Note:

1. All Adj has 2 effects
2. Sale or return Adj has 3 effects

***Trading Account***

**Dr Cr**

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | amt | particulars | amt |
| (To) Opening stock |  | (By) Sales   * Return inwards * Stock sent to sale or return   (Goods sent on approval) |  |
| Purchases   * Returns outwards * Goods drawings |  | Closing stock |  |
| Carriage inwards  (transportation cost for purchases) |  | Stock on sale or return  (goods sent on approval) |  |
| Wages |  |  |  |
| Wages and Salaries |  |  |  |

***Profit and loss account***

Dr Cr

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars (Expenses) | amt | Particulars (Income) | amt |
| (To ) Carriage outwards  (transportation cost for sales) |  | (By) Interest received |  |
| Salaries and Wages |  | Discount received |  |
| Outstanding exp (Non Adj) |  | Bad debts recovered |  |
| Salary |  | Outstanding incomes (Non Adj) |  |
| Rent and tax |  |  |  |
| Bank interest |  |  |  |
| Printing and stationary |  |  |  |
| Advertisement |  |  |  |
| Discount allowed |  |  |  |
| General expenses |  |  |  |
| Audit fees |  |  |  |
| Insurance paid |  |  |  |
| Postage |  |  |  |
| Depreciation |  |  |  |
| Provision for bad debts   * New provision(note 2 IMP) * Bad debts * Bad debts (Adj) * Old provision |  |  |  |
| Provision for discount on Dr |  |  |  |

***Balance sheet***

Dr Cr

|  |  |  |  |
| --- | --- | --- | --- |
| Liabilities | Amt | Assets | Amt |
| Capital   * Drawings * Net profit |  | Assets |  |
| Creditors |  | Debtors   * Goods sent on Sale or return   (Goods sent on approval)   * Bad debts (Adj)(note 2 IMP) * New provision |  |
| Loan |  | Closing stock |  |
| Interest accrued from loan |  | Interest accrued from investments |  |
| Outstanding exp accounts (Adj) |  | Prepaid exp accounts (Adj) |  |
| Prepaid income accounts (Adj) |  | Outstanding income accounts (Adj) |  |

***Note***

Note 1:

**Managers commission after net profit =**

**Net profit x rate/100+rate**

Note 2:

**New bad debts (Adj) and goods sent on approval must be subtracted from debtors before calculating the new provision (Adj).**