Dr.	ADDITION OF THE PARTY OF THE			A STREET, SHEET, SHEET, SHEET, SHEET,	Cr.
2012 Mar. 31	To Balance b/d	6,100	2012 Mar. 31	By Balance c/d	6,100 €
2012 Apr. 1	To Balance b/d	6,100		a way a state Court on	dov
Dr.		office partitioning has	V	Property and Contact to the Stephen	Cr.
2012 Mar. 31 2012	To Balance b/d	₹ 5,200	2012 Mar. 31	By Balance c/d	5,200
Apr. 1	To Balance b/d	5,200	THE REAL PROPERTY.	position being amore rising the providence	

Calculation of Value of Closing Stock.

Problem No. 5

A firm closes its books on 31st March each year. In the beginning of March 2012 because of a proposal for sale of business (which later fell through), the firm carried out stock taking on 10th March. The figure of stock was established as ₹ 3,12,500 (cost) as on that date. The firm decided not to carry out any stock taking on 31st March, 2012. From the

- information given below, arrive at the stock as on that date:—
 (i) Sales from 11-3-2012 to 31-3-2012 totalled ₹ 2,16,000 including ₹ 15,000 sale of goods which had cost ₹ 18,000. The firm's mark up on cost is 25%.

 - Purchases during the same period totalled ₹ 1,46,000.

 Sales returns and purchase returns were respectively ₹ 11,000 and ₹ 6,000 in this period.

 Goods with customers on sale or return basis were ₹ 50,000 (proforma invoice value). The goods had been sent on 9th March, 2012; the customers had the right of returning the goods within four weeks but it was known that one customer who had goods worth ₹ 20,000 had pledged them with a bank.

Solu

ution :	and bon 2 to best	MALESTAN SON TO ACC	e de stantes
Stock	as on 10th March, 2012		3,12,500
Add:			
(i)	Purchases from 11-3-2012 to 31-3-2012	Off in the self-mail; which	1,46,000
	the state of the s	STATE AT NOTATE	a shubura ka r
(ii)	Sales Returns, at cost = ₹ 11,000 × $\frac{4}{5}$ 8,800		
		A0190020 A 60	de la maria
(iii)	Goods on Approval, at cost = $\sqrt{30,000 \times \frac{4}{5}}$		24,000
	The state of the s	Link gamelet situal	4,91,300
Less:		7	4,91,300
200	000.00		Meserica G
(i)	Cost of Stock sold for ₹ 15,000 = ₹ 15,000 × $\frac{4}{5}$	18,000	capital Lbax
	Angle Committee of the		
	Cost of Stock sold for $\stackrel{?}{}$ 2,01,000 = $\stackrel{?}{}$ 2,01,000 $\times \frac{4}{5}$	1,60,800	
			101000
(ii)	Purchase Returns	6,000	1,84,800
	Value of Stock as on 31st March, 2012		3,06,500
	A second		

Problem No. 6

M/s. P & Q purchase shirts @ ₹ 200 per piece; the average freight is ₹ 10 and insurance in transit is 1%. Octroi duty is 5%. On the average, the firm earns a rebate of 4%, receivable at the end of the year. Godown and storekeeping charges

amount to 10% of the purchase price per annum.

In 2011-2012, the firm purchased 10,000 shirts of which 1,500 remained in stock at the end of the year. Of the latter, 100 were such as were out of fashion and were expected to be sold @ ₹ 150 per shirt.

Ascertain the value of the closing stock.

Solution:

Purcha	ase price of 1,400 shirts @ ₹ 200 per piece	2,80,000
	Freight @ ₹ 10 per piece	14,000
	Insurance in transit @ 1% on ₹ 2,80,000	2,800
	Octroi duty @ 5% on ₹ 2,80,000	14,000
	Miles and the second se	3,10,800

Less: Rebate @ 4% on ₹ 2,80,000	Tarancea Acco
Cost of 1,400 shirts	11,200
Add: Market price of 100 shirts, being less than cost = Rs 150 x 100	2,99,600
Value of closing stock	15,000
em No. 7	3,14,600

Problem No. 7

The cost of the stock on hand of a firm on 31st March, 2012 was ₹ 5,00,000. On a doubt having arisen regarding in realisable value, a sample of 20% of the stock was subjected to a thorough check. It was found that of the sample:

(i) 80% was good and was expected to realise the sale price of cost plus 20%.

