



Numerical Questions:

Q1. Prepare accounting equation on the basis of the following:

- (a) Harsha started business with cash Rs 2,00,000
- (b) Purchased goods from Naman for cash Rs 40,000
- (c) Sold goods to Bhanu costing Rs 10,000/- Rs 12,000
- (d) Bought furniture on credit Rs 7,000

S.No.	Explanation	Assets				Liabilities +		Capital
		Cash	+	Stock	+	Debtors	+ Furniture	= Creditors
(a)	Increase in cash	2,00,000						=
	Increase in capital							2,00,000
(b)	Increase in stock			40,000				
	Decrease in cash	(40,000)						
(c)	Increase in debtors					12,000		
	Decrease in stock			(10,000)				
(d)	Increase in furniture						7,000	
	Increase in creditors							7,000
		1,60,000	+	30,000	+	12,000	+	7,000 = 7,000
								2,02,000

***** END *****