

Assets :- are associate with any item that has subeconomic value, <sup>(benefit)</sup> and to obtained it we've sacrifice some economic resources or paid cash.  
Future economic benefits + Paid / Economic Resources.

Liabilities :- present obligation due to past activities which will <sup>resulting into</sup> outflow the economic resources in future.

Income :- Addition of assets or net reduction of liabilities. addition of assets without addition of any liabilities / without reduction any assets.  
assets ↑ liability ↓ ✓

Expenses :- Assets ↓ (decrease) in assets is more than increase in assets.

Assets

Existing :- Substantially ownership + FEB

New :- FEB + Payment / Sacrifice of Eco. Res / Assumed liability

Liability

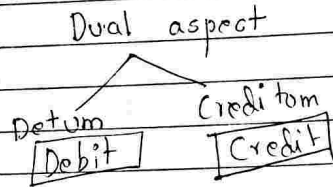
Present obligation due to

Past events / transactions

which will result into future outflow of economic resources.

ALC Debit

## Business Entity Concept



- \* Personal account - person that exist
- \* Real Accounts - goods, stock & cash
- \* Nominal Accounts - do not exist in real terms / income, expenditure.

What comes in - debit

What goes out - credit

giver = credit. Receiver = Debit

- \* Purchased machinery for Rs. 5,00,000 in cash.
- \* ~~Debit~~ = Machinery      Machinery m/c,      No an
- ~~credit~~ = Rs. 50,000

- \* Purchased furniture from Ram-lal on credit for Rs. 300,000.
- Debit = Furniture
- Credit = Furniture Rs. 30,000 Ram-lal

- \* Purchased another furniture from Ram-lal for Rs. 1,00,000 in cash.

Debit :- Furniture  
Credit :- Cash A/c

If Expenses / loss → Debit  
Income / Gain → Credit

- \* Salary paid for Rs. 15,000.  
Debit → Salary  
Credit → Cash

- \* Salary paid to Ram for Rs. 15,000.  
Debit → Salary  
Credit → Ram Cash.

In the M/s Ram & Sons part of view

Rule #1 Mr. Ram started a business as M/s Ram & Sons by introducing capital of Rs. 500,000.  
Credit Debit :- M/s Ram & Sons / Business capital account  
Debit Credit :- 500,000 / Capital

- # A machinery purchased from M/s Shyam and Sons for Rs. 3,00,000. Rs. 10,000 was paid upfront and remaining amount shall be paid after two months.

Debit :- Machinery A/c      Debit      300000  
Credit :- Rs. 10000 /

Cash A/c      Credit      100000  
M/s Shyam and Sons A/c      credit      200000

- # Furniture purchased for Rs. 50,000.

Debit :- Furniture  
Credit :- Rs. 50,000 / Cash      credit      50,000

- # Loan taken from Janata bank for Rs. 500,000.  
Debit :- 500,000 / Cash      Debit      500,000  
Credit :- Loan / Janata Bank      Credit      500,000

# Goods purchased for Rs. 200,000.

IF consider nominal Purchase/Goods A/C Dr. / Pu  
To cash A/C Rs 200,000

# Another lot of goods purchased for Rs. 4,00,000 from M/s Laxman and Sons by paying 20% upfront and balance on one month credit.

IF consider nominal Purchase/Goods A/C Dr ~~150~~ 4,00,000  
Cash A/C Cr 80,000  
(Creditors) M/s Laxman & sons Cr Rs 320 Lac

\*\*\*# Goods sold in cash for Rs. ~~100,000~~ 150,000, cost of which was 120,000.  
Goods A/C Credit 120k  
To cash A/C Dr. 150,000  
Income To goods A/C Cr Rs 150,000.

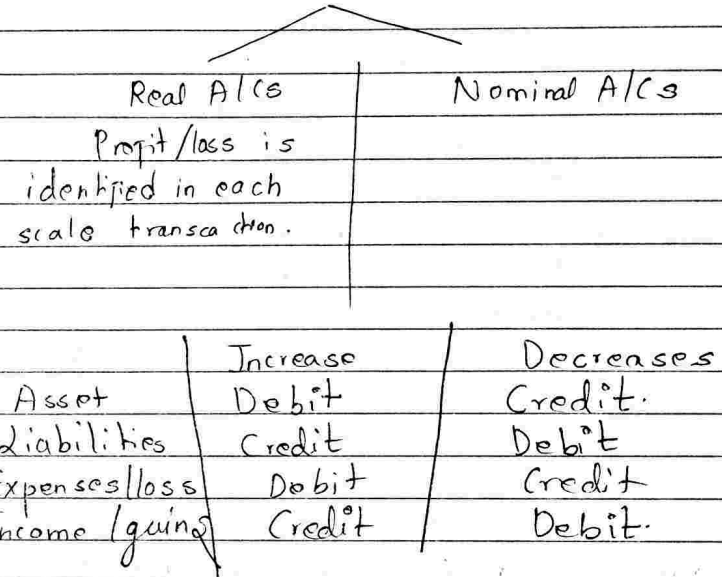
# Goods sold to Mr. Ravi for Rs 200,000 the credit period is 7 days, cost of that goods was 150,000.  
Mr. Ravi Dr. Rs 200,000  
Goods Cr. Rs 150,000. / Sales  
Profit on sale of goods Cr. Rs 50,000.

# Salary paid to staff for Rs. 50,000.  
Salary A/C Dr Rs. 50,000  
To cash A/C Cr. Rs 50,000

# Interest paid to bank for 1 month at the rate of 12% p.a. ~~12% of 500,000~~  
Interest A/C Dr. Rs 50,000  
Cash A/C Cr. Rs 5,000

\*\*\*# Cash A/C Dr 150,000 } Nominal approach  
Sales A/C Cr 150,000  
  
2x 650,000  
350,000  
305,000

Sale / Purchase



# Identify from debit or credit from the following transaction.

Date	Transaction
2074 1 <sup>st</sup> Baishakh	A business started by inboding capital Rs 200,000.
2 <sup>nd</sup> "	A General Manager was hire.
3 <sup>rd</sup> "	Rs 10,000 was paid to recruitment agency
5 <sup>th</sup> "	One machine costing 50,000 a set of furhure costing 50,000 was purchase from MIS Equipment stores.
7 <sup>th</sup> "	Goods purchased from Him electronics for Rs. 200,000 by submitting a security deposite (refundable) of Rs 50,000.
8 <sup>th</sup> "	Goods sold in cash for Rs. 40,000. Goods sold on credit to Mr. Manoj for Rs 200,000 260,000.
10 <sup>th</sup> Baishakh	Cash collected from Mr. Manoj for Rs. 255,000 and discount given for the balance amount.
12 <sup>th</sup> Baishakh	Amount paid to MIS Equipment store fully.
15 <sup>th</sup> Baishakh	Goods sold in cash for Rs 50,000.
16 <sup>th</sup> Baishakh	Rs 520,000 to Him electronics as part payment.
25 <sup>th</sup> Baishakh	One of the furniture got damaged and Rs 5000 was spend on repair of the same.
28 <sup>th</sup> Baishakh	Electricity expense of Rs. 10,000 paid
29 <sup>th</sup> Baishakh	Salary for the month of Baishakh of

all staffs including general manager became due for Rs. 125,000. Salary is being paid on 7<sup>th</sup> of the following month as per HR policy.  
30<sup>th</sup> Baishakh :- Rent of Rs. 15,000 was paid to Mr. Ravi (landlord).

# 1<sup>st</sup> Baishakh.  

Capital A/C	Dr	Rs 200,000.
Capital A/C	Cr	Rs 200,000.

# 2<sup>nd</sup> Baishakh (No financial transaction)

# 3<sup>rd</sup> Baishakh.  

Recruitment Agency A/C	Dr	Rs 10,000
To cash A/C	Cr	Rs 10,000

# 5<sup>th</sup> Baishakh  
 If not specially in cash given then name of organization should be put  

Machine A/C	Dr	Rs 50,000
Furniture A/C	Dr	Rs 50,000
MIS Equipment store	Cr	1,00,000.

# 7<sup>th</sup> Baishakh  

Goods A/C	Dr	Rs 200,000
Him electronics	Cr	Rs 210,000
Security Frome Deposite	Dr	Rs 50,000.
Cash A/C	Cr	Rs 50K.

# 8th Baishakh

Cash A/C Dr Rs 40,000  
To <sup>Sales</sup> goods A/C Cr Rs 40,000

Mr A/G Manoj Dr Rs 2,6000  
To cash sales Cr Rs 2,55,000

↑ Personal A/C

↻ Nominal A/C

Salary expense A/C Dr 1,25,000

payable / due / Salary payable A/C Cr 1,25,000

# 30th baishakh.

nd Mr Ravi  
Because  
he is not giving  
any money in  
future  
← Rent expenses

# 9th Baishakh

Cash A/C Debit 255K  
Discount A/C Debit 3K  
Mr Manoj A/C Credit 260K

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(c) Equipment Dr  
Cash Cr

# 12th Baish

M/S Equent A/C Dr 1,00,000  
To cash A/C 1,00,000

(d) Furniture Dr  
Furniture land Cr

# 15th Baishakh

Goods A/C Dr  
To cash Dr  
Sales A/C Cr

(e) Purchase A/C Dr  
Cash A/C Cr

(f) Purchase Dr  
Supplier Cr

# 16th

Him electronics Dr  
Cash Cr 5,20,000

(g) Supplier Dr  
Purchase return Cr.

# 25th

Repair Expens Dr  
To cash Cr Rs 5,00,000

(h) Cash Dr  
Sales Cr

# 28th

Electricity expenses Dr  
Cash Rs 10,000

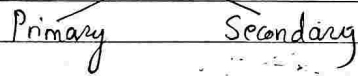
(i) Shekhar Dr  
Sales Cr

(j) Sales Dr  
Shekar Cr.

Trade discount - just because you did trading  
Recording of transaction is always  
at the price after the discount.

(K)	Cash Dr Shekar Cr	Date	Particulars	L.F	Debit (CRs)	Credit (CRs)
(l)	Supplier Dr Cash Cr	1.	Cash A/C Dr Bank A/C Dr To capital A/C		Rs 2000000 Rs 500,000 Rs 2500000	
(m)	Bank Dr Cash Cr	2.	Fitting A/C Dr Van A/C Dr To <del>cheque</del> <sup>bank</sup> A/C Cr			
(n)	Drawing <sup>or</sup> Capital Dr Cash Cr	3.	Rent A/C Dr To bank A/C Cr			
(o)	Drawing <sup>or</sup> Capital Dr Bank <del>Cash</del> Cr	4.	Goods Dr M/s Z and Company Cr			
(p)	Capital Dr Bank Cr	5.	Cash Dr sales Cr			
(q)	Bank A/C Dr [not cash]. Shekar Cr	6.	Wages of assistance A/C Dr To cash A/C Cr			
		7.	Insurance premium A/C Dr To cash A/C Dr			
		8.	<del>Cash</del> Dr sales Cr			
		9.	M/s Z & Co. Bank A/C Cr Cash			

Recording



- Date
- Identification of Debit & Credit aspect
  - Debt
  - Credit
- Ledger Folio No.

Recording of Transactions:-

(b) Goods being sold should be merchandise items.

- ① Journal paper → Entries
- ② Subsidiary Books
  - i) Purchase Book
  - ii) Purchase Return Book
  - iii) sales book
  - iv) Sales Return Book
  - v) Cash Book

M/s X & Co  
Sales Book

Date	Particulars/Name of customer	Invoice Number	L.F NO	Details (Rs)	Amount (Rs).
Jan 1	Prem Traders, Price: 100 bags @ 900 each less: Trade discount 5%.	xxx	xxx	80,000 4,500	85,500
Jan 2	R & Co. Milk powder 10 bags @ 1500 each less: Trade discount @ 10%.	xxx	xxx	15,000 1,500	13,500
Jan 20	Tea King (P) Ltd CTC tea 10 chest @ 4000 each less Trade discount @ 10%.	xxx	xx	40,000 4,000	36,000
				Total	35,000.

If following condition exist then transaction shall be primary record through sales book.

(a) Books are sold on credit.

- ① Name of customer
- ② Date ③ Amt ④ L.F ⑤ Detail of the product.

Date	Particulars	L.F No	Details (Rs)	Amount (Rs)
1/9/2019	Mr. Ram, address of Ram Fan: 100 @ Rs 2000 each Bulb: 200 pcs @ Rs 100 each Tubelight: 50 pcs @ Rs 250 each less Trade discount 2%.		2,00,000 20,000 12,500 2,32,500 4,650	
	Add vat @ 13%.		2,27,850 29,621	2,57,471.
4/9/2019				
5/9/2019				





Pg 1306  
②

Purchase Return Book (Return outward)

The outward return to supply from whom the merchandise item were bought on credit is recorded in purchase return book / return outward book.

In other words, purchase return book records return of those purchases which were recorded primarily through purchase book.

Date	Name of Supplier	Debit Note no.	Folio Number	Details (Rs)	Amount (Rs)

Dr				Receipts		Payment			Cr
Date	Particulars	L.F No	Amt (Rs)	Date	Particulars	L.F	Amt (Rs)		
June 1	To, balance b/d		Rs 3650	June 2	By rent A/C		Rs 5,700		
June 2	To, M/s Biswasl - Sales		Rs 16,350	June 5	By, Mr Z A/C		Rs 1305		
June 3	To Mr A A/C		Rs 8700	June 9	June By, Furniture A/C		Rs 4,275		
June 9	To Mr A			June 17	By, furniture A/C		Rs, 1825		
				June 29	By salary		Rs 6485		
					By, balance c/d.		Rs 9200		
					Total		28790		
					To, Balance b/d		9200		

Cash Book (all cash transactions)

It records all cash transactions i.e receipts of cash and payment of cash.

Dr	Receipts			Payments				(r)
	Date	Particulars	Amt	Date	Particulars	LF NG	Amount	

If discount is added then the format is.

Double Column Cash Book.

Date	Particulars	F	Discount Rs.	Date	Particulars	L	Discount Rs.	Cash Rs.

Journal proper - Those transaction which can not be recorded into any of the subsidiary book are recorded in the journal proper.

1-6-111-105  
Total

## Cash Book

- ① Single column cash Book
  - Cash column
  - Bank column
- ② Double column cash Book.
  - Cash & Bank Column
  - Cash & Discount
  - Bank & Discount.

Date	Particulars	L.F.	Discount	Cash	Bank	Date	Particulars	L.F.	Discount	Cash	Bank
			RS	RS	RS				RS	RS	RS
1. Push	To balance A/C		-	Rs 10,000		1. Push	By, purchase A/C			Rs 2000	
1.	To, balance A/C					3.	By, stationery A/C			Rs 95,000	
4.	To, Maya Enterprise					4.	By discount A/C				
5.	To, Sharma & Associates A/C		5,000	5,000		5.	By, Sharma & Associates A/C				
6.	To salaries A/C			25,000		8.	By, interest on bank A/C			14,000	
7.	To Mr. Hari A/C			14,000		9.	By, Furniture A/C			21,000	
8.	By, interest on bank A/C			5,000		7.	By, salary A/C				29,500
9.	To discount A/C		5,000	35,000							

Date	Particulars	L.F.	Discount	Cash	Bank	Date	Particulars	L.F.	Discount	Cash	Bank
			Rb	Rs	Rs				Rb	Rs	Rs

Date	Particulars	L.F	Discount Rs	Cash Rs	Bank Rs	Date	Particulars	E	L.F	Discount	Cash	Bank
1	To balance b/d			Rs 25,000		1	By, bank overdraft A/C					89,000
2	To <del>cheques</del> <sup>bank</sup> A/C				Rs 157,000	6	By, goods purchased A/C				21,900	35,000
4	To Krishna A/C			35,500		9	By, drawing A/C				10,500	13,500
5	To Discount allowed A/C		1,500		8,000	12	By, rent A/C					8,000
12	To <del>sales</del> A/C					13	By, sales A/C			1,500		
12/18	Fr To sales A/C		840	27,160			By, bank A/C				25,000	5,000
9	To bank A/C			25,000			By, bank A/C				7,000	13,000
25	To cash A/C			45,250			By, salary A/C				5,000	6,000
							By, Bank A/C					
							By, purchase A/C					
							By, discount received A/C			300		
							By, Drawing A/C					
							By, goods damaged A/C					

Ledger

M/S Z &amp; Co A/c

Date	Particulars	J.F No	(RS) Amount	Date	Particular	J.F No	Amount
2074/4/9	To purchase return A/c		10,000	2072/4/4	By Purchase A/c		500,000
2072/4/10	To, Bank A/c		30,000				
2072/4/14	To, cash A/c		50,000				
	Total		90000				500,000
	To balance b/d		40000		To balance dd		400000.

Capital A/c

Date	Particulars	J.F	Amount	Date	Particulars	J.F No	Amount
2072/4/1							

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Q No III PQs

M/S A &amp; Co

①

Date	Particulars	L.F	Debit (RS)	(RS) Credit
a.	Cash A/c Dr To capital A/c (Being business started by investing cash)		500,00	500,00
b.	Goods A/c Dr To cash A/c (Being goods purchased in cash)		50,000	50,000
c.	Good Mr. <sup>Umar</sup> Nafeto A/c Dr To goods A/c (Being goods sold on credit)		42,000	42,000
d.	Expenses A/c Dr To cash A/c (Being expenses paid)		20,000	20,000
e.	Furniture A/c Dr To cash A/c (Being furniture purchased on cash)			

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Mr. Singh's Journal voucher

Date	Particulars	L.F	Debit(Rs)	Credit(Rs)
(i)	Cash A/C Dr - (a) To capital A/C - (b) (Being business started on cash)		500,000	500,000
(ii)	Purchase A/C Dr - (c) To cash A/C (Being inventories purchased on cash & 40% paid)		200,000	200,000
(iii)	Purchase A/C Dr To cash A/C (Being furniture and computer purchased on cash)		90,000	90,000
(iv)	Bank A/C Dr - (d) To cash A/C (Being cash deposited on bank)		200,000	200,000
(v)	Bank A/C Dr To cash A/C To service charge expenses A/C Dr Service charge A/C Dr To cash A/C		300,000 6,000	300,000 294,000 6,000 6,000

Date	Particulars	L.F	Debit(Rs)	Credit(Rs)
(vi)	Raja Suppliers A/C Dr - (g) To bank A/C To discount received A/C - (h) (Being full paid to Raja)		<del>1,80,000</del> 2,80,000	180,000 20,000
(vii)	Cash A/C Dr To Bank A/C Dr To sales A/C		1,40,000 40,000	<del>1,40,000</del> 1,80,000
(vii)	Drawing A/C Dr - (i) To cash A/C (Being cash drawn by Mr. Singh)		50,000	50,000
(ix)	Interest expenses Dr - (j) To bank A/C (Being interest paid through cheque)		30,000	30,000
(x)	Salary expenses A/C Dr - (k) Electricity expenses A/C Dr - (l) Fuel expenses A/C Dr - (m) To bank A/C (Being salary, electicity & fuel expenses paid through cheque).		25,000 15,000 20,000	60,000
(xi)	Cash A/C Dr Discount allowed A/C - (n) To, <sup>Sales</sup> Syman A/C - (o)		18,000 20,000	20,000

\*

834000  
687400

534000  
90000

Cash A/C → 294000 → Dr  
Service charge - 6000 → Dr - (F)  
To Hello Finance Company → 300000 - (F)

Bank A/C → 294000  
To cash A/C → 294000

Cash A/C

Dr				Cr			
Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, cash A/C		200,000		By, cash A/C		500,000
	To, cash A/C						
Dr				Cr			
Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, capital A/C		500,000		By Purchase A/C		200,000
	To, Hello Finance		294,000		By Purchase A/C		90,000
	To, good A/C		1,40,000		By bank A/C		200,000
	To, sales A/C		181,000		By bank A/C		294,000
	To, balance b/d		14,660		By drawing A/C		50,000
	Total		146600		Total		146600

Capital A/C

Dr				Cr			
Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To balance b/d		50,000		By cash A/C		500,000
	Total		50,000		Total		50,000

Purchase A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, cash A/C		200,000		By balance c/d		290,000
	To, cash A/C		90,000				
	Total		290,000		Total		290,000

Bank A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, cash A/C		200,000		By Interest expenses		30,000
	To cash A/C		294,000		By salary expen		25,000
	To sales A/C		49,000		By electric A/C		15,000
	To, so				By fuel expen		20,000
	By balance b/d		463980		A/C		444,000
					By balance c/d		525,000

Service charges.

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, Hello finance		6000		By bank c/d		6000
	Total		6000		Total		6000

Raja Suppliers A/C

To bank A/C	200000	By balance c/d	200000
Total	200000	Total	200000

Discount received.

By returned b/d	20,000	Raja	20,000
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Drawing A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, cash A/C		50,000		By balance c/d		50,000
	Total		50,000		Total		50,000

Interest expenses A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To bank A/C		30,000		By balance c/d		30,000
	Total		30,000		Total		30,000

Salary expenses A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To <sup>bank</sup> salary A/C		25,000		By balance c/d		25,000
	Total		25,000		Total		25,000

Electricity expenses A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To <sup>bank</sup> electricity expense A/C		15,000		By balance c/d		15,000
	Total		15,000		Total		15,000

Fuel expense A/C

Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, <del>bank</del> A/C		20,000		By balance c/d		20,000
	Total		20,000		Total		20,000

Discount allowed A/C

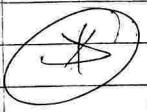
Date	Particulars	L/F	Amount	Date	Particulars	L/F	Amount
	To, sales A/C		20,000		By balance c/d		20,000

Sales A/C

By balance c/d	20,000	By sales A/C	20,000
Total	20,000	Total	20,000

Trial balance

S.No	Particulars	L/F	Debit (Rs)	Credit (Rs)
	Purchase A/C		290,000	
	Bank A/C		444,000	46,3980
	Service Charge A/C		6,000	
	Raja Suppliers A/C		20,000	
	Discount received A/C			20,000
	Drawing A/C		50,000	50,000
	Interest expenses A/C		30,000	
	Salary expenses A/C		25,000	
	Electricity expenses A/C		15,000	
	Fuel expenses A/C		20,000	
	Discount allowed A/C		20,000	
	Sales A/C			20,000
	Capital A/C			500,000
	Cash			14,66,000



Accounting Equation

- Assets = Liabilities
- ⇒ Assets = Capital + Liabilities
- ⇒ Assets = Capital + Reserves/profit + Liabilities

Accounting Equation

Owner equity

	Assets		=	Capital (O.E)	+	Liabilities
	Cash	Bank stock		Capital + Profit/loss		Creditor
3 <sup>rd</sup> shr.	+35,000			+350,000		
	350,000			=350,000		
5 <sup>th</sup> shr.	-150,000	+150,000		-		
	200,000	+150,000		=350,000		+230,000
5 <sup>th</sup> shr.	0	0	+230,000	0		+230,000
	200,000	150,000	230,000	=350,000		=230,000
7 <sup>th</sup> shr.	+130,000	0	-100,000	0	+30,000	0
	230,000	+150,000	+130,000	350,000	30,000	+230,000
8 <sup>th</sup> shr.	-23,000	+0	+0	=0	-23,000	+0
	307,000	150,000	130,000	=350,000	7,000	230,000

	Cash	Bank stock	Debtor	Capital + Profit/loss	Creditor
12 <sup>th</sup> shr.	0	0	-8,000	+9,000	0
	307,000	150,000	122,000	+9,000	=350,000
15 <sup>th</sup> shr.	+9,500	-9,500	0	0	0
	316,500	140,500	+122,000	+9,000	=350,000
	0	-60,000	+100,000	0	0
	316,500	80,500	222,000	9,000	=350,000
29 <sup>th</sup> shr.	+8,500	0	0	-9,000	0
Final	325,000	80,500	222,000	0	350,000
				7,500	270,000

(Statement of Affairs) Balance sheet

Liabilities	Amount	Assets	Amount
Capital 350,000		Bank	80,500
+ Profit 7,500	357,500	Cash	325,000
Creditors	270,000	stock	222,000
	627,500		627,500

(JB | SB)  
Primary Recording ⇒ Secondary Rec ⇒ Trial Balance ⇒ Profit/Loss A/c ⇒ Balance sheet.



\* Mr. Sanjay started his business with Rs 10,000,000.

- 3<sup>rd</sup> shrawan :- Deposited 950,000 in the bank.
- 4<sup>th</sup> shrawan :- Purchased goods from Mr. Shyam for Rs. 500,000
- 8<sup>th</sup> shrawan :- Cash sales of Rs. 150,000, which was deposited the very next day
- 10<sup>th</sup> shrawan :- Goods sold to Mr. Bikesh for Rs. 2,00,000.
- 12<sup>th</sup> shrawan :- Mr. Bikesh gave cheque of Rs 180,000 <sup>→ not yet deposited</sup> and cash of Rs 20,000.
- 15<sup>th</sup> " Payment made to Mr. Shyam by issuing cheque 70% of the outstanding amount.
- 20<sup>th</sup> " - Goods purchased from Mr. Santosh for Rs 500,000 and made 10% part payment by issuing cheque.
- 25<sup>th</sup> " : Cheque received from Mr. Bikesh on 12<sup>th</sup> was deposited.
- 28<sup>th</sup> " : A cheque of Rs 2 lac issued to Mr. Santosh, who deposited that cheque on 4<sup>th</sup> Bhadra.
- 30<sup>th</sup> " :- Cash sales of Rs. 700,000 which was deposited on the same date.
- 1<sup>st</sup> Bhadra: Bank Bikesh's cheque was informed as dishonoured by bank.

\* Prepare passbook and cashbook for the month of shrawan.

Book of Bank  
Sanjay's A/C  
(Pass Book)

Date	Transaction	Withdrawn (Dr)	Deposit (Cr)	Balance (Dr/Cr)
3/4	Opening A/C by cash deposit	-	9,50,000	9,50,000 Cr
9/4	By cash deposit	-	1,50,000	11,00,000 Cr
16/4	By cheque no. --- cleared	2,00,000	-	9,00,000 Cr
20/4	By cheque ---	50,000	-	8,50,000 Cr
30/4	By cash Deposited	-	700,000	15,50,000 Cr

Book of sanjay  
Cash Book (Bank column)

Dr			Cr		
Date	Particular	Amount (Rs)	Date	Particular	Amount
3 <sup>rd</sup> shrawan	To cash A/C	950,000	15 <sup>th</sup>	By <sup>Shyam's purchase</sup> cash A/C	200,000
25 <sup>th</sup>	To, (Mr Bikesh) A/C	180,000	20 <sup>th</sup>	By Santosh A/C	50,000
9 <sup>th</sup>	To, cash A/C	150,000	28 <sup>th</sup>	By Santosh A/C	200,000
30 <sup>th</sup>	To cash	700,000		By --- c/d	15,30,000
		1980,000			1980,000
1/5	To b/d	1530,000			

B.R.S

Date  
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Shrestha & Co  
Purchase Book.Date  
Page No. 35

Balance as per cash Book 1530,000

Adjustments:-

less:- cheque -- (Bank) deposited but  
got dishonoured 1,80,000Add:- cheque issued to Santosh  
but not yet presented 2,00,000

B/c as per Pass Book 15,50,000

Date	Purchase No	Particulars	Amount	
			Rs	Paise
8/15		Big bazar, Dharan		
		30 shirts @ Rs 150	4500	
		20 pants @ Rs 350	7000	11500
10/15		Sharma Design		
		40 bags @ Rs 210	8400	
		25 shirts @ Rs 180	4500	12900
		Total		24400

Books of Shrestha & Co  
Ledger

Big bazar A/C

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
2/15	To Balance c/d	11500		By purchase cash A/C	11500

M/S Sharma Design

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
10/15	To Balance c/d	12900	8/15	By purchase A/C	12900

Purchase A/C

Dr			Cr		
Date	Particulars	Amount (Rs)	Date	Particulars	Amount
	To cash A/C	3150		By balance c/d	5590
	Purchase Book	2440			
		5590			5590

Q no 5

Books of a ---  
Bank Recon statement  
As at 31-03-2067

Particular	Details	Amount
Overdraft Balance as per cash book		33,000
Add:- Cheque credited but not cleared	9,300	
Bank interest charged	2,000	
Bank charges debited	600	
Credit side of cash book understated	100	
(Cheque issued but admitted to be recorded in cash book)	<u>1,000</u>	
		7,000
less:- Wrong credit of 1500 in cash book	3,000	
Cheques issued but not presented	4,000	
(Cheques for office expenses not yet encashed)	2,000	
Dividend collected by bank	<u>500</u>	
		9,500
		30,500
Overdraft Balance as per passbook		30,500

Amended Cash

Particular	Details	Particular	Details
To Rectification	3,000	By b/d	35,000
To Dividend/Income	500	By interest Exp	400
		By bank charges	600
To C/d	33,200	By rectification	100
		By creditor	1,000
	<u>36,700</u>		36,700
		By b/d →	33,200

Final Bank

III Practical Questions.  
Q no 1

Particular	Details (Rs)	(Rs) Amount
Balance as per cash book		3,200
Add:- Cheque issued but not presented for payment	1,800	1,800
less:- Cheque deposited but not collected	2000	2150
Bank charges debited by bank	150	
Balance as per passbook		2850 #

Q no 2

Particular	Details (Rs)	Amount (Rs)
Balance as per passbook		7,800
Add: Cheque <sup>deposited</sup> issued but not yet presented for payment credited	3,000	3,000
Insurance premium paid by bank	2,000	
Bank charges	100	
		5,100
less: Cheque <sup>issued</sup> deposited in bank but not presented	3,000	1,500
Bank interest credit by the bank	400	
Directly deposited by customer	4,000	5,900
Balance as per cashbook		7,000

Discount charges - entered in the cash book as 6900 when it should be 690100.

