

## PROBLEMS ADJUSTED TRIAL BALANCE (1)

**Problem # 18.1:** An inexperienced book-keeper has drawn up an **Incorrect** and **Unadjusted Trial Balance**, You are required to Correct Trial Balance, Pass Adjusting Entries and then prepare Adjusted Trial Balance.

*Wasim Mubarik (Pvt.) Ltd.*

Incorrect, Unadjusted Trial Balance

As on **31<sup>st</sup> December, 2016**

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Debit	Credit
1	Purchases Return		<del>12,000</del>	13000
2	Machinery		34,000	
3	Salaries		17200	<del>17200</del>
4	Creditors			33,000
5	Cash in hand		40,000	
6	Carriage Inward		6,000	
7	Rent Received			3,000
8	Discount Allowed		2000	<del>2,000</del>
9	Purchases		100,000	
10	Bill Payable			20,000
11	Debtors		15,000	
12	Carriage Outward		5000	<del>5,000</del>
13	Owner Equity		<del>53,200</del>	53200
14	Building		18000	<del>18,000</del>
15	Sales Return		3,000	
16	Discount Received			14,000
17	Insurance Expenses		6,000	
18	Sales			130,000
19	Furniture		20000	<del>20,000</del>
20	<del>Suspense Account</del>			8,000
Total			Rs. 270,200	Rs. 270,200

266,200

**Adjustments:**

1. Salary Payable on December 31, 2016 is Rs. 1,500
2. Depreciation on Furniture charged to 10% by cost method
3. Inventory on hand on December is Rs. 60,000
4. Rs. 30,000 of Sales Account is unearned

**Solution 1: Unadjusted Trial Balance***Wasim Mubarik (Pvt.) Ltd.*

Unadjusted Trial Balance

*As on 31<sup>st</sup> December, 2016*

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Debit	Credit
1	Purchases Return			
2	Machinery			
3	Salaries			
4	Creditors			
5	Cash in hand			
6	Carriage Inward			
7	Rent Received			
8	Discount Allowed			
9	Purchases			
10	Bill Payable			
11	Debtors			
12	Carriage Outward			
13	Owner Equity			
14	Building			
15	Sales Return			
16	Discount Received			
17	Insurance Expenses			
18	Sales			
19	Furniture			
<b>Total</b>			<b>Rs. 266,200</b>	<b>Rs. 266,200</b>

**Solution 2: Adjusted Entries****General Journal**

Date	Account Title and Explanations	Ref	Amount (Rs)	
			Debit	Credit
2016				
Dec 31				
31				

