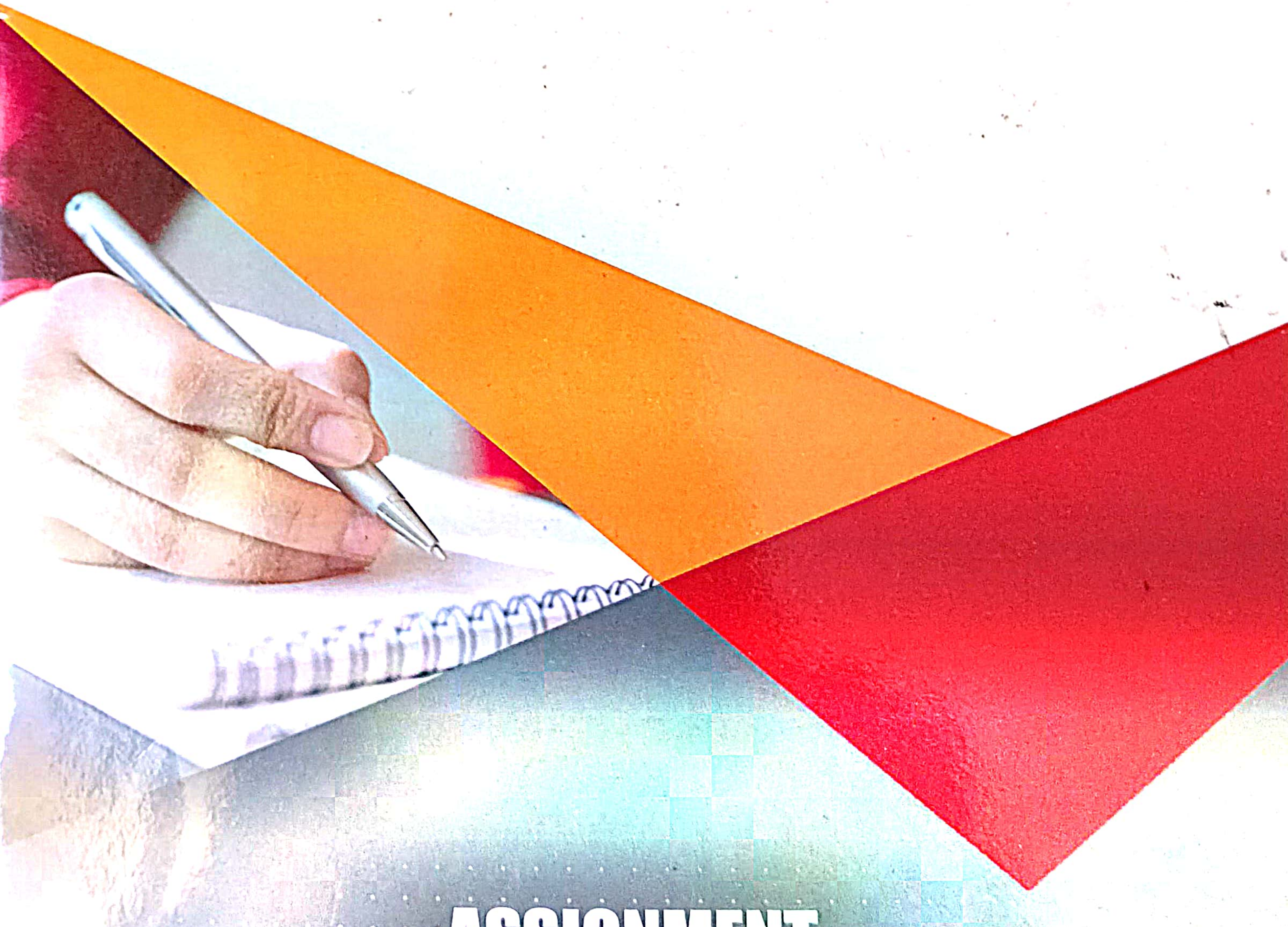
R.K.

GROUP OF COLLEGE

Behind Kalwar Police Station, Kalwar, Jaipur (Raj.)



ASSIGNMENT

ABST

Solution 1.

Ans

Trading and Profit & Loss Account

Dr. Cr.