Q no 3

Here balance as per cashbook is Rs 40,960  
Bank Reconciliation of Laxman

Particulars	Details (Rs)	Amount (Rs)
Balance as per cashbook		40,960
Add:-		
Payment by the debtor	2,000	
Cheque issued but not presented	12,980	
Discount charges	<del>800</del>	
		15,780

Less:-		
Bank charges	100	
Cash paid to the bank but not yet credited by bank	3,520	
A cheque got dishonoured	650	
<del>Discount charges</del> Discount charges	<del>800</del> 800	4,270
Balance as per passbook	5070	52,470

~~21050~~  
~~70570~~

Q no 4

Bank Reconciliation Statement of  
Mr. Himansu.

Particulars	Details (Rs)	Amount
Balance as per passbook		7,000
Add:-		
Bank credited interest	700	
Cheques deposited into the bank	7,000	
Cheque received but omitted to be banked	800	
Cheques paid but not credited by the bank	10,000	
		18,500

Particulars

Details (Rs)

Amount

Less:-		
Cheques directly deposited by customer	1,000	
Cheques issued but not presented	1,000	
Interest on investment by the bank	1,000	
		3,000
Balance as per cashbook		15,500

Q no 6

Books of Sadhana  
Bank Reconciliation Statement  
As at 30th April 2009

Particulars	Details (Rs)	Amount (Rs)
Overdraft as per cashbook		(44,500)
Add:-		
Cheque issued but not yet presented	65,000	
Divided & rent received by bank	4,000	
Discount allowed by bank	6,080	
Insurance premium paid by bank	<del>2,500</del> 0	
Overcasting of received side	150	75,300
	61,080	77,650
		81,165
Less:-		
Cheque paid but not collected by bank	(75,000)	
Bank charges	(50)	
A bill payable paid by bank	(2,300)	90,200
Discount allowed by bank	<del>1,500</del> 150	(80,050)
Insurance premium paid by bank	(2,150)	77,000
Overdraft as per passbook		(44,500)
		(92,500)

Q no 7

Ammended Cash Book (Bank column only)

Date	Particulars	Details	Date	Particulars	Detail
	To, dividend received	4,000		By bank charges	50
	To, rent	6,000		By bank payable	2,500
*	To, discount allowed	150		By insurance premium	9,500
	To, overcasting on receipt side	150			5050
		10300			

Date	Particulars	Details	Date	Particulars	Detail
				By balance b/d	44500
	To, dividend received	4,000		By insurance premium	2,500
	To, rent A/C	6,000		By bank charges	50
	To bills receivable	6,000		By bills payable	2,500
	To, error in casting	150		By discount charges	150
				By rectification of overcasting	150
	By balance c/d	33850		Total.	49700
	Total	49700			49700

In the Book of --

Particulars	Details (RS)	Amount.
Balance as per cashbook		-33850
Add :- Cheques issued but not presented	65,000	
Less Cheques deposited into bank but not collected by the bank	75,000	
Balance as per passbook.		43850

Particulars	Details (RS)	Amount (RS)
Overdraft as per passbook		4,062
Add :- Payment recorded twice in cashbook	160	
Amount credited by bank but not informed	1,740	
Wrong credited by bank	2,000	
Cheques issued but not presented	3,760	
		7660
Less :- Cheque deposited but not credit by bank	1,140	
Bank charges not entered in cashbook	58	
Cheque dishonoured by bank	1,000	
		2198
Favourable balance as per cashbook		1400

Ammended Cash Book (Bank column only)

Date	Particulars	Details	Date	Particulars	Detail
	To, payment recorded twice	160		By balance b/d	4,062
	To, credited amount	1,740		By bank charges	58
	To balance c/d	3220		By cheque dishonoured	1,000
	Total	5120		Total	5120

In the Book of X  
Bank reconciliation statement.  
As on 30th September 2012

Particular	Details (Rs)	Amount (Rs)
Balance as per cash book (Adjusted Balance)		₹ 3220
Add:- Cheque issued but not presented for payment <del>Credit by issued but not presented for payment</del> Credit by Bank's error	3760  2,000	5760
Less:- Cheque deposited but not collected	1140	1140
Balance as per passbook		1400

Particulars	Details (Rs)	Amount
Balance as per passbook		6,873.40
Add:- Cheques under collection Cheque of 9154.90 recorded as 2914.90 by bank Cheque dishonoured Bank charges Insurance premium	298.70  720.00 730.60 90.00 1300.00	3139.30
Less:- Outstanding cheque Bills receivable and interest recorded by bank only	1,718  5,300	7018.00
Balance as per Cash Book.		2994.70

Q no 8

Overdraft as per <sup>cashbook</sup> ~~passbook~~ Rs 3878.7

Ammended Cash Book (Bank column only)

Date	Particulars	Details (Rs)	Date	Particulars	Details (Rs)
	To, bills receivable	5,000		By balance b/d	3878.7
	To interest A/C	300		By bank	2914.90
				By, bank charges	90
				By, insurance premium	1,300

Matching concept

Periodicity concept

↳ as in going concern - possibly going concern but we can't wait till that long so it is divided into equally into periods for the performance of the company.

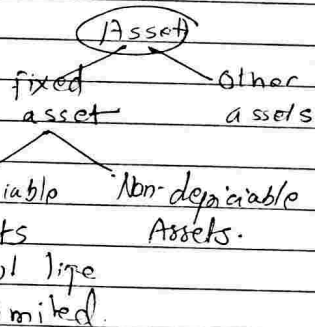
# Depreciation of Accounting

↳ diminution / decrease in the value of depreciable asset

- ↳ due to
  - \* wear & tear
  - \* Use
  - \* effusion of time
  - \* obsolescence.

Fixed assets → for the Economic Benefit  
(More than one year)

↳ was purchased / not for sale but for use in the business.



## Fixed Method

- ↳ Straight line SL Mtd
- ↳ Original cost OC Method

7-15

Jul  
1,28,000 + 64,000 + 48,000 = 240,000

8,000  $\frac{20}{100} \times 240,000$

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Year	No of years of l	Annual Dep
1	5	90,000 $\times \frac{5}{5} = 90,000$
2	4	40,000 $\times \frac{4}{5} = 32,000$
3	3	30,000 $\times \frac{3}{5} = 18,000$
4	2	" $\times \frac{2}{5} = 16,000$
5	1	6,000
	<u>15</u>	<u>90,000</u>

## Machine A/C

Date	Particulars	Amount	Particulars	Amount
11.2014	To Bank A/C	100,000	By Depreciation A/C	39,000
			By balance c/d	70,000
		<u>100,000</u>		<u>100,000</u>
15	To - b/d	70,000	By Depreciation A/C	24,000
			By - c/d	46,000
		<u>70,000</u>		<u>70,000</u>
16	To - b/d	46,000		

7-15

$$\frac{70,000}{7} = 10,000 = \frac{10,000}{79,000} \times 100\%$$

14.28%

Date \_\_\_\_\_  
Page No. 46

III PQs

① Original cost = 90,000 + 18,000 = 108,000  
Scrap value = Rs 24,000

Same as illustration I No of years = 7

① Now, annual amount of depreciation =

$$\frac{60,000}{5} = 20,000 \text{ / Rate } = \frac{20,000}{69,000} \times 100\%$$

② Original cost = 60,000  
No of years = 5 = 20%  
Scrap value = 25,000 on September 30, 2015

Machinery Account

Date	Particular	Rs	Date	Particulars	Rs
1/1/2014	To, bank A/C	60,000	31.12.2014	By Depreciation A/C	12,000
			"	By balance c/d	48,000
		60,000			60,000
1/1/15	To balance b/d	48,000	30.8.2015	By dep <sup>n</sup> A/C	8,000
				20% of 60,000	
30.8.15	To bank A/C	70,000	"	* $\frac{8}{12}$	
	(M <sub>2</sub> )		"	By bank A/C	25,000
				Loss of sales	15,000
				(M <sub>1</sub> )	
			31.12.2015	By dep <sup>n</sup> A/C	9996
				(M <sub>2</sub> )	
1.1.15	To balance b/d	118,000		By balance c/d	60004
					118,000
1.1.16	To balance b/d	6004			

$$75,000 = 112,500$$

$$= 127,500$$

Date \_\_\_\_\_  
Page No. 47  
 $\frac{127,500}{75,000} \times 100\%$   
= 171%

Q no 3 O.C = Rs 50,000

L = 5 year

Salvage value = 15% of O.C = 15% of 50,000 = 7,500

Rate = Annual amount of depreciation =  $\frac{50,000 - 7,500}{5}$   
= 8500

$$\text{Rate} = \frac{8500}{50,000} \times 100\%$$

$$= 17\% \#$$

Machinery Account

Date	Particular	Rs	Date	Particular	Rs
1.1.2008	To bank A/C	50,000	31.12.2008	By Depreciation A/C	8,500
				17% of 50,000	
				By balance c/d	41,500
		50,000			50,000
1.1.2009	To balance b/d	41,500	31.12.2009	By depreciation A/C	8,500
31.12.2009	To bank A/C	75,000		By bank - sales	25,000
				By balance c/d	83,000
				By loss on sales	8,000
1.1.2010	To balance b/d	83,000	31.12.2010	By balance c/d	75,000
				By depreciation A/C	7,500
		116,500			116,500
		75,000			75,000
1.1.2010	To balance b/d	75,000	31.12.2010	By dep <sup>n</sup> A/C	12,750
			"	By balance b/d	62,250
		75,000			75,000
1.1.2011	To balance b/d	62,250			



PQs 3  
Machinery Disposal A/C  
75,000 - 75,000 of 15%  
8,500

Machinery Account

1.1.2008	To Bank A/C	50,000	31.12.08	By balance c/d	50,000
		50,000			50,000
1.1.2009	To — b/d	50,000	31.12.2009	By disposal A/C	25,000
31.12.09	To Bank A/C	75,000	30.12.2010	By — c/d	75,000
		75,000			75,000
1.1.11	To balance b/d	75,000			

Provision for Dep<sup>n</sup> A/C

31.12.2008	To — c/d	8,500	31.12.08	By Dep <sup>n</sup> A/C	8,500
		8,500	1.1.09	By b/d	8,500
			31.12.09	By dep <sup>n</sup>	8,500
31.12.09	To Machinery Disposal A/C	17,000			17,000
		17,000			17,000
31.12.10	To c/d	12,750	31.12.10	By dep <sup>n</sup> (15%)	12,750
		12,750		By — b/d	12,750

Machinery Disposal A/C

31.12.2009	To Machinery A/C	50,000	31.12.09	By Prov. for Dep <sup>n</sup> A/C	17,000
				By Bank A/C	25,000
				By loss on sale	8,000
		50,000			50,000

Q no 5

Machinery Account

1.1.2010	To Bank A/C	45,000	31.12.2010	By balance c/d	45,000
		45,000			45,000
1.1.2011	To — b/d	45,000	31.12.11	By balance c/d	105,000
1.1.2011	To Bank c/d	60,000			105,000
		105,000			105,000
1.1.12	To balance b/d	105,000	31.12.12	By mach <sup>n</sup> Disposal by	45,000

Provision for Dep<sup>n</sup> A/C

31.12.2010	To bal c/d	4,500	31.12.2010	By dep <sup>n</sup> A/C	4,500
		4,500			4,500
			1.1.2011	By balance b/d	4,500
			31.12.10	By dep <sup>n</sup> A/C	4,050
31.12.10	To bal a c/d	14,550		M <sub>1</sub> : 4050	8,050
		14,550		M <sub>2</sub> : 6,000	14,550
			1.1.12	By balance b/d	14,550
3.12.12	To mach <sup>n</sup> Disposal by	12,195	31.12.12	By Dep <sup>n</sup> A/C	
	To balance c/d	11,400		M <sub>1</sub> : 3645	9,045
		23,595		M <sub>2</sub> : 5140	23,595
			1.1.13	By balance b/d	11,400

Machinery Disposal A/C

To Machinery A/C	45,000	By prov for dep <sup>n</sup>	12,195
		By balance	22,000
		By	10,805

10% of 200,000 X  $\frac{5}{12}$   
 20,000 X  $\frac{10}{12}$  X  $\frac{5}{12}$

2000 X  $\frac{10}{12}$  X  $\frac{5}{12}$  = 712.76  
 712.76 X 10 = 7127.6  
 7127.6 X 5 = 35638

Since 8 July

PQS  
 4.

Plant Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2013	By To bank A/C (Rs 50,000 + Rs 5,000)	55,000	31.12.2013	By dep <sup>n</sup> A/C M <sub>1</sub> = 10% of 55,000	5,500
1.7.2013	By To bank A/C	20,000	31.12.2013	By dep <sup>n</sup> A/C M <sub>2</sub> = 10% of 20,000	2,000
		75,000		By balance c/d	71,666.67
1.1.2014	By balance b/d	71,666.67	1.7.2014	By dep <sup>n</sup> acc <sup>n</sup> (M <sub>2</sub> )	1,666.67
		68,500		By bank A/C	15,000
		71,666.67		By P/L A/C	3,000
			31.12.2014	By dep <sup>n</sup> A/C <sup>n</sup> (M <sub>1</sub> )	5,500
			31.12.2014	By balance c/d	66,666.67
1.1.2015	To balance b/d	68,500			71,666.67
		44,000			68,500

Next Method

Plant Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2013	By To bank A/C	55,000	31.12.2013	By balance b/d	75,000
1.7.2013	By To bank A/C	20,000			75,000
1.1.2014	To balance b/d	75,000	1.7.2014	By disposal A/C (M <sub>2</sub> )	15,000
31.12.2014	To bank A/C (M <sub>1</sub> )	55,000	31.12.2014	By balance c/d	90,000
	(M <sub>2</sub> )	35,000			90,000
		90,000			
1.1.2015	To balance b/d	90,000			

Provision for Dep<sup>n</sup> A/C

Date	Particulars	Amount	Date	Particulars	Amount
31.12.2013	To balance c/d	6,333.33	31.12.2013	By dep <sup>n</sup> A/C (5,500 + 833.33)	6,333.33
		6,333.33			6,333.33
1.1.2014	By balance b/d	6,333.33	1.1.2014	By balance b/d	6,333.33
1.7.2014	By dep <sup>n</sup> A/C (M <sub>2</sub> )	1,000	1.7.2014	To disposal A/C (M <sub>2</sub> )	2,000
31.12.2014	By dep <sup>n</sup> A/C (M <sub>1</sub> )	5,500	31.12.2014	By dep <sup>n</sup> A/C (M <sub>1</sub> )	5,500
1.1.2015	By — b/d	5,500	1.1.2015	By — b/d	5,500
31.12.2014	To balance c/d	5,500			

Plant Disposal A/C

Date	P	Amount	Date	P	Amount
1.7.2014	To Machinery A/C (M <sub>2</sub> )	20,000	1.7.2014	By Prov. for Dep <sup>n</sup> A/C	2,000
		20,000		By bank	15,000
				By loss on sales	3,000
					20,000

Q no 5

Method 1

Machinery Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2010	To, bank A/C (M <sub>1</sub> )	45,000	31.12.2010	By dep <sup>n</sup> A/C	4,500
			"	By balance c/d	40,500
		45,000			45,000
1.1.2011	To, bank A/C (M <sub>2</sub> )	60,000	31.12.2011	By dep <sup>n</sup> A/C (M <sub>1</sub> )	4,050
	To, balance b/d (M <sub>1</sub> )	40,500		By dep <sup>n</sup> A/C (M <sub>2</sub> )	6,000
		45,000	"	By balance c/d (M <sub>1</sub> )	40,364.50
			"	By balance c/d (M <sub>2</sub> )	54,000
		100,500			100,500
1.1.2012	To, balance b/d (M <sub>1</sub> )	36,450	31.12.2012	By dep <sup>n</sup> A/C (M <sub>1</sub> )	3,645
	To, balance b/d (M <sub>2</sub> )	54,000		By bank A/C	29,000
				By loss on sales A/C	10,805
			31.12.2012	By dep <sup>n</sup> A/C (M <sub>2</sub> )	5,400
				By balance c/d	48,600
		90,450			90,450
1.1.13	To balance b/d	48,600			

Calculation of profit and Loss of Machine

Total cost of machine	45,000
less: dep <sup>n</sup> from the date of purchase to date of sale (4500 + 4050 + 3645)	
Book value of machine on date of sales	12,195
Less: sales proceeds	32,805
Loss on sales of Assets	20,610

Q no 6

By method 1

Machinery Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2010	To bank A/C (152,000 + 18,000)	170,000	31.12.01	By dep <sup>n</sup> A/C (23,500 + 10,500)	36,000
			"	By balance c/d	2,04,000
		2,40,000			2,40,000
1.1.2002	To balance b/d (2,51,450 + 59,500)	2,04,000	31.12.02	By dep <sup>n</sup> A/C (22,675 + 8925)	30,600
				By balance c/d	1,73,400
		2,04,000			2,04,000
1.1.03	To balance b/d (1,22,825 + 50,575)	1,73,400	31.12.2003	By dep <sup>n</sup> A/C (18,423.8 + 75,86.3)	26,010.1
				By balance c/d	1,47,390
		1,73,400			1,73,400
1.1.2004	To balance b/d (1,04,401.3 + 42,988.7)	1,47,390	31.12.2004	By dep <sup>n</sup> A/C (9,566.2 + 6,448.3)	22,108.5
				By balance c/d	1,25,81.5
		1,47,390			1,47,390
1.1.2005	To balance b/d	1,25,81.5	31.12.05	By bank A/C	36,000
				By dep <sup>n</sup> A/C	6,655.59
				By loss on sales	4,608.51
			31.12.05	By dep <sup>n</sup> (M <sub>2</sub> )	54,81.06
				By dep <sup>n</sup> (M <sub>3</sub> )	6,750
				By balance c/d	1,14,308.6
		1,25,81.5			1,25,81.5

16

Lease A/C (Under Annuity Method)

Date	Particulars	Amount	Date	Particulars	Amount
1.4.11	To Bank A/C	50,000	31.03.12	By Dep <sup>n</sup> A/C	11,086.80
	To interest A/C	2,500		By — c/d	41,313.20
		<del>11,186.80</del>			11,186.80
1.4.13	To b/d	41,313.20	31.3.13	By Dep <sup>n</sup>	11,186.80
	To interest A/C	2,065.66		By — c/d	32,192.06
		4337.82			4337.82
1.4.14	To — b/d	32,192.06	31.3.14	By dep <sup>n</sup>	11,186.80
	To interest A/C	1,609.63		By — c/d	22,614.46
		33801.69			33801.69
1.4.15	To — b/d	22,614.46	31.3.15	By dep <sup>n</sup>	11,186.80
	To interest A/C	1,130.72		By balance c/d	12,558.38
1.4.15	To balance b/d	12,558.38	31.3.15	By dep <sup>n</sup>	11,186.80
	To interest A/C	627.91	"	By balance c/d	2,000
1.4.16	To balance b/d	2,000			2,000

$\frac{45000}{5 \cdot L \cdot M}$   
 $500 \times 50,000 \times (1 - 0.10)$   
 $\frac{40,000}{40,000}$  W.V.D.  
 Depreciation A/C 5000

Date	Particulars	Rs	Date	Particulars	Rs
1.4.2009	To bank <sup>machinery</sup> A/C				
31.3.2010	To machinery A/C (M <sub>1</sub> )	27500	31.3.2010	By / profit & loss A/C (M <sub>1</sub> )	27500
31.3.2011	To machinery A/C (M <sub>1</sub> )	4125	31.3.2011	By p/L A/C (M <sub>1</sub> )	4125
31.3.2011	To machinery A/C (M <sub>2</sub> )			By p/L A/C (M <sub>2</sub> )	

Q no 8 Furniture A/C

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2010	To furniture A/C	50,000	31.1.2010	By dep <sup>n</sup> A/C	5000
				By balance c/d	45,000
		50,000			50,000
1.1.2011	By balance b/d	45,000	31.1.2011	By dep <sup>n</sup> A/C	5000
				By balance c/d	40,000
		45,000			45,000

7

Machinery A/C 1st January to end of year

Date	Particulars	Am't (Rs)	Date	Particulars	Am't (Rs)
1.4.2009	To bank (M <sub>1</sub> )	140,000	31.3.2010	By dep <sup>n</sup> A/C (M <sub>1</sub> )	19,250
	(M <sub>2</sub> )	50,000		By dep <sup>n</sup> A/C (M <sub>2</sub> )	8,250
				By balance c/d	120,750
31.10.2010	To bank (M <sub>2</sub> )	35,000	31.10.2010	By bank	35,000
1.4.2010	To balance (M <sub>1</sub> )	120,750	31.10.2010	By dep <sup>n</sup>	4,528.125
	(M <sub>2</sub> )	51,750		(w/o 157 X $\frac{7}{12}$ )	
				By loss	12,222
1.3.2011			31.3.2011		

1.1.2012	To balance b/d	45,000	31.12.2012	By dep <sup>n</sup> A/C	4500
	(40,000 + 5000)			By balance c/d	40,500
		45,000			45,000
1.3.2012					
1.4.2012					
1.3.20					

\* 11000 00

\* 20% up.

(\*) 1320,000

200000 - 900000

2) 1100000

2) 20% 220000

2) 1320,000

(\*)

Note:

Since life reestimated as 13 years.  
Assuming 13 years from purchase of machines  
is remaining 8 year.

1320,000 - 280,000

8

>

#

Assuming 13 years from 2001

2) 1320,000 - 280,000

13

2) 80,000

~~21,000,000 - 200,000~~

+ 180,000

200  
1220000

Q no 19

Machinery A/C

Date	Particulars	Amount	Date	Particulars	Amount
1.1.1996	To ma.				
1.04.10	To balance b/d	20,00,000		By — c/d	2220,000
10.1	To revaluation	220,000			
		<u>2220,000</u>			<u>2220,000</u>

Provision for Dep<sup>n</sup> A/C

Date	Particulars	Amount	Date	Particulars	Amount
31.3.2001	To — c/d	980,000	31.12.20		
			1.1.01	By balance b/d	90,000
			31.12.01	By depr <sup>n</sup> A/c	80,000
		<u>980,000</u>			<u>980,000</u>

(Amount - sup value) (1 + 5)  
1227447

$2/n \times 100$   $n = \text{useful life}$

$\frac{R}{4} \times 100$

DDR = 50% p.a

(14) Same

(13) Machinery A/C

Date	Particular	Amount	Date	Particulars	Amt
1.7.2010	To maching A/C	100,000	31.3.2011	By Dep <sup>n</sup> A/C	50,000
			31.3.2011	By balanc/c/d	50,000
1.4.2012	To balance b/d To maching A/C	50,000	31.3.2012	By Dep <sup>n</sup> A/C	25,000
				By balanc/c/d	25,000
1.4.2013	<del>To</del>	<u>50,000</u>			<u>50,000</u>
1.4.2014	To balance b/d	25,000	31.3.2015	By Dep <sup>n</sup> A/C	12,500
				By balanc/c/d	12,500
		<u>25,000</u>			<u>25,000</u>
1.4.2016	To balance b/d	12,500			

(12) Total sum of digit of dep<sup>n</sup> for 2002-2006  
 $= (Rs\ 200,000 - Rs\ 20,000) \times (\text{Number of remain}$

$\text{useful life at the begin of the period})$   
 $= (200,000 - 20,000) \times (9+8+7+6+5)$

$= (200,000 - 20,000) \times \frac{9(9+1)}{2}$

$= 1,800,000 \times \frac{35}{45}$

~~$= 1,400,000$~~   
 $= 1,400,000$

(2) Written down value as on 1-1-2006  
 $= Rs\ 2,00,000 - Rs\ 1,40,000$   
 $= Rs\ 60,000$

(3) Dep<sup>n</sup> for 2006  
 $= (Rs\ 2,00,000 - Rs\ 20,000) \times \frac{5}{45}$   
 $= Rs\ 20,000$

Machinery Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2006	To balance b/d	60,000	31.12.2006	By Dep <sup>n</sup> A/C	20,000
			31.12.2006	By balanc/c/d	40,000
	Total	<u>60,000</u>		Total	<u>60,000</u>
1.1.2007	To balance b/d	40,000			

Dep<sup>n</sup> A/C

Date	Particulars	Amt	Date	Particular	Amt
31.12.2006	To Maching A/C	20,000	31.12.2006	By P/L A/C	20,000
	Total	<u>20,000</u>		Total	<u>20,000</u>

(13) Amount of dep<sup>n</sup> for 2010 =  $(1,800,000) \times \frac{1 + \text{no of years remaining}}{2}$   
 $= (1,800,000) \times \frac{(1+7)}{(1+2+3+4+5+6+7+8)}$   
 $= 1,440,000$   
 $= 400,000$

$$\text{For 2011} = \frac{(1800,000)(1+6)}{36}$$

$$= 3,50,000$$

$$\text{For 2012} = \frac{1800,000(1+5)}{36}$$

$$= 3,50,000$$

$$\text{For 2013} = \frac{18,00,000(1+4)}{36}$$

$$= 2,50,000 = 212,500$$

$$\text{Building account} = \frac{2,50,000}{12} \times 9$$

Date	Particular	Amt	Date	Particular	Amt
1.1.2010	To bank	1,800,000	31.12.2011	By dep'n	40,0,000
				By balance c/d	1400,000
		<u>1,800,000</u>			<u>1,800,000</u>
1.1.2012	To balance b/d	1400,000	31.12.2012	By dep'n A/C	3,50,000
				By balance c/d	10,50,000
		<u>1,400,000</u>			<u>1,400,000</u>
1.1.2013	To balance b/d	10,50,000	30.9.2013	By dep'n A/C	2,12,500
			30.9.2013	By sales A/C	7,90,000
30.9.2013	To profit-sales	4,75,000	30.9.2013	By balance c/d	9,50,000
					<u>10,97,500</u>
	Total	<u>10,97,500</u>			<u>10,97,500</u>

no 17

Machinery A/C

1.1.2012	To Bank A/C	1200,000	31.12.2012	By balance c/d	1200,000
		<u>1200,000</u>			<u>1200,000</u>
1.1.2013	To balance b/d	1200,000	31.12.2013	By balance c/d	1200,000
1.7.2014	To balance b/d	1200,000	1.7.2014	By disposal A/C (CM <sub>1</sub> )	45,000
1/1/2014	To bank A/C (CM <sub>1</sub> )	112,000	30.12.2014	By — c/d	1245,000
	To bank A/C (M <sub>2</sub> )	125,000			
	(80,000 + 45,000)				
		<u>1245,000</u>			<u>1245,000</u>

Provision for Dep'n Account

1.1.2012	By balance c/d	120,000	31.12.2012	By dep'n A/C (CM)	112,000
				(120,000 + 80,000)(CM <sub>1</sub> )	8,000
		<u>120,000</u>			<u>120,000</u>
			1.1.2013	By balance b/d (CM)	112,000
				(CM <sub>1</sub> )	8,000
1.1.2013	By balance c/d	120,000	31.12.2013	By dep'n A/C (CM)	112,000
	(112,000 + 8,000)			(CM <sub>1</sub> )	8,000
		<u>120,000</u>			<u>120,000</u>
1.1.2014	By balance c/d (CM)	224,000	1.7.2014	By dep'n A/C (CM <sub>1</sub> )	45,000
	By balance c/d (CM <sub>2</sub> )	16,000		By sales (M <sub>1</sub> )	45,000
				By loss	14,333
		<u>112,000</u>	31.12.2014	By dep'n A/C (CM <sub>2</sub> )	112,000
					<u>112,000</u>

Machin Disposal A/C

1.7.2014	To Machin A/C	80,000	31.12.09	By provision for Dep'n	20,667
				By bank	45,000
				By loss on	14,333

Bills of Exchange

Q nos In the books of Bikram

1.1.2008 Bills Receivable A/C — Dr 30,000  
 To Kuber's A/C 30,000  
 (2 bills 2 months & other 3 months)

Cash/Bank A/C — Dr 8,550  
 Discount A/C — Dr 450  
 To Bills Receivable A/C 9,000

16.2.2008 Kank's A/C —> Dr 13,450

16.2.2008 To Bills Receivable A/C 13,000  
 To Discount/Income A/C 450

4-3-2008 Bill receivable A/C (New) — Dr 8300  
 To bills receivable A/C 8,000  
 To interest Income A/C 300

7-6-08 Cash/Bank A/C — Dr 4565  
 Bad debts A/C —> Dr 3735  
 To BIR a/c 8,300

1 Rs -> 60 paisa  
 83m -> 60 x 8300 paisa  
 60 paisa = 1 Rs  
 50 paisa = 1/2 Rs  
 50 paisa = 1/2 x 5000 Rs  
 5 Rs = 50 paisa  
 8300 Rs = 50 x 8300

100 -> 80 paisa  
 100 paisa -> 1  
 80 p = .80

Bills of Exchange

In the books of Kuber

Bikram's A/C — Dr 30,000  
 To Bills Payable A/C 30,000

	Qty	Amt
— No entry	1500	1,50,000
	<del>1500</del>	<del>1000</del>
	1500	1,51,000
— No entry	+	500
	2	1500
	900	90900

Bills Payable (old) — Dr 8,00,600 60,600  
 Interest & Exp A/C — Dr 300,300 30,300  
 To Bills Receivables 8,13,000

4-3-08 Bills Payable — Dr 9000  
 To cash A/C 9000

9-4-08 B/P A/C Dr 13000  
 To cash/Bank A/C 13000

7<sup>th</sup> Jun 08 Bills Payable A/C Dr  
 To cash/Bank A/C 4565  
 To Income on account of insolvency A/C 3735

	Qty	Amt
	2000	4,09,000
	<del>200</del>	<del>40,000</del>
	1800	3,69,000
	200	2,40,000



Dep<sup>n</sup>

Machineries A/C

9

Date	Particulars	Amt	Date	Particulars	Amt
1.1.2060	To bank A/C	120,000	31.12.2060	By dep <sup>n</sup> A/C	18,000
			"	By balance c/d	102,000
1.		<u>120,000</u>			<u>120,000</u>
1.1.2061	By balance b/d	102,000	31.12.2061	By dep <sup>n</sup> A/C	15,300
				By balance c/d	86,700
		<u>102,000</u>			<u>102,000</u>
1.1.2062	By balance c/d	86,700	31.12.2062	By dep <sup>n</sup> A/C	24,000
				By balance	62,700
		<u>86,700</u>			<u>86,700</u>
1.1.2063	By balance b/d	62,700			

5,00,000  
+ 5,000  
5,05,000  
+ 2,000  
5,07,000

5,00,000	3,00,000
5,000	2,30,000
2,000	40,000
3,000	
6,000	
<del>2,000</del>	

Bills of exchange

Qno 8 Page 434.