(ii) 15% was slightly damaged and required an expenditure of 10% of the sale value for making it readily sales.

(iii) 5% was so damaged as to make it unfit for normal sale; it would fetch only 50% of the normal selling price.

(Solution:

Cost of 80% stock = ₹ 5,00,000 × $\frac{80}{100}$		
Cost of 15% stock = $₹5,00,000 \times \frac{15}{100}$		4,00,000
Less: Expenses to be incurred @ 10% of	75,000	* *
selling price = $\frac{10}{100}$ (₹ 75,000 × $\frac{120}{100}$)		(F) (B)
100	9,000	66,000
Cost of 5% stock = $\frac{5}{100}$	THE PARTY NAMED IN	
Add: Profit @ 20% of cost	25,000	
Normal selling price	5,000	
Market price, being less than the cost = 50% of ₹ 30,000	30,000	
Value of stock as on March 31, 2012	to 120 T-11 most constant	15,000
Problems on Final Accounts		4,81,000
on That Accounts		-

More Problems on Final Accounts

Problem No. 8

On 31st March, 2012, the following Trial Balance was extracted from the books of Chatterji:

	that extracted from the l	ooks of Chatterii
	Dr.	Cr.
Capital Account	7	7
Plant and Machinery		90,000
Sales	80,000	30,000
Purchases		4.07.000
Returns	2,60,000	4,07,000
Opening Stock	6,000	5.750
Discount	30,000	5,750
Bank Charges	350	900
Sundry Debtors	75	800
Sundry Creditors	45,000	
Salaries		25.000
Manufacturing Wages	26,800	25,000
Carriage Inwards	40,000	
Carriage Outwards	750	
Bad Debts Provision	1,200	
Rent, Rates and Taxes		Miles In the same
Advertisements	10,000	525
Cash in hand	2,000	
Cash in Bank	900	
Furniture & Fittings	6,000	
The state of the s	20,000	
	5,29,075	5,29,075

You are asked to prepare the final accounts for the year ended 31st March, 2010 and the Balance Sheet as on that date. The following adjustments are required: The following adjustments are required:

(1) Closing Stock ₹ 35,000.

(2) Depreciation on Plant and Machinery @ 15%. p.a. and on Furniture & Fittings @ 10% p.a. to be provided.

(3) Bad Debts Provision to be adjusted to ₹ 500.

(4) Interest on capital to be allowed at 10% per annum.

(5) 15% of the profits remaining after providing interest on capital is to be carried to General Reserve.

Trading and Profit and Loss Account of Mr. Chatterjee for the year ending 31st March, 2012

T. 0	100.02	₹	7		7	7
To Opening Stock	070.25		30,000		4,07,000	
To Purchases	FEM. IS	2,60,000		Less: Sales Returns	6,000	4,01,000
Less: Purchases Returns	CREATE !	5,750	2,54,250		No. 2 100 00	
	0212			By Closing Stock		35,000
To Manufacturing Wages	20,1		40,000			
To Carriage Inwards		AC TOP OF	750			
To Gross Profit c/d			1,11,000	Francisco (Control of Control of		
	DOE !		the PAREN	Device of the same		
	THE P		4,36,000	Charles Depressions		4,36,000
Million Act Considerate	200			Annual State of the State of th		
To Salaries	100	Con Sep	26,800	By Gross Profit b/d	The second second	1,11,000
To Carriage Outwards			1,200	By Discount		800
To Rent, Rates & Taxes			10,000	By Existing Provision for		
To Advertisement	20.05	2 48.83	2,000	Bad & Doubtful Debts	525	
To Discount			350	A Alexander Control of the Control o	L Washington	
To Bank Charges	NAME OF		75	Less : Required	500	25
To Depreciation on :			1,185,291	Lindbord Station		
Plant and Machinery		12,000		Eventy on American	a services	
Furniture & Fittings		2,000	14,000	。	tan percent	
				And the females	FOI SHIE	
To Interest on Capital		7200	9,000	and Martin have again what movement	picted ball	
To General Reserve			1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	the fact of hoteleasy of sit is story that	10 to 200	Table / 215
(15% of ₹ 48,400)	MORE !!	March March	7,260	price if note that I like freed at boson i	Self-term to	
To Capital Account				1 100 fruit at housing st	w. cresta cui	
-transfer of net profit	4 6 7	at the successive	41,140	Plant and Michigany W 10th p.a. or	and the second	
the party and the party and a	and the second	with man being	HARLING PRO	Then should be subject on support	a broken ou	
	1000	4.10年期20日	1,11,825	Property and State State of St	STATE OF STA	1,11,825
			-,11,020			1,11,023
	4			AND THE RESERVE OF THE PARTY OF		The agreement of the

