

1) Nandini kapur started universal business solutions by bringing in cash of rs 300000.

2) Ms kapur paid rs 22500 in cash to purchase a computer with preloaded rally 9 . The computer does not have any disposal value at the end of its useful life of four years . All assets are to be depreciated using the straight-line-line method.

3) Ms kapur opened a bank account with HDFC bank banglore for the firm by depositing cash of rs 100000.

4) Ms kapur had rented an office space for rs 2500 per month on april 2017 and has now paid security deposit of rs 25000 by cheque.

5)Ms kapur hired maya nair as manager – operations on a monthly salary of rs 7500 . she also hired vijay Narayan as assistant manager-marketing on monthly salary of rs 4500.

6) Ms kapur made agreement with raj travels so that at regular intervals she will receive bills of cab hire charges and tour expenses.

7). Ms kapur issued cheques and purchased the following fixed asset.

1) a cell phone for office usage for rs 6000 (useful life 5 years).

- 2) Furniture for rs 20000(useful life 8 year)
- 3)An Air conditioner of rs 20000(useful life 6 years)
- 4) Electrical fittings of rs 15000 (useful life 10 years).

8)Ms kapur obtained a mobile phone Subscription with planet Telecommunications Its by paying a deposit of rs 3000 in cash.

9.) Ms kapur purchased stationery consumables worth rs 12500 from global house on credit.

10. Ms kapur entered into a contract with silver services for providing consultancy services at an agreed price of rs 75000. She received an advance of rs 25000 by cheque.

11) Ms kapur deposited rs 50000 cash in HDFC bank.

12) Ms kapur received an invoice for rs 6000 raised by ink and paper publisher for printing of office stationery.

13)Ms kapur withdrew rs 7500 cash for personal use.

14. Ms kapur paid rs 750 in cash towards office maintenance charges for april.

Solution:-

1.. Receipt

Dr cash 300000

Cr Nandini capital 300000

2. payment

Dr Computer 22500

Cr cash 22500

3. Contra

Dr HDFC BANK 100000

CR cash 100000

4. payment

Dr security deposit 25000

Cr HDFC BANK 25000

7.PAYMENT

DR. CELLPHONE 6000

DR FURNITURE 20000

DR AIR CONDITIONER 20000

DR ELECTRICAL FITTING 15000

CR HDFC BANK 61000

8. PAYMENT

DR MOBILE PHONE SUBSCRIPTION 3000

CR CASH 3000

9. JOURNAL

DR STAIONERY 12500

CR GLOBAL HOUSE 12500

10. RECEIPT

DR HDFC BANK 25000

CR ADVANCE CONSULTING REVENUE 25000

11. CONTRA

DR HDFC 50000

CR CASH 50000

12. JOURNAL

DR OFFICE STAIONERY 6000

CR INK AND PAPER 6000

13. PAYMENT

DR DRAWING 7500

CR CASH 7500

14. PAYMENT

DR OFFICE MAINTENANCE CHARGES 750

CR CASH 750

TRAIL BALANCE:- 343500

CASH:- 116250

BANK:- 89000

May 2017

15) Ms Kapoor paid rs 6000 in cash to ink and paper publishers.

16)Ms. Kapoor paid rs 2500 by cheque towards office rent for april .

17)Ms. Kapoor paid salaries through cheque for April 2017 for 26 days to .

1)Maya Nair ->6500

2) Vijay Narayan -> 3900

18)Ms. Kapoor received and paid mobile bill amounting to rs 1250 in cash for april 2017.

19)Ms Kapoor issue cheque of rs 12500 to global house.

20)Ms Kapoor paid rs 1100 in cash towards electricity charges for april 2017.

21) Ms Kapoor received further advance of rs 25000 from silver Services by cheque.

22) Ms Kapoor reimbursed conveyance bills amounting to rs 650 in cash to vijay Narayan.

23) Ms Kapoor paid rs 150 in cash towards miscellaneous office expenses .

