

IDEAL / I.P.C.C. / ADVANCED ACCOUNTING / SINGLE ENTRY (SOLUTION)

3. Memorandum Trading Account

Particulars	Rs.	Particulars	Rs.
To Opening Stock	6,10,000	By Sales	93,00,000
To Purchases (Balancing figure)	84,10,000	By Closing Stock	6,50,000
To Gross Profit (10% on sales)	9,30,000		
	99,50,000		99,50,000

4. Bills Payable Account

Particulars	Rs.	Particulars	Rs.
To Cash / Bank A/c	8,15,000	By Balance b/d	1,25,000
To Balance c/d	1,40,000	By Creditors (balancing fig.)	8,30,000
	9,55,000		9,55,000

5. Trade Creditors Account

Particulars	Rs.	Particulars	Rs.
To Cash / Bank	75,07,000	By Balance b/d	5,80,000
To Discount received	28,000	By Purchases	
To Bills receivable	15,000	(as calculated in W.N. 3)	84,10,000
To Bills payable	8,30,000		
To Balance c/d (balancing fig.)	6,10,000		
	89,90,000		89,90,000

6. Computation of sundry expenses to be charged to Profit & Loss A/c

Particulars	Rs.
Sundry expenses paid (as per cash book)	6,20,700
Add : Prepaid expenses as on 31-3-2000	2,000
	6,22,700
Less : Outstanding expenses as on 31-3-2000	45,000
	5,77,700
Add : Outstanding expenses as on 31-3-2001	5,000
	5,82,700
Less : Prepaid expenses as on 31-3-2001 (Insurance paid till July, 2001)	2,000
	5,80,700

Sol.2. Trading and Profit and Loss Account for the year ended 31st December, 2003

Particulars	Rs.	Particulars	Rs.
To Opening Stock	50,000	By Sales	
To Purchases (balancing fig.)	2,72,500	(Rs.2,60,000 x 125/100)	3,25,000
To Gross Profit (c/d)		By Closing Stock	62,500
(Rs.2,60,000 x 25/100)	65,000		
	3,87,500		3,87,500
To Expenses	49,250	By Gross Profit b/d	65,000
To Loss on sale of fixed assets	750		
To Depreciation on fixed assets			
(W.N. 1))	1,000		
To Net Profit	14,000		
	65,000		65,000

Balance Sheet as at 31st December, 2003

Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Capital (W.N. 5)	1,69,000	Fixed assets	9,000
Add : Additional Capital	5,000	Debtors (W.N.3)	87,500
Net profit	14,000	Stock	62,500
	1,88,000	Bank balance	50,000
Less: Drawings	25,000		
Creditors	46,000		
	2,09,000		2,09,000

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Working Notes :

1. Fixed Assets Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Balance b/d	7,500	By Bank (sale)	1,750
To Bank	5,000	By Loss on sale of fixed asset	750
		By Depreciation (Bal. Fig.)	1,000
		By Balance c/d	9,000
	12,500		12,500

2. Bank Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Balance b/d (bal. Fig.)	62,500	By Creditors	2,80,000
To Debtors	3,40,000	By Expenses	49,250
To Capital	5,000	By Drawings	25,000
To Sale of fixed assets	1,750	By Fixed assets	5,000
		By Balance c/d	50,000
	4,09,250		4,09,250

3. Debtors Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Balance b/d	1,02,500	By Bank	3,40,000
To Sales	3,25,000	By Balance c/d	87,500
(Rs.2,60,000x $\frac{125}{100}$)		(balancing figure)	
	4,27,500		4,27,500

4. Creditors Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Bank A/c	2,80,000	By Balance b/d (Bal. Fig.)	53,500
To Balance c/d	46,000	By Purchases	2,72,500
		(from trading A/c)	
	3,26,000		3,26,000

Balance Sheet as at 1st January, 2003

Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Creditors (W.N.4)	53,500	Fixed Assets	7,500
Capital (balancing figure)	1,69,000	Debtors	1,02,500
		Stock	50,000
		Bank balance (W.N.2)	62,500
	2,22,500		2,22,500

Sol.3. Trading and Profit and Loss Account of Mr. Shiv Kumar for the year ended 31st March, 2003

Particulars	Rs.	Particulars	Rs.
To Opening Stock (balancing fig.)	80,000	By Sales	4,00,000
To Purchases	2,40,000	By Closing Stock	40,000
To Gross Profit c/d @ 30% on sales	1,20,000		
	4,40,000		4,40,000

