

**SAI GROUP TUITIONS**  
**F.Y.J.C**  
**BOOK KEEPING AND ACCOUNTANCY**

**11. FINAL ACCOUNTS**

Q 1. Following are some of the balances taken from the trial balance of Nehru who closes his accounts on 31<sup>st</sup> December every year. You are required to prepare Trading Account from the given balances.

	Rs		Rs.
Stock at commencement	40,000	Carriage Inwards	800
Sales	80,000	Carriage Outwards	1,200
Purchases	55,000	Octroi charges	750
Productive wages	1,000	Freight Inwards	1,200
Salaries	12,000	Freight Outwards	3,000
Sales Commission	5,000	Advertisement	3,600
Return Outward	1,500	Factory expenses	7,000
Return Inward	2,000	Stock at close of the year	65,000

Q.2 Prepare Trading and Profit and loss Account of Sardar Patel Traders for the year ended 30<sup>th</sup> Sept., 1997 from the following Trial Balance .

Debit Balance	RS.	Credit Balance	RS.
Sardar Patel's drawings	10,550	Sardar Patel's capital	1,19,400
Bills receivable	9,500	Sundry Creditors	59,630
Plant & Machinery	28,800	Loans taken	20,000
Wages	40,970	Sales	3,56,430
Salaries	11,000	Commission	5640
Sundry Debtors	62,000	Outstanding Expenses	1,000
Return Inward	2,780		
Purchases	2,56,590		
Discount allowed	5,870		
Factory rent and taxes	5,620		
stock on 1.10.1996	89,680		
Travelling expenses	1880		
Prepaid expenses	500		
Motive Power	530		
Cash at Bank	18,970		
Repairs & Renewals	3,370		
Insurance Premium	900		
Bad Debts	620		
Freight	8,970		
Furniture	3,000		
<b>TOTAL</b>	<b>5,62,100</b>	<b>TOTAL</b>	<b>5,62,100</b>



Closing stock on hand on 30<sup>th</sup> September, 1997 was valued at Rs. 1,28,960.

Q.3. From the following Trial Balance extracted from the books on 31<sup>st</sup> December, 1997 of Lal Bahadur Shastri, prepare a Trading and Profit & Loss A/c for the year ended 31<sup>st</sup> Dec. 1997 as also a Balance Sheet as on that date:

Particulars	Debit Rs.	Credit Rs.
Sales		96,000
Customs	5,000	-
Depreciation on Machinery	3,000	-
Creditors	-	40,000
Furniture	10,000	-
Opening Stock	5,000	-
Interest	2,000	-
Machinery	40,000	-
Purchases	55,000	-
Printing & Stationery	500	-
Travelling Expenses	500	-
Discount Received	-	300
Loan from Bhagat Singh	-	15,000
Building	20,000	-
Return Outward	-	3,000
Freight	6,000	-
Wages	10,000	-
Debtors	20,000	-
Return Inward	5,000	-
Bank	1,200	-
Fuel	1,000	-
Salaries	8,000	-
Rent	5,000	-
Sundry Expenses	800	-
Dividend Received		1,100
Bills payable		2,600
Capital		50,000
Bills Receivable	2,000	-
Drawings	8,000	-
<b>TOTAL</b>	<b>2,08,000</b>	<b>2,08,000</b>

Adjustment:

The cost Price and market price of the closing stock were Rs.19,000 and Rs.22,100 respectively.



Q.4 The following is the Trial Balance of Shri Lokmanya Tilak as on 31<sup>st</sup> December 1997. Prepare his Final Accounts.

Debit Balance	Amt. RS.	Credit Balance	Amt. RS.
Cash in hand A	450	Capital L	12,000
Cash with Bank A	1,000	Discount earned P/L	300
Machinery A	6,000	Sales T	52,000
Furniture A	1,500	Sundry Creditors L	4,700
Purchases T	22,000	Loan from Manohar L	2,800
Wages T	8,000	Bills payable L	1,200
Fuel and power T	3,000		
Factory Rent T	250		
Salaries P/L	6,000		
Discount Allowed P/L	500		
Advertisement P/L	3,500		
Office expenses P/L	2,100		
General Expense P/L	1,800		
Sundry Debtors A	11,500		
Bills Receivable A	2,300		
Opening Stock (1-1-1997)	3,100		
<b>TOTAL</b>	<b>73,000</b>	<b>TOTAL</b>	<b>73,000</b>

NOTE: Stock as on 31<sup>st</sup> December 97 was valued at Rs.12,800. → C1 8T

Q. 5. From the following Trial Balance of Shri Maulana Azad prepare the Trading and Profit and Loss A/c. for the year ended 31<sup>st</sup> March, 1997.

