

I B.Com (CA) - Principles of Accountancy - 18BCA13C

Unit - III Ref. Book :- Financial Accounting
Reddy & Murthy.Preparation of Final Statement of Accounts
of a Sole Trader.Meaning of Final A/c.In which the amount of profit or loss
has been arrived at, is disclosed in the statements
of accounts, prepared at the end of the accounting
year.Steps to be prepared:-Trading A/c
Profit & Loss A/c.

Balance Sheet

Adjustments

Format and Preparation of A/c.

Problem No. 10 / P. NO. 5.17 / Reddy & Murthy.

Opening Stock	Rs. 80000
Purchases	860000
Freight Inward	52000
Wages	24000
Sales	1440000
Purchase Returns	10000
Sales Returns	316000
Closing Stock	100000
Import duty	30000

Prepare Trading Account.

Prepared by

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Problem No. 2 / P. No. 5-30 / R & M.

Prepare Trading, Profit & Loss A/c and Balance Sheet from the following Trial Balance of Mr. M. Madan.

	Dr.	Cr.	Rs
Debitors		Madan's capital	70000
Plant	92000	Purchase Returns	2600
Interest	20000	Sales	250000
Rent	430	creditors	60000
Conveyance charges	5600	Bank Overdraft	20000
Wages	1320		
Sales Returns	7000		
Purchases	5400		
Opening Stock	150000		
Madan's drawings	60000		
Trade expenses	22000		
Salaries	1350		
Advertising	11200		
Discount	840		
Bad debts	600		
Business Premises	800		
Furniture	12000		
Cash in hand	10000		
	2060		
	<u>4,02,600</u>		<u>4,02,600</u>

Adjustments: -

- i) closing stock Rs. 90000
- ii) provide depreciation on premises at 2.5%; Plant at 7.5% and Furniture at 10%.
- iii) Write off Rs. 800 as further bad debts
- iv) provide for doubtful debts at 5% on debtors
- v) Outstanding rent Rs. 500 and Outstanding wages Rs. 400.
- vi) Prepaid Insurance = Rs. 300; Prepaid Salaries Rs. 700.