24) Ms Kapoor received rs 15000 of consulting revenue in cash from omega infotech.

25) Ms Kapoor raised an invoice for rs 75000 on silver services after completion of the service, silver services paid the balance amount of rs 25000 in cash after deducting the advance paid.

26) Ms. Kapoor withdrew rs 6000 cash for personal use.

SOLUTION:-

15) PAYMENT

DR INK AND PAPER PUBLISHERS 6000

CR CASH 6000

16. PAYMENT

DR OFFICE RENT 2500

CR HDFC BANK 2500

17. payment

Dr Salaries 10400

Cr HDFC BANK 10400

18. PAYMENT

DR MOBILE PHONE 1250

CR CASH 1250

19. PAYMENT

DR GLOBAL HOUSE. 12500

CR HDFC 12500

20. PAYMENT

DR ELECTRICITY CHARGES 1100

CR CASH 1100

21. RECEIPT

DR HDFC BANK 25000

CR ADVANCE CONSULTING REVENUE 25000

22. PAYMENT

DR CONVEYENCE BILLS 650

CR CASH 650

23. PAYMENT

DR MISC. OFFICE EXPENSES 1500

CR CASH 1500

24. RECEIPT

DR CASH 15000

CR CONSULTING REVENUE 15000

25. RECEIPT

CR CONSULTING REVENUE 75000

DR CASH 25000

DR ADVANCE CONSULTING REVENUE 50000

26. PAYMENT

DR DRAWING 6000

CR CASH 6000

Trail balance -> 390000

cash->141100

bank->88600

JUNE 2017.

27. Ms Kapoor paid rs 2500 in cash towards office rent for May

28. Ms Kapoor paid salaries by cheque for May

29. Ms Kapoor received an invoice for rs 5500 from Raj Travels. This includes Rs. 2300 towards cab hiring charges and Rs 3200 towards outstation tours undertaken by her.

30. Ms. Kapoor received rs 35000 in cash as consulting revenue from eateries food chain.

31. Ms Kapoor deposited rs 30000 cash in HDFC bank.

32. Ms Kapoor paid mobile phone bill amounting to rs 1350 by cheque for May.

33. Ms Kapoor reimbursed conveyance bills amounting to rs 750 in cash to Vijay Narayan.

34 Ms Kapoor paid 1250 in cash towards electricity bill charges for May

35. Ms Kapoor paid rs 750 in cash towards office maintenance charges for may.

36. Ms Kapoor paid rs 3000 in cash as salary advance to Maya Nair.

37. Ms. Kapoor withdrew rs 6000 cash for personal use.

SOLUTION:-

27. PAYMENT

DR OFFICE RENT 2500

CR CASH 2500

28. PAYMENT

DR SALARIES 12000

CR CASH 12000

29. JOURNAL

DR CAB HIRING 2300

DR TOUR AND TRAVELS 3200

CR RAJ TRAVELS 5500

30. RECEIPT

DR CASH 35000

CR CONSULTING REVENUE 35000

31. CONTRA

DR HDFC 30000

CR CASH 30000

32. PAYMENT

DR MOBILE BILL 1350

CR HDFC 1350

33. PAYMENT

DR CONVEYENCE BILL 750

CR CASH 750

34. PAYMENT

DR ELECTRICITY 1250

CR CASH 1250

35. PAYMENT

DR OFFICE MAINTENANCE 750

CR CASH 750

36 PAYMENT

DR SALARY ADVANCE 3000

CR CASH 3000

37. PAYMENT

DR DRAWING 6000

CR CASH 6000

Trail balance:- 430500

cash:-131850

Bank:- 105250

JULY

38. Ms. Kapur raised an invoice for rs 65000 on Alfatech Solutions for services provided.

39. Ms. Kapur subscribed for the management consultant journal by paying rs 2400 by cheque. The subscription period is from july 2017 to june 2019.

