

I.P.C.C. ADVANCED ACCOUNTING SINGLE ENTRY CLASS ROOM TEST-2

Q.1. A trader keeps his books of account under single entry system. On 31st March, 2000 his statement of affairs stood as follows :

Liabilities	Rs.	Assets	Rs.
Trade Creditors	5,80,000	Furniture, Fixtures & Fittings	1,00,000
Bills Payable	1,25,000	Stock	6,10,000
Outstanding Expenses	45,000	Trade Debtors	1,48,000
Capital Account	2,50,000	Bills Receivable	60,000
		Unexpired Insurance	2,000
		Cash in Hand and at Bank	80,000
	10,00,000		10,00,000

The following was the summary of Cash-book for the year ended 31st March, 2001 :

Receipts	Rs.	Payments	Rs.
Cash in Hand and at Bank on 1 st April, 2000	80,000	Payments to Trade Creditors	75,07,000
Cash Sales	73,80,000	Payments for Bills payable	8,15,000
Receipts from Trade Debtors	15,10,000	Sundry Expenses paid	6,20,700
Receipts for Bills Receivable	3,40,000	Drawings	2,40,000
		Cash in Hand and at Bank on 31 st March, 2001	1,27,300
	93,10,000		93,10,000

Discount allowed to trade debtors and received from trade creditors amounted to Rs.36,000 and Rs.28,000 respectively. Bills endorsed amounted to Rs.15,000. Annual Fire Insurance premium of Rs.6,000 was paid every year on 1st August for the renewal of the policy. Furniture, fixtures and fittings were subject to depreciation @ 15% per annum on diminishing balances method.

You are also informed about the following balances as on 31st March, 2001 :

	Rs.
Stock	6,50,000
Trade Debtors	1,52,000
Bills Receivable	75,000
Bills Payable	1,40,000
Outstanding Expenses	5,000

The trader maintains a steady gross profit ratio of 10% on sales.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2001 and Balance Sheet as at that date.

Q.2. Lucky does not maintain proper books of accounts. However, he maintains a record of his bank transactions and also is able to give the following information from which you are requested to prepare his final accounts for the year 2003 :

	1.1.2003 (Rs.)	31.12.2003 (Rs.)
Debtors	1,02,500	?
Creditors	?	46,000
Stock	50,000	62,500

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Bank Balance	?	50,000
Fixed Assets	7,500	9,000
Details of his bank transactions were as follows :		
Received from debtors		3,40,000
Additional capital brought in		5,000
Sale of fixed assets (book value Rs.2,500)		1,750
Paid to creditors		2,80,000
Expenses paid		49,250
Personal drawings		25,000
Purchase of fixed assets		5,000

No cash transactions took place during the year. Goods are sold at cost plus 25%. Cost of goods sold was Rs.2,60,000.

Q.3. The following information relates to the business of Mr. Shiv Kumar, who requests you to prepare a Trading and Profit & Loss Account for the year ended 31st March, 2003 and a Balance Sheet as on that date :

(a)		Balance as on 31 st March, 2002 (Rs.)	Balance as on 31 st March, 2003 (Rs.)
	Building	3,20,000	3,60,000
	Furniture	60,000	68,000
	Motorcar	80,000	80,000
	Stocks	?	40,000
	Bills Payable	28,000	16,000
	Cash and Bank balances	1,80,000	1,04,000
	Sundry Debtors	1,60,000	?
	Bills receivable	32,000	28,000
	Sundry Creditors	1,20,000	?

(b) Cash transactions during the year included the following besides certain other items :

	Rs.		Rs.
Sale of old papers and miscellaneous income	20,000	Cash purchases	48,000
Miscellaneous Trade expenses (including salaries etc.)	80,000	Payment to creditors	1,84,000
Collection from debtors	2,00,000	Cash Sales	80,000

(c) Other information :

- (i) Bills receivable drawn during the year amount to Rs.20,000 and Bills payable accepted Rs.16,000.
- (ii) Some items of old furniture, whose written down value on 31st March, 2002 was Rs.20,000 was sold on 30th September, 2002 for Rs.8,000. Depreciation is to be provided on Building and Furniture @ 10% p.a. and on Motorcar @ 20% p.a. Depreciation on sale of furniture to be provided for 6 months and for additions to Building for whole year.
- (iii) Of the Debtors, a sum of Rs.8,000 should be written off as Bad Debts and a reserve for doubtful debts is to be provided @ 2%.
- (iv) Mr. Shivkumar has been maintaining a steady gross profit rate of 30% on turnover.
- (v) Outstanding salary on 31st March, 2002 was Rs.8,000 and on 31st March, 2003 was Rs.10,000. On 31st March, 2002, Profit and Loss Account had a credit balance of Rs.40,000.
- (vi) 20% of total sales and total purchases are to be treated as for cash.
- (vii) Additions in Furniture Account took place in the beginning of the year and there was no opening provision for doubtful debts.