

Yashoda Girls' Arts & Commerce College, Nagpur



Department of Commerce

Assignment

Session: 2017 – 2018



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~~_____~~ (2017-2018)
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Assignment :- Financial Accounting-I
2017-2018



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Q.1 Given below is the Trial Balance of Mr. Maheshwari as on 31st March 2013. Prepare Trading and Profit & Loss Account of the year ended 31st March, 2013 and Balance sheet as on that date.

Trial Balance

As on 31st March, 2013

Particulars	Debit ₹	Credit ₹
Capital		8,000
Sales		25,000
Stock on 1-4-2012	5,000	
Drawings	2,000	
Purchase Returns		400
Bills Payable		1,140
Commission received		200
Purchase	15,000	
Sales Return	200	
Salaries	1,200	
Rent & taxes	200	
Insurance	180	
Wages	600	
Buildings	2,000	



Carriage	400	
Machinery	3,400	
Discount received		240
Interest received		80
Sunday Creditors	4,800	2,800
Sunday Debtors	2,800	
Investment	2000	
Cash in hand	660	
Bad Debts	80	
Discount Allowed	140	
	<u>37,860</u>	<u>37,860</u>

Adjustments :

- 1) Stock on 31st March, 2013 was valued ₹ 6,800.
- 2) Interest on Investment ₹ 100 due but not received.
- 3) provide Depreciation on Building @ 2% and Machinery @ 10%
- 4) outstanding Rent ₹ 40 and o/s salaries ₹ 100.
- 5) provide reserve for doubtful Debts at 5% on Sunday Debtors.
- 6) Goods of ₹ 200 taken by Mr. Maheshwari for his personal use not to be recorded.



Solution: In the books of M^{rs}. Maheshwari Trading
and Profit & Loss A/c
(For the year ended 31st March, 2013)

Particulars	₹	Particulars	₹
To opening stock	5,000	By sales	25,000
To purchase	15,000	By Return	200
By Return	200		24,800
	14,600	By closing stock	6,800
By Drawings	200		
	14,400		
To wages	600		
To Carriage	400		
To Gross profit	11,200		
	31,600		31,600

Profit & Loss A/c

(For the year ended 31st March, 2019)

Particulars	₹	Particulars	₹
To salaries 1,200		By Gross profit	11,200
⊕ O/s 100	1,300	By commission	200
To Rent & Taxes		By Discount -	
200		Received	240
⊕ O/s 40	240	By Interest 80	
To Insurance	180	⊕ outstanding 100	180
To Bad Debts			
80			
⊕ New R.D.D 240	3,20		
To Discount Allowed	140		
To Depreciation:			
Building 40			
Machinery 340	380		
To Net Profit	9,260		
(Tr. to capital A/c)			
	11,820		11,820



' Balance sheet '
(As on 31st march, 2013)

Liabilities	₹	Assets	₹
Capital 8000		Building 2000	
⊕ Net profit 9,260		⊖ Depreciation 40	1,960
17,260			
⊖ Drawings 2000		Machinery 3,400	
15,260		⊖ Depreciation 340	3,060
⊖ Drawings			
Goods taken 200	15,060	Sunday Debtors	
		4,800	
Sunday Creditors	2,800	⊖ R.P.D 240	4,560
Bills payable	1,140		
o/s Rent	40	Investment 2000	
o/s salary	100	⊕ Int. Received 100	2,100
		Cash in hand	660
		closing stock	6,800
	19,140		19,140



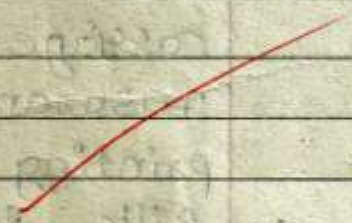
Q.2 The following Trial Balance was prepared on 31st March, 2005 from the books of Laxmi Co-operative Society Ltd:

Particulars	Debit (₹)	Credit (₹)
Opening stock	45,000	
Building	75,000	
Furniture	18,000	
Share Capital		63,000
Sundry Creditors		82,500
Sales		1,27,500
Bills payable		9,000
Sundry Debtors	37,500	
Cash in hand	1,500	
Cash at Bank	22,500	
Purchases	60,000	
Rent	3,000	
Carriage Inwards	1,800	
Insurance premium	750	
Printing & Stationery	1,200	
Bills Receivable	3,000	
Sales Returns	750	
Salary	9,000	
Wages	3,000	
	<u>2,82,000</u>	<u>2,82,000</u>



Adjustments :

- 1) closing stock Rs. 20,000
- 2) Depreciation on Building and furniture at 15% , is to be provided.
- 3) unpaid salary Rs. 500
- 4) Reserve for doubtful debts at 5% on debtors is to be provide.
- 5) provided for dividend Equalisation fund Rs. 840.
- 6) Make provision for dividend @ 5% p.a.





