

Level 1

- Nandini Kapur's for the year 2004-05 are as follows. You are required to
  - Record the transactions.
  - Prepare financial statements.

**April 2004**

SL.NO	DATE	TRANSACTIONS
1)	1-4-04	<p>Nandini Kapur started Universal Business Solution by bringing in cash of Rs. 3,00,000.</p> <p><b>Ans.</b>            F6 : Receipt            Dr. Cash Rs. 300000            Cr . Ms. Kapur capital a/c (current assets) Rs. 300000</p>
2)	2-4-04	<p>Ms. Kapur paid Rs. 22,500 in cash to purchase a computer with preloaded Tally7.2. 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 method.</p> <p><b>Ans.</b>            F5 : Payment            Dr. Computer (Fixed Assets) Rs. 22500            Cr. Cash Rs. 22500</p>
3)	3-4-04	<p>Ms. Kapur opened a bank account with HDFC Bank, Bangalore for the firm by depositing cash of Rs. 1,00,000</p> <p><b>Ans.</b>            F4 : Contra            Dr. HDFC Bank (Bank Account) Rs. 100000            Cr. Cash Rs. 100000</p>
4)	4-4-04	<p>Ms. Kapur had rented an office space for Rs. 2500 per on April 1, 2004 and has now security deposit of Rs. 25000 by cheque.</p> <p><b>Ans.</b>            F5: payment            Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000            Cr. HDFC Bank Rs. 25000</p>
5)	5-4-04	<p>Ms. Kapur hired Maya Nair as Manager – operation on a monthly salary of Rs. 7500. She also hired Vijay Narayan as Assistant Manager – marketing on a monthly salary of Rs. 4500</p> <p><b>Ans.</b>  <b>NOTE :</b> NO entry is required for transaction.</p>
6)	10-4-04	<p>Ms. Kapur made arrangement with Raj Travels so that at regular intervals she will receive bills for cab hire charges and tour expenses.</p>

Level 1

		<b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
7)	15-4-04	Ms. Kapur issued cheques and purchased fixed assets. 1) A cell phone for office usages for Rs. 6000 (useful life 5 year) 2) Furniture for Rs. 20000 (useful life 6 year) 3) An Air conditioner for Rs. 20000 (useful life 6 year) 4) Electrical fittings for Rs. 15000 (useful life 10 year) The assets do not have any disposal value at the end of their useful life.  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000 Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
8)	16-4-04	Ms. Kapur obtained a mobile phone subscription with planet Telecommunication ltd. by paying deposits of Rs. 3000 in cash.  <b>Ans.</b> F5 : Payment Dr. Security Deposit – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000
9)	20-4-04	Ms. Kapur purchased stationery consumables worth Rs. 12500 from Global House on credit. F7 : Journal Dr. Stationery Exp. (indirect Exp.) Rs. 12500 Cr. Global House (Sundry Creditors) Rs. 12500
10)	21-4-04	Ms. Kapur entered into a contact with Silver Services for providing consultancy services at an agreed price of Rs. 75000. She received an advance of Rs.25000 by cheque.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000
11)	23-4-04	Ms. Kapur deposited Rs.50000 cash in HDFC Bank.  <b>Ans.</b> F4 : Contra Cr. Cash Rs. 50000 Dr. HDFC Bank Rs. 50000
12)	25-4-04	Ms. Kapur received an invoice for Rs.6000 raised by Ink and paper publishers for printing of office stationery.

Level 1

		<b>Ans.</b> F7 : Journal Dr. Stationery Exp. Rs. 6000 Cr. Ink & Paper Publisher (Sundry Creditors) Rs. 6000
13)	27-4-04	Ms. Kapur withdrew Rs. 7500 cash for personal use.  <b>Ans.</b> F5 : Payment Dr. Withdrawals (Capital) Rs. 7500 Cr. Cash Rs. 7500
14)	30-4-04	Ms. Kapur paid Rs. In cash towards office maintenance charges for April 2004.  <b>Ans.</b> F5 : Payment Dr. Office Maintenance Exp. (Indirect Exp.) 750 Cr. Cash Rs. 750

