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 31st December, 2016

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

266,200

Adjust ments:

- 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 31st December, 2016

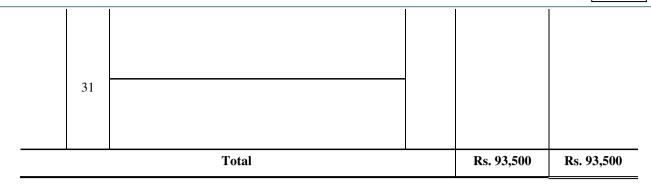
S. No	Heads of Accounts	Ref	Amount (Rs.)		
			Debit	Credit	
1	Purchases Return				
2	Machinery				
3	Salaries				
4	Creditors				
5	Cash in hand				
6	Carriage Inward				
7	Rent Received				
8	Discount Allowed				
9	Purchases				
10	Bill Payable				
11	Debtors				
12	Carriage Outward				
13	Owner Equity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

Solution 2: Adjusted Entries

General Journal

				Amount (Rs)	
Da	ite	Account Title and Explanations	Ref	Debit	Credit
20	16				
Dec	31				
	31				

Adjusted Trial Balance



Solution 3: Adjusted Trial Balance

Wasim Mubarik (Pvt.) Ltd.

Adjusted Trial Balance

As on 31st December, 2016

	Heads of Accounts		Amount (Rs.)	
S. No		Ref	Debit	Credit
·	Total	,	Rs. 269,700	Rs. 269,700