Balance Sheet of Mr. Chatterjee as on March 31, 2012

Liabilities	7	and all the	Assets	7	₹
Sundry Creditors General Reserve Capital	90,000	25,000 7,260	Fixed Assets: Plant & Machinery Less: Depreciation @ 15%	80,000 12,000	68,000
Add: Interest on Capital Net Profit for the year	9,000 41,140	1,40,140	Furniture & Fittings Less: Depreciation @ 10%	20,000 2,000	18,000
BCCASA DESIGNATION OF THE PROPERTY OF THE PROPERTY AND THE PROPERTY OF THE PRO		ROMO (B	Current Assets: Stock Sundry Debtors Less: Provision for Bad &	45,000	35,000
	THE STATE OF		Doubtful Debts	500	44,500
Condinates Married Marries (1)			Cash at Bank Cash in hand	erci estica	6,000 900
		1,72,400	tori i etti ikon mi	acres attitut	1,72,400

Problem No. 9

On 31st March, 2012 the following Trial Balance w	Dr.	Cr.
	Sold Tax South the Sold Telephone	7.9
Sundry Debtors	30,600	
Sundry Creditors		10,000
Bills Receivable	5,000	
Plant and Machinery	75,000	
Purchases	1,90,000	
Capital Account		70,000
Freehold Premises	50,000	
Salaries	21,000	
Wages	24,400	
Postage and Stationery	1,750	
Carriage In	1,750	
Carriage Out	1,000	
Bad Debts	950	
Bad Debts Provision		350
Office General Charges	1,500	
Cash at Bank	5,300	
Cash in hand	800	
Bills Payable		7,000
Reserve		20,000
Sales		3,31,700
Closing Stock	30,000	NAME OF TAXABLE PARTY.
		100.000
	4,39,050	4,39,050

The following adjustments are required:

(a) Brown gets a salary of ₹ 12,000 per annum.

(b) Allow 10% interest on Capital.

(c) Bad Debts Provision to be adjusted to 2½% on Sundry Debtors.
(d) 10% of the net profit is to be credited to the Reserve.
(e) It was discovered in April, 2011 that stock sheets as on 31st March, 2011 were overcast by ₹ 1,000, However, no entry was passed in April, 2011.
(f) Depreciate Plant and Machinery @ 10% p.a. and Freehold Premises @ 2% p.a.

You are asked to prepare the Trading and Profit and Loss Account of the firm for the year ended 31st March, 2012 and a Balance Sheet as at that date.

Solution:

	₹	7		7	7
To Purchases (adjusted)		1,89,000	By Sales	- 5.7 SE SESSE	3,31,700
To Wages		24,400			
To Carriage Inwards		1,750			
To Gross Profit c/d		1,16,550			In Intern
		3,31,700	Pox Pox	756 950 wo 200	3,31,700
To Salaries		21,000	By Gross Profit b/d		1,16,550
To Postage & Stationery		1,750			
To Carriage Outwards	Sept 160	1,000			
To Office General Charges		1,500			
To Bad Debts	950				
Add: Provision for Bad &					
Doubtful Debts	765				
	1,715				
Less: Existing Provision	350	1,365			

To Depreciation on :	₹	र	State on Secretary States of the Secretary States of t	1 7
Plant and Machinery Freehold Premises	7,500 1,000	8,500	total a	1 3 3
To Overcasting of Opening Stock To Interest on Capital To Salary to Brown		1,000 7,000 12,000		
To Reserve—10% of ₹ 61,435 To Capital Account— transfer of net profit		6,144 55,291	Control of the selection of the seasons of the seas	
and the little Will, as presented with the	247 84	1,16,550	a for the Wandston too beat species	1,16,550