**May 2004**

SL.NO	DATE	TRANSACTIONS
15)	1-5-04	Ms. Kapur paid Rs. 6000 in cash to Ink & Paper publishers.  <b>Ans.</b> F5 : payment Dr . Ink and Publishers Rs. 6000 Cr . cash Rs. 6000
16)	5-5-04	Ms. Kapur paid Rs. 2500 by cheque toward office rent for April 2004.  <b>Ans.</b> F5 : Payment Dr. Rent Exp. (indirect Exp.) Rs. 2500 Cr. HDFC Bank Rs. 2500
17)	6-5-04	Ms. Kapur paid salaries through cheque for April 2004 (25 Days) to 1. Maya Nair – Rs. 6500 2. Vijay Narayan – Rs. 3900  <b>Ans.</b> F5 : payment Dr. salary Exp. Rs. 10400 Cr. HDFC Bank Rs. 10400
18)	7-5-04	Ms. Kapur receive and paid mobile phone bill amounting to Rs. 1250 in cash for April 2004.  <b>Ans.</b> F5: payment Dr. telephone Exp. (Indirect Exp.) Rs. 1250

Level 1

		Cr. Cash Rs. 1250
19)	10-5-04	Ms.kapur issued cheque of Rs. 12500 to Global House  <b>Ans.</b> F5 : payment Dr. Global House Rs. 12500 Cr. HDFC Bank RS. 12500
20)	12-5-04	Ms. Kapur paid Rs. 1100 in cash towards electricity charges for April 2004.  <b>Ans.</b> F5 : payment Dr. electricityExp. (Indirect Exp.) Rs. 1100 Cr. Cash Rs. 1100
21)	14-5-2004	Ms. Kapur received further advance of Rs. 25000 from Silver Services by cheque.  <b>Ans.</b> F6 : Receipt Cr. Advance consulting revenue Rs. 25000 Dr. HDFC Bank Rs. 25000
22)	15-5-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 650 in cash to Vijay Narayan  <b>Ans.</b> F5 : Payment Dr. Conveyance Exp. (Indirect Exp.) Rs. 650 Cr. Cash Rs. 650
23)	18-5-04	Ms.kapur paid Rs. 150 in cash toward miscellaneous office expenses.  <b>Ans.</b> F5 : Payment Dr. miscellaneous Exp. (Indirect Exp.) Rs. 150 Cr. Cash Rs. 150
24)	20-5-04	Ms.kapur received Rs.15000 of consulting revenue in cash from Omega Infotech  <b>Ans.</b> F6 : Receipt Cr. Consulting Revenue (Direct Income) Rs. 15000 Dr. Cash Rs. 15000
25)	25-5-04	Ms. Kapur 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.  <b>Ans.</b> F6 : Receipt

Level 1

		Cr. Consulting Revenue Rs. 75000 Dr. Cash Rs. 25000 Dr. Advance Consulting Revenue Rs. 50000
26)	28-5-2004	Ms.kapur withdrew Rs. 6000 cash for personal use.  <b>Ans.</b> F5 : payment Dr. withdrawals Rs. 6000 Cr. Cash Rs. 6000

June 2004

SL.NO	DATE	TRANSACTIONS
27)	3-6-04	Ms. Kapur paid Rs. 2500 in cash toward office rent for May 2004.  <b>Ans.</b> F5 : payment Dr. Rent Exp. Rs. 2500 Cr. Cash Rs. 2500
28)	4-6-04	Ms. Kapur paid salaries by cheque for May 2004.  <b>Ans.</b> F5 : Payment Dr. Salary Exp. Rs. 12000 Cr. HDFC Bank Rs. 12000
29)	5-6-04	Ms. Kapur received an invoice for Rs. 5500 from Raj Travels. This includes Rs. 2300 toward cab hiring charges and Rs. 3200 towards outstation tours undertaken by her.  <b>Ans.</b> F7 : Journal Dr. cab hiring Exp. (Indirect Exp.) Rs. 2300 Dr. tour Exp. (Indirect Exp.) Rs. 3200 Cr. Raj Travels (Sundry Creditors) Rs. 5500
30)	9-6-04	Ms.kpur received Rs. 35000 cash as consulting revenue from Eateries Food Chain.  <b>Ans.</b> F6 : Receipt Cr. Consulting Revenue Rs. 35000 Dr. HDFC Bank Rs. 35000
31)	10-6-04	Ms. Kapur deposited Rs. 30000 cash in HDFC Bank.  <b>Ans.</b> F4 : Contra