In the books of Mohan

Date	Particulars	Dr	Cr
1.	Bills Recivable A/C Dr	2,000	
	To Sohan		2,000
4.1.2004	Bank A/C Dr	1970	
	Discount A/C Dr	30	
	To Bills receivables		2,000
4.1.2004	Sohan A/C - Dr	1,000	
	To Bank A/C		985
	To Discount		15
4.4.2004	Sohan's A/C Dr	1,000	
	To Bank A/C		1,000

Write down together  
Tujana Dahal

65

Bills of exchange

In the books of Sohan

1.1.2004 Mohan's A/C Dr 2000  
To bills payable 21000

1.8.2004 Bank A/C Dr 985  
Discount A/C Dr 15  
To Mohan A/C 1000

4.4.2004 Bank A/C Dr 1,000  
To Mohan A/C 1,000

4.4.2004 Bills payable A/C Dr 2,000  
To Bank A/C 2,000

1-4/5 5-1 (1/5) 800 200

1000x200 = 200,000  
+ 20,000 = 220,000

1000	200,000	200,000	
+	20,000	40,000	
1000	320,000		
800	61,600	176,000	
200	40,400	44,000	

Am't 61650 ⇒ 1350

30,000  
11,100  
41,100\* } 1350  
61650 x 41100  
= 900

2,00,000 2,00,000 Baki Baki 30,000  
20,000 40,400 ra pachi deko  
12,000 Total

42,000 मात्रा liability cha. ra tesko  
20,400 24,000 33% मात्रा

Q.no 9 Bills of exchange

Books of Subha

Books of Rajendra

1.6.2001 Bills receivable A/C Dr 45,000  
To Rajendra 45,000

Subha's A/C Dr 45,000  
To Bills Payable 45,000

1.6.2001 Bank A/C Dr 44,100  
Discount A/C 900  
To Bills receivable 45,000

No entry

1.6.2001 Rajendra A/C Dr 15,000  
To Bank 14,700  
To Discount 300

Bank A/C Dr 14700  
Discount A/C Dr 300  
To Subha's A/C 15,000

up to here  
30,000  
15  
remaining

4.9.2001 Rajendra A/C Dr 63,000  
To bills payable 63,000

4.9.01 Bills receivable A/C Dr 63,000  
To Subha's A/C 63,000

Bank A/C Dr 11,000  
Discount Dr 900  
To Rajendra A/C 12,000

Bank A/C Dr 61650  
Discount A/C Dr 1350  
To B/ Rec Dr 63,000

No entry

Subha's A/C Dr 12,000  
To Bank 11,100  
To Discount 900  
Bills payable A/C Dr 45,000  
To Bank A/C 43,000

7.12.08 Bills Payable A/C Dr 63,000  
To Rajendra A/C 63,000

Subha's A/C Dr 63,000  
To Bank 63,000

Rajendra A/C Dr 42,000  
To Bank 23,100  
To Deficiency A/C 18,900

Bank A/C Dr 23,100  
Bad Debt A/C 18,900  
To Subha A/C 42,000

Bad debt claim

Dep<sup>n</sup>

(20)

Plant Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2070	To balance b/d	Rs 450,000	31.12.70	By dep <sup>n</sup>	70800
"	To balance of revaluation reserve A/c	<del>22,000</del> 472000		By balance c/d	401200
		<del>401200</del> 472000			472000
	By balance c/d	401200	1.7.2071	By revaluation A/c	40120
				By profit & loss A/c	361080
					401200
1.1.2071	By balance c/d	401200			

31.12.2071 By dep<sup>n</sup> 40120

Plant Account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2070	To balance b/d	450,000	31.12.2070	By dep <sup>n</sup> A/c	67500
1.1.2071			31.12.2070	By balance c/d	382500
		450,000			450,000
1.1.2071	By balance c/d	382500	1.1.2071	To revaluation reserve A/c	22,000
			1.1.2071	By Profit & loss A/c	15250
			31.12.2071		38250
			31.12.2071	By balance c/d	306000
	Total	382500			382500

Carrying value on 1.1.2071 as 382500

Revaluation by 10%

Revaluation amount = 382500 X 10% = 38250

Required journal entry

Revaluation reserve A/c Dr 22,000

Profit & Loss A/c Dr 16,250

To Plant Account 38250

(3,00,000 - 30,000 - 54,000)

(114000) This  $\frac{2}{3}$  X 20%

(18)

Machinery

Date	Particulars	Amount	Date	Particulars	Amount
1.7.2011	To bank A/c (CM <sub>1</sub> )	3,00,000	31.12.2011	To balance c/d	3,00,000
	(188000 + 64,000 + 48000)	3,00,000			3,00,000
1.1.2012	By balance b/d	3,00,000	31.12.2012	By balance c/d	3,80,000
1.1.2012	By bank (CM <sub>2</sub> )	80,000			380,000
		3,80,000			380,000
1.1.2013	By balance b/d	380,000	1.7.2013	By disposed (CM <sub>2</sub> )	27840
1.7.2013	By bank	40,000	31.1.2013	By balance c/d	392160
		420,000			392,160

Provision for dep<sup>n</sup> A/c

Date	Particulars	Amount	Date	Particulars	Amount
31.12.2011	By balance c/d	30,000	31.12.2011	By dep <sup>n</sup> A/c (CM <sub>1</sub> )	30,000
		30,000			30,000
31.12.12	By balance c/d	1,00,000	31.12.2012	By balance b/d	30,000
		1,00,000	31.12.12	By dep <sup>n</sup> (M <sub>1</sub> )	54000
			31.12.12	By dep <sup>n</sup> (M <sub>2</sub> )	16000
					1,00,000
31.12.13	By balance c/d	204800	1.7.2013	By balance b/d (CM <sub>1</sub> )	84,000
		204,800	1.1.2013	By balance b/d (M <sub>1</sub> )	16,000
			1.7.2013	By dep <sup>n</sup> (M <sub>1</sub> ) $\frac{1}{3}$	72000
			31.12.2013	By dep <sup>n</sup> (M <sub>1</sub> ) $\frac{2}{3}$	28800
			31.12.13	By dep <sup>n</sup> (M <sub>2</sub> )	4000
					204,800

Machinery Disposal A/c

Date	Particular	Amount	Date	Particular	Amount
	To Machinery A/c	72000	1.7.2013	By dep <sup>n</sup> A/c	14400
			"	By bank A/c	27840
			"	By P/L A/c	29760
		72000		loss on sale	72,000

Q1

Machinery A/c

Date	Particular	Rs	Date	Particular	Rs
1.1.10	To bank	200000	1.1.10	By — c/d	200000
		200000			200000
1.1.11	To — b/d	200000	1.1.11	By — c/d	200000
		200000			200000
1.1.12	To — b/d	200000	31.12.12	By bank A/c	105000
31.12.12	To profit on sales A/c	50000	31.12.12	By sinking fund A/c	165,500

Sinking Fund A/c

Date	Particular	Rs	Date	Particular	Rs
31.12.10	To — c/d	50,000	31.12.10	By depreciation	50,000
		50,000			50,000
31.12.11	To — c/d	105,000	1.1.11	By — c/d	50,000
		105,000	31.12.11	By interest A/c	50,000
		105,000		By depreciation	50,000
		105,000			105,000
31.12.12	To Machinery A/c	165,500	1.1.12	By — c/d	105,000
	To Profit	50,000	31.12.12	By interest A/c	10,500
		165,500		By depreciation	50,000
		165,500		By S.F. A/c	15,000

Sinking Fund Investment A/c

Date	Particulars	Amount	Date	Particulars	Amount
31.12.10	To bank A/c	50,000	31.12.10	By — c/d	50,000
		50,000			50,000
31.12.11	To bank A/c	55,000	31.12.11	By — c/d	105,000
	(50,000 + 5000)	55,000			105,000
1.1.12	To — b/d	105,000			105,000
		105,000			105,000
31.12.12	To — b/d	105,000	31.12.12	By bank A/c	10,500
	To Sinking fund A/c	105,000		By bank 10,500	105,000
		105,000			115,500

While selling S.F. A/c it was realised 10% more than book value.  
 Bank Profit 55,000  
 10,500  
 1020,000

\* S.F. A/c Dr  
 To S.F. A/c: 15,000

10%  
 Sinking Fund A/c  
 By S.F. A/c

Q no 10

Bills of exchange

In the books of H

Date	Particulars	Debit	Credit
	To Bills Payable A/C	80,000	80,000
1.7.2011	G's A/C Dr	80,000	
	x To Bills Payable A/C	80,000	
1.9.2011	J's A/C Dr	90,000	
	To sales A/C		90,000
	(Being goods sold on credit)		
1.9.2011	Bills receivable A/C Dr	80,000	
	Bank A/C Dr	9,000	
	Discount A/C Dr	1,000	
	To J's A/C		90,000
	(Being account settled by J)		
1.9.2011	Bills Payable A/C Dr	80,000	
	To Bills Receivable A/C		80,000
	(Being own acceptance received from S's endorsement, cancelled)		
1.10.2010	Purchase A/C Dr	1,00,000	
	To G's A/C		1,00,000
	(Being goods purchased on credit)		
	G's A/C Dr	20,000	
	To Bank A/C		20,000
	(Being remaining amount paid by cash)		
	G's A/C Dr	100,000	
	To Bank		1,00,000

Q no 7

In the books of Puro

1.1.2007	Bills receivable A/C Dr	50,000	
	To Queen's A/C		50,000
4.4.2007	Queen's A/C Dr	50,500	
	To bank A/C		50,500
	To B/R A/C		50,000
4.2.2007	Queens A/C Dr	50,500	
	To Raghu's A/C		50,500
	Queen's A/C Dr	50,400	
	To Bank A/C		400
	To Bills for collection		50,000

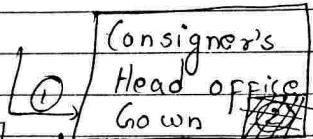
41100  
x  
13  
-----  
534300

4200

# Consignment

## Books of Consigner

(Purchase)



① Stock A/C — Dr xxx  
To cash/Bank/(red) A/C xxx

② Segregation of certain goods for the consignee

Goods sent for consignment A/C Dr xxx  
To stock A/C xxx

③ Sent goods to the consignee  
Consignment (with person) place — Dr xxx  
Goods sent for consignment A/C xxx

④ When sales is in the cash by consignee then consigner records.

Consignee's A/C — Dr xxx  
To consignment A/C — xxx

⑤ Debtor's A/C — Dr xxx  
To consignment A/C xxx

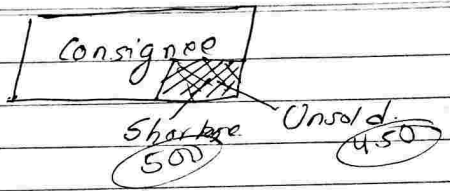
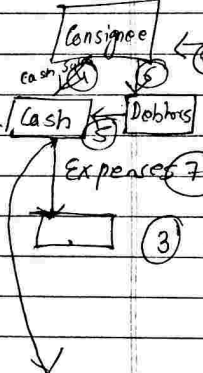
→ If the transaction is not in cash but in credit then that person is our debtor

⑥ After receiving cash from debtor.  
Consignee A/C Dr xxx  
To Debtor A/C xxx

⑦ When the expenses is included along the commission

Consignment A/C Dr xxx  
To consigner A/C xxx

⑧ Certain amount is sent by consignee  
cash/CBank A/C Dr xxx  
To consignee A/C xxx



③ If shortage is normal in nature (The stock is damaged, stole) ⇒ Then no entry is performed i.e.  
Consignment A/C Dr xxx  
To consignment A/C xxx

⑩ The amount which is unsold  
Closing stock A/C Dr xxx 450  
To consignment A/C 450

If the shortage is abnormal in nature (50)  
Abnormal loss A/C — Dr  
To consignment A/C

Page 358  
Illustration no 1

Consignment A/C Dr

To goods sent on consignment A/C (1200 X 5000)	60,00,000	By Madhav's A/C (5000 X 5600) 300 X 15,000 + 200 X 5400	55,30,000
To Bank/Nash A/C - Carriage 10,000 - Insurance 8,000	18,000	By closing stock <del>1000</del> (5000 + 18000) X 2000 1200	1003,000
To Madhav A/C - Carriage 5,000 - Rent 35,000 - Commission 110,600	1,50,600		
	<u>364,400</u>		

Net p/L for 110,600

Madhav A/C

To Consignment A/C	55,30,000	By Bills receivable A/C	5,00,000
		By Consignment A/C	1,50,600
		By bank A/C	4879400

Bills of Exchange

Q no 3

In the books of King

- (a) Prime Bills payable A/C Dr 2500  
Interest A/C Dr 50  
To cash 1,000  
To Bills Payable 1550
- (b) Basant A/C Dr N. Niraula's A/C Dr ~~4,000~~ 4020  
To D. Basnet ~~4,000~~ 4020
- (c) Cash A/C Dr 21000  
Discount A/C Dr 10  
To bills receivable 2010
- (d) P. Shrestha's A/C Dr 5,000  
To P. Pradhan 5,000
- (e) Bills payable A/C Dr 2,000  
To Bills receivable 2,000

Q no 1

In the books of X

- (i) Bills receivable A/C Dr 20,000  
To Y's A/C (Sales) 20,000  
But since it is duty + (Being goods sold on credit)
- (ii) Cash Bank A/C Dr 19750  
Discount A/C Dr 250  
To Bills receivable A/C 20,000  
Z A/C Dr 20,500  
To Bills receivable A/C 20,500

In the books of Y

(i) ~~X's~~ X's A/C Dr 20,000  
To Bills Payable A/C 20,000

(ii) Bills Payable A/C Dr 20,000  
To Cash 19,750  
To Discount 250

(iii) No entry in the books of Y.

Q no 2

In the books of Bikulal

First we did B/R A/C Dr 20,000  
To Customer A/C 20,000

But at the time of dishonour:

Customer A/C Dr 20,000  
To ~~Bill~~ Bills receivable A/C 19,000  
To Bank 100

Cash A/C Dr ~~10,000~~ 10,250  
Bills receivable A/C Dr 10,000  
To interest A/C 250  
To Bills receivable A/C 20,000

But since in cash.

1 by 1

Customer A/C Dr 20,000  
To Bills receivable 20,000  
(Being the old bill cancelled)

Cash A/C Dr 10,000  
To Customer A/C 10,000  
(For the part payment received as 10,000)

Cash A/C Dr 250  
To Interest Income A/C 250  
(Being interest receivable on renewal paid in cash)

Customer A/C Dr ~~10,350~~ ~~11,000~~ 10,100  
To Bank A/C 10,350 10,100  
(<sup>Amount of</sup> ~~10,000~~ bill with noting charges).

Cash A/C Dr 10,000  
To Bills receivable A/C 10,000  
(New bills honoured on the due date).

(4)

In the books on Mr D

1st Jan Bills receivable A/C Dr 16,000  
To Mr. T A/C 16,000  
(Being bills received)

4th March Mr. T A/C Dr 6,000  
To Bills receivable A/C 6,000  
(Being bill cancelled for renewal)



$\frac{1}{60} \times 6000 = 100$  → 60 paise  
 $\frac{1}{60} \times 50 = 0.83$  ← 50 paise  
 $\frac{1}{60} \times 6000 = 100$  → 60 paise  
 $\frac{1}{60} \times 50 = 0.83$  ← 50 paise  
 $\frac{1}{60} \times 6000 = 100$  → 60 paise  
 $\frac{1}{60} \times 50 = 0.83$  ← 50 paise  
 3399

Date \_\_\_\_\_  
Page No. 80

fas T AIC Dr 180  $(18\% \text{ of } 6,000 \times \frac{2}{12})$   
 To Interest Income AIC 180  
 (Being interest receivable on renewal included in new bill)

Bills receivable AIC Dr 6180  
 To T's AIC 6180  
 (New bill with the interest)

20<sup>th</sup> March Bank AIC Dr 9,900  
 Discount AIC Dr 100  
 To Bills Receivable AIC 10,000  
 (Being the amount received on renewal of bills before the due date)

Bank AIC Dr 2781  
 To T's AIC 2781  
 (Being the amount received from T's insolvency i.e. 48% of bill)

T's AIC Dr 6180  
 To Bills receivable AIC 6180  
 (Being the amount being dishonored)

Bad debt AIC Dr 3399  
 To T's AIC 3399

Q no 6

3090 X 0.60 → 60%

Q no 6

Date \_\_\_\_\_  
Page No. 81

In the books of Shobha

1.1.2012 Bills receivable AIC Dr 8,000  
 To Kirti's AIC 8,000

4.3.2012 Kirti AIC Dr 3,000  
 To Bills receivable 3,000  
 (Cancellation of old bill)

<sup>Kirti's AIC</sup>  
 Cash AIC Dr 90  
 To interest income 90  
 (Interest receivable on renewal)

(New) Bills receivable AIC Dr 3090  
 To Kirti's AIC 3090

2.3.2012 Bank AIC Dr 4050  
 Discount AIC Dr 50  
 To Bills receivable 5,000

Cash/Bank AIC Dr 1854  
 Bad Dept AIC Dr 1236  
 To B/R AIC 3090

In the books of Kirti

Shobha's AIC Dr 8,000  
 To Bills payable AIC 8,000

Bills payable AIC Dr 3,000  
 To Shobha's AIC 3,000  
 (Cancellation of old bill retained by drawer)

Interest Expenses AIC Dr 90  
 To Shobha's AIC 90  
 (Interest expenses on renewable)

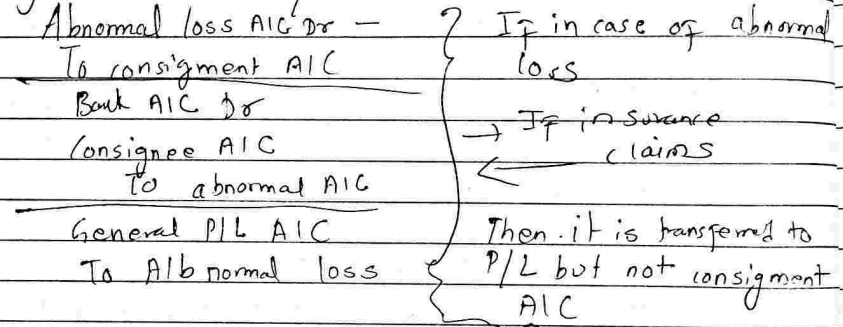
Shobha's AIC Dr 3090  
 To Bills payable AIC 3090

Bills payable AIC Dr 5,000  
 To Discount AIC 50  
 To Bank AIC 4050

Bills payable AIC Dr 3090  
 To cash/bank AIC 1854  
 To Income on account of insolvency AIC 1236

Q no 7 Consignment

If loss is normal in nature, it should not be accounted for. The impact is already adjusted in the consignment account due to reduced closing stock. Hence no further adjustment is required.



However if the loss is abnormal in nature, the impact of abnormal loss should not affect the profitability of consignment business. Therefore consignment A/C is credited by the amount of abnormal loss.

Consignment PQs

Q no 1

In the books of Ram

- Consignment A/C Dr 60,000  
To goods sent on consignment A/C 60,000
- Consignment A/C Dr 7,500  
To Bank A/C (Expenses) 7,500
- Laxman A/C Dr 40,000  
To Consignment A/C 40,000
- Consignment A/C Dr 7250  
To ~~Bank~~ Laxman (Expenses) A/C (Laxman) 7250
- Bank A/C Dr 44000  
To Consignment A/C <sup>Consignment A/C in the name of Ram</sup> 44000

Date	Particulars	Amount	Date	Particulars	Amount
x	To, goods sent on consignment A/C	60,000	x	By Laxman A/C	40,000
xx	To, bank A/C (freight + insurance)	7,500	xx	By bank A/C (Laxman)	44,000
xxx	To, Laxman A/C	7,250	xx	By stock on consignment A/C	4,000
xxxx	To <sup>Laxman A/C</sup> (Commission)	12,600			
xxxxx	To general P/L A/C	650			
	Total	88,000			88,000

- Consignment A/C Dr 12600  
 To Laxman A/C (Commission) 12600

- Bank A/C Dr 64150  
 To Laxman A/C 64150

- Stock on consignment A/C Dr 4000 + 500 = 4500  
 To Consignment A/C 4,000 + 500 = 4500

- Profit Consignment A/C Dr 650  
 To Profit and loss A/C 650

In the Books of Laxman  
 Laxman's consignment A/C

Date	Particular	Amount	Date	Particular	Amount
XX	To, consignment A/C (40,000 + 4,000)	84,000	XX	By (expenses + commission) Consignment A/C	19850
				By bank	64150
		84,000			84,000

Working note :-

For stock :- 10 X 400 = 4,000

Total Cost ↗

Proportionate expenses incurred by consignee

$$\left( \frac{7500}{150} \times 10 \right) = \frac{5000}{4500}$$

Q no 2

Consignment to Birganj A/C

Date	Particulars	Rs	Date	Particulars	Rs
1.1.13	To, Goods on consignment A/C	4,00,000	XX	By bank (Ins Co.)	25,000
"	To, Bank Expenses A/C (Carriage, freight, insur)	10,500	XX	By P&L A/C Abnormal loss	1,6060
	5,000 + 2,000 + 3,500		XX	By sale proceeds	332500
XX	To, Marohi Store Rent 4000 + Salary 7,500 Commission 16625	28,125	XX	By consignment share A/C	89701 80837
	To P/L A/C - Profit	15672	XX	By P/L A/C - loss	24536
	Total	454397 438725			454397 438725

Marohi Stores A/C

Date	Particulars	Rs	Date	Particular	Rs
XX	To consignment A/C	332500		By, consignment to Birganj A/C	
				Rent 4000	
				Salary 7,500	
				Commission 16625	28,125
				By bank	304375
	Total	332500			332500

For the abnormal loss of 500 kg

Total cost of destroyed goods = 40,000  
(500 x 80)

Total ~~exp~~ cost of number of goods =  
Abnormal loss =  $\frac{40,000}{5,000} \times 500$   
we include expenses also 50

41060

Cost of 90 goods = 41060  
Abnormal loss = 41060 - 41060 = 369540

P/L Abnormal loss = (Claim - Ab. loss)  
= 25,000 - 41060  
= 41060 - 25,000  
= 16060

For the normal loss we calculate  
 $\frac{369540}{(5000 - 500 - 20)} \times 980$   
= 89701 ⇒ By share

Purchase price of closing stock xxx  
+ Proportional non-recurring expenses incurred by  
loading & loading expenses on the way from goddown of consignor to of consignee.  
insurance  
loading and unloading charges  
freight to goddown

$82.45 \times 500 = 41225$   
18225  
89.79

801

Q no 6

Books of Rohit

Working note

Particulars	Qty	Amt
- Goods sold on consignment	5,000	40,000
- Expenses	-	1,060
	5,000	41,060
⊖ Abnormal loss in transit	500	41,060
Goods received by consignee	4,500	36,954
⊕ Expenses incurred by consignor	1,500	11,500
Normal loss	20	-
	4,480	39,654
Cost of goods sold	3,500	28,870.3
Goods still in godown	980	8,083.7

Working note

$$\text{Cost price of sales of good} = \frac{2250000}{125} \times 100$$

$$\begin{aligned} \text{(Accd<sup>n</sup> to question) i.e. net 25\% of m} &= 2250000 \\ &= \frac{2250000}{125} \times 100 \\ &= 1800000 \end{aligned}$$

Now,  
Value of closing stock

$$\begin{aligned} &= \cancel{2000000} + \cancel{1800000} \quad \text{sold op} \\ &= \frac{2000000}{\text{Saman}} + \frac{200000}{\text{stock}} = 1800000 \\ &= \underline{\underline{400000}} \end{aligned}$$

Qno 3

Consignment A/C in the books of  
MIS Manohar

Date	Particulars	Rs	Date	Particular	Rs
xx	To, goods sent on consignment A/C	22,00,000		By, Mr Kedarnath A/C sales proceeds (12,00,000 + 10,50,000)	22,50,000
	To, kedarnath (Salary + insurance) 4% of 2250,000	30,000		By <sup>losing</sup> stock on consignment A/C	200,000
	Commission of sales (1% of net invoice)	22,500	xx	By closing stock	4,00,000
	Profit and L A/C	767,500			
		28,150,000			28,50,000

MIS Kedarnath A/C

Date	Particulars	Rs	Date	Particulars	Rs
	To consignment A/C	22,50,000	xx	By, consignment A/C	11,25,000
	- 12,00,000			By, consignment A/C	30,00,000
	- 10,50,000			By, bank A/C	8,25,000
		22,50,000			22,50,000

Commission A/C MIS Ked

Bad debts A/C	13,000	By MIS Manohar	22,500
By balance b/d		PL A/C	7,500

Q no 4

In the books of consignor

Consignment A/C Dr 600,000  
To goods sold on consignment 600,000

Consignment A/C Dr 25,000  
To Bank A/C 25,000

Good send on consignment A/C Dr 10,00,000  
To Consignment A/C 10,00,000

Consignment A/C Dr 50,000  
To MIS MIS Mool 50,000

Consignment A/C Dr 60,000  
To Commission A/C 60,000

Bank A/C Dr 890,000  
To MIS Mool A/C 890,000

Q no 5

Particulars	Qty	Amt
- Goods sold on consignment	100	15,000
Expenses incurred by consignor	-	1,000
	100	16,000
(Freight) - Expenses incurred by consignee	-	500
	100	16,500
- loss on bad packing	10	1650
	90	14850
- sales by the consignee	70	11550
	20	3300

Q no 4

Consignment in the books of  
MIS Roopna and Co.

