



Q2. From the information given below you are required to prepare the cash paid for the inventory:

	Rs.
Inventory in the beginning	40,000
Credit Purchases	1,60,000
Inventory in the end	38,000
Trade payables in the beginning	14,000
Trade payables in the end	14,500

Solution:

Trade Payables Account							
Dr.				Cr.			
Date	Particulars	J.F	₹	Date	Particulars	J.F	₹
	To Cash A/c (Balancing fig.)		1,59,500		By Balance b/d		14,000
	To Balance c/d		14,500		By Purchases A/c		1,60,000
			1,74,000				1,74,000

Cash paid for purchase of inventory amount to ₹1,59,500.

***** END *****