Level 1

		Cr. Cash Rs. 30000 Dr. HDFC Bank Rs. 30000
32)	15-6-04	Ms. Kapur paid mobile phone bill amounting to Rs. 1350 by cheque for May 2004.  <b>Ans.</b> F5 : Payment Dr. Telephone Exp. Rs. 1350 Cr. HDFC Bank Rs. 1350
33)	16-6-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 750 in cash to Vijay Narayan.  <b>Ans.</b> F5 : Payment Dr. Conveyance Exp. Rs. 750 Cr. Cash Rs. 750
34)	20-6-04	Ms. Kapur paid Rs.. 1250 in cash toward electricity bill charges for May 2004.  <b>Ans.</b> F5 : Payment Dr. Electricity Exp. Rs. 1250 Cr. Cash Rs. 1250
35)	21-6-04	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for May 2004. F5 : Payment Dr. Office Maintenance Exp. Rs. 750 Cr. Cash Rs. 750
36)	23-6-04	Ms. Kapur paid Rs. 3000 in cash as salary advance to Maya Nair.  <b>Ans.</b> F5 : Payment Dr. Salary Advance (Loans & Advance [assets]). Rs. 3000 Cr. Cash 3000
37)	27-6-04	Ms. Kapur withdrew Rs. 6000 cash for personal use.  <b>Ans.</b> F5 : Payment Dr. withdrawals Rs. 6000 Cr. Cash Rs. 6000

**July 2004**

SL.NO	DATE	TRANSACTIONS
38)	3-7-04	Ms. Kapur raised an invoice for Rs. 65000 on Alfatech Solutions for services provided.

Level 1

		<b>Ans.</b> F7 : Journal Dr. Alfatech Solutions (Sundry Debtors) Rs. 65000 Cr. Consulting Revenue Rs. 65000
39)	5-7-04	Ms. Kapur subscribed for the 'Management Consultant' journal by paying Rs. 2400 by cheque. The subscription period is from July 2004 to June 2006.  <b>Ans.</b> F5 : Payment Dr. Prepaid Journal Subscription (Current Assets) Rs. 2400 Cr. HDFC Bank Rs. 2400
40)	7-7-04	Ms. Kapur paid salaries for June 2004 by cheque. Salary advance paid to maya nair is adjust the salary paid.  <b>Ans.</b> F5 : Payment Dr. Salary Ex. Rs. 12000 Cr. Salary Advance Rs. 3000 Cr. HDFC Bank Rs. 9000
41)	10-7-04	Ms. Kapur paid office rent by cheque for June 2004.  <b>Ans.</b> F5: payment Dr. Rent Exp. Rs. 2500 Cr. HDFC Bank Rs. 2500
42)	15-7-04	Ms. Kapur received Rs. 35000 by cheque from Alfatech Solutions.  <b>Ans.</b> F6 : Receipt Cr. Alfatech Solutions Rs. 35000 Dr. HDFC Bank Rs. 35000
43)	18-7-04	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for June 2004.  <b>Ans.</b> F5 : Payment Dr. Office Maintenance Exp. Rs. 750 Cr. Cash Rs. 750
44)	19-7-04	Ms. Kapur paid Rs. 850 in cash toward electricity charges for June 2004  <b>Ans.</b> F5 : Payment Dr. Electricity Exp. Rs. 850 Cr. Cash Rs. 850
45	20-7-04	Ms. Kapur paid Rs. 1650 by cheque as mobile phone bill charges for June 2004.

Level 1

		<b>Ans.</b> F5 : Payment Dr. Telephone Exp. Rs. 1650 Cr. HDFC Bank Rs. 1650
46	25-7-04	Ms. Kapur reimbursed conveyance bills for Rs. 550 in cash to Vijay Narayan.  <b>Ans.</b> F5 : Payment Dr. Conveyance Exp. Rs. 550 Cr. Cash Rs. 550
47	28-7-04	Ms. Kapur withdrew Rs. 6500 cash for personal use.  <b>Ans.</b> F5 : Payment Dr. Withdrawals Rs. 6500 Cr. Cash Rs. 6500

August 2004

SL.NO	DATE	TRANSACTIONS
48	1-8-04	Ms. Kapur paid by cheque Rs. 6000 for insurance of fixed assets. The period of insurance is from August 1, 2004 to July 31, 2005.  <b>Ans.</b> F5 : Payment Dr. Prepaid Insurance (Current Assets) Rs. 6000 Cr. HDFC Bank Rs. 6000
49	2-8-04	Ms. Kaspur received Rs. 30000 in cash as consulting revenue from WorldX Multimedia.  <b>Ans.</b> F6 : Receipt Cr. Consulting Revenue Rs. 30000 Dr. Cash Rs. 30000
50)	5-8-04	Ms. Kapur paid salaries for July 2004 by cheque.  <b>Ans.</b> F5 : Payment Dr. Salary Exp. Rs. 12000 Cr. HDFC Bank 12000
51)	10-8-04	Ms. Kapur paid office rent for Jauly 2004 by cheque.  <b>Ans.</b> F5: payment Dr. Rent Exp. Rs. 2500 Cr. HDFC Bank Rs. 2500