Date Particular Rs Date Particular Rs

Q no 5

Consignment A/C

Date	Particular	Amount	Date	Particular	Amount
11	To, goods sent on consignment A/C	15,000	11	By goods sent on consignment (50 x 100)	5,000
	To, bank A/C	1,000			
	To, Mr Raj - Freight	1300	11	By Mr Raj - sale proceeds	11,500
	- Rent				
	To commission A/C (5% + 1%)	690	11	By closing stock	3,300
	To stock reserve A/C	600			
	Profit and Loss A/C - Proj	710			
		19800			19800

Closing stock in invoice price = 33000  
 Closing stock in cost price =  $\frac{33000}{150} \times 100$   
 = 22000  
 stock reserve = 33000 - 22000 = 11000

Consignment A/C on A/c Co

Date \_\_\_\_\_  
Page No. 92

Q no 7	Particular	Rs	Date	Particular	Rs
	To goods sent on consignment	4,00,000		By goods sent on consignment A/C	80,000
xx	To cash A/C <small>- Insurance - Comage</small>	16,000		By B's A/C	4,80,000
xt	To B's A/C <small>- Clearance charge - selling expense</small>	13,000		By B's A/C <small>- Negligence 16,950 - Taken 33,900</small>	50,850
	To B's A/C	48,000		By closing stock	84,750
	By stock reserve	20,000		By (Loss) P/L A/C	19,800
	By default A/C	19,800			
	By stock reserve	4,97,000			69,56,000
	8000	69,56,000			

Total sale = 3,00,000 (at invoice)

goods taken by agent = 40,000 (I.P)

loss = 20,000 (I.P)

Total goods sold and loss = 3,60,000 (I.P)

% total goods gone out from godown =  $\frac{3,60,000}{4,00,000} \times 100 = 90\%$

∴ Remaining % = (100 - 90)% = 10%

Closing stock = 10%

At of C's at Impr. =  $\frac{10}{100} \times 4,00,000 = 40,000$

Add! - Total n = (16,000 + 3,000) = 19,000  
(10% of 19,000) = 1,900

At of C's = 40,000 + 1,900 = 41,900 I.P

CP 100 Profit 25% Cost 125

Date \_\_\_\_\_  
Page No. 93

Let the CP be n

$$n + 25\% \text{ of } n = 400,000$$

$$1.25n = 4,00,000$$

$$\therefore n = 3,20,000 = \text{CP}$$

Now,

Total cost price with expenses incurred (non-recurring)  
(10,000 + 3,000) + 3,20,000 = 3,33,000

For the goods sold with invoice price = 4,00,000

$$\textcircled{i} \text{ Cost price of the good} = \frac{3,33,000}{4,00,000} \times 40,000 = 3,3300$$

$$\textcircled{ii} \text{ Cost price of the good} = \frac{3,33,000}{400,000} \times 20,000 = 16,650$$

Valuation of stock (at invoice price)

$$\text{Stock left} = 480,000 - 4,00,000 = 80,000$$

$$n + 25\% \text{ of } n = 80,000$$

$$\text{CP} = \frac{80,000}{1.25} = 64,000$$

$$\text{CP} = \frac{19,000}{1.25} = 15,200$$

$$= 64,000 + 15,200 = 79,200$$

$$3,00,000 + 40,000 + 20,000 = 3,60,000$$

Stock inc'd f expenses

Q no 8

Consignment AIC X C D Dhanara's AIC

Date	Particulars	Rs	Date	Particulars	Amount
xx	To consignment AIC sale proceeds (24300 X 820)	369,000	By consignment AIC - Selling expenses - Commission	25,000 15,000 3,07,500	
xx	To Bank AIC	17,500	By bills receivable	3,47,500	
		<u>37,07,500</u>		<u>37,07,500</u>	

Consignment AIC

Date	Particulars	Amt	Date	Particulars	Amt
1/10	To goods sent on consignment	4200,000	1/10	By goods sent on consignment	7,00,000
1/10	To D's AIC Back.	25,000	31/12	By D's AIC - (Sales)	36,90,000
31/12	To D's AIC - selling expenses	15,000 8,07,500	31/12	By dep'n AIC	42,250
31/12	To D's AIC - 7.5% commission = 258,300 - 20% on surplus = 49,200	307,500	31/12	By closing stocks (160 X 4225 X 1)	676,000
31/12	To stock reserve AIC To P/L AIC	1,12,000 4,43,750			
Total		<u>5,108,250</u>	Total		<u>5,108,250</u>

mt

Working note

At invoice price

Goods	Qty	Amt
Goods sent on consignment	1000	42,00,000
- Including freight		25,000
- Expenses incurred by consignee		-
	1000	4225,000
	820	34,64,540
	180	7,60,500

Here,

20 cycles were spoiled and were to be valued at 50% dep'n.  
42750

Invoice price of 20 cycle - 84500  
less 50% dep'n - 42250  
Net:- = 42250 + 5000 = 47250

Remaining cycle - 180 - 20 = 160 cycle and its value = 160 X 4200 + loading charges 67200 + 400 = 67200 + 25000 X 750 = 67200 + 19,000 = 86,200

(ii) Commission earned (43000 - 42000)  
= (7.5% of 820 X 4200) + (20% X 300 X 4200)  
= 258300 + 160000 = 418300  
= 307500  
\* Unsold stock = 20 = 820 cycle  
Stock reserve = 160 X 7200 (4200 - 3500) = 112000

84500  
42250



Qno 6

Consignment A/C

X To goods sent on consignment A/C	1,20,000	By goods sent on consignment A/C	20,000
		By Abnormal loss	5,500
X To bank A/C	10,000	By Rajee A/C - sale	105,000
Freight & insurance			
X To Rajee		By Consignment Stock	19,800
- Packing 5,000			
- Selling 8,000	13,000	By P/L A/C	10,875
X To Rajee			
- Commission	12750		
X To Reserve stock	3,350		
	161175		161175

Working Note

Good destroyed by fire = 6,000

% of goods = 5

Invoice Price of C.G =  $\frac{100}{5} \times 6000$  (100% = 6000)

= 1,20,000

Loading amount =  $\frac{20}{120} \times 1,20,000$

= 20,000

Closing Stock = 15% → we have

Now, Working note on the cost value  
suppose there was 100 20 120

Particulars	Unit	Amount
Total purchase cost	100	1,00,000
+ Expense	—	10,000
⊖ Abnormal loss	5	5,500
	95	1,04,500
By consignee - sale	80	88,000
	15	1,65,000
		lost

Value of closing stock on Invoice price

$$= \frac{16,500}{100} \times 120$$

$$= 19,800$$

$$\text{Stock reserve} = \frac{16,500}{100} \times 20$$

$$= 3,300$$

Now for the commission

$$80\% \rightarrow 1,05,000$$

lost value → 70,000 → lost

$$= 87,500$$

We have

$$\text{Commission} \Rightarrow 10\% \text{ of } 1,05,000 + 25\% \text{ of } 17,500$$

$$= 10,500 + 4,375 = 14,875$$

$$= 12,750$$

Q no 9

Consignment A/C  
Soil Mill as on 31<sup>st</sup> of March

Date	Particulars	Rs	Date	Particulars	Rs
1/1/2003	To, goods sent on consignment A/C	2,30,000	1/1/2003	By bank A/C (insurance)	4500
1/1/2003	To, bank A/C - Packing, freight, insurance	20,000	1/1/2003	By PIL A/C (Abnormal loss)	
1/3/2003	To D's A/C - Rent - 3,000 - Advertisement - 4,000 - Salary 64,000 - Commission - 10125 <small>3% → Normal 1.5% → Del Credat</small>	23525	31/3/2003	By D's A/C (Sale's proceeds) (7500 X 30)	225000
	To, profit & loss A/C	10282		By stock on consignment A/C	51307
	Total	283807		Total	283807

D's Account

Date	Particulars	Rs	Date	Particular	Rs
	To consignment A/C - sale proceeds	225000	31/3/03	By consignment A/C	<del>225000</del>
				Goods sent - 3000	23525
				Ad - 4000	
				Salary - 64,000	
				Commission - 10125	
				By bank A/C	201475
					<del>201475</del>
		295000			295000

Working note

Particulars	Qty	Amt
Goods sent on consignment	10,000	2,30,000
	-	20,000
(+) Expenses incurred by consigner	10,000	2,50,000
(-) Abnormal loss incurred	250	6250
	9750	243750
- Normal loss incurred	100	-
	9650	243750
Total sales proceeds	7500	189443
	2150	54307

For commission

3% of 225000 = 6750  
1.5% of 225000 = 3375  
10125

Q no 10

Company's account in the books  
of Mr. Khosdin

For the commission  
5% of 7840000  
2.5% of 4,82,240

$$(7,500 + 16,100 + 24,600) \times 25\% = 14,450$$

Date	Particulars	Amt	Date	Particulars	Amt
				By bank A/C	8322240
30/03	To commission A/C - 196,500 (2.5% off 7840000) - 24,137	209,137		- Face value - 7840000 - Premium - 4,82,240	
30/03	To sundry expense A/C (25% of expenses)	14,450			
30/03	To gift expenses A/C	6600			
30/03	To bank A/C	75,81,83			
	Total	83,22,240			83,22,240

Q no 6

Books of Rohit  
Consignment to Rojee A/C

To goods sent on consignment (WN-1)	10,000	By goods sent on consignment	20,000
To bank A/C	10,000	By Rojee A/C	105,000
To Rojee A/C - packing 5000 - sale 8000	13,000	By goods lost by fire (6000 x 100/119)	5,500
To <del>bank reserve</del>	3,000	By closing stock	19,500
To Rojee A/C = 96000 x 10% = 9000 x 25%	11850		
By bank reserve	3000		

Rojee's A/C

To consignment A/C	105,000	By consignment A/C	13,000
To goods lost on fire	8,000	By " "	11,5850
		By Bank A/C	88,150
	113,000		113,000

5% → 6,000

20%  
and 10%  
excess to 25%  
9000

Working note

① Value of goods lost by fire = 6,000  
which represents 5% of total consignment  
Hence value of total consignment  
 $6,000 \times \frac{100}{5} = 1,20,000$

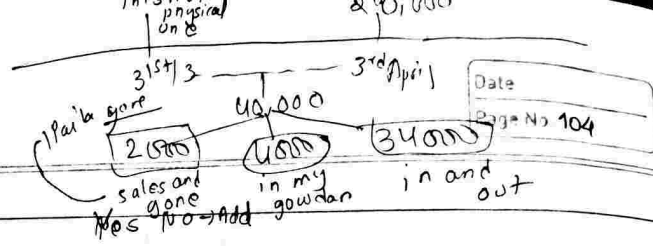
Cost of goods consigned  
 $1,20,000 \times \frac{100}{120} = 1,00,000$   
- Loading ⇒  $1,20,000 - 1,00,000 = 20,000$

	Cost	I.P
Goods sent	1,00,000	1,20,000
Expense	10,000	10,000
Total goods received by consignee	110,000	1,30,000
5% of goods	5,500	6,500
	104,500	1,23,500
	8,800	104,000
	16,500	19,500

Goods lost by Con. A/C

To consignment A/C 5,500  
To P/L A/C 2,500

By Rojee 8,000



Q no 10

Statement of closing stock on 31-March 2009.

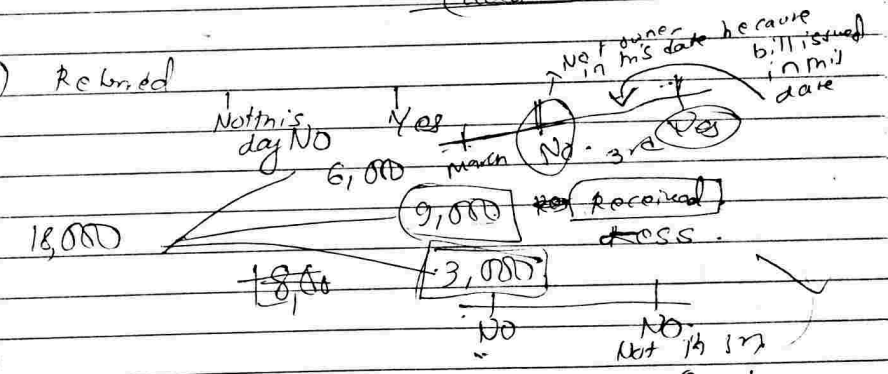
Particular	Amount
Stock on 3-4-2009	2,40,000
Add: lost of goods sold & delivered during 1st to 3rd April. $34,000 \times \frac{70}{100}$	23,800
Add: lost of goods billed during 1st to 3rd April but left on 29th March $(2,000 \times \frac{70}{100})$	1,400
less cost of goods returned $(6,000 \times \frac{70}{100})$	(4,200)
less Purchase during 1st to 3rd April but received in March	(8,000)
Add: Returned to supplier	4,000
less: Rectification of overvaluation of stock	(4,600)
Stock as on 31-03-2009	

2000 → physical - no but not hold in physical it is hold in total so sales and gone → bill is not involed so  
Yes → No

4000 → Not delived **YES** stock  
Yes  
शुद्ध शक मे लिवा चा  
No adjustment.

34,000 normal sold and gone  
in beh. **Yes** **No** (add)

2 Rebridd



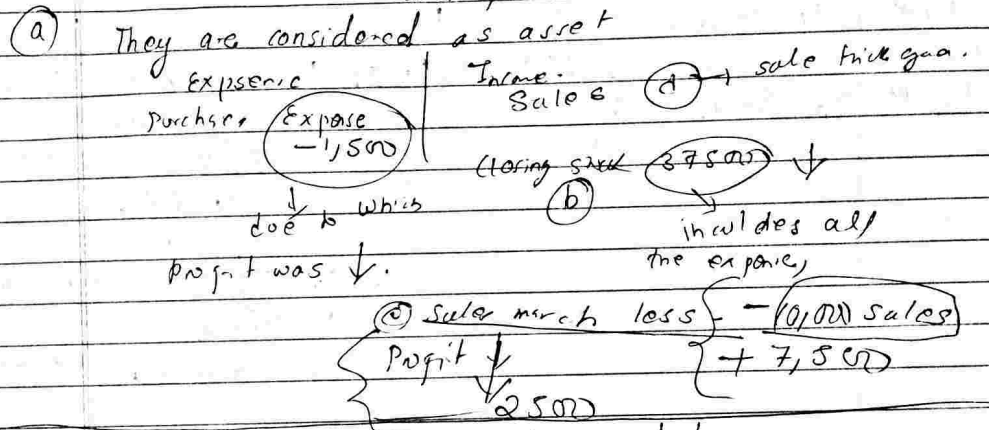
240,000 ma mistake vato thyo April.  
over amount 4,600.

Q no 12

Statement of Profit and Loss

Particulars	Rs.
- Value of stock as on 31st-3-2007	60,000 <del>37,500</del>
Add: - Purchase for the new electric fitting	1,500
less: Stock in transit	<del>25,000</del>
Add Sales of March wrongly considered as on April	<del>210,000</del>
less: Sales on approval basis	10,000
Add: + stock at customer's location	+ 7,500
	<u>104,000</u>

IF closing stock increase, the profit will also increase.  
" " " " decrease, " " " " decrease



Statement of closing stock

Particulars	Rs
Stock already stated	37,500
- Stock in transit	25,000
+ Stock at customer's location (Sale of approval bars)	7,500
	<u>70,000</u>

Plant and Machinery A/C

Date	Particulars	Amt	Date	Particular	Amt
1-1-2014	To Balance b/d	300,000	During 14	By Plant and Machinery Disposal A/C	17,000
During 14	To Bank A/C	150,000	During	By P&M Disposal A/C	9,000
			" 4	By P&M Disposal	24,000
			31-12-14	By balance c/d	409,000
		450,000			450,000
1-1-15.	To balance b/d	400,000			

Provision for Dep<sup>n</sup> A/C

Date	Particulars	Amt	Date	Particulars	Amt
During 14	To P&M Disposal A/C	17,000	1-1-2014	By balance b/d	21,350
" "	To P&M Disposal A/C	9,000		By dep <sup>n</sup> A/C	450
" "	To P&M Disposal A/C	21,600		(10+98)	1,200
				(10+99)	1,200
			31-12-2014	By Dep <sup>n</sup> A/C	4,650
31-12-14	To Balance c/d	19,220		By Dep <sup>n</sup> A/C	24,650
		320,800			320,800
			" "	By balance c/d	19,220

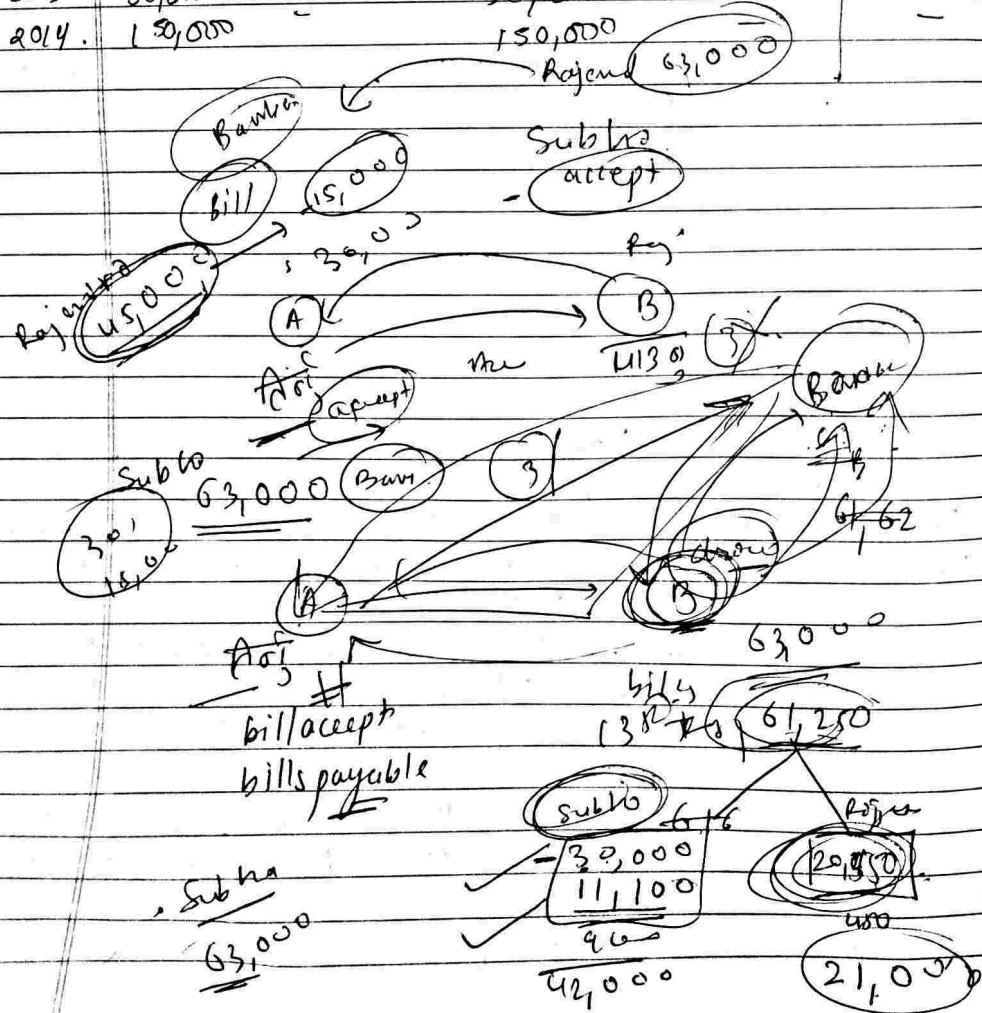
Plant and Machinery Disposal A/C

(1998) 91000 X 5% = 4550  
 (1999) 46000 X 10% = 4600  
 2012 50,000 X 10% = 5000  
 2013 50,000 + 10% = 3000  
 150,000 X 5% = 7500  
24650

Date	Particulars	Amt	Date	Particulars	Amt.
During 2014	To P&M A/C	17,000	During 14	By Prov for Dep <sup>n</sup> A/C	17,000
" "	To P&M A/C	9,000	" "		
" "	To profit on sale	500	" "	By prov for Dep <sup>n</sup> A/C	9,000
" "	To P&M A/C	94,000	" "	By bank	500
			" "	By Prov for Dep <sup>n</sup> A/C	21,600
			" "	By bank A/C	1,500
			" "	By loss on sale of A/C	900
		50,500			50,500

### Statement of dep<sup>n</sup> break down

at year	Total cost	Disposed during 2014	Unsold As on 31.12.14	Dep <sup>n</sup> (31.12.14) Total	Accumulated dep <sup>n</sup> on discarded Machine	Accumulated dep <sup>n</sup> on unsold machine	Dep <sup>n</sup> charged	Acc Dep <sup>n</sup> as on 31.12.14
							Sold	Unsold
1991	20,000	-	20,000	20,000	0	20,000	-	20,000
1997	30,000	17,000	13,000	30,000	17,000	13,000	-	13,000
1998	100,000	9,000	91,000	45,000	8,550	86,450	450	4550
1999	70,000	24,000	46,000	59,500	20,400	34,100	1200	43700
2012	50,000	-	50,000	7,500	-	7,500	-	12500
2013	30,000	-	30,000	1,500	-	1,500	-	4,500
2014	150,000	-	150,000	-	-	-	7,500	7,500
								<b>1992200</b>



63,000  
21,000  

---

42,000

Bank 63,000  
21,000  

---

42,000

Subto 30,000  
11,100  

---

41,100

Bank 61,250  
13,800  

---

75,050

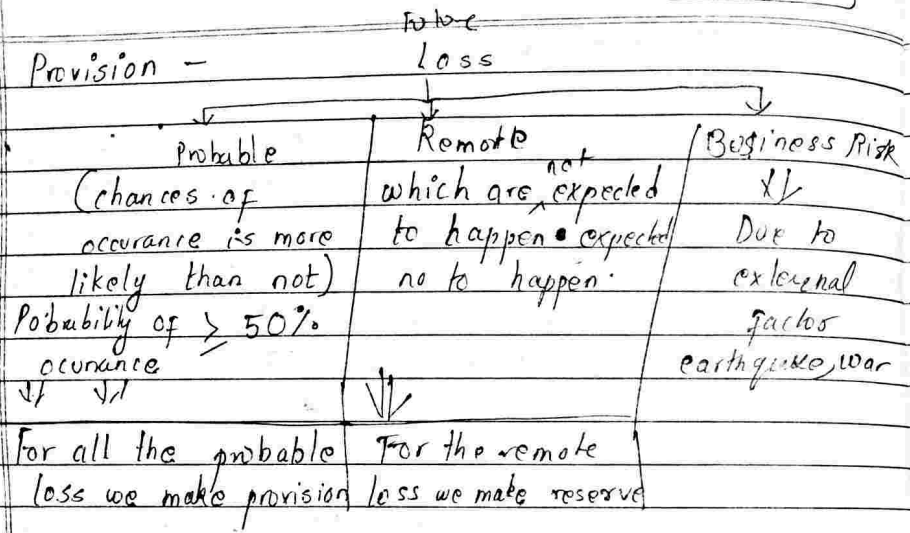
Subto 30,000  
11,100  

---

41,100

Bank 21,000





Provision - is a liability which amount we don't know but we know that it will occur and we just estimate but we are sure about its occurrence.

Reserve - share holder money.

₹	
<ol style="list-style-type: none"> <li>1. Futue loss</li> <li>2. Charge against profit</li> <li>3. It is mandatory</li> <li>4. Can't be invested in outside.</li> </ol>	<ol style="list-style-type: none"> <li>1.</li> <li>2. Appropriation of profit.</li> <li>3. Optional</li> <li>4. Can be invested in othe</li> </ol>

Income tax - personal drawing  
Corporate tax - business tax

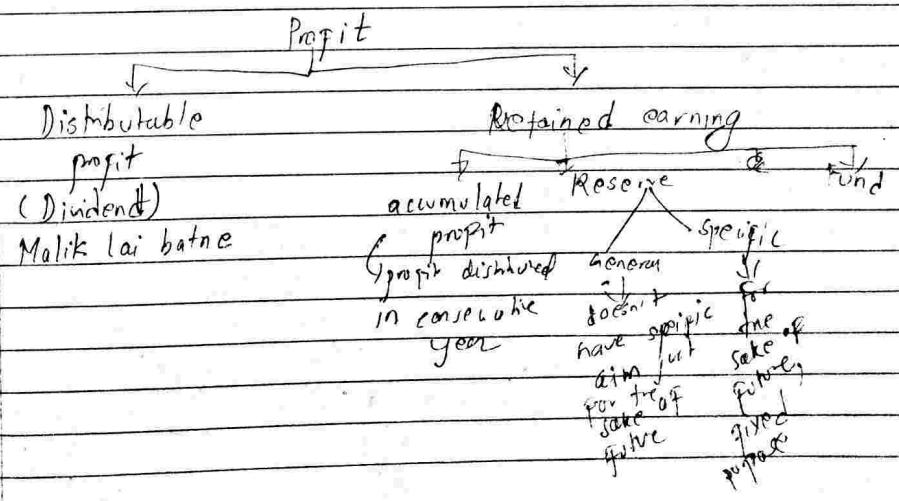
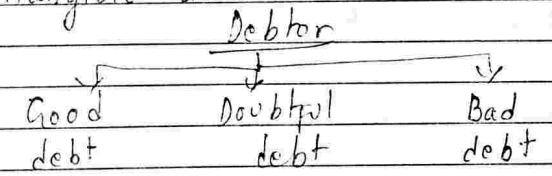
Dep<sup>n</sup> :- permanent and gradual decrease in value of T.F.A due to:-

- (a) Usage
- (b) Wear and Tear
- (c) Passage of Time
- (d) Absence of Technology.

(reduction should be continuous)

Rather than all these & other loss if occurs that is called impairment loss.  
- limited useful life, more than one year, and tangible assets (intangible aren't included) x in the depreciable assets.

Amorhisation  $\Rightarrow$  decrease in value of intangible assets.



	Receipts			Issue			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
1.1.2015	1000	30	30000	-	-	-	1000	30	30000
15.1.20	-	-	-	50	30	1,500	50	30	1,500
1.2.2015	200	40	8,000	-	-	-	50	30	1,500
							200	40	8,000
15.2.2015	-	-	-	100	40	4,000	150	40	6,000
				100					
20.2.2015	-	-	-	50	30	1,500	450	40	6,000
15.2.013				50	40	2,000			
				100	40	4,000	50	40	2,000
							150	50	7,500
	150	50	7,500	40	2,000		100	50	5,000
				50	50	2,500			

Good Received Note No \_\_\_\_\_  
Requisition Slip No \_\_\_\_\_

Under Periodic System

Purchase	Issued	Balance
100 units @ Rs 30		12000
200 units @ Rs 40		8000
150 units @ Rs 50		7500
450	350	12400

Balanced unit: 100  
∴ Amount of closing stock of 100 units = 100 × 50 = 5,000

Profit = 12400 - 5000 = 7400

Profit = 7400

Profit = 7400

Most recent 50 multiply remaining by this.