Particular	Amount ₹	Particular	Amount ₹
To Opening Stock	34,000	By Sales - ₹ 2,50,000	
To Purchase - ₹ 1,50,000		Less: Sales Return - ₹ 3,500	2,46,500
Less: Purchase Return - ₹ 1,500	1,48,500	By Closing Stock	12,500
To Carriage on Purchase	5,500		
To Manufacturing Expenses	19,000		
To Wages	2,000		
To Gross Profit c/d	50,000		
	2,59,000		2,59,000
To Bad-debts	500	By Gross Profit	50,000
To Advertisement	1,000	By Discount received	500
To Rent, Rate & Taxes	1,000		
To Discount allowed	250		
To Carriage on sales	750		
To Trade Expenses	1,500		
To Salaries	5,500		
To Net Profit transferred to Capital Account	40,000		
	50,500		50,500

Balance Sheet as at 31st March, 2023

Liabilities	Amount ₹	Assets	Amount ₹
Bill Payable	7,000	Cash in hand	14,500
Creditors	30,000	Cash at bank	17,500
Capital - ₹ 50,000		Bills Receivable	15,000
Add: Net Profit -		Debtors	25,000
₹ 40,000		Stock	12,500
90,000		Furniture	15,000
Less: Drawing - ₹ 5,000	85,000	Plant & Machinery	22,500
	1,22,000		1,22,000

Closing Entries

Date	Particular	L.F.	Dr. ₹	Cr. ₹
2023				
31 March	Trading A/c Dr.		2,14,000	
	To Opening Stock A/c			34,000
	To Purchase A/c			1,50,000
	To Sales Return A/c			3,500
	To Carriage A/c			5,500
	To Manufacturing Exp. A/c			19,000
	To Wages A/c			2,000
	(Debit balances transferred to Trading Account).			

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2023 31 March	Sales A/c Dr.	2,50,000	
	Purchase Return A/c Dr.	1,500	
	To Trading A/c		2,51,500
	(Credit balance transferred to Trading A/c).		
	Stock A/c (Closing) Dr.	12,500	
	To Trading A/c		12,500
	(Closing Stock transferred to Trading Account).		
	Trading A/c Dr.	50,000	
	To Profit & Loss A/c		50,000
	(Gross Profit transferred to P& L Account).		
	Profit & Loss A/c Dr.	10,500	
	To Bad-debts A/c		500
	To Advertisement A/c		1,000
	To Rent, Rates & Taxes A/c		1,000
	To Discount A/c		250
	To Carriage A/c		750
	To Trade Expenses A/c		1,500
	To Salaries A/c		5,500
	(Debit balances transferred to Profit & Loss Account).		
	C.f. Total	5,38,500	5,38,500

Teacher's Signature......................................

	b.f. Total		5,38,500	5,38,500
	Discount A/c Dr.		500	
	To Profit & Loss A/c			500
	(Discount transferred to P&L Account).			
	Profit & Loss A/c Dr.		40,000	
	To Capital A/c			40,000
	(Net Profit transferred to Capital Account).			
	Capital A/c Dr.		5,000	
	To Drawing A/c			5,000
	(Drawings transferred to Capital Account).			
	Grand Total		5,84,000	5,84,000

Solution 2.

Ans In the books of Head Office for the year, 2023

Branch Stock Account

Dr. Cr.

Particular	Amount ₹	Particular	Amount ₹
To Goods sent to Branch A/c	1,42,400	By Bank A/c (Sales)	50,000
To Branch Debtors A/c (Returns) A/c	2,000	By Branch Debtors A/c (Credit Sales)	70,000
		By Goods sent to Branch A/c (Returns)	2,000
		By Branch Adjustment A/c (Spoilage)	200
		By Balance c/d (Bal. fig.)	22,200
	1,44,400		1,44,400

Branch Stock Reserve A/c

Dr. Cr.

Particular	Amount ₹	Particular	Amount ₹
To Balance c/d	4,440	By Branch Adjustment A/c	4,440
	4,440		4,440

Branch Debtors A/c

Dr. Cr.

Particular	Amount ₹	Particular	Amount ₹
To Branch Stock A/c (Sales)	70,000	By Bank A/c	60,400
		By Branch Stock A/c (Returns).	2,000
		By Branch Expenses A/c (Discount).	1,600
		By Balance c/d (Bal. fig.)	22,200
	70,000		70,000

Branch Expenses A/c

Dr. Cr.

Particular	Amount ₹	Particular	Amount ₹
To Bank A/c : Rent - ₹ 800 Salaries - ₹ 1,200 Sundry Expenses - ₹ 6,000	8,000	By Branch Adjustment A/c	9,600
To Branch Debtors A/c	1,600		
	9,600		9,600

Goods sent to Branch A/c

Dr. | Cr.

