,42,500			

Adjusted Trial Balance.

CLASSMATE

Date _____

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S.N	Account Title	Unadjusted T.B		Adjustments		Adjusted T.B	
		Dr	Cr	Dr	Cr	Dr	Cr
①	Capital		50,000		5000		50,000
②	Accounts pay.		10,000				10,000
③	Machinery	65,000				65,000	
④	Rent prepaid	8000			7000	1000	
⑤	Salary Expense	10,000		2000		12,000	
⑥	Revenue (alg)	20000	20000				80000
⑦	Adm. Expense	30000				30000	
⑧	Scindry assets	37000				37000	
⑨	Commission (income)	10000			3000		13,000
<u>Adjustments</u>							
⑩	prepaid rent expired			7000		7000	
⑪	ols salary				2000		2000
⑫	Commission income not received			3000		3000	
Total		1,50,000	65,000	1,20,000	1,20,000	1,58,000	1,55,000

Capital Expenditure:

- Capital expenditure represents significant investments of capital that a company makes to maintain or, more often, to expand its business & generate additional profits.
- Capital expenditure consists of purchase of long term assets which are the assets that last for more than one year but typically have a useful life of many years.

Some capital expenditure:

- ① A facility or factory, including the upgrade.
- ② Vehicles, such as trucks used for delivery.
- ③ Manufacturing equipments.
- ④ Computers.
- ⑤ Furnitures.

Revenue Expenditure

- Revenue Expenditure are short term expenses used in the current period or typically within one year.
- Revenue expenditure also include ordinary repair & maintenances. It include the expenses required to meet the ongoing operational cost of running business. These are essentially same as operating expenses (OPEX).

Some revenue expenditure:

- ① Salaries & employee wages
- ② Any overhead expenses, salaries,
- ③ Utilities & rent
- ④ Business travel
- ⑤ Property taxes,

Date	particular	Amount (Dr)	Amount (Cr)
(a)	Cash a/c To Capital a/c (Being Business started with cash)	Rs 50,000	50,000
(b)	Purchase a/c To Cash a/c (Being Goods purchased in cash)	25,000	25,000
(c)	Salary a/c To Cash a/c (Being salary paid in cash)	10,000	10,000
(d)	Dr. Cash a/c P/L a/c To Sales a/c (Being goods sold & gained profit)	20000 5000 25000	25000
(e)	Prepaid salary To Cash a/c (Being salary paid in advance)	2000	2000
(f)	Cash a/c To Capital a/c (Being additional capital introduced)	10,000	10,000
(g)	Computer a/c To Cash a/c (Being computer purchased)	15,000	15,000
(h)	Bank a/c To Cash a/c (Being cash deposited to Bank)	60,000	60,000
		6,30,000	6,30,000

Cash a/c

Date	particular	Dr Amount	SN	particular	Dr Amount
(a)	To Capital a/c	5,00,000	①	By purchase a/c	20000
(b)	To Sales a/c	25,000	②	By salary a/c	10000
(c)	To Capital a/c	10,000	③	By prepaid a/c	2000
			④	By purchase a/c	15000
			⑤	By Bank a/c	50000
			⑥	By balance d/d	4,33,000
					<u>5,21,000</u>
	To Balance b/d	<u>5,35,000</u>			
		4,33,000			

Purchase a/c

Dr SN	particular	Dr Amount	SN	particular	Dr Amount
(b)	To Cash a/c	25000			
(c)	To Cash a/c	15000			
				By Balance (c/d)	40,000
					<u>40,000</u>
	To Balance b/d	<u>40,000</u>			

Salary a/c

Date	particular	Dr Amount	SN	particular	Dr Amount
(c)	To Cash a/c	10,000			
(d)	To Cash a/c	2,000			
				By Balance c/d	12,000
					<u>12,000</u>
	To Balance b/d	<u>12,000</u>			

Sales a/c

Date	particular	Dr	Amount	Date	particular	Cr	Amount
	To Balance b/d		25,000		① By cash a/c		25,000
			25000		By Balance b/d		25000
					By Balance b/d		25000

Capital a/c

Date	particular	Dr	Amount	Date	particular	Cr	Amount
				②	By cash a/c		5,00,000
	To Balance b/d		5,10,000	④	By cash a/c		40,000
			5,10,000				5,10,100

Bank a/c

Date	particular	Dr	Amount	Date	particular	Cr	Amount
①	To cash a/c		50,000		By Balance b/d		50,000
	To Balance b/d		50,000				50,000
	To Balance b/d		50,000		By Balance b/d		

Trial Balance

SN	Particular	Dr	Cr
①	Cash a/c	433000	
②	Purchase a/c	40000	
③	Salar a/c	12000	
④	Sales a/c		25000
⑤	Capital a/c		5,10,000
⑥	Bank a/c	50,000	
	Total	5,95000	5,95,000

Q. No. 8

PL of trading account
as on 31st chaitra.

classmate

Date _____

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particular	Amount	particular	Amount
To opening account stock	25000	By Sales 100,000	
To purchase 95000		Less: Sales return 2000	98000
Less: purchase return 1500	73500		
To carriage 2000		By closing stock	25000
Add: O. Carriage 500	2500		
To Gross profit	22000		
	1,23,000		1,123,000
To rent 15000		By Gross profit	22,000
Less: prepaid rent 5000	10000	By Sundry income	500
To prepaid insurance 1000		By Unearned commission	2800
Less: Unexpired 800	200	By Expired Insurance	
To Bad debt 2000		By provision for bad debt	1000
Add: provision for bad debt (new) (2000)	4800	By Outstanding interest on loans	1000
To Net profit:	12000		
	27000		27000

Balance sheet as on
31st chaitra 2076

Liabilities	Amount	Assets	Amount
To Capital 1,00,000		By Net profit	12000
Less drawing 98,000		Accounts receivable 28000	
Add: Net profit 12000	96000	Less: provision for bad debt (10%.) (2000)	23200
Outstanding interest	1000		
Account payable 9000		Land & Building	15000
Unearned commission 6500		Loose tools	7500
Unearned commission 2500		Equipment	28000
O. Carriage 500		Prepaid insurance, p. rent Unearned commission	3000 6500
Loan 15000		Unexpired insurance 800	800
		Bank Balance	18000
		C. Stock	25000
	1,21,500		1,21,500