Under Perpetual Method

1. FIFO Method

Date	Receipt	Issue	Balance	Rate	Rate
	Receipt	Issue	Balance		

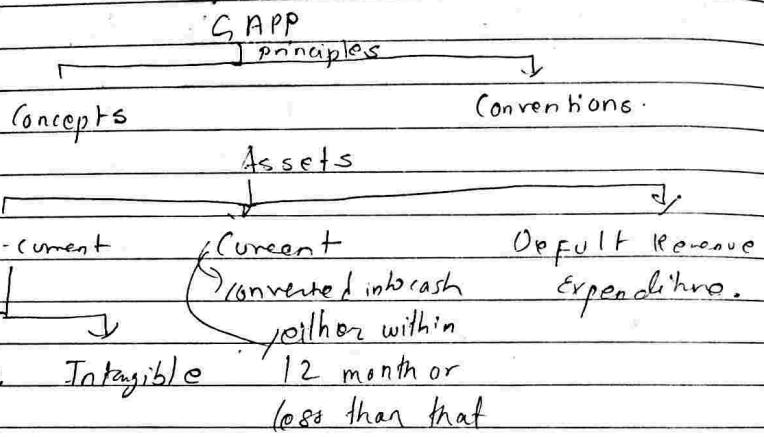
LIFO

Date	Receipts			Issue			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
	1000	30	3,000	-	-	-	1000	30	3,000
				50	30	1,500	50	30	1,500
				50	30	1,500			
				200	40	8,000	200	40	8,000
				50	30	1,500	50	30	1,500
				100	40	4,000	100	40	4,000
				50	30	1,500	50	30	1,500
				50	30	1,500			
				150	50	7,500	150	50	7,500
				50	50	2,500	50	50	2,500
				100		4,000	100		4,000

Under periodic

450  
350  
100  
Amount of closing stock = 100 × 30 = 3,000

G.A.A.P - Generally accepted accounting principles -  
International Financial Reporting Standard - IFRS



$-4500$   
 $900$   $500$   
 $600$

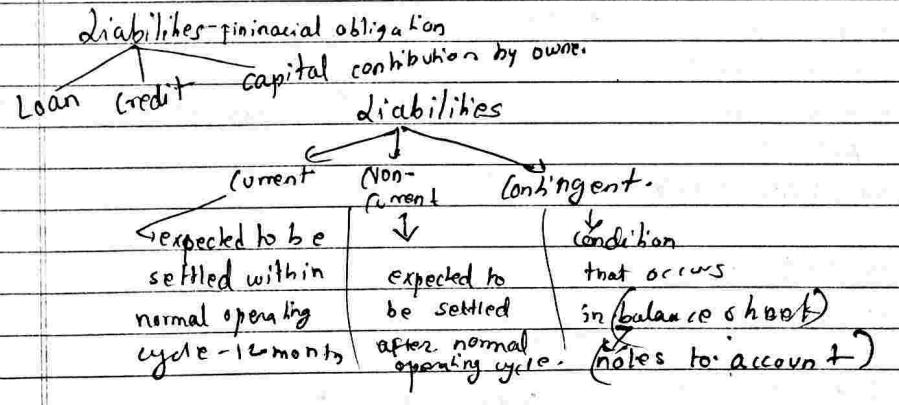
Date	Receipts		Issue			Balance		
	Qty	Rate Amt	Qty	Rate	Amt	Qty	Rate	Amt
4 Jan								
6 Jan	900	5	-	-	-	900	5.00	4500
5 Jan	-	-	600	5.00	3000	300	5.00	1,500
						300	5.00	1,500
						400	5.50	2200
						300	5.00	1,500
						400	5.50	2200
						300	5.00	1500
						700	5.50	3850
						600	5.50	3300

## Illustration no 12 Calculating Abnormal loss

**Total cost**

Particulars	Qty	Amt
- Total cost of goods sent	1,000	450,000
+ Expenses incurred by consignor	1,000	472,500
- Goods damaged in transit	50	23,625
- Goods still in transit	950	448,875
- Goods sold closing stock in godown	100	47,250
+ Expenses incurred by consignee	850	401,625
- Goods sold closing stock in godown	850	38,250
- Goods sold closing stock in godown	700	405,450
- Goods sold closing stock in godown	150	71,550

*Abnormal loss*  
*goods in transit*  
*loss in godown*



Capital - in the form of cash, goods  
Drawing - withdrawing

# Invoice Price Basis

When sending Goods sent on consignment A/C Dr 180,000  
To shop stock A/C 180,000  
Also, G.S on consignment A/C Dr 45,000  
To Consignat A/C 45,000

① Goods sent to consignee on consignment basis  
Consignment A/C Dr 225,000  
To goods sent on consignment A/C 225,000

\* Expense same  
\* Expense see  
Same

On closing stock to consignee godwan  
Closing stock A/C Dr 75,967  
To Consignment A/C 75,967  
Also  
Consignment A/C Dr 15,000  
To Stock Reserve A/C 15,000  
Profit → Consignat A/C Dr 27,067  
To Profit/Loss A/C 27,067

## Consignment A/C At Invoice Price

To	G.S M Consignment	225,000	By	G.S on Consignment A/C	45,000
To	Bank	900	By	Consignee	150,000
		2,000	By	Closing Stock	75,967
		1,000			
To	Stock Reserve A/C	15,000			
To	Profit/Loss A/C	27,067			

Cost + Profit = Sales  
90 20 100

Cost 800,000  
 $\frac{3}{4}$  sold  
Sales amount =  $375,000 \times 100$

## Illustration no 2

Cost basis 80

\* Goods sent to consignee on consignment basis  
Consignment A/C Dr 225,000  
To Cash Sent on consignment A/C 225,000  
\* Expenses incurred by consignee  
Consignment A/C Dr  
To Bank/Cash A/C  
Every expenses is debited to consignment account no any extra is made.

\* Expenses incurred by consignee to receive the good  
Consignment A/C Dr  
To Consignee A/C  
↳ if we had paid then it would be bank

\* 200 sold by consignee  
Consignee A/C Dr 150,000  
To Consignment A/C 150,000

\* Howdam expenses e.c. incurred by consignee  
Consignment A/C Dr 10,000  
To Consignee A/C 10,000

\* Closing stock at consignee at consignment godhan  
Closing stock A/C Dr  
To Consignment 75,967

Cost basis  $29000 \times \frac{1}{5} = 5800$

To	G.S on Consignment	189,000	By	Closing	60,967
		900			
		2000			
		1000			
		27,067			

\* Profit transferred to P/L A/C  
Consignment A/C Dr 27,067  
To Profit/Loss A/C 27,067

Subha

Rajendra

11.9.24  
 Subha A/c Dr ~~109400~~  
 To Bank 11,100  
 To Discout 243.24

20% gain  
 cost 100  
 profit 20  
 Sales 120

Sales 60,000  
 $\frac{60,000}{120} \times 120 = 100,000$   
 Cost  $\frac{60,000}{120} \times 100 = 50,000$   
 Profit = 50,000

60,000 profit earn gained  
 $\frac{60,000}{20} \times 120 = 360,000$   
 = 360,000

Kahi cost 40  
 $\frac{60,000}{100} \times 100 = 60,000$   
 = 60,000

Kahi x Nikaluno kcha  
 By what asked (given)

20% profit on Sales  
 cost 80  
 profit 20  
 Sales 100

profit 80,000  
 Sales = 60,000  
 profit = 50,000  
 cost = 80,000 x 80 = 64,000  
 Sales = 80,000

~~Maha~~ Maha  
 Bills Receivable A/c Dr 2,000  
 To Sohan 3000  
 Maha A/c Dr 400  
 To Bills Payable 4000

~~Bills Receivable A/c Dr~~  
 Bank A/c Dr 1970  
 To Bills A/c Dr 30  
 To Bills receivable 1970  
 2000

Bank A/c Dr 1000 + 15  
 To Bills Payable 1115

Bills receivable A/c Dr 80,000  
 To H/S A/c

1st June 2001  
 Bills Receivable A/c Dr 45,000  
 To Rajendra's A/c 45,000  
 Subha A/c Dr 45000  
 To Bills Payable A/c 45000

11  
 Bank A/c Dr 44100  
 Discout 900  
 To Bills receivable 45000  
 NO

11  
 Rajendra A/c Dr 15,000  
 To Bank 14700  
 To Discout 300  
 Bank A/c Dr 14700  
 Discout 300  
 To Rajendra 15000

Bills Receivable Dr 63,000  
 To Subha A/c 63,000  
 Subha A/c Dr 63,000  
 To Bills payable 63,000

1st October  
 Rajendra A/c Dr 61650  
 Discout A/c 1350  
 To Bills  
 Rajendra A/c Dr 63,000  
 To Bills payable 63,000  
 Subha A/c Dr 61650  
 Dis A/c 1350  
 To bills receivable 63,000

① Bills payable 4000  
 Interest Dr 20  
 To cash 2020  
 To B/P 2000

Date \_\_\_\_\_  
 Page No. 130

In the books of Deena

Rahul's A/C — Dr 304000 Bills Recv Dr Dr 4,000  
 To Baby's A/C → 204000 To N.N. 4,000

Baby's

D. Cash Dr 4,000  
 To Bills payable 4000

Raj,

To bills rec

2: (100) 450000

To N/

Page 433 Q no 3

In the books of King

Date Particular Dr Cr  
 a Bills payable A/C Dr 5502500.  
 Interest A/C Dr 50  
 To cash 1,000  
 To Bills receivable payable 1550.

b.

Bills N.N. regular A/C Dr 4,020  
 receivable A/C Dr 1,000  
 To noting charges 50  
 To bills receivable A/C 4620 4000 4020.

c. Cash A/C Dr 2000 1990  
 Dis to 10  
 To bill rec 2010 2000

d. Bills payable A/C 5,000  
 P. Shri A/C Dr  
 P. Shree's A/C Dr 2,000  
 To P. Prudh A/C Cr 2000  
 BIP → Dr  
 To BIP →

① 15% of WDV method  
 ② In respect of date of purchase dep 15.

Date \_\_\_\_\_  
 Page No. 131

Machinery

Machine Purchase on 11/01/2010

Machine Purchased on 01/08/2011

	Under old method	Under new method	Under old	Under new.
0-1-2010	700,000	700,000	150,000	150,000
2010	105,000	70,000	-	-
"	595,000	630,000	150,000	150,000
2011	89250	70,000	-	150,000
2012	505750	560,000	127,500	155,000
	75,86	70,000	22,500	15,000
1-1-2013	420,887	400,000	127,500	135,000
15%	64484	70,000	108,375	120,000
	365403	420,000	16256	105,000

11-2014

54597

12881

110 Depn 700,000  
 Depn 105,000  
 Balance 595,000

111 Depn 89250. 18/2011 To maches 150,000.  
 Balance 505,750. 22,500

1112. Depn

P Prudh A/C Dr 127500  
 To Bills payable  
 Bills R A/C Dr  
 To P. Shree's

P. Shree's

96338

Sinking Fund A/C

	To By balance c/d	23,200	31.12.11	By Dep <sup>n</sup> A/C	23,200
		<u>23,200</u>			<u>23,200</u>
			1.1.12	By — b/d	23,200
31.12.12	To c/d	47,560	31.12.12	By dep <sup>n</sup> A/C	23,200
		<u>47,560</u>			<u>47,560</u>
			11.13	By — b/d	47,560
31.12.13	To c/d	73,138	31.12.13	By dep <sup>n</sup> A/C	23,200
		<u>73,138</u>	31.12.13	By Invest SF/AIC	2,378
31.12.14	To SF/AIC	3,657	31.12.13	By Dep <sup>n</sup> A/C	23,200
		<u>3,657</u>	31.12.14	By Invest SF/AIC	3,657

Sinking Fund Investment A/C

31.12.11	To cash/bank A/C	23,200	31.12.11	By balance c/d	23,200
		<u>23,200</u>			<u>23,200</u>
1.1.12	To balance b/d	23,200	31.12.12	By balance c/d	47,560
		<u>23,200</u>			<u>47,560</u>
31.12.12	To Bank A/C	4,360	31.12.12	By — c/d	73,138
	(23200 + 1160)	<u>47560</u>			<u>73,138</u>
1.1.13	To — b/d	47,560	31.12.13	By Bank A/C	69,481 (15%)
31.12.13	To bank A/C	25,578	31.12.13	By sinking fund	3,657
	(23200 + 2378)	<u>73,138</u>			<u>73,138</u>
1.1.14	To — b/d	73,138			
31.12.14	To Machine A/C	96,338			

Interest on SFI A/C

31.12.12	To sinking fund	1,160	31.12.12	By bank A/C	1,160
		<u>1,160</u>			<u>1,160</u>
31.12.13	To sink fund A/C	2,378	31.12.13	By bank A/C	2,378
		<u>2,378</u>		(47560 x 5%)	<u>2,378</u>

W.R. Purchase A/C Dr 560  
To suppl 560

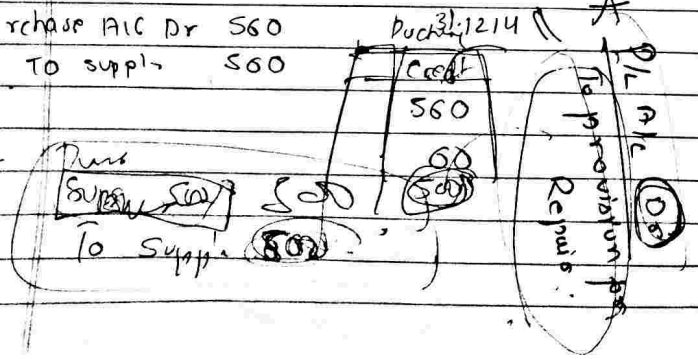


Illustration no 185

(1) Calculation of Annual Dep<sup>n</sup>  
 $O.C = 116,000$   
 $\text{Salvage Value} = 16,000$   
 $\text{Required Amt} = 100,000$   
 $\text{Annual Dep}^n = \frac{100,000}{5} \times 0.2320 = 23,200$

Machinery A/C

1.1.2011	To Bank A/C	116,000	31.12.2011	By balance c/d	116,000
	(11000 + 6000)	<u>116,000</u>			<u>116,000</u>
1.1.2012	To Balance b/d	116,000	31.12.2012	By —	116,000
		<u>116,000</u>			<u>116,000</u>
31.12.13	By sinking fund	96,338			
		<u>96,338</u>			
	By bank A/C	19,000			
		<u>19,000</u>			
	By loss on sale	16,622			
		<u>16,622</u>			
	By Mach	118,000			
		<u>118,000</u>			

Dep<sup>n</sup> A/C

31.12.11	To sinking fund A/C	23,200	31.12.11	By P/L A/C	23,200
		<u>23,200</u>			<u>23,200</u>
31.12.12	To sinking fund	23,200			
		<u>23,200</u>			
31.12.2013	To —	23,200	31.12.13	By —	23,200
		<u>23,200</u>			<u>23,200</u>

G' A/c. \* \* \* A/c - 90,000  
 To Bill's payable. To sales 90,000  
 Page No. 136

Interest on SFI A/c → Dr 3657 Pw.  
 To sinking fund A/c → 3657 To e

Bank A/c - Dr 5948 } Bill's  
 Simsky Ford A/c → Dr 3657 } To J'A/c  
 To S.F Investment A/c 73,138

\* Bill Ray 80,000  
 Sinking fund A/c Dr - 96338 To B.R. 80,000  
 To Assets A/c → 96338 (80,000)

Bank A/c - Dr 18000 } Bank A/c (9000)  
 To Assets A/c 18,000 } Discount A/c (1000)  
 To J'A/c

Loss on sales Dr 1662  
 To Assets A/c 1662. 92800

R.E  
 Item A/c Dr 349  
 To ~~Supplier~~ Supplier 349

Supp'l A/c Dr 439 (V) Bank  
 To Suspense A/c ~~349~~ Inter - 3675  
 To S.F - 1 -

Suj

349  
 439  
 95. 28

Illustration 15 Page (295) 42560 23200 + 24360 49788  
 Date 31/12/2012 Page No. 137

Books of well company Ltd  
 J. Entires 31/12/2012

1-1-2011 Machinery A/c Dr 116,000 Dep<sup>n</sup> A/c → Dr 23,200  
 To cash / Bank a/c 116,000 To sinking F A/c 23,200  
 31-12-2011 Dep<sup>n</sup> A/c Dr 23,200 Profit & loss A/c - Dr 23,200  
 To sinking fund A/c 23,200 To Dep<sup>n</sup> A/c 23,200  
 Profit & loss A/c - Dr 23,200 Cash / Bank A/c Dr - 1,160  
 To Dep<sup>n</sup> A/c 23,200 To interest SFI A/c 1,160  
 S.F Investment A/c Dr - 23,200 Interest on S.F Investment 24  
 To Bank A/c 23,200 SF invest A/c Dr 24,360  
 To Bank A/c 24,360

100 90,000  
 31/12/2013

Dep<sup>n</sup> A/c - Dr 23,200  
 To Sinking fund A/c 23,200  
 Profit or loss A/c - Dr 23,200  
 To Dep<sup>n</sup> A/c 23,200  
 Bank A/c Dr 2378 → 23200 100  
 To inter on SFI A/c 2378 + 24360 5%  
 Interest on SFI A/c → Dr 2378  
 To sinking fund A/c → 2378  
 SF Investment A/c - Dr 25578  
 To Bank A/c - 25578

31/12/2014

Dep<sup>n</sup> A/c Dr 23,200  
 To S.F A/c 23,200  
 P/L A/c Dr 23,200  
 To Dep<sup>n</sup> A/c 23,200  
 Bank A/c → Dr 3657  
 To interest on ~~Dr~~ 3657  
 Interest on SFI A/c 3657



Cash A/c Dr 20000

To J A/c

Discount 1000

To Sinking Fund

At the time of Purchasing F.A

① Fixed Assets A/c — Dr xxx SL  
To cash/Bank A/c → xxx SL

At End of 1st year

② Dep'n A/c Dr — xxx 90K  
To provision for Dep'n A/c xxx 90K

③ S.F. Investment A/c — Dr xxx  
To cash bank A/c xxx

At the End of 2nd year

	90K	90K	90K
Dep'n A/c — Dr xxx 90K	90K	90K	90K
To prov for Dep'n A/c xxx 90K	18900	99700	
Cash A/c — Dr xxx 9K	18900	2900	
To Interest on SFI A/c xxx 9K	108900		
SF Int'r A/c — Dr 99K	108900	11970	
To cash A/c 99K			
⑤ 90K			
90K			
41769			

Cash/Bank → Dr 41,5,000  
To SFI → 417690

So replaced by sinking fund instead of provision for dep'n.

Dep'n A/c Dr — xxx  
To sinking fund account

Sinking Fund A/c Dr 4690

Cash/Bank Dr 421000  
To SFI 417690

Accumulation.

Machinery A/c

1.07.2013	To Bank A/c (M1) (128,000 + 64,000 + 900)	240,000	By balance c/d	240,000
1.14.2014	To balance b/d	240,000		
1.14.2014	To bank A/c (M2)	80,000		
		320,000	By — c/d	320,000
1.1.15	To — b/d	320,000		320,000
	(240,000 + 80,000)		By Prov for dep'n A/c	32,000
1.7.15	To Bank A/c	40,000		
1.7.15	To — b/d		By balance A/c	27,840
1.1.16	To — b/d		By loss on sales	20,160
			By bank c/d	

Provision for Dep'n A/c

31.12.2013	To balance c/d	24,000	By Dep'n A/c	24,000
		24,000		24,000
	To balance c/d	24,000	By balance b/d	24,000
			By Dep'n A/c	48,000
31.12.14	To — c/d	88,000	(M1) → 48,000 ✓	64,000
		88,000	(M2) → 16,000	
1.7.15	To machinery A/c	32,000	By balance b/d	88,000
			(72,000 + 16,000)	88,000
1.7.15	By Dep'n A/c		(240,000 × 1/20 × 6)	8,000 ✓
			3 × 10 × 12	
31.12.15	By Dep'n A/c		IM 152,000 ✓	52,000
			LM1 - 15,000	
			LM2 - 4,000	

~ (M)

Accumulation/Provision for Dep<sup>n</sup>

Machinery A/c

1.1.14	To Bank A/c (80,000 + 20,000)	100,000	By balance c/d	100,000
1.4.14	To balance c/d	100,000	By balance c/d	100,000
1.4.15	To — b/d	100,000	By Prov. for Dep <sup>n</sup> A/c	25,750
			By bank A/c	59,000
			By loss on sale of machine	24,250
		100,000		100,000

Provision for Dep<sup>n</sup> A/c

31.3.14	To balance c/d	3,750	3.3.14	By Depreciation	3,750
		3,750			3,750
31.3.15	To balance c/d	18,750	1.4.14	By balance b/d	3,750
		18,750	31.3.15	By Dep <sup>n</sup> A/c	15,000
30.9.14	To machinery A/c	25,750	1.4.15	By balance b/d	18,750
				By balance b/d	18,750
				By balance b/d	18,750
				To machinery A/c	21,500
				By Dep <sup>n</sup> A/c	2,500

W.E

S. B's Dr 2500	Provision A/c Dr 2,500		
To sales 2500			
		Debit	Credit
		2,500	2,500
S. B. Dr 25			

Illustration no 13

1.1.2010	Machinery A/c → Dr 20,000	31.12.2011	Machinery A/c →
	To cash/Bank A/c → "	To interest A/c	767.99
		(15,359.76 X 5%)	
31.12.2010	Machinery A/c - Dr 1000	Depr <sup>n</sup> A/c Dr	5640.24
	To interest A/c 1,000	To machinery A/c	5640.24
	Depr <sup>n</sup> A/c → Dr 5,640.24	Profit & loss A/c Dr	5640.24
	To machinery A/c 5,640.24	To depr <sup>n</sup> A/c	5640.24
	Interest A/c Dr → 1,000	Interest A/c Dr	767.99
	To P/L A/c "	To profit & loss A/c	767.99
	Profit & loss A/c → Dr 5640.24		
	To depr <sup>n</sup> A/c 5640.24		

31/12/2011

524.38	28.59
524.38	28.59
5640.24	
5640.24	

Illustration no 1

Machinery Account / Provision for depreciation

Machine A/c		Accumulation A/c	
To Bank A/c	108,000	To — c/d	12,000
To — b/d	108,000	By Dep <sup>n</sup> A/c	12,000
		To — c/d	24,000
		By Dep <sup>n</sup> A/c	14,000
		To — c/d	36,000
		By — b/d	24,000
		By Dep <sup>n</sup> A/c	12,000
		By — b/d	36,000

Dep<sup>n</sup> A/c

To Acc Dep <sup>n</sup> A/c	12,000	By P/L A/c	12,000
To Acc Dep <sup>n</sup> A/c	12,000	By P/L A/c	14,000
To Acc Dep <sup>n</sup> A/c	12,000	By P/L A/c	12,000

Q no 2 Under FIFO method

Date	Receipt			Issues			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
1.1.2009	-	-	-	-	-	-	50	28	1400
1.1.2009	100	30	3,000	-	-	-	-	-	-
15.1.2009	-	-	-	50	28	1400			
							100	30	3,000
							200	40	8,000
12.2.2009	200	40	8,000	-	-	-	200	40	8,000
15.2.2009	-	-	-	100	30	3,000	200	40	8,000
20.2.2009	-	-	-	100	40	4,000	100	40	4,000
13.2.2009	150	50	7,500	-	-	-	150	50	7,500
				100	40	4,000	150	50	7,500

Therefore, the value of stock on 31.3.2009 is  
150 units @ 50 = 7500

(ii) Under LIFO Method

Date	Receipt			Issue			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
1.1.2009	-	-	-	-	-	-	50	28	1400
7.1.2009	100	30	3000	-	-	-	100	30	3000
				50	30	1500	50	28	1400
15.1.2009	-	-	-	50	30	1500	50	30	1500
1.2.2009	200	40	8000	-	-	-	200	40	8000
							50	28	1400
							50	30	1500
							200	40	8000
15.2.2009	-	-	-	100	40	4000	50	28	1400
				100	40	4000	50	30	1500
							50	28	1400
							50	30	1500
1.3.2009	150	50	7500	-	-	-	50	28	1400
							50	30	1500
							150	50	7500
15.3.2009	-	-	-	100	50	5000	50	28	1400
				-	-	-	50	30	1500
				-	-	-	50	50	2500

Stock left = 50 @ 28 = 1400  
 50 @ 30 = 1500  
 50 @ 50 = 2500  
5400

(iii) Weighted average.

Date	Receipt			Issue			Balance		
	Qty	Rate	Amt	Qty	Rate	Amt	Qty	Rate	Amt
1.1.2009	-	-	-	-	-	-	50	28	1400
7.1.2009	100	30	3000	-	-	-	100	30	3000
							150	29.3	1700
15.1.2009	-	-	-	50	29	1450	100	29	2900
							150	29	1700
							150	29	1700
15.2.2009	200	40	8000	-	-	-	300	36	10900
							200	36	7200
15.2.2009	-	-	-	100	36	3600	200	36	7200
							100	36	3600
20.2.2009	-	-	-	100	36	3600	100	36	3600
							250	44	11100
1.3.2009	150	50	7500	-	-	-	250	44	11100
							150	44	6600
15.3.2009	-	-	-	100	44	4400	150	44	6600

Amt of stock = 150 @ 44 = 6600

Question no 2

Stock = 70,000

Normal stock (56,000)      14,000 (20,000 - 6,000)  
 ↳ Abnormal stock

Expense + Purchase = 346,000 + 75,000  
 = 4,21,000

Sales: 5,22,000  
 ↳ 16,000 (Abnor)  
 ↳ (50,000) → 25% of sale  
 ↳ (12,650)

Statement of stock

Particular	Rs	Rs
Stock as on 1.4.2011	70,000	
less:- Book value of abnormal stock (20,000 - 6,000)	- 14,000	56,000
Add:- Purchase	346,000	
Add:- Expenses	75,000	421,000
		477,000
Less:- Cost of sales		
Sales as per book	522,000	
Less Sales of abnormal items	- 16,000	
	506,000	
Less: Gross Profit @ 20%	- <del>101,200</del>	404,800
Stock in trade as on 31st March 2012		404,800
		4,00,000
		4,08,000
		- 97,500
		330,500

6.

	7th Jan 2013	31. Dec 2013
Value of stock as on 7th Jan	90,000	
Add: Profit Purchase	19,000	
less:- Cost of goods sold		18,000
		91,000

Profit = 25% of sales = 25% of 24,000 = 6,000  
 Cost of goods sold = Sold - Profit = 18,000

$\frac{1}{3}$  of cost =  $\frac{1}{4}$  of sales  
 $= \frac{1}{4} \times 24,000$   
 $= 6,000$

	31.12.2012	7th Jan 2013
value		90,000
- Purchase		19,000
+ Cost of goods sold		18,000
		89,000

(7)

	31st March	31st April
20,000		
- Purchase	1,000	
- Sales Return	160 (200-140)	
+ Sales	1600 (2000-400)	
+ Purchase Return	100	
		20,000
		20,540

(8)

	31st March	9th April
$\frac{1}{3} \times 1720 = 573$		
		25,000
		1/3 cost = $\frac{1}{4} \times$ sales
		$\frac{1}{3} \times 1720 = 573$
		$= 430$
		$(1720 - 430) = 1290$

Value of stock on 9 <sup>th</sup> April	25,000
(i) Add: (1,720 - $\frac{1}{4}$ x sales (1720))	1,290
(ii) Less: Purchase	
- cost of goods sold	
(ii) Less: - Purchase	120
Add: Goods purchased but not received	50
Less: Goods accounted but not received	75
	<u>26,145</u>

Value of stock = 26,145

$200 = \frac{1}{4} \times 200 = 50$        $200 - 50 = 150$

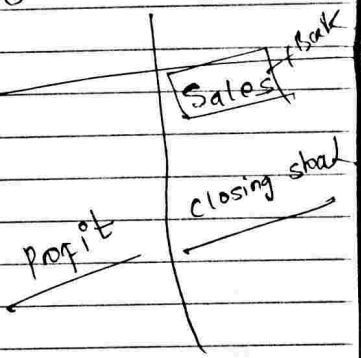
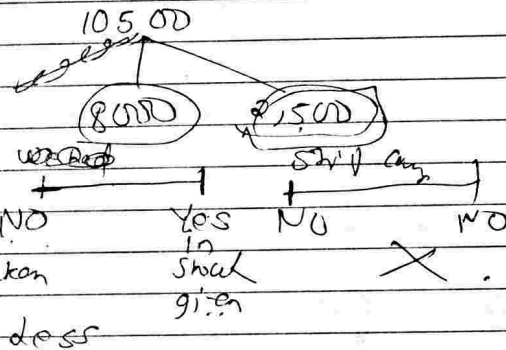
9

31.3.2065	11.4.2065
???	51,250

Value of stock as on 31.3.2065	51,250
Add: - cost of goods sold (5500)	57,600
Add: - Goods <sup>not</sup> sold but not received (6250)	18,750
Less: - Goods accounted but not received	8,000
	<u>78,800</u>

Calculations

$\frac{1}{2}$  of cost =  $\frac{1}{4}$  of sales  
 $= \frac{1}{4} \times 22,400$   
 $= 5,600$



FF Illustration 12

Calculation of Adjusted Profit/Loss for period

Given profit	1,02,800
(+) Drawings for personal use	1000
(+) Purchase of furniture	200
(-) Sale of furniture booked as normal sales (550 + 30)	950
(+) Invoices received on 26/3 but good not yet till 31/3	11,700
	4000
	800
	4000
	3600
	51,800
	32,000
	25,800

(12) stock as in 23rd Ashad → 480,000.