Solution: "In the books of Laxmi Co-operative Society" 'Trading A/c'
 (For the year ended 31st March, 2005)

① Particulars	₹	② Particulars	₹
To opening stock	45,000	By Sales	1,27,500
To purchase	60,000	Return	750
To Carriage - Inward	1800	By closing stock	20,000
To wages	3000		
To Gross profit	36,950		
	<u>1,46,750</u>		<u>1,46,750</u>



Profit & Loss A/c
(For the year ended 31st March, 2005)

③ Particulars	₹	④ Particulars	₹
To Rent	3000	By Gross profit	36,950
To Insurance- Premium	750		
To printing & stationary	1200		
To Depreciation: Building 11,250 furniture 2700	13,950		
To salary 9000 ⊕ unpaid 500	9,500		
Reserve for Doubtful debts	1875		
To Net profit	6,675		
	<u>36,950</u>		<u>36,950</u>



Profit & Loss Appropriation A/c

① Particulars	₹	② Particulars	₹
To provision for dividend eq. fund	840	By Co. y Net profit	6675
To provision for Dividend	3150		
To transfer to Statutory Reserve fund	1669		
To surplus	1016		
	6675		6675

Balance sheet

(As on 31st March, 2005)

Liabilities		Assets	
	₹		₹
a) share capital		A) Cash & Bank Balance	
authorized share	?	Cash in hand	1,500
Issue share capital	63,000	Cash at bank	22,500
B) Reserve & fund		B) Investment :-	-
Depreciation fund	13,950	C) staff P.f. Investment	-
Statutory Reserve	1,669	D) Loans & Advance	-
Reserve for Doubtful Debts	1,875	E) Loans Due :-	
Dividend eq. fund	840	Sunday Debtors	37,500
C) staff P. fund	-	Bills Receivable	3,000
D) secured loans	-	F) Current Assets	
E) unsecured loans		Closing stock	20,000
Sunday creditors	82,500	G) fixed Asset :-	
Bills Payable	9,000	Building	75,000
F) Deposits :-	-	furniture	18,000
G) other liabilities		H) mix. exp. & loss	-
unpaid salary	500	I) other Item :-	-
proposed dividend	315		
H) profit & Loss A/c	1,016		
	<u>1,77,500</u>		<u>1,77,500</u>



Q.3 M/s pradeep & co. Ltd. Nagpur has a branch at Pulgaon and all the goods sent to branch at cost price. Branch sales the goods for cash and on credit. All the expenses are paid by the Head office Branch keeps their sales ledger and Cash Book only.

From the information given below you are required to prepare Branch Account and profit & loss Account for the year ended 31st march, 2019 in the books of the Head office:

Particulars	Rs.
Stock (on 1-4-2018)	67,500
Stock (on 31-3-2019)	75,000
Debtors (on-1-4-2018)	27,000
Goods sent to Branch	3,00,000
Goods returned by Branch	9,000
Gross sales	3,75,000
Cash sales	2,40,000
Bad Debts written off	450
Discount allowed to customer	750
Return Inwards	900



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Cash sent to Branch
towards expenses :

manager's salary	12,000	
Rent	6000	
Petty cash	2100	20,100

Cash received from Debtors	1,05,000
Petty cash (on 1-4-2018)	450
Petty cash (on 31-3-2019)	750
Debtors (on 31-3-2019)	54,900

Solution: Branch Debtors Account

Particulars	₹	Particulars	Rs.
To Opening Debtors	27,000	By cash acc. from Debtors	1,05,000
To Credit sales (Bal fig)	1,35,000	By Bad debts	450
		By Discount Allowed to customers	750
		By Return Inward	900
		By closing Debtors	54,900
	<u>1,62,000</u>		<u>1,62,000</u>



'In the Books of M/s pradeep & co.
 Head office 'Pulgaon Branch A/c'
 (For the year ended 31st March, 2019)