Level 1

52)	12-8-04	Ms. Kapur withdrew Rs. 25000 cash fro HDFC Bank.  <b>Ans.</b> F4 : Contra Cr. HDFC Bank Rs. 25000 Dr. Cash Rs. 25000
53)	14-8-04	Ms. Kapur pasid DRs. 750 in cash toward office maintenance charges for Ju;y 2004.  <b>Ans.</b> F5 Payment Dr. Office Maintenance Exp. Rs. 750 Cr. Cash Rs. 750
54)	16-8-04	Ms. Kapur raised an invoice for Rs. 50000 on MediaLive Productions for services provided. The terms of credit are 30 days.  <b>Ans.</b> F7 : Journal Dr. MediaLive Productions (Sundry Debtors) Rs. 50000 Cr. Consulting Revenue Rs. 50000
55	18-8-04	Ms. Kapur paid Rs. 950 in cash towards electricity for July 2004.  <b>Ans.</b> F5 : Payment Dr. Electricity Exp. Rs. 950 Cr. Cash Rs. 950
56	20-8-04	Ms. Kapur paid Rs. 2100 by cheque towards mobile phone bill charges for July 2004.,.  <b>Ans.</b> F5 : Payment Dr. Telephone Exp. HDFC Bank Rs. 2100
57	21-8-04	MediaLive Productions settled the bill for a final amount of Rs. 48000 by paying Rs. 20000 in cash & Rs. 28000 by cheque.  <b>Ans.</b> F6 : Receipt Cr. MediaLive Productions Rs. 50000 Dr. Cash Rs. 20000 Dr. HDFC Bank Rs. 28000 Dr. Discount Exp. 2000
58	27-8-04	Ms. Kapur withdrew Rs. 7000 cash for personal use.  <b>Ans.</b> F5 : Payment

Level 1

		Dr. withdrawals Rs. 7000 Cr. Cash Rs. 7000
59	28-8-04	Ms. Kapur received Rs. 30000 by cheque from Alfatech Solutions.  <b>Ans.</b> F6 : Receipt Cr. Alfatech Solution Rs. 30000 Dr. HDFC Bank Rs. 30000
60	29-8-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1200 in cash to Vijay Narayan  <b>Ans.</b> F5 : Payment Dr. Conveyance Exp. Rs. 1200 Cr. Cash Rs. 1200

**September 2004**

SL.NO	DATE	TRANSACTIONS
61	2-9-04	Ms. Kapur paid Rs. 3800 in cash for repairs and maintenance of office premises.  <b>Ans.</b> F5 : payment Dr. repair & maintenance Exp. (Indirect Exp.) Rs. 3800 Cr. Cash Rs. 3800
62	5-9-04	Ms. Kapur paid salaries for August 2004 by cheque. Since Maya Nair was on leave for 15 days. She was paid one half- month's salary.  <b>Ans.</b> F5 : Payment Dr. salary Exp. 8250 Cr. HDFC Bank Rs. 8250
63	8-9-04	Ms. Kapur paid office rent for August 2004 by cheque.  <b>Ans.</b> F5 : payment Dr. Rent Exp. Rs. 2500 Cr. HDFC Bank Rs. 2500
64	9-9-04	Ms. Kapur received invoice for Rs. 7600 from Raj Travels. This includes Rs. 3150 towards cab hiring charges & Rs. 4450 toward outstanding tours undertaken by her.  <b>Ans.</b> F7 : Journal Dr. Cab hiring Exp. 3150