	+-----+	
	23rd Ashad	31st Ashad
		480,000
Stock		<del>480,000</del>
Goods sent on consignment		- No
Purchase in between		+ 40,000
Goods sold		- 20,000

(13) Cost of physical stock 320,000  
→ 160,000

Joint Venture with A A/C in the book.

Particulars	Amt	Particulars	Amt
To B's A/C Dr	150,000		
	160,00		

Memorandum of J.V

Particulars	Amt	Particulars	Amt.
To A's A/C		To B's A/C	2,140,000
- 160,000	320,000	(u) - Sales	
+ 60,000		To B's A/C	50,000
To A's A/C	5,000		
To B's A/C			
1,000 + 2,000 + <del>2,000</del>	5,400		
+ 2,000 + 400	5,29,500		
	<del>5,7600</del>		
	29,500		
	290,000		290,000

Practical Question (PQs) / Bank A/C Dr

Joint <sup>bank</sup> ~~venture~~ A/C Dr 1,30,000  
 To X's A/C 60,000  
 To Y's A/C 70,000

Joint venture A/C Dr 4,25,000  
 To, Joint Bank A/C 4,25,000

Joint Venture A/C 321,000  
 To, Joint Bank A/C 321,000

Joint Bank A/C Dr 19,50,000  
 To X's A/C ~~To X's A/C~~ Joint Venture A/C 1,29,000  
 To Y's A/C ~~To Y's A/C~~ 75,000

Joint Venture A/C Dr 1,22,000  
 To Joint Bank A/C 1,22,000

~~Joint Venture A~~  
 Joint Bank A/C Dr 1,20,000  
 To joint bank 1,20,000

X's A/C Dr 45,000  
 To joint venture A/C 45,000

Joint Venture A/C

Particulars	Rs	Particulars	Rs
To X's A/C	<del>1,20,000</del> 50,000	By joint bank A/C	<del>1,20,000</del>
To Y's A/C	70,000		1,20,000
To, joint Bank A/C	4,25,000		
To joint Bank A/C	321,000	By X's A/C	45,000
To joint Bank A/C	1,22,000		
To Y's A/C	1,20,000		
To X's A/C	75,000		
To P/L A/C			
X -> 20,800	52,000		
Y -> 34,200			
	16,500		16,500

Joint Bank A/C

Particulars	Rs	particular	Rs
To X's A/C	1,20,000	By, joint venture A/C	4,25,000
To Y's A/C	75,000	By, joint venture A/C	321,000
To joint bank A/C	1,20,000	By joint venture A/C	1,22,000
		By joint bank	
		By X's A/C	1,55,800
		By Y's A/C	1,76,200
	1,20,000		1,20,000



X's Account :-

		By joint venture	60,000
To joint vah	45,000	AIC	
		By joint bank	19,50,00
By joint bank	1,55,800	AIC	120,000
		By joint venture.	20,800
	<u>2,00,800</u>		<u>2,00,800</u>

Y's AIC

		By joint venture	70,000
To joint		AIC	
By joint bank	1,76,200	By, joint bank AIC	75,000
		By joint-venture	31,200
	<u>1,76,200</u>		<u>1,76,200</u>

3

In the books of Ram  
J.V with Rahim Investment AIC.

To Bank AIC		By Bank AIC	24,00,000
- Material 6,90,000			
- Cement 130,000			
- Egg fee / 109,000	9,10,000		
To PIL AIC	2,00,000		
To bank AIC	12,90,000		
			<u>24,00,000</u>

In the books of Rahim  
J.V with Ram Investment AIC

To Bank AIC		By plant AIC	1,00,000
- Material			
- Cement		By bank AIC	12,90,000
- Wages			
Engineer's <sup>disances</sup> fees	11,90,000		
Plant.			
To PIL AIC	2,00,000		
		Mem Joint Venture AIC	
To Expenses	9,10,000		24,00,000
	11,90,000		
			<u>1,00,000</u>
To profit on joint venture	2,00,000		
Ram - 200,000			
Rahim 2,00,000			

Joint Bank A/C Dr  
To Bachan A/C

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

(3)

Joint Venture A/C

By Bachan A/C	70,000	By joint bank A/C	<del>100,000</del> 80,000
By Charan A/C	15,000	By Charan A/C	2,000
By joint bank A/C			
- Purchase 6,000	123,000		
- Equipment 5,000			
- Wages 43,000			
- Materials 10,000			
- Expenses 5,000			
By Bachan A/C	2,000		
By profit and loss.	21,000		
Bachan 9,000			
Charan 12,000			

Joint Bank A/C

By joint bank	90,000	Joint Venture A/C	69,000
To Bachan	10,000	By joint venture A/C	
To Charan	15,000	By Bachan A/C	
		By Charan A/C	
		21,000	
		25,000	

Bachan  
A/C

To J. venture A/C	-	By J. Bank A/C	10,000
To J. Bank A/C	21,000	J. vent A/C	2,000
		J. vent A/C (Profit)	9,000
	21,000		21,000

Charan  
A/C

To J. Bank A/C	25,000	By J. Bank A/C	15,000
To J. venture A/C	2,000	By J. vent A/C	12,000
		(Profit)	
	27,000		27,000

⑥ In the books of Smart

Expenses By Bank A/C	15,000	By bank A/C	40800
By Bank A/C (Expenses)		Sales Proceeds	
- Cash 2270	2420	By bank A/C	2,500
- Transportation = 1100		Typewriter	
- Insurance = 250		By cheque	
- Rent = 400			
- Brokerage = 1200			
- Miscellaneous = 200			
To P/L A/C	6232		
To bank A/C	34648		
	19648		

In the books of Dull

To bank A/C	25300	By <del>bank</del> Smart A/C	<del>25300</del>
- Purchase 15000		By smart A/C	34648
- Recardin 9000			15000
- Buying comm 1500			
- Transportation Rs 200			
- Miscellaneous Rs 100		By bank A/C	37800
By bank draft Smart	15000	By bank A/C	19648
To P/L A/C	9348		

Memorandum Joint Venture A/C

By Dull A/C	25300	By Smart A/C	40800
By Expenses A/C	000	12 x 2,200 = 26400	
By Smart A/C	2420	4 x 2,100 = 8400	
By P/L A/C	15380	3 x 2,000 = 6000	
Smart 60846232		By Smart A/C	21500
Dull - 9348			

$16,000 + 4,000 = 20,000$   
 $\rightarrow 40\% \rightarrow 8000 \times 15 = 120,000$

1500  $\times$  share

Date \_\_\_\_\_  
 Page No. \_\_\_\_\_

Joint Venture A/C

Date	Particulars	Rs	Date	Particulars	Rs
	To X's A/C	40,800		By joint bank A/C	100,800
	- Stationery			(40% of 16000 $\times$ 15 = 9600)	12,000
	- Advertisement			By X's A/C	96,000
	To Y's A/C			(20,000 $\times$ 40% $\times$ 15)	24,000
	- Registration fees	27,200		By Y's A/C	12,000
	- Postage			(20,000 $\times$ 60% $\times$ 20)	24,000
To Joint Bank A/C	To X's A/C	11,520			
11520	9600 $\times$ 1.2	96,000			
76800	To Y's A/C	76,800			
	6400 $\times$ 1.2	64,000			
	To P/L A/C	1,86,400			
	X $\rightarrow$ 36,000	60,000			
60,000	Y $\rightarrow$ 24,000	1,00,000			
X $\rightarrow$ 27,200	X $\rightarrow$ 11,840				
Y $\rightarrow$ 52,800	Y $\rightarrow$ 74,560	2,88,000			
Y $\rightarrow$ 10,000					
		3,60,000			3,60,000

Joint Bank A/C

To Commission A/C	40,000	By joint venture	1,92,000
(4% of 1,00,000)			
= 4000 $\times$ 10		By X's A/C	96,000
To X's A/C	1,15,200		
(16000 $\times$ 1.2 $\times$ 60%)			
To Y's A/C	76,800		
(16000 $\times$ 1.2 $\times$ 40%)			
To Y's A/C	96,000		
	2,88,000		2,88,000

$10 + 2 = 12$   
 $\frac{1008,000}{12} = 84,000$

Remaining =  $\frac{100,000 - 84,000}{16,000} \rightarrow$  X's 60% = 9600  
 40%  $\rightarrow$  6400

$\frac{16,000 + 4,000}{12} = 20,000$

In the books of X

J. Venture A/C	4,20,000	By Joint venture A/C	40,800
- Sale		Expenses	
To J. Bank A/C	96,000	By J. Venture A/C	96,000
		- Cost of share	1,15,200
		By J. venture	1,11,840
		Net profit	60,000

Y.

To joint venture A/C	2,40,000	By joint venture	27,200
To J. Bank A/C	96,000	By joint venture A/C	76,800
		By joint venture A/C	40,000
		By J. Bank A/C	96,000

W. Note (1) Calculation of underwriting commission = Total issue size in Rs.  
 = 1,00,000  $\times$  12 = 12,00,000

Underwriting commission (%) = 4%  
 Underwriting amt = 12,00,000  $\times$  4% = 48,000

(2) Calculation of short subscription to be subscribed by underwriters. Total issue (shares) = 1,00,000 = RS 10,00,000

$\frac{48,000}{12} = 4,000$  shares  
 $\therefore$  Short subst (to be subscribed) by underwriter = 16,000 shares

Memorandum Joint Venture Ac<sup>t</sup>

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

9

To Madan A/C	100,000	By Hari's A/C	2,00,000
Purchase		- Sales proceeds	
To Madan A/C			
Expenses	8,000		
F. charges - 6,000			
Insurance - 2,000			
To Hari A/C			
Cartage charges	3,000		
Commissions	9,000		
4,000			
To profit shared			
Madan - 40,000	80,000		
Hari - 40,000			
	2,00,000		2,00,000

In the books of Mr Madan.

Date	Particulars	Amt	Date	Particulars	Amt
	To Bank A/C				
	- Purchase	1,00,000		By bank A/C	7,00,000
	To Madan A/C			By profit and loss A/C	45,500
	Expenses	8,000		- Insurance 10,000	4,150
	To profit and loss A/C	40,000		By bank A/C	48,000
		1,48,000			1,48,000

In the Books of Mr Hari

To, Bank A/C	2,00,000	By Bank A/C	2,00,000
To, bank A/C	1,00,000	By Sales proceeds	
To bank A/C	12,000		
Expenses		By bank A/C	48,000
To P/L A/C	40,000		
	2,48,000		2,48,000

8

Memorandum Joint Venture A/C

To Bishal A/C	2,05,000	By kumar A/C	2,45,000
Purchase -	1,60,000	- sales	
Expenses	40,000	By kumar A/C	3,60,000
Expenses	50,000		
To kumar A/C (Expes)	57,000		
- Insurance 10,000			
- Rent 20,000			
- Brokerage 20,000			
- Exps - 7,000			
	7,03,000		
By P/L A/C			
Bishal - 35,1500			
Kumar - 35,1500			

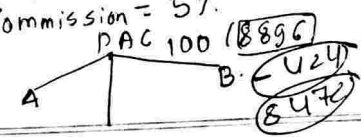
9/10% = 1/100 + 1/100  
before = 1/100

Joint venture A/C of Kumar

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

To Bank A/C remitted to Bishal	1,500,000	By bank A/C - Sales bank A/C	2,48,000
To Bank A/C - Expenses	57,000	By sales proceeds (taken)	360,000
Profit and loss acc	35,150		
To bank A/C	<del>987,500</del> 90,150		
	<u>28,10,000</u>		<u>28,10,000</u>

Price before commission = 6000  
Commission = 5%



Date = 8896 X 51 - MXS1  
Page No. 105 = 8896 X 51  
m =

B's A/C

To Joint Venture A/C	64,350	By bank A/C	10,000
To Joint Venture A/C	4546	By joint venture A/C - exp	1,000
		By " " A/C - Commission	424
		By " " Vent A/C - Profit	2824
		By bank A/C - draft	54648
	<u>68896.</u>		<u>68896</u>

Joint venture

(7)

Books of A  
Joint Venture A/C

To purchase stock	60,000	By bank A/C	3,000
To Bank A/C - Freight	2,000	CW.N-1 - Ins. (o.)	
- Insurance		By B's A/C	64,350
To B's A/C	1,000	- Sales proceeds	
- Expenses		By B's A/C (5683 X 80%)	4546
To B's A/C - Commission (8896 X 5/105)	424		
To joint venture A/C - P/L A/C	5648		
- B's A/C	2824		

Working Note

- Loss in transit has been assumed as normal.  
Journal Bank A/C Dr Insurance  
To joint venture A/C
- Calculation of movement of stock  
(Assumed that goods damaged in transit is 5000 original cost)

	Original cost	F & I	Total
Goods sent by A	60,000	2,000	62,000
less:- Damaged in Transit	(5,000)	167	5,167
Goods Received by B	55,000	1833	56,833
Cost of Goods sold by B	49,500	1650	51,150
Cost of goods destroyed by fire	5,500	183	5,683

Sales Amt =  $\frac{49500}{100} \times 130 = 64,350$

Q no 11

Assumed that discount is provided on interest and not on the processing fees

		Interest	P. Fees
Miss Jenu	1400,000	$1400,000 \times \frac{5}{365} \times 95\%$ $= 59030$	$1400,000 \times 0.5\%$ $= 7000$
		$900,000 \times \frac{2}{12} \times 36\%$ $= 54,000$	$900,000 \times 0.5\%$ $= 4500$
		$1275000 \times \frac{1}{12} \times 36\%$ $97.5\%$	$1275000 \times 0.5\%$

9

Memorandum of J.V

Particulars	Amt	Part	Amt
To Madan A/C	1,08,000	To Hari A/C	200,000
To Hari A/C			
- 3,000			
- 5,000	12,000		
- 4,000			
To P/L			
To Madan 40,000	80,000		
To Hari 40,000			

Joint venture with Akh A/C

In the books of

Madan  
Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Particulars	Amt	Particulars	Amt
			95,500
To Bank A/C	100,000	To Bank A/C	<del>100,000</del> 4500
To Bank A/C	<del>2,000</del>		
To P/L A/C	40,000		4800
To Bank A/C			
		In the books of Hari	
Particulars	Amt	Particulars	Amt
To Bank A/C	12,000	To Bank A/C	200,000
To Bills payable	1,00,000	(- Sales ?)	
To P/L A/C	40,000	To Bank A/C	<u>48,000</u>

# Final Account

## Illustration no 5

### Working note

(1) Calculation of value of closing stock

Drawing power = 80% of stock

Bank overdraft = 80% of drawing power

160,000 = 80% of "

So, Drawing power =  $\frac{160,000}{80\%} = 2,00,000$

∴ Closing stock =  $\frac{2,00,000}{80\%} = 2,50,000$

(2) Rectification of errors.

(3) (a) ✓ Sales Return A/c Dr 5,500  
✓ To Purchase A/c 5,500

(b) Sales A/c Dr 4,750  
To Purchase Return A/c 4,750

(4) Drawing A/c Dr 7,500  
To purchase 7,500

(5) Plant and Machinery A/c Dr 750  
To ~~machinery~~ wages A/c 750

(c) Free sample A/c Dr 1,250  
To purchase 1,250

(3) Revised summary of Balances i.e.  
Trial Balance As on 31.12.2012

Plant and Machinery	41,250	-
Furniture and Fitting	15,250	-
Bank Overdraft	-	1,60,000
Capital	-	1,15,000
Drawings	22,500	-
Purchase (23050 - 6500 - 7500 - 1250)	216,250	-
Sales Returns	5,500	-
Opening stock	1,32,250	-
Wages	21,575	-
Provision for doubtful debt	-	5,700
Provision for discount on debtor	-	1,375
Sundry Debtor Advance to creditor	2,500	-
Sundry Debtor	1,50,000	-
Sundry Creditors	-	77,500
Cash at bank	7,250	-
Bad debt	2,200	-
Bad debt recovered	-	1,250
Salaries	32,650	-
Outstanding salary	-	5,350
Prepaid Rent	500	-
Rent	6,500	-
Carriage inward	2,350	-
Carriage outward	3,250	-
Sales	-	2,85,850
Purchase return	-	4,750
Advertisement expense	6750	-
Printing and Stationery	2200	-
Cash in hand	2300	-
Free sample	1,250	-
Miscellaneous income	-	17,500
	674275	674275



Mr. Mahesh

Profit and loss account

Dr		Cr	
For the year ended 31.12.2012			
Particular	Amount	Particular	Amount
To purchases 216,250	216,250	By sales 285,850	
To opening stock	132,250	(-) Return 5,500	280,350
(-) Purchase returns 4750	211,500		
To wages	21,275		
Carriage inward	2,350	By closing stock	250,000
To gross profit (1)	162,675		
	530,350		530,350
To Dep <sup>n</sup> P & M	6188		
To Dep <sup>n</sup> P & F	1,525		
To bad debt			
(+) New provision 7,500			
(-) Old provision 5,700	4,000	By bad debt recovered	1,250
		By mis. income	17,500
To provision for Dis 3,563			
(-) Old provision 1,375	2,188		
To salaries	32,650		
To Rent	6,500		
To carriage outward	3,250		
Advertisement expense	8,750		
To printing and stationery	22,000		
To free sample	1,250		
To Net profit	114,924		
C/d to B/S)	181,475		181,475

Bad dept  
Debtors

Balance sheet as on 31.12.2012.

Liabilities	Amount	Asset	Amount
Capital A/c 115,000		Plant and Machinery 41,250	
(-) Drawings 22,500		(-) Dep <sup>n</sup> 6188	35,062
+ Net profit b/d	207,724	Furniture and fittings 15,250	
		(-) Dep <sup>n</sup> 1525	13,725
		Closing stock	250,000
		Sundry Debtors 150,000	
		(-) Provision for D/D 7,500	
Bank overdraft	160,000	(-) Provision for Discnt 3563	138,937
Sundry creditors	77,500	Cash at bank	7,250
Outstanding salaries	5,330	Prepaid rent	500
		Cash in hand	2,300
	450,274		450,274

1

Statement of Profit and Loss A/c  
As on 31<sup>st</sup> Chaitra, 2069

Balance Sheet  
As on 31<sup>st</sup> Chaitra, 2069.

Particulars	Amt	Particulars	Amt
Opening stock	5,000	Sales	17,000
Purchase	10,000	Less: Sales Return	-
Less Return wages	-	Closing stock.	10,000
Gross profit -	27,000		27,000
Bad debts	500	Gross profit b/d	9,000
Repairs	300	Interest	200
Dep <sup>n</sup>	1,000	Interest	600
Rent, Rate & Taxes	800	Sum	
Draw Office expenses	2,500		
Salaries	2,000		
Interest (Expenses)	200		
Net profit	2,300		
	9,600		9,600

Liabilities	Amt	Particular Asset	Amt
Capital 25000	25,000		
(-) Drawing 2000		Sundry Debtors	1,500
(+ Net profit 2300)	2,530	Land and Buildings	10,000
		Cash in hand	1,600
		Cash at bank	4,000
Sundry Creditor	7,000	Bills Receivable	2,000
Bills Payable	4,000	Furniture & Fixtures	1,500
		Plant and Machinery	5,700
		Closing stock	10,000
	36,300		36,300

(2)

Profit and Loss A/c  
As on 31.12.2012

Particulars	Amt	Particulars	Amt
Opening stock <del>75,000</del> 75,000		Sales - 750,000	750,000
Purchase <sup>52,500</sup> + 10,000	61,000	Less Return <del>12,000</del>	738,000
Less Return <sup>12,000</sup>	<del>62,500</del> 52,500		
Wages 64,000	76,800		
+ 12,800			
Fuel and Power 15,000 <sup>67</sup>	15,000	Closing stock -	126,500
To gross profit A/c	162,700		
	864,500		864,500
	878,500		876,500
(P & M) Dep'n A/c 32,500	48,500		
(Goodwill) + 16,000			
		By gross profit	186,000
Interest on capital 50,000	50,000	Interest on drawing	5,000
Prepaid expenses <sup>20,000</sup>	20,000	Interest on loan	10,000
Wages - 64,000		Dis. received	23,000
Less unexp. + 12,800	15,000	Net loss	10,130
To expenses	15,000		95,550
Income tax	15,000		111,300
Salaries	75,500		
To bad debt 5,000	9,000		
Less profit (-) 10,000			
(+) 14,000			
Carriage outward	35,000		
Rent	15,000		101,300
Stationery	5,000		100,400
Entertainment	40,000		
Interest on loan 10,000	18,000		66,320
Adv. on loan 8,000			

331700

2500

Income tax added to drawing  
- From capital 15,000

Balance sheet as on  
31.12.2012

Liabilities	Amt	Assets	Amt
Capital 10,00,000		Cash at bank	45,500
Less drawing 10,000	8,55,000		
(+) Interest 50,000			
Interest on drawing 5,000	8,28,700		
Net profit loss	84,370		
	10,000	Plant and Machinery, 350,000.	317,500
	10,130	(-) Dep'n 32,500	
	9,550	Goodwill A/c 80,000	64,000
Outstanding wages	12,800	Dep'n A/c 16,000	
Income tax paid	76,800	Prepaid expenses 20,000	15,000
Creditors 125,000	1,35,000		
+ 10,000			
Drawing			
Bills payable	25,000	Building 3,60,000	
		Debtors 45,000	
Bank Overdraft	20,000	Bad - 5,000	14,000
12% Loan	1,50,000	Profit 10,000	1,26,000
Outstanding expenses	8,000	(+) 14,000	
(Bank loan)		Investment 2,00,000	
Reserve fund	45,000	Goodwill 80,000	
		Reserve fund	
		(Closing) stock	126,500

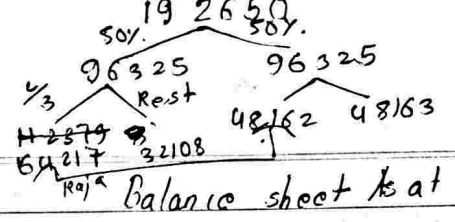
Capital Interest less

1402500  
1136500  
1171200  
1171200

22/11/12

**Raja and Rank Co.**  
Income statement for the year  
Ended 31.12.2013

Particulars	Amt	Particulars	Amt
To opening stock - WP		By closing stock	5,000
To R.M consumed		By cost of production of good (B/F)	118,000
Op. RM			
+ Purchase 7,500			
- Closing RM 30,000			
To wages 20,000			
+ O/S wages 50,000	25,000		
To Rola Hos	1,500		
Salary to M.M. 12,000	12,000		
(+) O/S wages 6,000	6,000		
Cap. exp. 1,500	1,500		
Factor expenses 2,500	2,500		
To opening stock finished	40,000		
To cost of goods produced b/d	118,000	By sales (net)	32,500
To gross profit c/d	217,000	By closing stock of finished goods	50,000
	375,000		375,000
To office salaries			
+ O/S salaries 6,000			
To office Rent		By gross profit b/d	217,000
+ O/S Rent 2,000		By Commission Income	10,000
To Bad debt 1,500		By Discount Allowed	2,500
+ New provision 1,250			
- Old provision 1,500	1,250		
To insurance premium 2,000			
(-) Prepaid 500	1,500		
To Discnt	2,900		
To Dep <sup>n</sup> FR	3,750		
To " P & M	2,250		
To office expen	1,500		
To Net profit c/d	20,450		
	229,500		229,500



Balance sheet as at 31.12.2013

Capital A/Cs		Free hold premises 109,000	
Raja 168,379		(-) Dep <sup>n</sup> @ 25% 3,750	146,250
Rank 113,271	281,650	Plant and Machinery 45,000	
		(-) Dep <sup>n</sup> @ 5% 2,250	43,750
		Closing stock	
O/S Expenses		RM 30,000	
- Wages 5,000		F.G. 50,000	
- Salaries 6,000		WIP 25,000	
- Rent 2,000	13,000	Debtors 50,000	105,000
Sundry credits	25,000	(-) Provision 1,250	
To Dep <sup>n</sup> FR	3,750	Advance / Prepaid	500
To " P & M	2,250	Insurance	
To office expenses	7,500	Cash at Bank	8,200
Rank's Loan 30,000			
Rank @ 6%	1,800		
To Interest on Rank loan	35,145		
	118,000		351,450

To Interest on Rank's loan	1,800	By Net prof. b/d	203,450
To salary to Partner			
Raja 6,000	9,000		
Rank 3,000			
To Net profit b/d			
To Raja	112,379		
To Rank	80,271		

5,000	10,000
14,500	

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

(iii)  
(ii) Plant and Machinery 350,000 → 30,000  
6 months. (50,000) → 72,500

(1) Depn (Plant and Machinery A/C) Dr 30,000  
To Plant and Machinery 32,500

(2) Depn A/C Dr 16,000  
To Goodwill A/C 16,000

(V) Prepaid A/C Dr 15,000  
To prepaid expenses 15,000

(VI) Income tax A/C Dr 15,000  
To income tax payable A/C 15,000

(vi) Profit and loss A/C Dr 15,000  
To income tax A/C 15,000

Bad debt A/C Dr 5,000  
To Debtor A/C 5,000

Debtors balance - 145,000  
net debtors " - (5,000)  
140,000 X 10%

provision for doubtful debt → 14,000

excess balance.

provision for doubtful debt A/C Dr 14,000  
To P and L A/C 14,000

Purchase A/C Dr 10,000  
To ~~Bank~~ Creditor A/C 10,000

PIL A/C Dr 50,000  
To Interest on capital A/C 50,000  
Drawing A/C Dr  
To PIL A/C

Interest on drawing A/C Dr 500  
To PIL A/C 500

Trading & Profit and loss A/c  
As on 31st March 2013

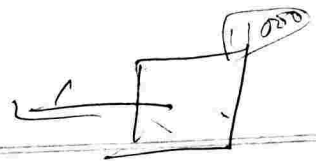
Balance sheet  
As on 31st March 2013

Particulars	Amt	Particular	Amt
To opening stock	50,000	Sales 321,000	321,000
Purchase 150,000	139,000	(- Less Return 10,000)	311,000
(-) Loss Return 5,000	45,000		
(-) Drawing 6,000	20,000		
Wages			
To gross profit A/c	62,000	Closing stock	60,000
	<u>371,000</u>		<u>371,000</u>
		By gross profit	62,000
Dep <sup>n</sup> on Furniture	2,000	Interest earned	4,000
Salaries $\frac{30,000}{+3,000}$	30,000 + 3,000	Commission received	2,000
- 2,000		Provision for bad debt	6,000
Rent	15,000		
Bad debt	17,000		
Printing and Stationery	8,000		
Office Expenses 50%	12,000 + 8,000		
Insurance 12,000	10,000		
- 2,000	7,000		
Net profit	<del>8,000</del>		17,400
	<u>174,000</u>		<u>174,000</u>

Liabilities	Amt	Asset	Amt.
Capital 100,000			
creditor	82,000	Closing stock	60,000
(-) Drawings 24,000			
(-) Drawings 6,000			
+ Net profit 7,000	141,000		
		Debtor	
		Furniture 20,000	18,000
		- 2,000	
Creditors 120,000	120,000	Debtor 200,000	190,000
		- Provision 10,000	
		Advance salary	2,000
Outstand salary	3,000	Prepaid insurance	3,000
Outstand office expenses	8,000		
	<u>272,000</u>		<u>272,000</u>

4

Bud



Working Note:-

- ① Dep<sup>n</sup> A/c Dr 2,000  
To Furniture A/c 2,000
- ② Provision for Doubtful Debt A/c Dr 10,000  
To Debtor 10,000
- ③ Provision for Doubtful Debt A/c Dr 10,000  
To P/L A/c 10,000
- ③ Salary A/c Dr 3,000  
To outstanding salary 3,000  
  
Advance salary A/c Dr 2,000  
To salary A/c
- ④ Advance Prepaid insurance A/c Dr 2,000  
To insurance A/c 2,000
- ⑤ Office expenses A/c Dr 8,000  
To outstanding office expenses 8,000
- ⑥ Drawing A/c Dr 6,000  
To Stock A/c 6,000  
  
Closing Inventory A/c Dr 6,000  
To Trading A/c 6,000

④ Journals

Debtor	Creditor
3,000	1,000
<u>2,000</u>	

Miss Rosy A/c Dr 2,000  
To Debtor A/c Dr 2,000  
To Miss Rosy 2,000

Provision for Doubtful Debt 1200  
To P/L A/c 1200  
24000  
- 1200  
22800 X 2%

Reserve A/c Dr 456  
To cash A/c 456

- ③ Dep<sup>n</sup> A/c Dr 500  
To Furniture 500
- ④ Drawing A/c Dr 600  
To purchase A/c 600
- ⑤ Interest on bank loan A/c Dr 1200  
To bank loan A/c 1200
- ⑥ Advances  
Prink & Stab A/c Dr 3650  
To Prink & Stab 3650

Purchase A/c Dr 400  
To creditor 400

Stock A/c Dr 78,600  
To tray A/c 78,600

Trading and P&L A/c  
As on 31st Ashad 2070

Particulars	Amt	Particulars	Amt
Opening stock	46,800	Sales 389,600	
+ Purchase 321,700		Less rebn - 5,800	383,800
Less rebn - 5,800		86,000	397,000
+ Omission 400	400	Clng sh	78,600
(-) Drawing 600	97,100		
To profit at lo,	97,500	By closing stock	78,600
	4,59,600		459,600
Bad debt			
To provision for bad debt		To gross profit	97,100
+ 1200	1200	97,900	
Discount allowed	456	Mis. incrn	250
Interest on bank loan	1200	Discount earned	4190
+ Bank interest	900		
Printing and Stationery	14,600		
14,600	10,950		
-(3650)			
Freight and Carriage	18,600		
Rent and Taxes	5,700		
Salaries and wages	9,350		
Discount Allowed	1800		
Gen. Expenses	11,450		
Insurance	1300		
Post and telegram	2330		
Travelling Expns	870		
Depn A/c	500		
To net profit	35,784		34,984

Balance Sheet As  
On 31st Ashad 2070

Liabilities	Amt	Asset	Amt
Capital 86,690		Debtor A/c 24,000	23,000
Less (-) Drawing 600		(-) <del>1000</del>	
(-) Drawing 400		- 1200	21,800
(-) Drawn 40,000	81,874	<del>56</del>	
(+) 35,784	81,074	Cash at bank	8,000
34,984		Cash in hand	380
Creditor 14,800	13,800	Furn & fitting 5,000	
- 1000		(-) Depn 500	4,500
Bank loan	20,000	Closing stock	78,600
+ Interest 6%	1200	Advance Printy & Stationery	3650
Furniture & fitting	5,000		
Reserve for discount	456		
to creditor	400		
	116,930		116,930

Purchase A/c Dr 400  
To Creditor 400

1/9  
Page No. 150  
1200

30, 000  
1000  
1000  
1000



(5)

Statement of Profit and Loss  
As on 31.12.2012

Particular	Amt	Particular	Amt
Opening stock	30,000	Sales <sup>249,000</sup> - 6000	243000
(Less) Discount on purchase	4000	Less Return	
Purchase	119500		
Wages	28,000		
To gross profit	54500		
	93500	Closing stock	30,000
	278,000	Add <sup>5000</sup> ⊕ 5,000	
			278,000
W.N.1. Bad Rent	1,200	W.N.1. Bad debt	510
Dep <sup>n</sup> on plant and machinery	2,000	To gross profit	58,000
Repairs to plant	16,000	Discount on purchase	4,000
Salaries	7,000	To gross profit	93,500
Building Dep <sup>n</sup>	2,500	Bad debt.	760
Bad debt	1,000		
	3,000		
New provision (+) 1240			
Income tax	500		
To commission payable	7496		
To general manager	3570		
To work manager	71394		
Net profit.			