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To Miscellaneous expenses (Rs.80,000–Rs.8,000+Rs.10,000)	82,000	By Gross Profit b/d	1,20,000
To Depreciation :		By Miscellaneous receipts	20,000
Building Rs.36,000		By Net Loss	25,840
Furniture Rs.7,800			
(Rs.6,800 + Rs.1,000)			
Motor Car <u>Rs.16,000</u>	tt59,800		
To Loss on sale of furniture	11,000		
To Bad debts	8,000		
To Provision for Doubtful debts	5,040		
	1,65,840		1,65,840

Balance Sheet of Mr. Shivkumar as on 31st March, 2003

Liabilities		Amt.(Rs.)	Assets		Amt.(Rs.)
Capital as on 1 st April, 2002		7,16,000	Building	3,20,000	
Profit and Loss A/c			Add: Addition during the year	40,000	
Opening balance	40,000		Less : Provision for Depreciation	3,60,000	
Less: Loss for the yr.	25,840	14,160		36,000	3,24,000
Sundry Creditors		1,12,000	Furniture	60,000	
Bills Payable		16,000	Less: Sold during the year	20,000	
Outstanding salary		10,000		40,000	
			Add: Addition during the year	28,000	
				68,000	
			Less: Depreciation	6,800	61,200
			Motor Car (at cost)	80,000	
			Less: Depreciation	16,000	64,000
			Stock in trade		40,000
			Sundry debtors	2,52,000	
			Less : Provision for D. debts @2%	5,040	2,46,960
			Bills receivable		28,000
			Cash in hand and at bank		1,04,000
		8,68,160			8,68,160

Working Notes :

1. Sundry Debtors Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Balance b/d	1,60,000	By Cash / Bank A/c	2,00,000
To Sales A/c	3,20,000	By Bills receivable A/c	20,000
		By Bad debts A/c	8,000
		Balance c/d (Bal. fig.)	2,52,000
	4,80,000		4,80,000

2. Sundry Creditors Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Cash / Bank A/c	1,84,000	By Balance b/d	1,20,000
To Bills Payable A/c	16,000	By Purchases A/c	1,92,000
To Balance c/d (balancing fig.)	1,12,000		
	3,12,000		3,12,000

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3. Bills Receivable Account

Dr.	Rs.	Cr.	Rs.
Particulars		Particulars	
To Balance b/d	32,000	By Cash / Bank A/c (bal. Fig.)	24,000
To Sundry debtors A/c	20,000	By Balance c/d	28,000
	52,000		52,000

4. Bills Payable Account

Dr.	Rs.	Cr.	Rs.
Particulars		Particulars	
To Cash / Bank A/c (Bal. Fig.)	28,000	By Balance b/d	28,000
To Balance c/d	16,000	By Sundry creditors A/c	16,000
	44,000		44,000

5. Furniture Account

Dr.	Rs.	Cr.	Rs.
Particulars		Particulars	
To Balance c/d	60,000	By Bank / Cash A/c	8,000
To Bank A/c	28,000	By Depreciation A/c	1,000
		By P & L A/c (loss in sale)	11,000
		By Depreciation A/c	6,800
		By Balance c/d	61,200
	88,000		88,000

6. Cash / Bank Account

Dr.	Rs.	Cr.	Rs.
Particulars		Particulars	
To Balance b/d	1,80,000	By Misc. trade expenses A/c	80,000
To Miscellaneous receipts A/c	20,000	By Purchase A/c	48,000
To Sundry debtors A/c	2,00,000	By Furniture A/c (Bal. fig.)	28,000
To Sales A/c	80,000	By Sundry creditors A/c	1,84,000
To Furniture A/c (sale)	8,000	By Bills Payable A/c	28,000
To Bills receivable A/c	24,000	By Building A/c	40,000
		By Balance c/d	1,04,000
	5,12,000		5,12,000

Opening Balance Sheet of Mr. Shivkumar as on 31st March, 2002

Liabilities	Amt.(Rs.)	Assets	Amt.(Rs.)
Capital (balancing figure)	7,16,000	Building	3,20,000
Profit and Loss A/c	40,000	Furniture	60,000
Sundry Creditors	1,20,000	Motor Car	80,000
Bills Payable	28,000	Stock in trade	80,000
Outstanding salary	8,000	Sundry debtors	1,60,000
		Bills receivable	32,000
		Cash in hand and at bank	1,80,000
	9,12,000		9,12,000