

Chapter 16- Accounts from Incomplete Records Single Entry System

Q.1 Following information of an accounting year is given:

Opening Capital ₹ 60,000; Drawings ₹ 5,000; Capital added during the year ₹ 10,000 and Closing Capital ₹ 90,000. Calculate the Profit or Loss for the year.

The solution can be presented as follows

Statement of Profit or Loss

Particulars	Amount (₹)
Capital at the end	90,000
Add: Drawings	5,000
	95,000
Less: Additional Capital Introduced	(10,000)
Adjusted Capital at the end	85,000
Less: Capital in the beginning	60,000
Net Profit for the year	25,000

Q.2 Mayank does not keep proper records of his business, he gives you the following information:

	₹
Opening Capital	1,00,000
Closing Capital	1,25,000
Drawings during the year	30,000
Capital added during the year	37,500

Calculate the profit or loss for the year.

The solution can be presented as follows

Statement of Profit or Loss

Particulars	Amount (₹)
Capital at the end	1,25,000
Add: Drawings	30,000
	1,55,000
Less: Additional Capital Introduce	(37,500)
Adjusted Capital at the end	1,17,500
Less: Capital in the beginning	1,00,000
Net Profit for the year	17,500

Q.3 Capital of Ganesh Gupta in the beginning of the year was ₹ 70,000. During the year his business earned a profit of ₹ 20,000, he withdrew ₹ 7,000 for his personal use. He sold ornaments of his wife for ₹ 20,000, and invested that amount into the business. Find out his Capital at the end of the year.

The solution can be presented as follows

Capital at the end = Opening Capital + Additional Capital + Profit – Drawings

$$= 70,000 + 20,000 + 20,000 - 7,000$$

$$= ₹ 1,03,000$$

Q.4 Vikas maintains his books of account on Single Entry System. He provides following information from his books. Find out additional capital introduced in the business during the year 2018–19.

Opening Capital – ₹ 1,30,000 Drawings during the year ₹ 50,000

Closing Capital – ₹ 2,00,000 Profit made during the year ₹ 1,00,000

The solution can be presented as follows

Additional Capital = Capital at the End + Drawings – (Capital in the Beginning + Profit)

$$= 2,00,000 + 50,000 - (1,30,000 + 1,00,000)$$

$$= 2,50,000 - 2,30,000 = ₹ 20,000$$

Q.5 Mohan maintains books on Single Entry System. He gives you the following information:

	₹
Capital on 1st April, 2018	15,200
Capital on 31st March, 2019	16,900
Drawings made during the year	4,800
Capital introduced on 1st August, 2018	2,000

You are required to calculate the Profit or Loss made by Mohan.

The solution can be presented as follows

Statement of Profit or Loss	
Particulars	Amount (₹)
Capital as on March 31, 2019	16,900
Add: Drawings	4,800
	21,700
Less: Addition Capital Introduced	(2,000)
Adjusted Capital as on March 31, 2019	19,700
Less: Capital as on April 01, 2018	(15,200)
Profit made during the year 2018-19	4,500

Q.6 Mahesh who keeps his books on Single Entry System sells goods at Cost plus 50%. On 1st April, 2018 his Capital was ₹ 4,00,000 and on 31st March, 2019 it was ₹ 3,50,000. He had withdrawn ₹ 20,000 per month besides goods of the sale value of ₹ 60,000. How much did he earn in 2018-19?

The solution can be presented as follows

Statement of Profit/Loss	
Particulars	Amount (₹)
Closing Capital as on 31st March, 2019	3,50,000
Less: Opening Capital as on 1st April, 2018	(4,00,000)
Add: Drawings	2,80,000
Profit for the Year	2,30,000

Working Notes:

1) Calculating Cost of Goods Sold:

Sales = COGS + Profit

Cost of Goods Sold= 100

Gross Profit = 50

Sales= 150

Gross Profit = 50/150 or 1/3

Sales = 60,000 x 1/3

= 20,000

COGS= Sales - Gross Profit

= 60,000 - 20,000

= 40,000

Drawings = Cash + Cost of Goods Sold

Drawings = 2,40,000 + 40,000

= 2,80,000

1)

Q.7 Krishan started his business on 1st April, 2018 with a Capital of ₹ 1,00,000. On 31st March, 2019, his assets were:

	₹
Cash	3,200
Stock	34,800
Debtors	31,000
Plant	85,000

He owed ₹ 12,000 to sundry creditors and ₹ 10,000 to his brother on that date. He withdrew ₹ 2,000 per month for his personal expenses. Ascertain his profit.