Level 1

		Dr. Tour Exp. 4450 Cr. Raj Travels Rs. 7600
65	12-9-04	Ms. Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for August 2004  <b>Ans.</b> F5 : Pyament Dr. Office Maintenance Exp. Rs. 750 Cr. Cash Rs. 750
66	15-9-04	Ms. Kapur received Rs. 25000 in cash as consulting revenue from Cam & Cut Productions.  <b>Ans.</b> F5 : Payment Cr. Consulting revenue Rs. 25000 Dr. Cash Rs. 25000
67	17-9-04	Ms. Kapur paid Rs. 1300 in cash toward electricity charges for August 2004.  <b>Ans.</b> F5 : Payment Dr. Electricity Exp. Rs. 1300 Cr. Cash Rs. 1300
68	20-9-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 500 in cash to vijay Narayan  <b>Ans.</b> F5 : Payment Dr. conveyance Exp. Rs. 500 Cr. Cash Rs. 500
69	23-9-04	Ms. Kapur paid Rs. 10000 by cheque for Raj Travels.  <b>Ans.</b> F5 : Payment Dr. Raj Travels Rs. 10000 Cr. HDFC Bank Rs.10000
70	24-9-04	Ms. Kapur paid Rs. 1750 by cheque toward mobile phone bill charges for August 2004.  <b>Ans.</b> F5 : Payment Dr. Telephone Exp. Rs. 1750 Cr. HDFC Bank Rs. 1750
71	28-9-04	Ms. Kapur withdrew Rs. 5500 cash for personal use.  <b>Ans.</b> F5 : Payment

Level 1

		Dr. Withdrawals Rs. 5500 Cr. Cash Rs. 5500
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**October 2004**

SL.NO	DATE	TRANSACTIONS
72	3-10-04	Ms. Kapur received Rs. 50000 by cheque as consulting revenue from Xceed International Couries.  <b>Ans.</b> F6 : Receipt Cr. Consulting revenue Rs. 50000 Dr. HDFC Bank Rs. 50000
73	5-10-04	Ms. Kapur paid office rent for September 2004 by cheque.  <b>Ans.</b> F5 : Payment Dr. Rent Exp. 2500 Cr. HDFC Bank Exp. 2500
74	7-10-04	Ms. Kapur withdrew Rs. 30000 cash from HDFC Bank.  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 30000 Cr. Cash Rs. 30000
75	8-10-04	Ms. Kapur paid salaries for September 2004 by cheque.  <b>Ans.</b> F5: payment Dr. Salary Exp. Exp. Rs. 12000 Cr. HDFC Bank 12000
76	10-10-04	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for September 2004.  <b>Ans.</b> F5 : Payment Dr. Office Maintenance Exp. 750 Cr. Cash Rs. 750
77	12-10-04	Ms. Kapur purchased stationery items worth Rs. 1600 in cash.  <b>Ans.</b> F5 : Payment Dr. Stationery Exp. Rs. 1600 Cr. Cash Rs. 1600
78	15-10-04	Ms. Kapur received Rs. 15000 in cash as consulting revenue from Samaritan Products.

Level 1

		<b>Ans.</b> F6 : Receipt Cr. Consulting Revenue Rs. 15000 Dr. Cash Rs. 15000
79	18-10-04	Ms. Kapur paid Rs. 1700 in cash toward electricity charges for September 2004  <b>Ans.</b> F5 : Payment Dr. Electricity Exp. 1700 Cr. Cash Rs. 1700
80	20-10-04	Ms. Kapur paid Rs. 2300 by cheque toward mobile phone bill charges for September 2004.  <b>Ans.</b> F5 : Payment Dr. Telephone Exp. Rs. 2300 Cr. HDFC Bank Rs. 2300
81	23-10-04	Ms. Kapur introduced further capital into the firm by bringing in cash of Rs. 100000  <b>Ans.</b> F6 : Receipt Cr. Ms. Kapur capital Rs. 100000 Dr. Cash Rs. 100000
82	24-10-04	Ms. Kapur deposited cash amounting Rs. 75000 in HDFC Bank.  <b>Ans.</b> F4 : Contra Cr. Cash Rs. 75000 Dr. HDFC Bank Rs. 75000
83	26-10-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1600 in cash to Vijay Narayan.  <b>Ans.</b> F5 : Payment Dr. conveyance Exp. Rs. 1600 Cr. Cash Rs. 1600
84	28-10-04	Ms. Kapur entered into a contact with Planet Consultancy for providing services at an agreed price of Rs. 10000 was received by cheque.  <b>Ans.</b> F6 : Receipt Cr. Advance Consulting Revenue Rs. 10000 Dr. HDFC Bank 10000

## November 2004

SL.NO	DATE	TRANSACTIONS
85	1-11-04	Ms. Kapur withdrew Rs. 8000 cash for personal use.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
86	2-11-04	Ms. Kapur received an invoice for Rs. 7200 from Raj Travels. The includes Rs. 2800 toward cab hiring charges and Rs. 4400 toward outstation tours undertaken by her.  <b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500 Cr. Cash Rs. 22500
87	5-11-04	Ms. Kapur paid salaries for October 2004 by cheque.  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 100000 Cr. Cash Rs. 100000
88	8-11-04	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for October 2004.  <b>Ans.</b> F5: payment Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000 Cr. HDFC Bank Rs. 25000
89	10-11-04	Ms. Kapur received Rs. 27500 by cheque as consulting revenue from Trishul Software Solutions.  <b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
90	12-11-04	Ms. Kapur paid office rent for October 2004 by cheque.  <b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
91	15-11-04	Planet Consultancy terminated the contract and advance of Rs. 10000 was refunded to them by cheque.  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000