Balance Sheet of Mr. Brown as on March 31, 2012

Liabilities	₹	and of the	Assets Assets		₹.
Bills Payable		7,000	Fixed Assets:		1000000
Sundry Creditors	7 4	10,000	Freehold Premises	50,000	
Reserve : Balance b/fd	20,000		Less: Depreciation	1,000	49,000
Add: Current year's			Plant and Machinery	75,000	
contribution	6,144	26,144	Less: Depreciation	7,500	67,500
	2.13,500		Current Assets:		or other and
Capital	70,000		Stock	30,000	
Add: Interest on Capital	7,000	Section 1	Sundry Debtors	30,600	
Brown's Salary	12,000	1	Less: Provision for Bad &		
Net Profit	55,291	1,44,291	Doubtful Debts	765	29,835
Horles dur fall yet an account to			Bills Receivable		5,000
A COMMISSION OF STATE AND ADDRESS.			Cash at Bank	1000000	5,300
andley March 21, 2212	ne the year	Banant	Cash in hand	market M	800
The state of the s		1,87,435			1,87,435

Problem No. 10

From the undermentioned Trial Balance of Bannerji, prepare the final accounts for the year ended 31st March, 2012 and the Balance Sheet as at that date:

		Dr.	Cr.
DENI DE		7	₹
004.21		50,000	
(NS) 2		2,10,000	a second of the
		CONTRACTOR OF THE PERSON OF TH	
			2,500
		The state of the s	Sharmon managed and
		Andrews in the Party of the Par	
A In Control		A THE RESERVE OF THE PARTY OF T	THE RESERVE OF THE PARTY.
		The second below the second	CANNOTON HOLDERS STATE OF THE PARTY OF THE P
			a amplementation beginning of
			1,200
			To Depute union con t
		4,200	3,85,000
			1,15,000
(a)	A CONTRACTOR		25,000
		1.500	23,000
W. 14 500		1,500	1 500
SERVERY OF	100	50,000	1,500
			THE PARTY OF THE P
	11	Marine Park Marine State of State	April 18 Comments of the second
	\$10 m	20,000	
	0890.2 085	and A constraint of the constr	50,000 2,10,000 45,000 1,500 45,300 39,000 15,400 1,200 2,000 750 1,200 1,500 1,500 1,500 1,500

Sundry Debtors	40,000	
Sundry Creditors		25,000
Cash in hand	1,500	TO SHIP THE RESIDENCE OF
Cash at Bank	14,500	
Office Equipment	12,000	
Bills Payable	1 000 41 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	12,350
Expenses Payable		3,300
The state of the s	5,70,850	5,70,850

It was the practice of Bannerji to value stock at 10% below cost. The opening stock (on 1-4-2011) was ₹ 49,500. Bannerji desires that the final statement be drawn up according to the cost of the stock. The following adjustments are also required:

Depreciate Land and Buildings @ 6%, Plant and Machinery @ 10%, Office Equipment @ 20% and Furniture and Fixtures @ 15%.

Raise a Bad and Doubtful Debts Provision of 1¼% on Sundry Debtors.

Insurance Premium includes ₹ 250 paid in advance.

Provide Interest on Capital @ 10% p.a. and Salary to Bannerji @ ₹ 15,000 p.a.

10% of the final profit is to be kept as General Reserve. (1)

(3) (4) (5)

Solution :

	7
Adjusted purchases as given Add: for opening stock increase,	2,10,000
₹ 49,500 × 10/90	5,500
unationed j	2,15,500
Less: for closing stock increase, ₹ 45,000 × $\frac{10}{90}$	5,000
Amount to be shown in Trading Account	2,10,500
In Balance Sheet, Closing Stock will appear at $745,000 \times \frac{100}{100} = 750,000$	