40. Ms. Kapur paid salaries for June 2017 by cheque . Salary advance paid to maya nair is adjusted against the salary paid.

41. Ms. Kapur paid office rent by cheque for june 2017.

42. Ms. Kapur received rs 35000 by cheque from alfatech solution.

43. Ms. Kapur paid rs 750 in cash towards office maintenance charges for june 2017.

44. Ms. Kapur paid rs 850 in cash toward electricity charges for June 2017.

45. Ms. Kapur paid rs 1650 by cheque as mobile phone bill charges for june 2017.

46. Ms. Kapur reimbursed conveyance bills for rs 550 in cash to vijay Narayan.

47. Ms. Kapur withdrew rs 6500 cash for personal use.

Solution :-

38. JOURNAL

DR ALFATECH SOLUTIONS 65000

CR CONSULTING REVENUE 65000

39. PAYMENT

DR MANAGEMENT CONSULTANT 2400

CR HDFC BANK 2400

40. PAYMENT

DR SALARIES 12000

CR HDFC 9000

CR SALARY ADVANCE 3000

41. PAYMENT

DR OFFICE RENT 2500

CR HDFC BANK 2500

42. RECEIPT

DR HDFC BANK 35000

CR ALFATECH SOLUTIONS. 35000

43. PAYMENT

DR OFFICE MAINTENANCE 750

CR CASH 750

44. PAYMENT

DR . ELECTRICITY CHARGES 850

CR CASH 850

45. PAYMENT

DR MOBILE PHONE BILL 1650

CR HDFC BANK 1650

46. PAYMENT

DR CONVEYANCE BILLS	550
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CR CASH	550
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47. PAYMENT

DR DRAWING	6500
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CR CASH	6500
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Trail balance:- 495500

Cash:- 123200

Bank:- 124700

August 2017

48. Ms Kapoor paid by cheque rs 6000 for insurance of fixed assets. The period of insurance is from August 1 2017 to July 31 2018

49. Ms Kapoor received rs 30000 in cash as consulting revenue from WorldX Multimedia.

50. Ms Kapoor paid salaries for July 2017 by cheque.

51. Ms Kapoor paid office rent for July 2017 by cheque

52. Ms Kapoor withdrew rs 25000 cash from HDFC bank.

53. Ms Kapoor paid rs 750 in cash towards office maintenance charges for July 2017.

54. Ms Kapoor raised an invoice for rs 50000 on MediaLive Productions for services provided. The terms of credit are 30 days.

55. Ms Kapoor paid rs 950 in cash towards electricity charges for July 2017.

56. Ms Kapoor paid rs 2100 by cheque towards mobile phone bill charges for July 2017.

57. MediaLive Productions settled the bill for a final amount of Rs 48000 by paying rs 20000 in cash and rs 28000 by cheque.