78570 94010

Balance Sheet

As on 31.12.2012

Liabilities	Amt	Assets	Amt
Capital	60,000	Land	24,000
Less (-) Drawing	5000	Building	50,000
Net profit	71394		
Bank <sup>overdraft</sup> liabilities	13,800	- Income tax (500)	1500
Salaries outstanding	2,000	Cash in hand	2,000
Bills payable	3,000	Plant and Machinery	18,000
Sundry creditors	23,300	Closing stock	30,000
Commission payable	7496	Add: Goods with customer	5,000
	3570	Debtor	35,000
		Sales (-) 6000	
		Rent (-) 1200	
		Bad debt (-) 3000	31290
		Provision (+) 600	23560
		(+) 1240	
		Accrued Income	2,000
		Bills receivable	30,000
			1,94,560

Rent Rent  
Total To debit = 74964

Debtor A/c Dr 5,000  
 © To Sales A/c 5,000

Rent A/c Dr  
 To landlord A/c

Debtor A/c Dr 12,00  
 To landlord A/c 12,00

5,000

1,190

Working note B/D  
 1000  
 (+) 3,000  
 (+) 1490  
 = 6,000

Profit 510

DR	CR
1000	6,000
3000	
1200 + 1490	
(To P/L) → 510	
6,000	6,000

Net profit 52810.

Profit x Commission %  
 100 + %

Profit x Commission %  
 82460 100 + %  
 = 52810 ×  $\frac{10}{100+10}$   
 = 52810 ×  $\frac{10}{110}$   
 = 4801.

Profit x Commission %  
 74967 100 + %  
 52810 ×  $\frac{5}{100+5}$

= 74964 ×  $\frac{5}{105}$   
 = 35070

Working

① For office rent = 6,400

Particular	Amount	Particulars	Rs
To cash A/c (500 @ 8)	4,000	By <del>balance b/d</del>	4,000
To cash A/c (600 @ 4)	2400	By cash a/c	6,400
To balance c/d	4,000		
	10,400		10,400

Ad. Rent  
 To Rent A/c

To S Rent Rent Dr  
 To G/S Rent

500 × 8 months = 4,000.

Also 600 @ 4 = 2400

Total 6400

Prof

Dr ↓  
Cr ↓  
Dr ↑ ↑  
Cr ↑ ↑  
0/s ↑

⑥

Statement of profit and Loss

Particular	Amt	Particular	Amt
Opening stock	30,000	Sales :- 3 30,000	330,000
Purchase	210,000	less return :-	
	7100-		
To gross profit	110,000	Closing stock	20,000
	3,50,000		3,50,000
		To gross profit	110,000
		Profit on sale	60,000
Office Rent			
Dep <sup>n</sup> - 900	3900		
Dep <sup>n</sup> - 3000			
Office Rent 6,400	6400		
less (*) Ad. Rent 4,000			
Selling Expenses	33,000		
Salaries - 8000	19,000		
Audit Fee	24,00		
Net profit	109,300		170,000

Statement of financial position  
Or 31.12.1

Liabilities	Amt	Assets	Amt
Capital : 35,000		Furniture and fittings	8100
Less: Drawing : 18,000		9,000	
		Less:- Dep <sup>n</sup> = 900	
		Motor Car 15000	13000
		Less:- Dep <sup>n</sup> = 3000	
		Advance Rent	400
Sundry Creditor	7700	Sundry Debtor	14,000
		Cash at bank	15,000
		Cash at hand	900
		Advance salary	6000
		Closing stock	<del>50,000</del>
			29,000

Working note

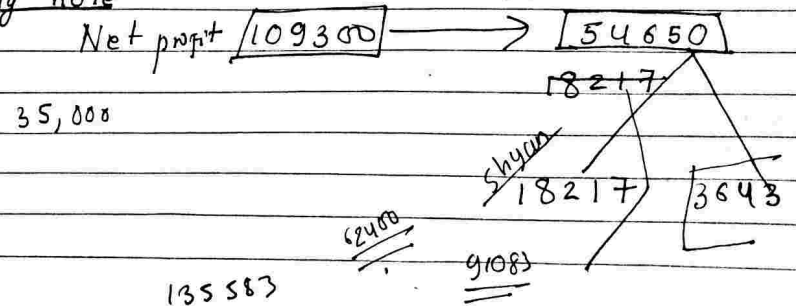


Illustration no 9

Date

Page No.

Date

Page No.

10,000

6,800

16,50,260

23400

2,00,000

15,000

2,500

35,240

6210

6,000

25,600

2220

1,500

37,250

18,35,250

9050

4,225

32,212

11,265

3200

5120

1218

22040

25,650

35,420

40,000

31,200

65210

22126910

2070620

186290

# Profit and Loss Statement

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Particulars	Amt	Particular	Amt
Up to 6 months Opening stock	30,000	Sales	110,000
Purchase	1,00,000	Closing stock	50,000
To gross profit	30,000		
	1,60,000		1,60,000
Till			
After six months Opening stock	50,000	By gross profit	30,000
Dep <sup>n</sup> A/c 900 450	2,900		
+ 1500 + 3000	1950		
Selling Expenses	11,000		
Salary (to Shyam)	9000		
Office rent	3500		
Audit fee	1200		
To net profit	3850		
	30,000		30,000
Opening stock	50,000	Sales	2,20,000
Purchase	1,10,000	Closing stock	20,000
To gross profit	80,000		
	2,40,000		2,40,000
Dep <sup>n</sup> A/c - 450	1950	By gross profit	80,000
+ 1500			
Selling expenses	22,000		
Office rent	3,400		
To audit fee	1200		
To net profit share			
- Ram 34300	51450		
$\frac{1}{3}$ - Shyam 17150			

# Balance Sheet

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Liabilities	Amt	Assets	Amt
Capital 35,000	35,000	Furniture and fittings	
Less :- Drawing 18,000		9000	8100
After Add :- Net profit 34300	55150	Dep <sup>n</sup> Less(-) 900	
Add :- Net profit 3850		Motor car 15,000	12,000
6 months		Less(-) 3000	
Creditor	7700	Advance salary	6000
Outstanding share of profit	17150	Rent Advance	4,000
		Sundry Debtor	14,000
		Cash at Bank	15,000
		Cash in hand	900
		Closing stock	20,000
	80,000		80,000

N.P.O

(3)

ABC Club  
Receipts and Payment Acct

Receipts	Rs.	Payment	Rs.
Subscription	120,000	Wages of groundman	24,000
Donation receipts	25,000	G. Expenses	30,000
Sale of old furniture	200	Expn. for tournaments	50,000
		Audit fees	500
		Repairs to ground	10,000
		Audit fees	500
		Depn of furniture	3,000
		By balance b/d	64,200
	230,200		230,200

Statement of Financial Position

Liabilities	Rs.	Assets	Rs.
Wages	24,000	Donation received	25,000
Depn	3,000	Subscriptions outstanding	15,000
Expenses	30,000	Wages	
Tournaments	50,000	OFF furniture	15,000
Ground	10,000	Depn	3,000
Audit fee	500	Subscription	120,000
Surplus	223,100	Sale of old furniture	200

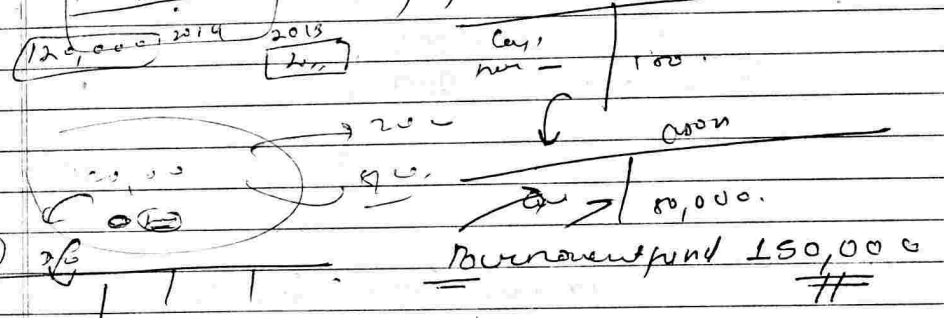
Working Notes (Opening Statements)

a/s wages	10,000	cash at bank	60,000
		outstanding	15,000

14/12/14  
15/12/14

Subscription

In year 2014	120,000
	+ 20,000
	- 5,000
	135,000
	+ 15,000
	150,000



Donation

Donation received	25,000	Tournament expenses	100,000
Subscriptions outstanding	15,000	Donation	200,000
Wages			
OFF furniture	15,000		
Depn	3,000		
Subscription	120,000		
Sale of old furniture	200		

cash	1,00,000	Count	-1,00,000
------	----------	-------	-----------

B.P Memorial Hospital

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Income Exp	Amt	Expenditure Income	Amt
By specialist's fees	Rs 250,000	Mis-income	500
Bill for equipment	550,000	Donation	15,000
Dep'n 750,000 @ 10% 75,000	75,000	Sales of investment	50,000
Bill	1,25,000	Bill of cost	
T. expenses			
Salary to staff	425,000		
General expenses	75,000		

5 Kathmandu Football Association

Receipts	Amt	Payment	Amt
To Subscription	10,00,000	By Sports material	25,000
Donation for tournament	15,000	Repairs to ground	50,000
Donation	25,000	Wages to staff	250,000
Income from investment	60,000	Expenses for tournament	50,000
Opening balance - Cash	280,000	Expenses for prize - construction	40,000
To - b/d - Bank	20,000		1,25,000
		By balance c/d	5,25,000

Furniture 50,000 @ 20%  
Sports equipment 20,000 @ 20%

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Expenditure	Amt	Income	Amt
To sports material	25,000		
To repairs to ground	50,000	Subscription	10,00,000
Wages to staff	250,000	Donation for tournament	15,000
Expenses for tournament	50,000	Donation	25,000
Expenses for prize construction	40,000	Income from investment	60,000
1,25,000			
Outstanding expenses:			
Audit fee	3,000		
Stationery	Rs 40,000		
Fer of coach	40,000		
B. of supplies	25,000		
B. prizes	5,000		
Dep'n	20,000		
	198,000		
Surplus	238,000		
	10,60,000		1,00,000
			11,00,000

Statement of Financial Position

Liabilities	Amt	Assets	Amt
Capital fund	11,00,000	lease hold ground	450,000
(+) Surplus 198,000	12,98,000	Furniture 50,000	50,000
Tournament fund	2,15,000	(-) Dep'n 10,000	40,000
Prize fund 1,00,000		Tournament fund investment	
Add donation 25,000	1,25,000		
Current liabilities	50,000		
By audit fees			

# Accounting For Royalties

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

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- 4 B

Date \_\_\_\_\_  
Page No. \_\_\_\_\_

Year	Output	Actual Royalties	Minimum rent	Shortworking			Amount payable	Shortworking A/c				
				Suffered	Recovered	Written off		Date	Particulars	Rs	Particulars	Rs
1	2,000	50,000	100,000	50,000	-	-	2001	To landlord A/c	50,000	By balance c/d	50,000	
2	2,500	62,500	100,000	37,500	-	-		To Balance b/d	50,000	By balance c/d	87,500	
3	2,800	70,000	100,000	30,000	-	-	2002	To landlord A/c	37,500			
4	4,000	1,00,000	1,00,000	-	-	-		By balance b/d	87,500			
5	5,200	1,30,000	1,00,000	-	30,000	-	2003	To landlord A/c	30,000	By balance c/d	1,17,500	
6	6,500	1,62,500	1,00,000	-	62,500	-		By balance b/d	1,17,500			
7	6,800	1,70,000	1,00,000	-	70,000	-	2004	By balance b/d	1,17,500	By landlord A/c	30,000	
8	2,600	65,000	1,00,000	35,000	-	-		By balance c/d	87,500	By balance c/d	87,500	
9	5,000	1,25,000	1,00,000	-	25,000	-		By balance b/d	87,500	By landlord A/c	62,000	
10	5,500	1,37,500	1,00,000	-	37,500	-		By balance c/d	24,500	By balance c/d	24,500	
								By balance b/d		25,000	By balance	25,000
								Total transfer of c		35,000	By balance c/d	84,500

In the books of

Date	Particulars	Rs	Date	Particulars	Rs
2001	To landlord A/c	50,000		To landlord A/c	50,000
2	To landlord A/c	62,500		To "	62,500
3	To landlord A/c	70,000		To "	70,000
4	To landlord A/c	1,00,000		To "	1,00,000
5	To landlord A/c	1,30,000		To "	1,30,000
6	To landlord A/c	1,62,500		To "	1,62,500
7	To landlord A/c	1,70,000		To "	1,70,000
8	To landlord A/c	65,000		To "	65,000
9	To landlord A/c	1,25,000		To "	1,25,000
10	To landlord A/c	1,37,000		To "	1,37,000

Dr		Cr	
Date	Particulars	Rs	Particulars
	To Bank A/c	1,00,000	By Royalties A/c
	To Shortworking A/c	30,000	By shortworking
			By Royalty
			1,30,000



(2)

Year	Sales affected	Actual Royalties	Minimum royalty	Surplus	Short working				Amount payable
					Suffered	Recovered	When off	C/F	
2002	840,000	84,000	110,000	-	26,000	-	-	26,000	110,000
2003	1,200,000	1,20,000	110,000	10,000	-	10,000	<del>16,000</del>	16,000	110,000
2004	1,680,000	1,68,000	110,000	58,000	-	<del>16,000</del>	<del>16,000</del>	-	152,000
2005	2,250,000	2,25,000	110,000	1,15,000	-	<del>16,000</del>	<del>16,000</del>	-	2,25,000

Landlord Account

Date	Particulars	Rs	Date	Particulars	Rs
2002	To Bank A/c	110,000		By Royalties A/c	84,000
				By Short working A/c	26,000
		110,000			1,10,000
2003	To Bank A/c	110,000		By Royalties A/c	1,20,000
	To Short working	10,000		By Short working A/c	
		1,20,000			1,20,000
2004	To Bank A/c	1,52,000		By Royalties A/c	1,68,000
	To Short working A/c	16,000			
		1,68,000			1,68,000
2005	To Bank A/c	2,25,000		By Royalties A/c	2,25,000

In the Books of M/s AQUA Ltd

Date	Particulars	Rs	Date	Particulars	Rs
2002	To M/s Beanta Ltd	84,000	2002	By manufacturing A/c	4,000
2003	To M/s Beanta Ltd	1,20,000	2003	By " " "	1,20,000
2004	To " " "	1,68,000	2004	By " " "	1,68,000
2005	To " " "	2,25,000	2005	" " "	2,25,000

Short working Account

Date	Particular	Rs	Date	Particular	Rs
2002	To landlord A/c	26,000	2004	By balance b/d	26,000
		26,000			26,000
2003	By balance b/d	26,000		To landlord A/c	10,000
				By balance b/d	16,000
		26,000			26,000
2004	By balance b/d	16,000		To landlord A/c	16,000
				To P/L A/c	16,000
		16,000			16,000

Year	Output	Royalty	Min rent	Shortworkings				Amount payable
				Surplus	Suffered	Recovered	with off	
2003	2,000	5000	22,000		17000	-	-	22,000
2004	3,600	9000	22,000		13000		30,000	22,000
2005	9000	22500	22,000	500	-	30,000	29500	22,000
2006	15,000	37500	22,000	15500	-	15500	40000	22,000
2007	25,000	62500	22,000	-	-	-	-	62500

Royalty Account

Date	Particulars	Rate	Particulars	Rate
2003	To landlord A/C	5000	By PIL A/C	5000
2004	To landlord A/C	9000	By PIL A/C	9000
2005	" " "	22,500	" " "	22,500
2006	" " "	37,500	" " "	37,500
2007	" " "	62,500	" " "	62,500

Shortworkings Accounts

Date	Particulars	Rs	Particulars	Rs
2003	To Landlord A/C	17000	By balance c/d	17000
		17000		17000
2004	To Landlord A/C	13000	By balance c/d	13000
		13000		13000
	By b/d	30,000	To Landlord A/C	500
		3900	To balance c/d	29500
	By b/d	29500		30,000
		29500	By Landlord A/C	15500
			By PIL A/C	14000
				29500

Landlord A/C

Date	Particular	Rs	Particulars	Rs
2003	To Bank A/C	22,000	By Royalties A/C	5000
			By Shortworking A/C	17,000
		22,000		22,000
2004	To Bank A/C	22,000	By Royalties A/C	9000
			By Shortworking A/C	13,000
		22,000		22,000
2005	To Bank A/C	22,000	By Royalties A/C	22,500
	By Shortworking A/C	500		
		22,500		22,500
2006	To Bank A/C	22,000	By Royalties A/C	37,500
	By Shortwork A/C	15,500		
		37,500		37,500
2007	To Bank A/C	62,500	By Royalties A/C	62,500
		62,500		62,500

Year	Copies	Royalty	Min Rent	Surplus	Suffered	Recovered	w/o	CIF	Am
1	2	44,000	80,000	-	36000	-	-	36,000	80,000
2		88,000	80,000	8,000	-	8000	-	28000	80,000
3		110,000	80,000	30,000	-	28000	2000	-	80,000
4		140,000	80,000	-	-	-	-	-	80,000
				3600		70	800		
				2800		2000			
				2800		2000			

Year	Sales (Copies sold Unit price)	Royalty (Actual)	Min royalty	Surplus	Shortworkings			CIF	Amount Payable
					Suffered	Revised	Written off		
1	220,000	44,000	80,000	-	36,000			36,000	80,000
2	4,40,000	88,000	80,000	8,000		8,000		28,000	80,000
3	5,50,000	1,10,000	80,000	30,000		30,000		0	1,10,000
4	2,00,000	40,000	80,000		40,000		40,000		80,000

Royalty

Date	Particulars	Amt	Particulars	Amt
1	To, Royalty Mr Pandey	44,000	By P/L A/c	44,000
2	To Mr Pandey	88,000	By P/L A/c	88,000
3	To Mr Pandey	1,10,000	" " "	1,10,000
4	" " "	40,000	" " "	40,000

Shortworking A/c

1	To landlord A/c	36,000	By balance b/d	36,000
2		36,000		36,000
3	By balance b/d	36,000	To landlord A/c	8,000
4	By balance		By balance b/d	28,000
		36,000		36,000
	By balance b/d	28,000	To landlord A/c	30,000
	By balance b/d	2,000		
		30,000		30,000

Landlord A/c

Date	Particulars	Amt	Particulars	Amt
2001	To Bank A/c	80,000	By Royalties A/c	44,000
			By Shortworkings A/c	36,000
		80,000		80,000
2002	To Bank A/c	80,000	By Royalties A/c	88,000
	By Shortworkings A/c	8,000	By Shortworkings A/c	
		88,000		88,000
2003	To Bank A/c	82,000	By Royalties A/c	1,10,000
	By To S shortworking A/c	30,000		
		1,10,000		1,10,000
2004	To Bank A/c	80,000	By Royalties A/c	40,000
			By Shortworkings A/c	40,000
		80,000		80,000

82,000  
30,000

1,10,000

5

Royalties Analysis

Year	Actual		Min		Shortworkings				C/F	Amt paid
	No. of Books	Roly	Roly	Rent	Surplus	Surplus	Recovered	Written off		
2008	800	160,000	600,000			4,40,000	-	-	4,40,000	6,00,000
2009	1600	3,20,000	6,40,000			3,20,000	-	-	7,60,000	6,00,000
2010	5400	10,80,000	6,80,000		4,00,000				3,20,000	6,00,000
2011	3600	7,20,000	7,20,000		-				3,20,000	7,20,000
2012	4200	8,40,000	7,60,000		80,000				-	8,40,000

Royalty

Date	Particulars	Amt	Particulars	Amt
2008	To L.G Industries	1,60,000	By P/L A/C	1,60,000
2009	To L.G " "	3,20,000	" " "	3,20,000
2010	" " "	10,80,000	" " "	10,80,000
2011	" " "	7,20,000	" " "	7,20,000
2012	" " "	8,40,000	" " "	8,40,000

Shortworkings A/C

Date	Particulars	Amt	Particulars	Amt
2008	To L.G Industries	4,40,000	By balance c/d	4,40,000
2009	By balance b/d	4,40,000	By balance c/d	7,60,000
	To L.G Industries	3,20,000		
2010				

2 1/5 = 10/5 = 2

Bank  $\frac{5}{105}$

6 1/2 math

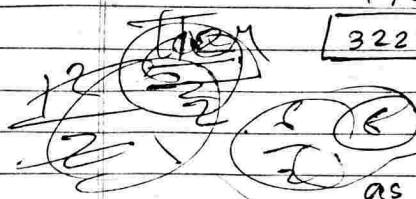
Adj  $\frac{5}{105}$  Cash bank

6 math

5 1/2 math

160  
1740  
3220

To b/d 4082  
30,000 58  
300 1000  
200  
5120



as per cash bank (3220)

Sales A/C Dr 270

- 1140

To suspense A/C 180

+ 2000

+ 3760

~~Prod A/C Dr~~  
To ~~...~~

To pass bank (1400)

~~...~~  
To ~~...~~

Cash A/C -

Mr. Karm A/C Dr.

to Kanna

Suspense

Cash A/C Dr

Suspense -

Normed pm

To Kanna

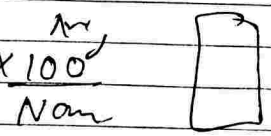
38

~~...~~ = Capital Emby X Non 100

To Kanna

"

Total value of Arg profit X 100



O - O = -  
X 3 =

.75X

Year	Tons	Min	Surplus	Shortage				Amt
	Royalty	rent		Supplied	Recouped	w/o	CF	available
1st	7500	15,000	-	7500	-	-	7500	15,000
2nd	9000	15,000	-	6000	-	-	13500	15,000
3rd	21000	15,000	6000	-	6000	1500	6000	15,000
4th	18750	15,000	3750	-	3750	2250	-	15,000
5th	37500	15,000	22500	-	-	-	-	37500
6th	11250	9000	2250	-	-	-	-	11250

10,000	60,000	-	50,000	-	-	50,000	60,000
70,000	60,000	10,000	10,000	10,000	10,000	10,000	60,000
80,000	60,000	20,000	-	20,000	20,000	20,000	60,000
120,000	60,000	-	-	-	-	-	60,000

		Surplus	Short	Recouped	w/o	CF	Amt
2300	34,500	75,000	-	40500	-	40500	75,000
3600	54,000	75,000	-	21000	-	61500	75,000
51000	75,000	75,000	-	-	-	61500	75,000
5500	82,500	75,000	7500	7500	7500	61500	75,000
8300	124,500	75,000	-	-	-	54,000	75,000

78,000

960,000	890,000
34,000	<del>29,000</del>
121,000	450,000
29,000	

Qty	Amt	Qty	Amt
1500	2625000	600	156,000
900	1575000		6000
			4500
			1000
		600	<del>1575000</del>
			152,000

121500

600 166,500

450 124875

41625

Qty	Amt	Qty	Amt
500	2,00,00,000	500	200,00,000
	487500		487500
500	2,04,87,500	500	2,04,87,500
	3,75,000	490	2,00,77,750
500	2,08,62,500		3,75,000
375	1,56,46,875	490	2,04,52,750
125	5,21,5,625	375	1,56,000

## Admission of Partner

### Revaluation A/C

Particulars	Rs	Particulars	Rs
To goodwill A/C	27840	By machinery A/C	75,000
To machinery A/C	7500	By accrued income	4,000
Provision for investment (16,000 + 20,000)	<del>36,000</del> 20,000	Debtor 160,000	
Provision for doubtful debt	4,000	less: PDD 20,000	
To Capital		+ 4,000	
Rani 23220	25220	Workmen compensation	42,000
Milli 50440	50440	Fund	
		By cash	14,000
	1,35,000		1,35,000

### Partners Capital A/C

Particulars	Partners			Particulars	Partners		
	Rani	Milli	Tina		Rani	Milli	Tina
To goodwill	18560	9280		By balance b/d	240,000	196,000	-
To balance c/d	30,2660	26,5160	4,09,000	By cash	-	-	4,00,000
				By reserve	56,000	28,000	-
				By revaluation	25,220	50,440	-
	321,220	274,440	4,00,000		3,21,220	2,74,440	4,00,000

### Statement of Financial Position

Liabilities	Rs	Assets	Rs
To goodwill A/C	27840	Goodwill	12000
Capital		Investment	2,00,000
Rani 3,02,660		Stock	120,000
Milli 2,65,160		BIR	1,00,000
Tina 4,00,000		Debtor 160,000	136000
Investment provision		less: - 24000	
- 16,000	36,000	Bank 120,000	134000
+ 20,000	20,000	+ 14,000	
Workmen compensation		4,00,000	
Fund 48,000	6000	+ 14,000	
- 42,000			
Sundry Creditors	56,000		