	7	7		7	*
To Purchases (adjusted)*	2,10,500		By Sales	3,85,000	
Less : Returns Inwards	2,500	2,08,000	Less : Sales Returns	1,500	3,83,500
To Wages		45,300			THE STATE OF THE S
To Carriage Inwards	to process week	1,200			
To Gross Profit c/d.		1,29,000			N COLUMN
		3,83,500			3,83,500
To Salaries	San back	39,000	By Gross Profit b/d.		1,29,000
To Office Expenses		15,400	By Discounts	and the state of the state of	1,200
To Carriage Outwards		2,000	By Commission		1,500
To Discounts		750	and transferrence		
To Insurance	1,500		of opening stock		5,500
Less : Insurance prepaid	250	1,250			
To Bad Debts	1,200				
Add: Provision Required	500	1,700			
To Interest on Chatterjee's					
Loan, Outstanding		2,250			had to
To Depreciation on :			The state from State		
Land & Building	3,000	200		The second second	
Plant & Machinery	5,000	1		Encounter e	No.
Office Equipment	2,400				47
Furniture & Fixture	3,000	13,400	。 作列 海 人名马克克 神经病的		
To Interest on Capital		11,500			
To Interest on Capital To Salary to Bannerjee		15,000		30-18-500	CONT.
To Transfer to General Reserve		2.945*			
To Capital A/c-Net Profit		32,005		Property best mile	Par All Color
to capital rot received		1,37,200			1,37,200

^{*10%} of profit before adjustment in respect of opening stock i.e. ₹ 34,950 - ₹ 5,500 = ₹ 29,450.

Balance Sheet of Mr. Bannerji as on March 31, 2012

Liabilities	7	中的在天然	Assets Assets	7	7
Bills Payable Sundry Creditors		12,350			
Expenses Payable	the Spiller	25,000 3,300	Land & Building Less: Depreciation	3,000	47,000
Chatterjee's Loan Add: Interest Outstanding	25,000 2,250	27,250	Plant & Machinery Less: Depreciation	50,000 5,000	45,000
General Reserve Capital Account	1,15,000	2,945	Furniture & Fixture Less: Depreciation	20,000	17,000
Add: Interest on Capital Salary	11,500		Office Equipment Less: Depreciation	12,000	beautiful of
Net Profit	32,005	1,73,505	Current Assets:	2,400	9,600
TON THE STREET SAN IN SECTION SAN IN	er samo Seatle		Sundry Debtors Less: Provision	40,000	50,000
Secretary 1			Bills Receivable	300	39,500 20,000
ONE trees and Law Persons and	oldowers	APLES DE	Prepaid Insurance Cash at Bank		250 14,500
DEC. A. CAR	G 6997 in tol	2,44,350	Cash in hand	a Stabusp a	1,500
		2,44,330	A2 12 5		2,44,350

Problem No. 11

From the following, prepare the Trading and Profit and Loss Accounts for the year ended 31st March, 2012 and Balance Sheet of "Z" as at 31st March, 2012 :—

			7
Capital			1.50,000
Trade Creditors			30,000
Bills Payable	000.23		10,000
General Reserve		1000	25,000
Provision for Bad and Doubtful Debts		0.00	1,000
Profit and Loss Account, 1st April, 2011	-	1575-2	5,450
Sales			5,75,000
Discount allowed			4,750
Stocks at 1st April, 2011			THE RESERVE OF THE PARTY OF THE
Purchases		200	55,000
Discount Received			4,48,000
			4,400
Buildings			50,000
Machinery, Plant and Furniture (Cost ₹ 1,25,000)			75,000
Book Debts			36,400
Bank Balance (Dr.)			24,400
Investment, 9% Government Loan at par			10,000
Bills Receivable			22,500
Salaries and Wages			33,000
Audit Fees			5,000
Office Expenses			22,000
Repairs and Renewals			11,800
Interest Paid			The second second second second
Bad Debts Recovered			700
Dad Debis Recovered		11	250

The value of stocks on hand as at 31st March, 2012, was ₹ 68,000 including goods costing ₹ 900 received on 30th March, 2012 in respect of which supplier's bill had not yet been received. Goods of the cost of ₹ 1,500 were sent to a customer on sale or approval basis. The invoice for ₹ 2,000 was entered in the Sales Book. Provision is to be made for bad debts to the extent of ₹ 400, and for depreciation of buildings at 2% per annum: Machinery, Plant and Furniture have been depreciated at 20% of the diminishing value;: "Z" however considers that the proper method is 8% of the original cost and wishes to adopt it with effect from 1st April, 2010.