58. Ms. Kapur withdrew rs 7000 cash for personal use.

59. Ms. Kapur received rs 30000 by cheque from Alfatech Solutions.

60. Ms kapur reimbursed conveyance bills amounting to rs 1200 in cash to vijay Narayan.

SOLUTION:-

48. PAYMENT

DR INSURANCE 6000

CR HDFC BANK 6000

49. RECEIPT

DR CASH 30000

CR CONSULTING REVENUE 30000

50. PAYMENT

DR SALARIES 12000

CR HDFC 12000

51. PAYMENT

DR RENT 2500

CR HDFC 2500

52. CONTRA

DR CASH 25000

CR HDFC BANK 25000

53. PAYMENT

DR OFFICE MAINTENANCE 750

CR CASH 750

54. JOURNAL

DR MEDIALIVE PRODUCTIONS 50000

CR CONSULTING REVENUE 50000

55. PAYMENT

DR ELECTRICITY CHARGES 950

CR CASH 950

56. PAYMENT

DR MOBILE PHONE BILL 2100

CR HDFC 2100

57. RECEIPT

DR CASH 20000

DR HDFC BANK 28000

DR DISCOUNT 2000

CR MEDIALIVE 50000

58. PAYMENT

DR DRAWING 7000

CR CASH 7000

59. RECEIPT

DR. HDFC 30000

CR ALFATECH SOLUTIONS. 30000

60. PAYMENT

DR CONVEYANCE BILLS 1200

CR CASH 1200

Trail balance: - 575500

Cash: - 188300

bank:- 135100

September

61. Ms kapur paid rs 3800 in cash for repairs and maintenance of office premises.

62. Mr kapur paid salaries for August 2017 by cheque. Since maya nair was on leave for 15 days, she was paid one half-month's salary.

63. ms kapur paid office rent for august 2017 by cheque.

64. ms. Kapur received incoice for rs 7600 from raj travels. This includes rs 3150 towards cab hiring charges and rs 4450 towards outstation tours undertaken by her.

65. ms kapur paid rs 750 in cash towards office maintenance charges for august 2017.

66. ms. Kapur received rs 25000 in cash as consulting revenue from cam and cut productions.

67. ms kapur paid rs 1300 in cash towards electricity charges for august 2017.

68. ms kapur reimbursed conveyance bills amounting to rs 500 in cash to vijay Narayan.

69. ms kapur paid rs 10000 by cheque to raj travels.

70. ms kapur paid rs 1750 by cheque towards mobile phone bill charges for august 2017.

71. ms kapur withdrew rs 5500 cash for personal use.

Trail Balance:- 598100.

cash : - 201450

bank:- 112600

OCTOBER 2017

72. Ms kapur received rs 50000 by cheque as consulting revenue from Xceed inter National couriers.

73. Ms kapur paid office rent for September 2017 by cheque.

74. Ms kapur withdrew rs 30000 cash from HDFC bank.

75. Ms kapur paid salaries for September 2017 by cheque.

76. Ms kapur paid rs 750 in cash towards office maintenance charges for September 2017.

77. Ms kapur purchased stationery items worth rs 1600 in cash .

78. Ms kapur received rs 15000 in cash as consulting revenue from Samaritan products.

79. Ms kapur paid rs 1700 in cash towards electricity charges for September 2017.

80. Ms kapur paid rs 2300 by cheque towards mobile phone bill charges for September 2017.

81. Ms kapur introduced futher capital into the firm by bringing in cash of rs 100000.

82. Ms kapur deposited cash amounting rs 75000 in HDFC bank.

83. Ms kapur reimbursed conveyance bills amounting to rs 1600 in cash to vijay Narayan.

84. Ms. Kapur entered into a contract with planet consultancy for providing services at an agreed price of rs 35000 . an advance of rs 10000 was received by cheque.

Solution:-s

72. Receipt

DR HDFC BANK	50000
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CR CONSULTING REVENUE	50000
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73. PAYMENT

DR RENT	2500
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CR CASH	2500
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74. CONTRA

DR CASH	30000
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CR HDFC BANK	30000
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75. PAYMENT

DR SALARIES	12000
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CR HDFC	12000
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76. PAYMENT

DR OFFICE MAINTENANCE 750

CR CASH 750

77. PAYMENT

DR STATIONERY 1600

CR CASH 1600

78. RECEIPT

DR CASH 15000

CR CONSULTING REVENUE 15000

79. PAYMENT

DR ELECTRICITY CHARGES 1700

CR CASH 1700

80. PAYMENT

DR MOBILE PHONE BILL 2300

CR HDFC 2300

81. RECEIPT

DR CASH 100000

CR CAPITAL 100000

82. CONTRA

DR HDFC	75000
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CR CASH	75000
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83. PAYMENT

DR CONVEYANCE BILLS	1600
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CR CASH	1600
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84. RECEIPT

DR HDFC	10000
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CR ADVANCE CONSULTING REVENUE	10000
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Trail Balance:- 773100

cash:-265800

bank:-200800

November:-

85. Ms kapur withdrew rs 8000 cash for personal use.

86.ms. kapur received an invoice for rs7200 from raj travels. This includes rs 2800 towards cab hiring charges and rs 4400 towards outstation tours undertaken by her.