Level 1

		Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
92	20-11-04	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 Solution and they promised to pay the amount in few days.  <b>Ans.</b> F5 : Payment Dr. Security Deposit – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000
93	21-11-04	Ms. Kapur paid Rs. 950 in cash towards electricity bill charges for October 2004. F7 : Journal Dr. Stationery Exp. (indirect Exp.) Rs. 12500 Cr. Global House (Sundry Creditors) Rs. 12500
94	23-11-04	Ms. Kapur received Rs. 12500 in cash from Trishul Software Solutions.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000
95	25-11-04	Ms. Kapur paid Rs. 1470 by cheque towards mobile phone bill charges for October 2004.
96	27-11-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 900 in cash to Vijay Narayan.
97	30-11-04	Ms. Kapur withdrew Rs. 6500 cash for personal use.

**December 2004**

SL.NO	DATE	TRANSACTIONS
98	3-12-04	The statement receive from HDFC Bank shows that the bank has charged Rs. 550 as cheque bouncing charges are to be recovered from Trishul Software Solutions.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
99	5-12-04	Ms. Kapur paid office rent for November 2004 by cheque.  <b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500

Level 1

		Cr. Cash Rs. 22500
100	6-12-04	<p>Ms. Kapur paid salaries for November 2004 by cheque,.</p> <p><b>Ans.</b>  F4 : Contra  Dr. HDFC Bank (Bank Account) Rs. 100000  Cr. Cash Rs. 100000</p>
101	8-12-04	<p>Ms. Kapur received invoice from Raj Travels for Rs. 6200. This includes Rs. 3000 toward cab hiring charges and Rs. 3200 towards outstand tours undertaken by her.</p> <p><b>Ans.</b>  F5: payment  Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000  Cr. HDFC Bank Rs. 25000</p>
102	9-12-04	<p>Ms. Kapur received Rs. 50000 by cheque as consulting revenue from Unigrand Technologies.</p> <p><b>Ans.</b>  <b>NOTE :</b> NO entry is required for transaction.</p>
103	20-12-04	<p>Ms. Kapur withdrew Rs. 30000 cash from HDFC Bank</p> <p><b>Ans.</b>  <b>NOTE :</b> NO entry is required for transaction.</p>
104	11-12-04	<p>Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for November 2004.</p> <p><b>Ans.</b>  F5 : Payment  Dr . Cellular Phone (Fixed Assets) Rs. 6000  Dr. Furniture (Fixed Assets) Rs. 20000  Dr. Air conditioner (Fixed Assets) Rs. 20000  Dr. Electrical fittings (Fixed Assets) Rs. 15000  Cr. HDFC Bank Rs. 61000</p>
105	15-12-04	<p>Ms. Kapur purchased Rs. 12000 worth office equipments on credit from Transform Tech Pvt. Ltd. The assets does not have any disposal value after its useful life of 6 year.</p> <p><b>Ans.</b>  F5 : Payment  Dr. Security Deposite – Phone (Deposit (Assets)) Rs. 3000  Cr. Cash Rs. 3000</p>
106	16-12-04	<p>Ms. Kapur paid Rs. 1450 by cheque towards mobile phone bill charges for November 2004.</p> <p>F7 : Journal  Dr. Stationery Exp. (indirect Exp.) Rs. 12500</p>



Level 1

		Cr. Global House (Sundry Creditors) Rs. 12500
107	18-12-04	Ms. Kapur paid Rs. 850 in cash towards electricity bill charges for November 2004.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000
108	20-12-04	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1100 in cash to Vijay Narayan
109	23-12-04	Ms. Kapur paid Rs. 12000 by cheque to Transform Tech Pvt. Ltd.
110	24-12-04	Ms. Kapur raised invoice for Rs. 42500 on InGroove Designers for consultancy services.
111	25-12-04	Ms. Kapur received Rs. 15550 in cash from Trishul Software solutions.
112	28-12-04	Ms. Kapur withdrew Rs. 6000 cash for personal use.
113	30-12-04	Ms. Kapur paid Rs. 7500 by cheque towards professional charges for internal audit of accounts.