Particulars	Debit Rs.	Credit RS.
Capital	-	38,000
Drawing	2,500	-
Purchases	16,000	-
Sales Returns	400	-
Purchase Returns	-	900
Furniture	6,000	-
Sales Cash	-	12,000
Sales Credit	-	16,000
Buildings	12,000	-
Stock on 1st April 1996	6,000	-
Sundry Expenses	500	-
Bills Payable	-	900
Commission Received	-	250
Rent, Rates & Taxes	250	-
Wages & Salaries	7,250	-
Carriage Inward	250	-



Carriage Outwards		
Bills Receivable	350	-
Travelling Expenses	800	-
Bad Debts	600	-
Sundry Debtors	400	-
Insurance Premium	10,800	-
Postage	300	-
Motor Car Expenses	150	-
Cash in Hand	1,200	-
Sundry Creditors	880	-
Motor Car	-	4,380
TOTAL	5,800	-
	72,430	72,430

Closing Stock on 31<sup>st</sup> March 1997 amounted to Rs. 12,250 Market Value of Stock amounted to Rs. 14,000.

Q 6. The following Trial Balance is given to you by Marfatia, for the year ended 30<sup>th</sup> June, 1996. You are required to prepare the Trading Account and the Profit and Loss Account for the year ended 30<sup>th</sup> June, 1996 and the balance Sheet as on that date.

Trial Balance as on 30<sup>th</sup> June, 1996

Name of the Account	L.F.	Debit	Credit
Sundry Debtors P		26,000	
Sundry Creditors V			11,000
Fuel and Power T		3,215	
Carriage Inward T		1,020	
Carriage Outward O/L		815	
Drawings by Mr. Marfatia less G.W. capital		4,000	
Capital of Mr. Marfatia L			10,000
Purchases T		72,500	
Sales T			1,46,000
Sales Return T		1,300	
Cash in Hand A		1,196	
Furniture A		1,750	
Salaries P/L		4,210	
Motor Car A		11,000	
Motor car Expenses P/L		3,054	
Rent P/L		1,800	
Opening Stock T		5,700	
Insurance Premium P/L		1,200	
Machinery A		12,000	
General Expenses P/L		1,340	
Cash at Bank A		3,100	
Wages T		11,800	
TOTAL		1,67,000	1,67,000



Please consider the following additional information.

1. Prepaid Wages Rs.500. ✓
2. Closing Stock Rs.17,500. •
3. Provide depreciation on Machinery at 10%, Furniture at 10% and Motor Car 20%. •
4. Outstanding Commission receivable Rs.18,00. •
5. Salary outstanding Rs.300 at the end of the year.

Q. 7. From the following Trial Balance of Mr. Sunder Prepare the Trading and Profit and Loss Account for the year ended 30<sup>th</sup> June 1996 and the Balance Sheet as on that date.

Name of the account	L.F.	Debit	Credit
Mr. Sunder's Capital A/C			1,04,800
Mr. Sunder's Drawings A/c		4,000	
Purchases and Sales		1,10,000	1,65,000
Shop Furniture		20,000	
Cash at Bank		23,000	
Rates and Insurance		5,800	
Factory Rent		4,000	
Salary		16,000	
Motor Lorry		30,000	
Debtors and Creditors		36,200	21,200
Stock on 1 <sup>st</sup> July, 1995		50,000	
Purchases and sales Return		3,000	12,000
General Expenses		1,000	
<b>TOTAL</b>		<b>1,67,000</b>	<b>1,67,000</b>

Additional Information:

1. Stock on 30<sup>th</sup> June 1996 was valued at Cost Rs.42,000. (However, Market Price of the Stock was only Rs.40,000).
2. Depreciation is to be charged on
  - i. Motor Lorry at the rate of 15% p.a.
  - ii. Shop Furniture at the rate of 20% p.a.
3. Goods purchased not recorded Rs. 500
4. Unexpired (prepaid) Rates and Insurance amounted to Rs. 80
5. Goods sold not recorded RS. 600.
6. Goods distributed as Free Samples RS. 400.



Q.10. Following is the Trial Balance as on 31<sup>st</sup> March, 1996.