The solution can be presented as follows

Statement of Affairs
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	12,000	Cash	3,200
Brother's Loan	10,000	Stock	34,800
Capital (<i>Balancing Figure</i>)	1,32,000	Debtors	31,000
		Plant	85,000
	1,54,000		1,54,000

Q.8 Ram Prashad keeps his books on Single Entry System and from them and the particulars supplied, the following figures were gathered together on 31st March, 2019:
Book Debts ₹ 10,000; Cash in Hand ₹ 510; Stock-in-Trade (estimated) ₹ 6,000; Furniture and Fittings ₹ 1,200; Trade Creditors ₹ 4,000; Bank Overdraft ₹ 1,000; Ram Prashad stated that he started business on 1st April, 2018 with cash ₹ 6000 paid into bank but stocks valued at ₹ 4,000. During the year he estimated his drawings to be ₹ 2,400. You are required to prepare the statement, showing the profit for the year, after writing off 10% for Depreciation on Furniture and Fittings.

The solution can be presented as follows

Books of Ram Prashad
Statement of Affairs
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	4,000	Book Debts	10,000
Bank Overdraft	1,000	Cash in Hand	510
Capital (<i>Balancing Figure</i>)	12,590	Stock	6,000
		Furniture and Fittings	1,200
		Less: 10% Depreciation	120
	17,590		1,080
			17,590

Statement of Affairs
as on April 01, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital (Balancing Figure)	10,000	Bank Stock	6,000 4,000
	10,000		10,000

Statement of Profit or Loss
for the year and March 31, 2019

Particulars	Amount (₹)
Capital as on March 31, 2019	12,590
Add: Drawings	2,400
	14,990
Less: Capital as on April 01, 2018	(10,000)
Profit made during the year 2018-19	4,990

Q.9 Shruti maintains her books of account from Incomplete Records. Her books provide the following information:

	1st April, 2018 (₹)	31st March, 2019 (₹)
Cash	1,200	1,600
Bills Receivable	...	2,400
Debtors	16,800	27,200
Stock	22,400	24,400
Investments	...	8,000
Furniture	7,500	8,000
Creditors	14,900	11,600

She withdrew ₹ 500 per month for personal expenses. She sold her Investments of ₹ 16,000 at 5% premium and introduced the amount into business.

You are required to prepare a Statement of Profit or Loss for the year ending 31st March, 2019.

The solution can be presented as follows

Opening Statement of Affairs
as on April 01, 2018

Dr.		Cr.	
Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	14,900	Cash	1,200
Capital (Bal. Fig.)	33,000	Debtors	16,800
		Stock	22,400
		Furniture	7,500
	47,900		47,900

Closing Statement of Affairs

Dr.		Cr.	
Liabilities	Amount ₹	Assets	Amount ₹
Creditors	11,600	Cash	1,600
Capital (Bal. Fig.)	60,000	Bills Receivable	2,400
		Debtors	27,200
		Stock	24,400
		Investments	8,000
		Furniture	8,000
	71,600		71,600

Statement of Profit/Loss

Particulars	Amount (₹)
Closing Capital	60,000
Less: Opening Capital	(33,000)
Less: Additional Capital	(16,800)
Add: Drawings	6,000
Profit for the Year	16,200

Q.10 Hari maintains his books of account on Single Entry System. His books provide the following information:

	1st April, 2018 (₹)	31st March, 2019 (₹)
Furniture	2,000	2,000
Stock	28,000	30,500
Sundry Debtors	21,000	34,000
Cash	1,500	2,000
Sundry Creditors	17,500	19,000
Bills Receivable	...	3,000
Loan	...	5,000
Investments	...	10,000

His drawings during the year were ₹ 5,000 Depreciate furniture by 10% and provide a reserve for Bad and Doubtful Debts at 10% on Sundry Debtors.
Prepare the statement showing the profits for the year.