**January 2005**

SL.NO	DATE	TRANSACTIONS
114	3-1-05	Ms. Kapur paid office rent for December 2004 by cheque.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
115	5-1-05	Ms. Kapur received Rs. 30000 in cash from InGroove Designers.  <b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500 Cr. Cash Rs. 22500
116	6-1-05	Ms. Kapur paid salaries for December 2004 by cheque.  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 100000 Cr. Cash Rs. 100000
117	10-1-05	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for December 2004.

Level 1

		<b>Ans.</b> F5: payment Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000 Cr. HDFC Bank Rs. 25000
118	12-1-05	Ms. Kapur received Rs. 35000 by cheque as consulting revenue from Ala Carte Investments.  <b>Ans.</b> <b>NOTE :</b> NO entry is required for transaction.
119	15-1-05	Ms. Kapur withdrew Rs. 50000 capital from the firm by cheque.  <b>Ans.</b> <b>NOTE :</b> NO entry is required for transaction.
120	18-1-05	Ms. Kapur paid Rs. 2300 by cheque as mobile phone bill charges for December 2004.  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000 Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
121	20-1-05	Ms. Kapur paid Rs. 1050 in cash toward electricity charges for December 2004.  <b>Ans.</b> F5 : Payment Dr. Security Deposite – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000
122	23-1-05	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1800 in cash to Vijay Narayan. F7 : Journal Dr. Stationery Exp. (indirect Exp.) Rs. 12500 Cr. Global House (Sundry Creditors) Rs. 12500
123	30-1-05	Ms. Kapur withdrew Rs. 8000 cash for personal use.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000

**February 2005**

SL.NO	DATE	TRANSACTIONS
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Level 1

124	5-2-05	Ms. Kapur paid office rent for January 2005 by cheque.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
125	6-2-05	Ms. Kapur paid salaries for January 2005 by cheque.  <b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500 Cr. Cash Rs. 22500
126	10-2-05	Ms. Kapur received invoice from Raj Travels for Rs. 9400. This includes Rs. 3800 toward cab hiring charges and Rs. 5600 toward outstation tours undertaken by her.  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 100000 Cr. Cash Rs. 100000
127	11-2-05	Ms. Kapur paid Rs. 20000 by cheque to Raj Travels.  <b>Ans.</b> F5: payment Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000 Cr. HDFC Bank Rs. 25000
128	12-2-05	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for January 2005.  <b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
129	15-2-05	Ms. Kapur paid Rs. 1600 by cheque toward mobile phone bill charges for January 2005.  <b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
130	18-2-05	Ms. Kapur paid Rs. 1200 in cash toward electricity bill for January 2005.  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000 Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
131	20-2-05	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1150 in 2005.

Level 1

		<b>Ans.</b> F5 : Payment Dr. Security Deposit – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000
132	24-2-05	Ms. Kapur purchased stationery consumables worth Rs. 7400 on credit from Global House.
133	28-2-05	Ms. Kapur withdrew Rs. 7000 cash for personal use.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000

March 2005

SL.NO	DATE	TRANSACTIONS
134	3-3-05	Ms. Kapur paid salaries by cheque for February 2005.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
135	5-3-05	Ms. Kapur paid office rent for February 2005 by cheque.  <b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500 Cr. Cash Rs. 22500
136	8-3-05	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for February 2005  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 100000 Cr. Cash Rs. 100000
137	10-3-05	Ms. Kapur received Rs. 30000 in cash as consulting revenue from Eye Television Network.  <b>Ans.</b> F5: payment Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000 Cr. HDFC Bank Rs. 25000
138	12-3-05	Ms. Kapur paid Rs. 1450 in cash toward electricity bill for February 2005.

Level 1

		<b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
139	15-3-05	Ms. Kapur paid Rs. 1900 by cheque toward mobile phone bill charges for February 2005  <b>Ans.</b> <b>NOTE : NO entry is required for transaction.</b>
140	18-3-05	Ms. Kapur reimbursed conveyance bills amounting to Rs. 950 in cash to Vijay Narayan  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000 Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
141	20-3-05	Invoice received from Global House on 24 <sup>th</sup> of February 2005 had a totaling error and was overvalued by Rs. 600.  <b>Ans.</b> F5 : Payment Dr. Security Deposit – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000
142	21-3-05	Ms. Kapur paid Rs. 6800 by cheque to Global House. F7 : Journal Dr. Stationery Exp. (indirect Exp.) Rs. 12500 Cr. Global House (Sundry Creditors) Rs. 12500
142	21-3-05	Ms. Kapur withdrew Rs. 6500 cash for personal use.  <b>Ans.</b> Create sub – group – Advance from Customers (under Current Liabilities) F6 : Receipt Cr. Advance Consulting Revenue (Advance from Customers) Rs. 25000 Dr. HDFC Bank Rs. 25000

