Page no. 19.65

3 Following trial balance has been extracted from the books of prasad on 31st march,2019

|  |  |  |  |
| --- | --- | --- | --- |
| Particular  Machinery  Cash at bank  Cash in hand  Wages  Purchases  Stock on 1st April,2018  Sundry debtors  Bills receivable  Rent  Commission  General expenses  Salaries  total | Dr  4,00,000  1,00,000  50,000  1,00,000  8,00,000  6,00,000  4,40,000  2,90,000  45,000  25,000  80,000  50,000  29,80,000 | Particular  Capital  Sales  Sundry creditors  Interest received | Cr  9,00,000  16,00,000  4,50,000  30,000  29,80,000 |

Adjustments:

a. Outstanding salaries were rs 45,000

b. Depreciate machinery at 10%

c.Outstanding Wages Rs 5,000

d. Rent prepaid rs 10,000

e. Provide for interest on capital @5%per annum

f. Stock on 31st march,2019 rs 8,00,000

Prepare trading,P/L and balance sheet for the year ended 31st march,2019

Ans Gross profit rs 8,95,000 net profit rs 6,05,000 balance sheet 20,50,000

Soln

and Trading and Profit Loss A/C

Dr. For the year ended 31st march,2019 Cr

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs | Particulars | Rs |
| To Opening Stock  To Purchases  To Wages 1,00,000  Add, Outstanding 5,000  To Gross Profit (Cr – Dr) | 6,00,000  8,00,000  1,05,000  8,95,000 | By Sales  By Closing Stock | 16,00,000  8,00,000 |
|  | 24,00,000 |  | 24,00,000 |
| To Rent 45,000  Less, Prepaid 10,000  To Commission  TO General expenses  To Salaries 50,000  Add, O/S 45,000  To Depreciation on Machinery  ( 400,000 x 10/100)  To interest on capital  ( 900,000 x 5/100)  To Net Profit (Cr – Dr)w.n | 35,000  25,000  80,000  95,000  40,000  45,000  6,05,000 | By Gross Profit  By Interest received | 8,95,000  30,000 |
|  | 9,25,000 |  | 9,25,000 |

Balance- Sheet

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Rs | Assets | Rs |
| Capital 9,00,000  Add, Net Profit 6,05,000  Add, Interest on  Capital 45,000  Sundry creditors  Outstanding salaries  Outstanding Wages | 15,50,000  4,50,000  45,000  5,000 | Machinery 4,00,000  Less, Dep. 40,000  Cash at bank  Cash in hand  Sundry debtors  Bills receivable  Rent prepaid  Closing Stock | 3,60,000  1,00,000  50,000  4,40,000  2,90.000  10,000  8,00,000 |
|  | 20,50,000 |  | 20,50,000 |

Net Profit =Cr 9,25,000 - Dr 3,20,000 = 6,05,000

4 from the following trial balance of shradha as on 31st march,2019,prepare trading and profit/loss and balance sheet

|  |  |  |
| --- | --- | --- |
| Head account  Capital  Drawing  Sales  Purchases  Stock1st April,2018  Return outward/ Pur. Return  Carriage inward  Wages  Power  Machinery  Furniture  Rent  Salary  Insurance  8% bank loan  Debtors  Creditors  Cash in hand | Debit  …  18,000  ….  82,600  42,000  …...  1,200  4,000  6,000  50,000  14,000  22,000  15,000  3,600  …..  20,600  …..  1,500 | Credit  80,000  …  1,55,000  ……….  ……………..  1,600  …  …  …  ….  ….  …  …  …  25,000  …..  18,900  …… |
| total | 2,80,500 | 2,80,500 |

Adjustments:

* Closing stock rs 64,000
* Wages outstanding rs 2,400
* Bad debts rs 600
* Provision for doubtful debts to be 5% on Debtors
* Rent is paid for 11 months . one month rent to be paid.
* Insurance premium is paid per annum,ended 31st may,2019 (Prepaid )
* Loan from the bank was taken on 1st october,2018
* Provide depreciation on machinery@10% and on furniture @5%

Ans Gross profit rs 82,400 net profit rs 32,100 balance sheet rs 1,43,000

Soln.

Trading & Profit & Loss Account

For the year ended 31st March 2019

|  |  |  |  |
| --- | --- | --- | --- |
| Par.. | Rs | Par… | Rs |
| To Opening Stock  To Purchases 82,600  Less, Return outward 1,600  To Carriage inward  To Wages 4,000  Add, O/S 2,400  To Power  To Gross Profit (CR- DR) | 42,000  81,000  1200  6,400  6,000  82,400 | By Sales  By Closing stock | 1,55,000  64,000 |
| Total | 2,19,000 |  | 2,19,000 |
| To Bad debts  To Provision for d.d.  ( 20,600 – 600) x 5%  To Rent 22,000  Add, O/S 2,000  (22,000/11)  To Insurance 3,600  Less, Prepaid  (3600 x 2 month) 6,00  12  To Interest on Loan  (25,000 x 8/100 x 6/12)  To depreciation on machinery  10% x 50,000  Depn. on furniture @5% x14000  To Salary    To Net Profit (Cr – Dr) | 600  1,000  24,000  3,000  1,000  5,000  7,00  15,000  32,100 | By Gross Profit | 82,400 |
|  | 82,400 |  | 82,400 |

CR 21,9,000 – 1,36,600=

82,400 – 50,300 = 32,100 Net Profit