The solution can be presented as follows

Statements of Affairs
as on April 01, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	17,500	Furniture	2,000
Capital (Balancing Figure)	35,000	Stock	28,000
		Sundry Debtors	21,000
		Cash	1,500
	52,500		52,500

Statement of Affairs
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	19,000	Furniture	2,000
Loan	5,000	Less: 10% Depreciation	(200)
Capital (Balancing Figure)	53,900	Stock	30,500
		Sundry Debtors	34,000
		Less: 10% Reserve for Doubtful Debts	(3,400)
		Cash	2,000
		Bills Receivables	3,000
		Investments	10,000
	77,900		77,900

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount (₹)
Capital as on March 31, 2019	53,900
Add: Drawings	5,000
	58,900
Less: Capital as on April 01, 2018	(35,000)
Profit made during the year 2018-19	23,900

Q.11 A commenced business on 1st April, 2018 with a capital of ₹ 10,000. He immediately bought Furniture and Fixtures for ₹ 2,000. On 1st October, 2018, he borrowed ₹ 5,000 from his wife @ 9% p.a. (interest not yet paid) and introduced a further capital of his own amounting to ₹ 1,500. A drew @ ₹ 300 per month at the end of each month for household expenses. On 31st March, 2019 his position was as follows:

Cash in Hand ₹ 2,800; Sundry Debtors ₹ 4,800; Stock ₹ 6,800; Bills Receivable ₹ 1,600; Sundry Creditors ₹ 500 and owing for Rent ₹ 150. Furniture and Fixtures to be depreciated by 10%.

Ascertain the profit or loss made by A during 2018–19.

The solution can be presented as follows

Statement of Affairs
as on March 31, 2019

Liabilities	Amount ₹	Assets	Amount ₹
Wife's Loan	5,000	Furniture and Fixture	2,000
Add: Outstanding Interest (5,000 × 9% × 6/12)	225	Less: 10% Depreciation	(200)
	5,225	Cash in Hand	2,800
Sundry Creditors	500	Sundry Debtors	4,800
Rent Outstanding	150	Stock	6,800
Capital (<i>Balancing Figure</i>)	11,925	Bills Receivable	1,600
	17,800		17,800

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount ₹
Capital as on March 31, 2019	11,925
Add: Drawings (₹ 1,200 × 3)	3,600
	15,525
Less: Additional Capital Introduced	(1,500)
Adjusted Capital as on March 31, 2019	14,025
Less: Capital as on April 01, 2018	(10,000)
Profit made during the year 2018-19	4,025

Q.12 Kuldeep, a general merchant, keeps his accounts on Single Entry System. He wants to know the results of his business on 31st March, 2019 and for that following information is available:

	1st April, 2018 (₹)	31st March, 2019 (₹)
Cash in Hand	1,50,000	1,75,000
Bank Balance	7,50,000	8,00,000
Furniture	1,00,000	1,00,000
Stock	5,00,000	6,50,000
Creditors	3,50,000	4,00,000
Debtors	2,50,000	3,00,000

During the year, he had withdrawn ₹ 5,00,000 for his personal use and invested ₹ 2,50,000 as additional capital. Calculate his profits on 31st March, 2019 and prepare the Statement of Affairs as on that date.

The solution can be presented as follows

Statement of Affairs
as on April 01, 2018

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	3,50,000	Cash in Hand	1,50,000
Capital (Balancing Figure)	14,00,000	Bank Balance	7,50,000
		Furniture	1,00,000
		Stock	5,00,000
		Debtors	2,50,000
	17,50,000		17,50,000

Statement of Affairs
as on March 31, 2019

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	4,00,000	Cash in Hand	1,75,000
Capital (Balancing Figure)	16,25,000	Bank Balance	8,00,000
		Furniture	1,00,000
		Stock	6,50,000
		Debtors	3,00,000
	20,25,000		20,25,000

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount ₹
Capital as on March 31, 2019	16,25,000
Add: Drawings	5,00,000
	21,25,000
Less: Additional Capital Introduced	(2,50,000)
Adjusted Capital as on March 31, 2019	18,75,000
Less: Capital as on April 01, 2018	(14,00,000)
Profit made during the year 2018-19	4,75,000

Q.13 Following information is supplied to you by a shopkeeper:

	1st April, 2018 (₹)	31st March, 2019 (₹)
Cash	6,000	7,000
Sundry Debtors	68,000	64,000
Stock	59,000	87,000
Furniture	15,000	13,500
Sundry Creditors	20,000	18,000
Bills Payable	15,000	11,000

During the year, he withdrew ₹ 2,500 per month for domestic purposes. He also borrowed from a friend at 9% a sum of ₹ 20,000 on 1st October, 2018. He has not yet paid the interest. A provision of 5% on debtors for doubtful debts is to be made.

Ascertain the profit or loss made by him during the period.