Provision Entries		
144	1-4-05	Ms. Kkapur received Rs. 20000 cash as consulting revenue from ForeC Marketing Solutions. The services had already been provided in march 2005.  <b>Ans.</b> F6 : Receipt Dr . Cash Rs. 300000 Cr . Ms. Kapur capital a/c (current assets) Rs. 300000
145	2-4-05	Ms. Kaur paid office rent for March 2005 by cheque.

Level 1

		<b>Ans.</b> F5 : Payment Dr. Computer (Fixed Assets) Rs. 22500 Cr. Cash Rs. 22500
146	5-4-05	Ms. Kapur paid salaries by cheque for March 2005  <b>Ans.</b> F4 : Contra Dr. HDFC Bank (Bank Account) Rs. 100000 Cr. Cash Rs. 100000
147	7-4-05	Ms. Kapur paid Rs. 750 in cash toward office maintenance charges for March 2005  <b>Ans.</b> F5: payment Dr. Security Deposit – office (Deposits (Assets)) Rs. 25000 Cr. HDFC Bank Rs. 25000
148	12-4-05	Ms. Kapurpaid Rs. 1690 by cheque toward mobile phone bill charges for March 2005  <b>Ans.</b> <b>NOTE : NO</b> entry is required for transaction.
149	15-4-05	Ms. Kapur reimbursed conveyance bills amounting to Rs. 1300 in cash to Vijay Narayan. The bills pertain to March 2005.  <b>Ans.</b> <b>NOTE : NO</b> entry is required for transaction.
150	18-4-05	Ms. Kapur received invoice from Raj Travels for Rs. 6600. This includes Rs. 2900 toward cab hiring charges and Rs. 3700 towards outstation tours undertaken by her. The bill pertains for February 2005 and March 2005.  <b>Ans.</b> F5 : Payment Dr . Cellular Phone (Fixed Assets) Rs. 6000 Dr. Furniture (Fixed Assets) Rs. 20000 Dr. Air conditioner (Fixed Assets) Rs. 20000 Dr. Electrical fittings (Fixed Assets) Rs. 15000 Cr. HDFC Bank Rs. 61000
151	20-4-05	Ms. Kapur paid Rs. 870 in cash toward electricity bill for March 2005.  <b>Ans.</b> F5 : Payment Dr. Security Deposite – Phone (Deposit (Assets)) Rs. 3000 Cr. Cash Rs. 3000

Sl No	Asset name	Date of purchase	Value to be depreciated (a)	Useful life (in year) (b)	Annual depreciation (a)/(b) = (c)	No. of days used in the year (d)	Depreciation for 2004-05 (c)*(d)/365 = (e)
1	Computer	2-4-04	22500	4	5625	364	5610
2	Cellular phone	15-4-04	6000	5	1200	351	1154
3	Furniture	15-4-04	20000	8	2500	351	2404
4	Air conditioner	15-4-04	20000	6	3333	351	3205
5	Electrical Fittings	15-4-04	15000	10	1500	351	1442
6	Office Equipments	15-12-04	12000	6	2000	107	586
<b>Total</b>							<b>14401</b>
Disposal value for all assets = 0							
Value to be depreciated (a) is same as the purchase cost.							

Adjustment Entries For Prepaid Expenses						
Nature	Payment date	Period of subscription / insurance (a)	Amount (b)	Prepaid period (c)	Prepaid amount (b)/(a)*(c)=(d)	Amount for current year (b)-(d)=(e)
Magazine subscription	6-7-04	1-7-04 to 30-6-06 (24 months)	2400	1-4-05 to 30-6-06 (15 months)	1500	900
Insurance	1-8-04	1-8-04 to 31-7-05 (12 months)	6000	1-4-05 to 31-7-05 (4 months)	2000	4000

Other Adjustment Entries	
1	Provision for income tax (2004-05) has to be made at Rs. 17500.
2	Closing stock of stationery consumables on 31 <sup>st</sup> , March 2005 is Rs. 5000.
3	Transfer balance of withdrawals account to Nandini Kapur's capital account.

Closing Entry	
1	Transfer balance of profit and loss account to Nandini Kapur capital account.