Particular	Amount ₹	Particular	Amount ₹
To Branch Stock A/c (Return)	2,000	By Branch Stock A/c	1,42,400
To Branch Adjustment a/c (Profit Adjusted).	28,080		
To Trading A/c (Bal. fig.)	1,12,320		
	1,42,400		1,42,400

Branch Adjustment A/c

Dr. | Cr.

Particular	Amount ₹	Particular	Amount ₹
To Branch Stock A/c (Spoilage).	200	By Goods sent to Branch A/c (Profit Adjustment).	28,080
To Branch Stock Reserve A/c (on Closing Stock).	4,440		
To Branch Expenses A/c	9,600		
To General P&L A/c (Net Profit).	13,840		
	28,080		28,080

Working Note →

* Goods sent to Branch Accounts

Cost → Sales
25% → 20%

$1,42,400 \times \frac{20}{100}$

₹ 28,480

Goods sent to Branch adjustment amounted by ₹ 28,480.

* Goods sent to Branch Accounts (Returns).

Cost → Sales
25% → 20%

$2,000 \times \frac{20}{100}$

₹ 400

Goods sent to Branch adjustment amounted by ~~₹ 4,00~~ ₹ 400.

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Total Goods sent to Branch Adjustment → Goods sent to Branch adjustment − Goods sent to Branch adjustment (Return).

= 28,480 − 400
= ₹ 28,080

Goods sent to Branch Adjustment = ₹ 28,080

* Branch Stock Reserve A/c (Closing Balance of Branch Stock A/c).

Cost → Sales
25% → 20%

$22,200 \times \frac{20}{100}$

₹ 4,440

Branch Adjustment (Branch Stock Reserve A/c) : ₹ 4,440.

Teacher's Signature.......................................

Solution 3.

Ans

Statement of Affairs of Mr. Sunil
As at 1st April 31st March, 2022 & 2023

Liabilities	As on April 1, 2022	Assets	As on April 1, 2022
Creditors	1,55,600	Cash in hand	1,800
Bank Overdraft	—	Cash at bank	22,500
Capital (Balancing figure).	1,90,000	Stock	96,300
		Debtors	63,000
		Plant & Machinery	1,50,000
		furniture & fittings	12,000
	3,45,600		3,45,600

Statement of Affairs of Mr. Sunil
As at 31st March, 2023

Liabilities	As on March 31 2023	Assets	As on March 31 2023
Creditors	2,10,000	Cash in hand	2,250
Bank Overdraft	75,000	Stock	1,40,000
Capital (Balancing figure).	1,78,750	Debtors	1,09,500
		Plant & Machine	2,00,000

		furniture & fittings	12,000
	4,63,750		4,63,750

Statement of Profit
for the year ended 31st March, 2023

Particular	Amount ₹
Capital at the end of the year (Closing Capital)	1,78,750
Add: Drawings during the year (60,000 + 5,000)	65,000
	2,43,750
Less: Additional Capital introduced $\left(4{,}000 \times \frac{102}{100} = ₹\,4{,}080\right)$	4,080
Adjusted Closing Capital	2,39,670
Less: Capital at the beginning of the year (Opening Capital).	1,90,000
Profit for the year before adjustments.	49,670

Profit and loss Account for the year ended 31st March, 2023

Particular	Amount	Particular	Amount ₹
To Depreciation:		By Profit as per Statement of Profit.	49,670
Machinery & Plant	7,500		
furniture & fittings	1,200		
To Interest on Capital	9,500		
To Net Profit (Bal. fig.)	31,470		
	49,670		49,670

Balance Sheet of Mr. Sunil as at 31st March, 2023

Liabilities	Amount ₹	Assets	Amount ₹
Bank Overdraft	75,000	Cash in hand	2,250
Sundry Creditors	2,10,000	Stock	1,40,000
Capital (Opening). ₹ 1,90,000		Sundry debtors	1,09,500
Add: Interest - ₹ 9,500		Plant & Machine - ₹ 1,50,000	
Additional Cap. ₹ 4,080		Less: Dep. ₹ 7,500	
Capital		1,42,500	