87. mr. kapur paid salaries for October by cheque.

88.ms. kapur paid rs 750 in cash towards office maintenance charges for October.

89. mrs. Kapur received rs 27500 by cheque as consulting revenue from trishul software solutions.

90. ms. Kapur paid office rent for october by cheque.

91. Planet consultancy terminated the contract and advance of rs 10000 was refunded to them by cheque.

92. HDFC Bank intimated to ms. Kapur that the cheque of Trishul software solutions for rs 27500 has bounced. Intimation to this effect was sent to trishul software solutions and they promised to pay the amount few days.

93.ms. kapur paid rs 950 in cash towards electricity bill charges for October.

94.ms. kapur received rs 12500 in cash from trishul software solutions.

95. ms. Kapur paid rs 1470 by cheque towards mobile phone bill charges for October.

96. ms. Kapur reimbursed conveyance bills amounting to rs 900 in cash to vijay Narayan.

97. ms. Kapur withdrew rs 6500 cash for personal use.

Trial balance:- 797800.

Cash:- 261200

Bank:- 174830

December

98. The statement Received from HDFC bank shows that the bank has charged rs 550 as cheque bouncing charges and rs 330 as cheque book charges. Cheque bouncing charges are to be recovered from Trishul Software Solutions.

99. Ms kapur paid office rent for November 2017 by cheque.

100. Ms. Kapur paid salaries for November 2017 by cheque.

101. Ms kapur received invoice from Raj travels for rs 6200. This includes rs 3000 towards cab hiring charges and rs 3200 towards outstation tours undertaken by her.

102. Ms kapur received rs 50000 by cheque as consulting revenue from unigrand technologies.

103. Ms. kapur withdrew rs 30000 cash from HDFC Bank.

104. Ms kapur paid rs 750 in cash towards office maintenance charges for November 2017.

105. Ms kapur purchased rs 12000 worth office equipments on credit from transform Tech PVT. LTD. The asset does not have any disposal value after its useful life of 6 year.

106 Ms kapur paid rs 1450 by cheque towards mobile phone bill charges for November 2017.

107. Ms kapur paid rs 850 in cash towards electricity bill charges for November 2017.

108. Ms kapur reimbursed conveyance bills amounting to rs 1100 in cash to vijay Narayan.

109. Ms kapur paid rs 12000 by chque to transform Tech pvt.ltd.

110. Ms kapur raised invoice for 42500 on InGroove Designers for consultancy services.

111. Ms. Kaupur received rs 15550 in cash from Trishul software solutions . (include cheque bounce 550)

112. Ms. Kapur withdrew rs 6000 cash for personal use.

113. Ms. Kapur paid Rs 7500 by cheque towards professional charges for internal audit of accounts.

Trail balance:- 896500

Cash :- 298050

Bank:- 158500

January

114. Ms. Kapur paid office rent for December by cheque.

115. Ms. Kapur received Rs 30000 in cash from Ingroove designers.

116. Ms. Kapur paid salaries for December by cheque.

117. Ms. Kapur paid Rs 750 in cash towards office maintenance charges for December.

118. Ms. Kapur received Rs 35000 by cheque as consulting revenue from ala carte investments.

119. Ms. Kapur withdrew Rs 50000 capital from the firm by cheque.

120. Ms. Kapur paid Rs 2300 by cheque as mobile phone bill charges for December.

121. ms.kapur paid rs 1050 in cash towards electricity charges for december.

122. ms kapur reimbursed conveyance bills amounting to rs 1800 in cash to vijay Narayan.

123. ms. Kapur withdrew rs 8000 cash for personal use.