Year	Profit
2006	6,00,000
2007	7,50,000
2008	9,00,000
	<u>22,50,000</u>

Average profit =  $\frac{22,50,000}{3} = 7,50,000$

Normal profit = Capital Employed X Normal rate of return  
 $\frac{42}{112} \times \frac{35}{112} = \frac{30,00,000 \times 25}{100} = 7,50,000$

Super profit =  $8,00,000 - 7,50,000 = 50,000$

(ii)

Goodwill = 375,000  
Capitalization

Normal profit = 7,50,000  
Average profit =  $\frac{8,00,000}{3} = 2,66,667$   
 Goodwill =  $\frac{2,66,667}{25\%} = 10,66,667$

Goodwill =  $32,00,000 - 30,00,000 = 2,00,000$

$\frac{6}{14} : \frac{5}{14} : \frac{3}{14} = 6 : 5 : 3$   
 $\frac{7}{8} : \frac{14}{8} = 7 : 14$

$\frac{42}{6} : \frac{35}{5} : \frac{21}{3} = 7 : 7 : 7$   
 $6 : 5 : 3 : 2 : 8$

Profit	Capital
6,00,000	80,000
1,50,000	50,000
2,70,000	72,000
	<u>48,000</u>

$\frac{1}{4} \times 12,000 = 3,000$

$\frac{1}{4} \times 12,000 = 3,000$   
 $\frac{7,500}{4} = 1,875$

$40,000 \times 1 = 40,000$

$\frac{555,500}{100} = 5,555$

59916

59917

45750

45750  
29400

Capital = 2,35,200

$\frac{205,800}{100} = 2,058$

- ① After 20,70,000 - 25,000 = 18,20,000  
 $25,000 + 5\% \text{ of } 18,20,000 \rightarrow 5\% \text{ of } 18,20,000 = 9,10,000 = 34,10,000$
- OR ②  $\frac{1}{7}$  of profit i.e.  $\frac{1}{7} \times 20,70,000 = 2,95,714$

① is greater so 20,70,000 - 341,000 → given to C

17,29,000

$A = \frac{3}{4} \times 17,29,000 = 12,96,750$   
 $B = \frac{1}{4} \times 17,29,000 = 4,32,250$

2/13 - 1/3 + 1/15 = 10/15

(3)

Revaluation

Particulars	Anil	Sunil	Nabil	Particulars	Anil	Sunil	Nabil
To Credit	-	-	30,000	By balance b/d	240,000	180,000	-
By b/d	270,000	210,000	180,000	By Rev.	30,000	80,000	-
	325,000	255,000		By Cash	-	-	150,000
				By <del>Cash</del> By Credit	-	-	30,000
				By reserve	15,000	15,000	180,000
					215,000	255,000	180,000

Statement of Financial Position

Liabilities	Amt	Asset	Amt
Capital Accounts :-		PPE	390,000
Anil : 285,000 - 315,000		Stock	30,000
Sunil : 255,000		Bank	300,000
Nabil : 180,000	750,000		
Sundry Creditors	30,000		
	<del>30,000</del>		
			780,000

Revaluation

Particular	R <sub>1</sub>	Particular	R <sub>2</sub>
To liability	30,000	By PPE	90,000
To capital		20% share	30,000
Anil 30,000			
Sunil 30,000	180,000		
	210,000		
			120,000

(2) Property Plant and Equipment A/c Dr 38,000  
To profit and loss appropriation A/c 38,000

(ii) Profit and loss appropriation A/c Dr 10,000  
To outstanding expenses 10,000

(iii) General reserve A/c Dr 40,000  
To partner A 20,000  
To partner B 20,000

(iv) Goodwill A/c Dr 40,000  
To A's Capital A/c 20,000  
To B's Capital A/c 20,000

(iii) Bank A/c Dr 75,000  
To C's Capital A/c 75,000

(v) A's Capital A/c Dr 20,000  
B's Capital A/c Dr 20,000  
To Goodwill A/c 40,000

A/c Capital A/c 15,000  
B's Capital A/c 15,000  
C's Capital A/c 10,000  
To g/w A/c 40,000

C's Capital A/c (10,000)  
To A's Capital A/c 5,000  
To B's Capital A/c 5,000  
A's A/c Dr 5,000  
B's A/c Dr 5,000  
To Goodwill A/c 10,000



$\frac{3}{5} - \frac{1}{5} = \frac{2}{5}$        $\frac{51}{5} - \frac{1}{5} = \frac{50}{5}$

Retirement

①

	A	B	C
Old	113	113	113
Gain	4/5	1/5	
Sacrifice			
New	315	215	-

Gaining ratio is 4/5 and 1/5.

Keshav

② Bills Payable Mahesh A/C Dr 25000  
Interest 500

To Cash 10,000  
To Bills Payable 15500

Mahesh A/C Dr 14550  
To Bills Payable 14550  
Cash 452

to Mahesh A/C 14550  
Cash A/C Dr 19500  
Discount 500

To Bills receivable A/C 2000

~~Partners A/C 5400~~  
~~To Mahesh A/C 2900~~

To bills payable 13560  
To Cash 12,400  
To bills payable 11600

Q no 1

Realisation A/C

Part	Amnt	m	
To p.p.e	40500	By Creditor	18,500
To inventories	7,550	By Provision for D/D	600
To investment A/C	20830	By Cash & Cash Equi	12,000
To JLP A/C	14,000	By Riddhi cap A/C	17500
To Debtors	4,300	By Siddhi cap A/C	7000
To Cash A/C (18500-3000)	16500	By Debtor + CRD	55,000
To realisation profit	4235	By Cash A/C	2150
Transferred to Riddhi	2823		
Siddhi & Keshav Partners Capital A/C	1128470		

	R	S	G		R	S	G
To Current A/C	-	-	11,500	By - b/d	40,000	20,000	-
To realisation A/C	17500	11,000		By M/S R-Loan	10,000	-	-
				By JLP Reserve A/C	7,000	4667	2333
				By investment fluctuation	3,000	2,000	1,000
				By realisation A/C	4235	2823	1412
				By realisation A/C	42		
				By Cash A/C	-	-	6755

Cash and Cash Equivalent A/C

To b/d	5420	By realisation A/C	15,500
To realisation A/C	12,000	By realisation A/C	600
To realisation A/C	55,000	By Riddhi Cap A/C	46735
By 4/5 cap	6755	By Siddhi Cap	18490
By Realisation	2150		
	21325		81325

$$S_n = \frac{n}{2} [2a + (n-1)d]$$

$$960,000 = \frac{48}{2} [2a + 47d]$$

Again,  $960,000 = 24 [2a + 47d]$

$$40,000 = 2a + 47d$$

$$2,40,000 = 40$$

$$7,20,000 = \frac{20}{2} [2a + 39d]$$

$$7,20,000 = 20 [2a + 39d]$$

$$36,000 = 2a + 39d$$

$\begin{matrix} m^{\text{th}} + y^{\text{th}} \\ n^{\text{th}} + y^{\text{th}} \\ n + y \\ \hline \end{matrix}$

$\begin{matrix} m + y \\ \hline 2d \\ \hline 0 \end{matrix}$

$$40,000 = 2a + 47d$$

$$36,000 = 2a + 39d$$

$$4000 = 8d$$

$$500 = d$$

$$40,000 = 2a + 47d$$

$$40,000 = 2a + 4 \times 500$$

$\begin{matrix} x^{\text{th}} + y^{\text{th}} \\ n^{\text{th}} + y^{\text{th}} \\ \hline \end{matrix}$

$$a - 2d, a - d, a, a + d, a + 2d$$

$$a - 2d + a - d + a + a + 2d = -2$$

$$4a = -2$$

$$a = \frac{-2}{4} = \frac{-1}{2}$$

$$(a-d)(a+d) = -6$$

$$a^2 - d^2 = -6$$

$$\left(\frac{-1}{2}\right)^2 - d^2 = -6$$

$$\frac{1}{4} - d^2 = -6$$

$$\frac{1 - 4d^2}{4} = -6$$

$$1 - 4d^2 = -24$$

$$4d^2 = 25$$

$$d^2 = \frac{25}{4}$$

$$d = \frac{5}{2}$$

$$a = \frac{-1}{2}$$

$$4^{\text{th}} \text{ term} = a + 3d = \frac{-1}{2} + 3 \times \frac{5}{2} = \frac{-1 + 15}{2} = \frac{14}{2} = 7$$

$$\frac{-7 - 1}{2} = \frac{-8}{2} = -4$$

$$a - 3d = \frac{-1}{2} - \frac{15}{2}$$

$$a - 2d \quad a + 2d$$

$$p^{\text{th}} \text{ term} = t_p = a + (p-1)d$$

$$p + (p-1)d$$

tn = a + (n-1)d

$$(1+2+3+ \dots + 200) - (5+10+15+ \dots + 200)$$

$$\frac{n}{2} [2a + (n-1)d] - \frac{n}{2} [2a + (n-1)d]$$

$$\frac{200}{2} [1 + 200] - \frac{200}{2} [5 + 200]$$

$$20100 - 4100$$

$$16000$$

$$S_n = 3n^2 + 5n \quad t_m = 164$$

$$= 3m^2 - 5m \quad a + (m-1)d = 164$$

$$S_{m-1} =$$

60 min  $\rightarrow$  180 per min

$$\frac{5400 \cdot 180}{20} = 180 \times 60 = 10800$$

$$10710 = 10800 = 10710$$

180

180

$$\frac{5310}{2} = \frac{n}{2} [2a + (n-1)d]$$

3

177

177

$$5510 = \frac{n}{2} [2a + (n-1)d]$$

$$[11 \dots 99]$$

$$a = [13 \dots 97]$$

$$4) 13 \begin{matrix} 3 \\ -12 \\ \hline 97 \end{matrix}$$

$$\frac{n}{2} (a + l)$$

$$\frac{85}{2} (97 + 13)$$

$$4) \begin{matrix} 97 \\ -96 \\ \hline 1 \end{matrix}$$

$$\frac{1}{2} (2(97+13)) n = \frac{97-13}{4} + 1$$

$$4 \times 110$$

$$1210$$

$$tu = a$$

$$t^2 = b$$

$$t_{10} = c$$

$$b^2 = ac$$

$$b = \sqrt{ac}$$

$$t_4 = ar^3$$

$$= 7 \times (2)^3$$

$$= 7 \times 8 = 56$$

$$a = 7$$

$$d = 448$$

$$S_n = 889$$

$$889 = \frac{a}{r-1} (r^n - 1)$$

$$= \frac{448r - 7}{r-1}$$

$$889r - 889 = 448r - 7$$

$$441r = 882$$

$$r = 2$$

$$m(m+ny) + m^2(m^2+ny^2) + m^3 + (m^3+ny^3) + \dots$$

$$\frac{a}{1-r} + \frac{a}{1-r}$$

$$\frac{m}{1-m} + \frac{mny}{1-mny}$$

$$m(1-mny) + (mny)(1-m)$$

$$(1-m)(1-mny)$$

$$m - m^2 + mny + mny - m^2 - mny$$

$$-m^2 + mny - m^2$$

$$(1+a+ar^2+ar^4+\dots) + (1+b+br^2+br^4+\dots)$$

$$\frac{a}{1-r} + \frac{b}{1-r}$$

$$\frac{1}{1-a} + \frac{1}{1-a}$$

(13)  $a \tan = 15.$

$$t_1 = 3(t_2 + t_3) \dots$$

$$a = 3(ar \tan^2 - \dots)$$

$$a = 3 \left( \frac{A}{1-r} \right)$$

$$\tan = 3 \left[ \frac{ar}{1-r} \right]$$

(15)

$$\frac{a^3}{(1-r)^3} = (57)^3 \therefore \frac{a}{57} = (1-r)$$

$$\left( \frac{a}{1-r} \right)^3 = 9747$$

$$\frac{a^3}{(1-r)(1+ar+ar^2)} = 9747$$

Divide (i) by (ii)

$$\frac{a^3}{(1-r)^3} \times \frac{(1-r)(1+ar+ar^2)}{a^3}$$

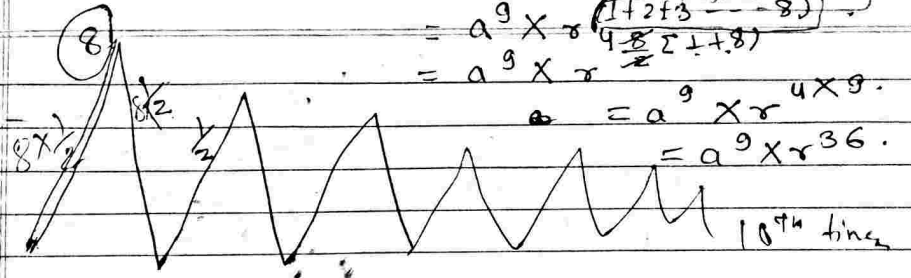
$$\frac{(1+ar+ar^2)}{(1-r)^2} = 19$$

$$t_5 = 3\sqrt{3}$$

$$ar^4 = 3\sqrt{3}$$

$$\text{Product} = a \times ar^2 \times ar^4 \times ar^6 \times ar^8 = a^5 r^{20}$$

$$= a^5 \times r^{20} = a^5 \times (ar^4)^5 = (3\sqrt{3})^5$$



$$8 + \left[ 8 \times \left( \frac{1}{2} \right) + 8 \times \left( \frac{1}{2} \right) \right] + \left[ 8 \left( \frac{1}{2} \right)^2 + 8 \left( \frac{1}{2} \right)^2 \right]$$

$$+ \left[ 8 \left( \frac{1}{2} \right)^3 + 8 \left( \frac{1}{2} \right)^3 \right]$$

$$2 \cdot 8 \left( \frac{1}{2} \right) + 2 \cdot 8 \left( \frac{1}{2} \right)^2 = (3\sqrt{3})^5$$

$$m = 1 + \frac{1}{3} + \frac{1}{3^2} + \frac{1}{3^2} = \dots$$

$$4 = 1 + \frac{1}{4} + \frac{1}{4^2} = \dots$$

$$\frac{a}{1-r} = \frac{a}{1-r}$$

$$\frac{1}{1-\frac{1}{3}} = \frac{1}{\frac{2}{3}} = \frac{3}{2} \quad \frac{1}{1-\frac{1}{4}} = \frac{1}{\frac{3}{4}} = \frac{4}{3}$$

$$m_y = \frac{3}{2} \times \frac{4}{3} = 2$$

$$t_5 = 3\sqrt{3} \quad t_9 = ar^8$$

$$ar^4 = 3\sqrt{3} \quad = (ar^4)^2$$

$$t_5 = 3\sqrt{3} \quad t_9 = a(ar^4)^2 = a(3\sqrt{3})^2$$

(t\_5)

$$(3\sqrt{5})^5 = \text{product } a \times a$$

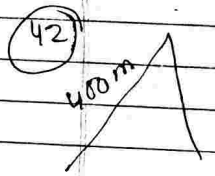
$$\frac{1}{3} m_1 m_2, g \text{ --- } 4P \text{ } n_2$$

$$\frac{g}{m_2} = \frac{m_2}{m_1} = \frac{3m_1}{m_1}$$

$$t_1 = \frac{1}{3}$$

$$t_4 = 9$$

$$r = \left(\frac{t_4}{t_1}\right)^{\frac{1}{4}-1}$$



$$400 + 400 \left[ \frac{3}{4} + \left(\frac{3}{4}\right)^2 + \left(\frac{3}{4}\right)^3 + \left(\frac{3}{4}\right)^4 \right]$$

$$400 + 400 \cdot 2 \left[ \frac{3}{4} + \left(\frac{3}{4}\right)^2 + \left(\frac{3}{4}\right)^3 \right]$$

$$\frac{a(1-r^n)}{1-r}$$

$$\frac{1}{4^n} \left( \frac{-1}{4} \right) \frac{1}{16}$$

$$0 + \frac{23}{100} + \frac{23}{100} + \frac{23}{100} + \dots$$

600,000  
15% 13.5% 12%

$$\frac{15}{100} + \frac{13.5}{100} + \frac{12}{100}$$

$$\frac{1-ar^n}{1-r} = \frac{1-0.9^{10}}{1-0.9}$$

$$45 \times (0.9)^{10} - 1$$

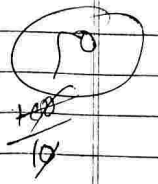
$$90,000(0.9)^9$$

$$540,000$$

$$9 + 99 + 999 + \dots + 10^n$$

$$\frac{1}{10} \times (9 + 99 + 999 + \dots)$$

$$0.9 + 0.9 + 99.9$$



$$\frac{3}{9} \times \frac{ar^n - 1}{r - 1}$$

$$\frac{3}{9} \times \frac{10 \times (10)^n - 1}{10 - 1}$$

$$\frac{10 \times (10)^n - 1}{9}$$

$$A = P \times e^{\frac{rR}{100}}$$

$$e = 2.7183$$

$$Re = \left[ \left( 1 + \frac{Rn}{100m} \right)^m - 1 \right] \times 100\%$$

Date  
Page No.

$$(1-r) S_{\infty} = t + d \cdot \left( \frac{a}{1-r} \right)$$

$$Re = \left[ \left( 1 + \frac{Rn}{100m} \right)^m - 1 \right] \times 100$$

$$SI = \frac{PTR}{100}$$

$$\text{Compound interest} = P \left( 1 + \frac{R}{100} \right)^n$$

$$= P \left( 1 + \frac{R}{100m} \right)^{m \cdot n}$$

$$Dep^n = P \left( 1 - \frac{R}{100} \right)^n$$

$$F.V \text{ of } RA = P \left[ (1+i)^n - 1 \right]$$

$$Re = \left[ \frac{P \left[ (1+i)^n - 1 \right]}{i} - 1 \right] \times 100$$

$$PV \text{ of } RA = \frac{P \left[ (1+i)^n - 1 \right]}{i} \times (i+1)$$

$$\text{Effect rate (Ra)} = P \left( 1 + \frac{R}{100m} \right)^{m \cdot n} \times 100$$

$$R = 8\% \quad i = 0.08$$

$$m = 2$$

$$n = 15$$

$$P = 25,000$$

$$\frac{i}{m} = 0.04$$

$$P.V \text{ of } RA = \frac{P \left[ \left( 1 + \frac{i}{m} \right)^{n \cdot m} - 1 \right]}{\frac{i}{m}}$$

Date  
Page No.

$$= \frac{25,000}{0.04} \left[ 1 - (1 + 0.04)^{-15 \times 2} \right]$$

$$= \frac{1 - 1}{3.2433} \Rightarrow \text{Pension}$$

$$\frac{1 - 1}{3.2433 - 1} \Rightarrow \text{House + Down p/cr}$$

$$25,000 \left( 1 + \frac{8}{100 \times 2} \right)^{15 \times 2}$$

$$25,000 \cdot (1.04)^{30}$$

$$(ii) \quad \frac{120,000}{2} = 60,000$$

$$P.V \text{ of } RA = \frac{P \left[ (1+i)^n - 1 \right]}{i}$$

$$= \frac{60,000}{0.11} \left[ 1 - (0.11+1)^{-15} \right]$$

$$= \frac{60,000}{0.11} \left[ 1 - (1.11)^{-15} \right]$$

$$\left[ \frac{1 - 1}{3.883280} \right]$$

$$= 404992$$

$$= \frac{60,000}{0.055} \left[ 1 - (1.055)^{-15} \right]$$

$$= \frac{60,000}{0.055}$$

- (18)  $P = 5,00,000$   
 $n = 7$  year he got 3,93,000  
 $n = 4$  year he withdraw 3,50,000

$$= \frac{5,00,000 \times 7 \times R}{100}$$

For 4 years,

$$I = \frac{P \times n \times R}{100} = \frac{5,00,000 \times 4 \times R}{100}$$

$$= 20,000 R$$

After withdraw,

$$= 5,00,000 - 3,50,000$$

$$= 1,50,000$$

$$\text{Now } I = \frac{P \times n \times R}{100} = \frac{1,50,000 \times 4 \times R}{100}$$

$$= 6,000 R = 45,000 R$$

$$= 45,000 R$$

$$20,000 R + 45,000 R + 1,50,000 = 5,00,000$$

$$= 3,50,000$$

$$n = \frac{6}{12}$$

$$R = 5.5\% \text{ p.a.}$$

(3)  $\frac{5}{12} = n$

$$R = 6.5\% \text{ p.a.}$$

$$A = 2,17,250$$

$$R = 3$$

$$\frac{PTR}{100} = \frac{n \times 3 \times R}{100}$$

$$A = P + I$$

$$2,17,270 = m + \frac{3mR}{100}$$

$$A = 2,43,000$$

$$R = 4$$

$$\frac{PTR}{100} = \frac{n \times 4 \times R}{100}$$

SI 15750 =  $\frac{P \times T \times R}{100}$   $R = \frac{100 \times I}{PT}$   
 $n = 4$   $= \frac{100 \times 15750}{100 \times 4}$   
 $n = 4$   $m = \frac{400}{4R}$

$$n = \frac{100}{3R} \quad m = \frac{400}{4R}$$

$$\frac{PTR}{100} = \frac{PTR}{100} = \frac{PTR}{100}$$

$$\frac{n \times 2 \times 6}{100} = \frac{4 \times 3 \times 8}{100} = \frac{8 \times 6 \times 6}{100}$$

$$\frac{n \times 12}{100} = \frac{4 \times 24}{100} = \frac{3 \times 36}{100}$$

$$\frac{n}{100} = \frac{2y}{100} = \frac{3 \times 3}{100}$$

$$n = 2y = 33$$

$$n = 2y$$

$$P = \left( \left( 1 + \frac{Rn}{100m} \right)^m - 1 \right) \times 100 \quad \frac{m}{3} = 3$$

(16)

$$P = R$$

$$n = 2$$

$$R = y$$

$$SI = m$$

$$SI =$$

$$\frac{m}{100} \times \frac{P \times 2 \times y}{100}$$

$$P = 100m$$

$$P = 100m$$

$$P = R$$

$$SI = 9,600 + m$$

$$R = y + 6\%$$

$$\frac{2ny}{100}$$

$$\frac{(9600+m)}{100} \times \frac{P \times 2 \times (y+6)}{100}$$

$$P = 100(9600 + m)$$

$$P = 100(9600 + m)$$

$$P = \frac{960000 + 100m}{2(y+6)}$$

$$\frac{100m}{2y} = \frac{960000 + 100m}{2y+12}$$

$$\frac{m}{24} = \frac{9600 + m}{2y+12}$$

1,00,000

SI 160000

30)  $SI = \frac{3}{8} m$   $n = 6 \frac{1}{4}$  years  $R = ?$

~~$SI = \frac{3m}{8} = \frac{m \times 25 \times R}{4 \times 100}$~~

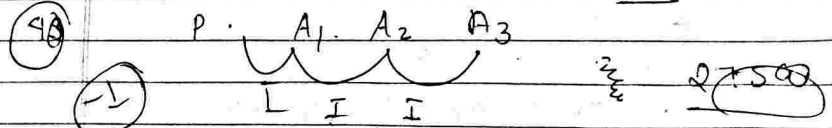
$\frac{3}{8} = \frac{25 \times R}{4 \times 100}$

$1200 = 200$   
6%

31)  $P = 50,000$   $T = 50,000$   
 $n = 2$  years  $n = 2$  y<sup>r</sup>  
 $R = 4\%$  p.a  $R = \frac{25}{4}$

39)  $P = 2,10,000$   $A = 2,60,400$   $50400 = \frac{2,10,000 \times 3 \times R}{100}$   
 $n = 3$  years  
 $I = 2,60,400 - 2,10,000 = 50400$   $8\% = R$   $84\%$

$\frac{2,10,000 \times 3 \times 8}{100}$   
81900 + 291900



$A_3 - 3I = P$   
 $3,32,500 - 3I = P = (2.7183)^{0.6}$

2.7183

15)  $P = ?$   
 $4,50,000 = P \left( \frac{1+R}{100} \right)^n$   
 $= P (1.1)^{10}$   
 $4,50,000 = P \times 2.594$

~~$200 = 5R$   
 $\frac{200}{5} = R$   
 $40 = R$   
 $\frac{800}{T} = R$   
 $T = 20$   
 $8T = 40 \times 20$~~

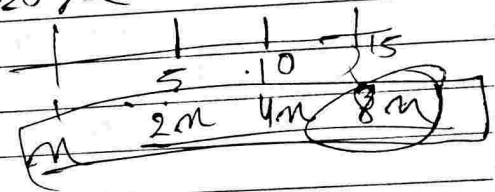
$2\% = \frac{m}{100} \left( \frac{1+R}{100} \right)^5$   $8\% = \frac{m}{100} \left( \frac{1+R}{100} \right)^n$

$2 = \left( \frac{1+R}{100} \right)^5$   $8 = \left( \frac{1+R}{100} \right)^n$

$2 = 1 + 0.08 \times \frac{4}{2} = \frac{(1+R)^n}{100}$

$4 = \left( \frac{1+R}{100} \right)^{20\%}$

$2^{\frac{1}{5}} = \left( \frac{1+R}{100} \right)$



6)  $R_e = \left[ \left( \frac{1+R}{100} \right)^m - 1 \right] \times 100$

$= \left[ \left( \frac{1+R \times 15}{100 \times 2} \right)^2 - 1 \right] \times 100$   
 $= \left[ \left( \frac{1+ \frac{15 \times 1}{100 \times 2}}{15} \right)^2 - 1 \right] \times 100$

6) 3,02,500 after 3 years and 3,66,025 after 5 years.

$3,02,500 = P \left( \frac{1+R}{100} \right)^3$   $3,66,025 = P \left( \frac{1+R}{100} \right)^5$

$3,66,025 = P \left( \frac{1+R}{100} \right)^5$   
 $3,02,500 = P \left( \frac{1+R}{100} \right)^3$

$1.21 = \left( \frac{1+R}{100} \right)^2$   $0.1$   
 $(1.01)^{\frac{1}{2}} = 1.01$   $10\% = R$

$1.1 = \left( \frac{1+R}{100} \right)$



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$\frac{3,20,000 - 20,000}{20} = \dots$

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$\frac{P [(i+1)^n - 1]}{i}$

P = 5,000  
R = 8%  
n = 10

FV of A.D =  $\frac{P [(i+1)^n - 1]}{i}$   
 $= \frac{5,000 [(0.08+1)^{10} - 1]}{0.08}$

20,000 =  
P = 30,000  
n = 5  
i = 0.01

P.V of ann due =  $\frac{P (1 - (i+1)^{-n}) (i+1)}{i}$

$= \frac{30,000 (1 - (0.01+1)^{-5}) (0.01+1)}{0.01}$

$= \frac{30,000 (1 - (1.01)^{-5}) (1.01)}{0.01}$

$= \frac{30,000 (1 - \frac{1}{1.61051}) (1.01)}{0.01}$

$= \frac{30,000 (1.61051 - 1) (1.01)}{0.01}$

$= \frac{30,000 \times (0.61051) (1.01)}{0.01}$

$\frac{82,500}{0.11}$

71  
21x2!

2=  
7x6x5x4x3x2x1

1260

19,000

$\frac{19,000 (0.1+1) - 0.1}{0.1} [1 - (1.1)^{-5}]$   
 $\frac{19,000}{0.1} (1 - \frac{1}{1.61051})$

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Rate  
2,00,000  
72025  
8,90,000

P.V of RA =  $\frac{P (1 - (i+1)^{-n})}{i}$

$= \frac{2,00,000 (1 - (0.15+1)^{-8})}{0.15}$

Milk  
Wage =  $\frac{y}{5+m} = \frac{2,00,000}{0.15} [1 - \frac{1}{(1.15)^8}]$

$\frac{y}{5+m} = \frac{2}{3} = 8,97,464$

12 = 10 + 2m P.V of RA

2 = m  
1 = m

5+1

10 → 4.5 days  
15 → 4.5 x 1.5 = 6.75 days

Men	Days	Work
10	4.5	1
15	n	

67.5

4m = 6y

$\frac{10}{15} = \frac{m}{4.5}$

$\frac{4m}{6} = y$

4 apples = 6 oranges.  
1 apple =  $\frac{6}{4}$  oranges.

Cost of 1 apple =  $\frac{6}{4} \times 6.50$  oranges.

Cost of 6 apple =  $\frac{6}{4} \times$