Particulars	₹	Particulars	Rs.
To opening Balance (1-4-2018)		By Bank A/c (H.O A/c.)	
Stocks 67,500		Cash sales 2,40,000	
Debtors 27,000		cash rec. from	
Petty cash 4,50	94,950	Debtors 1,05,000	3,45,000
To Goods sent to Branch	3,00,000	By Goods return by Branch	9,000
To Bank A/c:-		By closing Balance (31-3-2019)	
Manager salary 12,000		Stock 75,000	
Rent 6000		Debtors 54,900	
Petty cash 2,100	20,100	Petty cash 750	1,30,650
To General profit	69,600		
	<u>4,84,650</u>		<u>4,84,650</u>



Trading Account

Particulars	Rs.	Particulars	Rs.
To opening stock	67,500	By sales :	
To Goods sent		Cash sales	2,40,000
to Branch 3,00,000		credit sales 1,35,000	
② Goods return 9000	2,91,000	② return 900	1,34,100
		By closing stock	75,000
To Gross profit (c/d)	90,600		
	<u>4,49,100</u>		<u>4,49,100</u>

Profit & Loss Account

Particulars	Rs.	Particulars	Rs.
To Bad Debts	450	By Gross profit	90,600
To Petty expenses		(b/d)	
opening petty			
Cash 450			
② Net petty			
Cash 2100			
② closing 750	1800		
To manager salary	12,000		
To Rent	6000		
To Discount allowed	750		
To Net profit	69,600		
	<u>90,600</u>		<u>90,600</u>



Q.4 Ankita and Amit jointly undertook the construction of a factory building for a limited company. The contract price was ₹ 50,00,000 and was received after work has been completed. They contributed Ankita ₹ 8,00,000, Amit ₹ 4,00,000 and deposited in joint Bank Account. They agreed to share profit or loss in the capital ratio.

Ankita got plans ready and paid ₹ 50,000 and Amit brought into the venture plant & machinery valued at ₹ 2,00,000 and a Motor truck at ₹ 1,60,000.

For the purpose of erection of factory building materials of the value of ₹ 35,00,000 were purchased and wages paid ₹ 6,00,000. They also paid other expenses ₹ 2,50,000.

The contract was completed and the company settled their account fully. Unused material valued at ₹ 40,000 was taken over by Ankita.



The Plant and machinery was sold as scrap for ₹ 30,000 and Amit took back the motor truck at an agreed value of ₹ 50,000.

You are required to show Joint venture A/c, Joint Bank A/c and Co-venture's A/c.

Solution: 'Joint Venture A/c'

Particulars	₹	Particulars	₹
To Ankita A/c	50,000	By Joint Bank A/c	50,00,000
To Amit's A/c		(contract price)	
Plant & machinery		By Ankita A/c	40,000
2,00,000		(materials taken)	
motor truck 1,60,000	3,60,000	By Joint bank A/c	30,000
To Joint Bank A/c		(scrap of machinery)	
materials 3,50,000		By Amit's A/c	50,000
wages 6,00,000		(motor truck)	
expenses 2,50,000	43,50,000		
To profit:	3,60,000		
Ankita A/c 2,40,000			
Amita A/c 1,20,000	<u>51,20,000</u>		<u>51,20,000</u>



'Joint Bank A/c'

Particulars	₹	Particulars	₹
To Ankita A/c	8,00,000	By Joint Venture A/c	43,50,000
To Amita A/c	4,00,000	By Ankita A/c	10,50,000
To Joint Venture A/c	50,00,000	By Amita A/c	8,30,000
To Joint Venture A/c	30,000		
	<u>62,30,000</u>		<u>62,30,000</u>



'Ankita's A/c'

Particulars	₹	Particulars	₹
To Joint venture A/c	40,000	By Joint bank A/c	8,00,000
To Joint bank A/c	10,50,000	By Joint venture A/c	50,000
		By Joint venture A/c (Profit)	2,40,000
	<u>10,90,000</u>		<u>10,90,000</u>

'Amit's A/c'

Particulars	₹	Particulars	₹
To Joint venture A/c	50,000	By Joint bank A/c	3,00,000
To Joint bank A/c	8,30,000	By Joint venture A/c	3,60,000
		By Joint venture A/c (Profit)	1,20,000
	<u>8,80,000</u>		<u>8,80,000</u>

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