Trial balance:- 881500

Cash:- 316450

Bank:- 126700

February

124 ms. Kapur paid office rent for January by cheque.

125.ms. kapur paid salaries for January by cheque.

126. ms. Kapur received invoice from raj travels for rs 9400 this includes rs 3800 towards cab hiring charges and rs 5600 towards outstation tours undertaken by her.

127. ms. Kapur paid rs 20000 by cheque to raj travels.

128. ms. Kapur paid rs 750 in cash towards maintenance charges for January .

129. ms. Kapur paid rs 1600 by cheque towards mobile phone bill charges

130. ms. Kapur paid rs 1200 in cash towards electricity bill for January.

131. ms. Kapur reimbursed conveyance bills amounting to rs 1150 in cash to vijay Narayan.

132. ms. Kapur purchased stationery consumables worth rs 7400 on credit from global house.

133. ms. Kapur. Withdrew rs 7000 cash for personal use.

Trial balance:- 878300

Cash:- 306350

Bank:- 90600

March

134. Ms kapur paid salaries by cheque for February .

135. Ms kapur paid office rent for February by cheque.

136. ms kapur paid fs 750 in cash towards office maintenance charges for February.

137. ms. Kapur received rs 30000 in cash as consulting revenue from eye television network.

138. ms. Kapur paid rs 1450 in cash towards electricity bill for February

139. ms. Kapur paid rs 1900 by cheque towards mobile phone bill charges for February.

140. ms. Kapur reimbursed conveyance bills amounting to rs 950 in cash to vijay Narayan.

141. invoice received from global house on 24th of February had a totaling error and was overvalued by rs 600.

142. ms. Kapur paid rs 6800 by cheque to global house.

143. ms. Kapur withdrew rs 6500 cash for personal use.

Depreciation

Provision entries

144. ms. Kapur received rs 20000 cash as consulting revenue from foreC Marketing solutions. The services had already been provided in march.

145. ms.kapur paid office rent of march 2020 by cheque.

146. ms. Kapur paid salaries by cheque for march.

147. ms. Kapur paid rs 750 in cash towards office maintenance charges of march.

148. ms. Kapur paid rs 1690 by cheque towards mobile phone bill charges for march.

149. ms. Kapur reimbursed conveyance bills amounting to 1300 in cash to vijay Narayan. The bills pertain to march.

150. ms. Kapur received invoice from raj travels for rs 6600 This includes rs 2900 towards cab hiring charges and rs 3700 towards outstation tours undertaken by her the bill pertains for February 2020 and march 2020.

151. ms. Kapur paid rs 870 in cash towards electricity bill for march.

Asset name	Date of purchase	Value to be depreciated	Useful life in year	Annual depreciation	No of days used in year	depreciation
computer	2-4-2019	22500	4	5625	364	5610
Cellular phone	15-4-2019	6000	5	1200	351	1154
furniture	15-4-2019	20000	8	2500	351	2404
Air conditioner	15-4-2019	20000	6	3333	351	3205
Electrical fitting	15-4-2019	15000	10	1500	351	1442
Office equipments	15-12-2019	12000	6	2000	107	586

Adjustment entries for prepaid expenses

Nature	Payment date	Period subscription insurance	Amount	Prepaid period	Prepaid amount	Amount for current year
Magazine subscription	6-7-2019	1-7-2019 to 30-6-2021 (24 months)	2400	1-4-2020 to 30-6-2021 (15 month)	1500	900
Insurance	1-8-2019	1-8-2019 to 31-7-2020 (12 months)	6000	1-4-2019 to 31-7-2019 (4 month)	2000	4000

Other adjustment entries

1. Provision for income tax 2019-2020 has to be made
rs 17500
2. Closing stock of stationery consumable on 31th
march 2020 is rs 5000
3. Transfer balance of withdrew account to nandini
kapur capital account.

Closing entry

1. Transfer balance of profit and loss account to
nandini kapur capital account -225589