Net Profit - ₹ 31,470		Add: Additions - ₹ 50,000	1,92,500
2,35,050		Furniture & fittings - ₹ 12,000	
Less: Drawings - ₹ 65,000	1,70,050	Less: Depreciation - ₹ 1,200	10,800
	4,55,050		4,55,050

Working Note →

* Calculation of Interest on Capital.

$$\text{Interest on Capital} = \frac{\text{Opening Capital} \times \text{Rate}}{100}$$

$$\text{Interest on Capital} = \frac{1,90,000 \times 5}{100}$$

Interest on Capital = ₹ 9,500

* Calculation of Depreciation ofon Plant & Machinery.

$$\text{Depreciation on Plant \& Machinery} = \frac{1,50,000 \times 5}{100}$$

Depreciation on Plant & Machinery = ₹ 7,500

* Calculation of Depreciation on furniture & fittings.

Depreciation on furniture & fittings = $\frac{12,000 \times 10}{100}$

Depreciation on furniture & fittings = ₹ 1,200.

* Calculation of amount of Additional Capital introduced.

Additional Capital Introduced amounted by 4,000 at 2% premium.

Additional Capital Introduced = $\frac{4,000 \times 102}{100}$

Additional Capital Introduced = $\frac{4,08,000}{100}$

Additional Capital Introduced = ₹ 4,080

Solution 4.

Ans Memorandum Hire Purchase Customers Account

Particular	Amount ₹	Particular	Amount ₹
To Stock with Customers (Opening). $\left(24{,}000 \times \frac{150}{100}\right)$	36,000	By Cash received	2,40,000
To Instalment Overdue (Opening)	20,000	By Instalment Overdue (Closing)	35,000
To Goods sold at Hire Purchase Price	3,48,000	By Stock with Customers at Hire Purchase Price (Closing) (Balancing figure).	1,29,000
	4,04,000		4,04,000

Working note →

Hire Purchase Price ₹ 1,29,000

Cost Price → $1{,}29{,}000 \times \frac{100}{150}$

₹ 86,000

Solution 5.

5 Ans

Trading Account for the year ending 31st March, 2023

Particulars	Normal items	Abnormal Items	Particulars	Normal items	Abnormal items
To Opening Stock	4,86,000	1,50,000	By Sales	30,00,000	39,000
			By Loss	—	36,000
To Purchase	24,00,000	—	By Closing Stock (at actual Cost)	4,41,000	75,000
To Gross Profit	5,55,000	—			
	34,41,000	1,50,000		34,41,000	1,50,000

* Calculation of Rate of Gross Profit →

Rate of Gross Profit $= \frac{\text{Gross Profit}}{\text{Sales}} \times 100$

Rate of Gross Profit $= \frac{5,55,000}{30,00,000} \times 100$

Rate of Gross Profit = 18.5 %

Step- I

Memorandum Trading A/c from Ist April 2023 to 16th August, 2023

Particular	Normal items	Abnormal items	Particulars	Normal items	Abnormal items
To Opening Stock	4,41,000	75,000	By Sales	9,00,000	21,000
			By Loss	–	16,500
To Purchase	8,10,000	–	By Stock on date of the fire (at actual cost).	5,17,500	37,500
To Gross Profit @ 18.5% on sales	1,66,500	–			
	14,17,500	75,000		14,17,500	75,000

Step-II

* Calculation of Loss of Stock :

		₹
	Normal items	5,17,500
Add:	Abnormal items (60% valued of ₹ 37,500).	22,500
		5,40,000
Less:	Salvaged Stock	1,80,000
	Loss of Stock .	₹ 3,60,000

Step-III

* Calculation of Amount of Claim :

Amount of Claim = $\frac{\text{Loss of Stock} \times \text{Insured Amount}}{\text{Insurable Amount}}$

Amount of Claim = $\frac{3{,}60{,}000 \times 4{,}50{,}000}{5{,}40{,}000}$

Amount of Claim = $\frac{1{,}62{,}00{,}000}{54}$

Amount of Claim = ₹ 3,00,000

Working Note →

(i) Opening Stock as on 1st April, 2022 as valued. ₹ 5,76,000
Add: Amount written off (1,50,000 − 90,000) ₹ 60,000

	6,36,000
Less: Abnormal items	1,50,000
Normal Items	₹ 4,86,000

(2) Closing Stock as on 31st March, 2023 as valued ₹ 4,77,000

Add : Amount written off (75,000 - 36,000) ₹ 39,000

5,16,000

Less : Abnormal items 4,41,000

Normal items 75,000