Debit Balance	Rs.	Credit Balance	Rs.
Carriage Inwards	750	Sundry Creditors	17,000
Returns	1,800	Sales	53,000
Purchases	27,000	Returns	2,100
Building	21,000	Discounts	1,150
Machinery	10,000	Rent	4,500
Drawings	5,000	R.D.D.	1,000
Furniture	8,000	Bank Overdraft	24,200
Loose Tools	4,000	Capital	43,100
Patents	6,000	Outstanding Wages	300
Salaries	7,500		
Wages	4,300		
Octroi	750		
Printing & Stationery	350		
Advertisement	4,000		
Postage	175		
Office Expenses	2,725		
Travelling Expenses	2,800		
Stock	14,000		
Debtors	24,000		
Bad Debts	1,200		
Insurance	750		
Prepaid Insurance	250		
<b>TOTAL</b>	<b>1,46,350</b>	<b>TOTAL</b>	<b>1,46,350</b>

#### Adjustments

1. Stock as on 31-3-1996 has been valued at cost of Rs.23,500/- where as its Market Value Rs.25,000.
2. Goods worth Rs.1,500 have been distributed as free samples for which yet, no entry has been passed.
3. Patents have to be written off at the rate of 10% p.a.
4. Depreciate machinery at the rate of 10%, Furniture and Loose Tools at the rate of 15%.
5. Write off Rs.2,000 as further Bad Debts.
6. Maintain Reserve for Doubtful Debts at 5% on debtors.
7. Rent for 3 months has become due but not received.

Prepare:

- a) Trading and profit and Loss Account for the year ended on March 31<sup>st</sup> 1996, and
- b) Balance Sheet as on that date.



- Q13. From the following Trial Balance of J.R.D. Tata, you are required to prepare Trading, Profit and Loss account for the year ended 31<sup>st</sup> December, 1997 and the balance sheet as on that date after taking into account the necessary adjustments:

**Trial balance as on 31.12.1997**

	Rs.	RS.
J.R.D's Capital		1,80,000
Loan taken		1,50,000
J.R.D's Drawings	14,450	
Land and Building	10,500	
Stock on 1.1.1997	2,00,000	
Bills Receivable	25,000	
Purchases	2,75,000	
Sales		4,00,000
Bills payable		60,000
Returns Inward	5,000	
Returns Outwards	-	4,500
Plant and Machinery	1,00,000	
Loose tools	25,000	
Patents	25,000	
Sundry Debtors	1,25,000	
Sundry Creditors		1,40,000
Cash at Bank	77,550	
Wages	19,000	
Salaries	17,500	
Rates and Taxes	7,000	
Insurance	3,000	
Printing and Stationery	2,000	
Power and Fuel	3,500	
<b>TOTAL</b>	<b>9,34,500</b>	<b>9,34,500</b>

**Adjustments:**

- (1) Depreciate plant and machinery by 5% and patents by 15%.
- (2) Write off for bad and doubtful debts at Rs.700/- and provide 5% RDD on Sundry Debtors.
- (3) Prepaid insurance Rs.250
- (4) Outstanding expenses (a) Salaries Rs.2,500 (b) Wages Rs.1,000, (c) Printing and Stationery Rs.500.
- (5) Stock as at 31<sup>st</sup> December, 1997 Rs.1,30,000
- (6) J. R.D has taken goods worth Rs.3,000 for his personal use. No entry has been passed in the books.



Q 14 Following is the Trial Balance as at 31.12.1997.

	Rs.		Rs.
Drawings	18,000	Capital	1,50,000
Cash in Hand	1,800	Loan from Mohan (taken on 1.1.97)	15,000
Cash at Bank	11,525	@ 18% p.a.	
Plant and Machinery	90,000	Creditors	25,200
Furniture and Fixtures	9,000	Sales	2,40,000
Insurance Charges	1,200	Commission	1,000
Miscellaneous expenses	600		
Trade Mark right			
(10 years from 1.1.97)	40,000		
Stock (1.1.97)	40,500		
Interest on loan from Mohan	675		
Salaries & Wages	27,300		
Sundry Debtors	34,200		
Rent, Rates & Taxes	9,300		
Trade Expenses	900		
Purchases	1,42,800		
Postage & Telegram	1,200		
Bad Debts	800		
Charities and donations	1,400		
<b>TOTAL</b>	<b>4,31,200</b>	<b>TOTAL</b>	<b>4,31,200</b>

Prepare a Trading A/c. P/L A/c. for the year ended 31.12.1997 and a Balance sheet as on that date after making the following adjustments:

- (1) Stock as on 31.12.1997 valued at Rs.38,200.
- (2) Depreciate Plant and Machinery at 10% and furniture and fixtures at 5% p.a.
- (3) Invoices of the value of Rs.3,600 were recorded in the Sales Book on 27<sup>th</sup> Dec., 1997 but goods were not dispatched until 5<sup>th</sup> Jan. 1998 and were included in the closing stock.
- (4) Of the Sundry Debtors Rs.1,200 are bad and should be written off.
- (5) Create a reserve of 5% on Sundry Debtors for Bad and Doubtful Debts.