The solution can be presented as follows

Statement of Affairs
as on April 01, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	20,000	Cash	6,000
Bills Payable	15,000	Sundry Debtors	68,000
		Stock	59,000
Capital (Balancing Figure)	1,13,000	Furniture	15,000
	1,48,000		1,48,000

Statement of Affairs
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	18,000	Cash	7,000
Bills Payable	11,000	Stock	87,000
9% Loan from Friend	20,000	Furniture	13,500
Add: Interest Outstanding (2,000 × 9% × 6/12)	900		
Capital (Balancing Figure)	1,18,400	Sundry Debtors	64,000
		Less: 5% Provision for Doubtful Debts	(3,200)
	1,68,300		60,800
			1,68,300

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount (₹)
Capital as on March 31, 2019	1,18,400
Add: Drawings (₹ 250 × 12)	30,000
	1,48,400
Less: Capital as on April 01, 2018	(1,13,000)
Profit made during the year 2018-19	35,400

Q.14 Vikas is keeping his accounts according to Single Entry System. His capital on 31st December, 2018 was ₹ 2,50,000 and his capital on 31st December, 2019 was ₹ 4,25,000. He further informs you that during the year he gave a loan of ₹ 30,000 to his brother on private account and withdrew ₹ 1,000 per month for personal purposes. He used a flat for his personal purpose, the rent of which @ ₹ 1,800 per month and electricity charges at an average of 10% of rent per month were paid from the business account. During the year he sold his 7% Government Bonds of ₹ 50,000 at 1% premium and brought that money into the business.

Prepare a Statement of Profit or Loss for the year ended 31st December, 2019.

The solution can be presented as follows

Statement of Profit/Loss	
Particulars	Amount (₹)
Closing Capital	4,25,000
Less: Opening Capital	(2,50,000)
Less: Additional Capital	(50,500)
Add: Drawings	65,760
Profit for the Year	1,90,260

Note: Drawings include loan to brother, withdrawals in cash, rent and electricity charges.

Q.15 Manu started business with a capital of ₹ 4,00,000 on 1st October, 2018. He borrowed from his friend a sum of ₹ 1,00,000. He brought further ₹ 75,000 as capital on 31st March, 2019, his position was:

Cash: ₹ 30,000; Stock: ₹ 4,70,000; Debtors: ₹ 3,50,000 and Creditors: ₹ 3,00,000.

He withdrew ₹ 8,000 per month during this period. Calculate profit on loss for the period.

The solution can be presented as follows

Statement of Affairs
for the year ending March 31, 2019

Liabilities	Amount Rs	Assets	Amount Rs
Creditors	3,00,000	Cash	30,000
Loan from Friend	1,00,000	Stock	4,70,000
		Debtors	3,50,000
Capital	4,50,000		
(Balancing Figure)	8,50,000		8,50,000

Statement of Profit and Loss
for the year ending March 31, 2019

Particulars	Amount ₹
Capital as on March 31, 2019	4,50,000
Add: Drawings (8,000 × 6)	48,000
	4,98,000
Less: Additional Capital Introduced	(75,000)
Adjusted Capital as on March 31, 2019	4,23,000
Less: Capital as on Oct.01, 2018	(4,00,000)
Profit made during the year 2018-19	23,000

Q.16 From the following information relating to the business of Abhay who keeps books on Single Entry System, ascertain the profit or loss for the year 2018–19:

	1st April, 2018 (₹)	31st March, 2019 (₹)
Machinery	8,000	8,000
Furniture	2,000	2,000
Stock	7,000	5,000
Sundry Debtors	4,000	4,500
Bank Balance	200 (Cr.)	1,800 (Dr.)
Sundry Creditors	5,000	3,500

Abhay withdrew ₹ 4,100 during the year to meet his household expenses. He introduced ₹ 300 as fresh capital on 15th January, 2019. Machinery and Furniture are to be depreciated at 10% and 5% p.a. respectively.

The solution can be presented as follows

Statement of Affairs
as on April 01, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Bank Overdraft	200	Machinery	8,000
Sundry Creditors	5,000	Furniture	2,000
Capital (Balancing Figure)	15,800	Stock	7,000
		Sundry Debtors	4,000
	21,000		21,000

Statement of Affairs
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	3,500	Machinery	8,000
Capital (Balancing Figure)	16,900	Less: 10% Depreciation	(800)
		Furniture	2,000
		Less: 5% Depreciation	(100)
		Stock	5,000
		Sundry Debtors	4,500
		Bank Balance	1,800
	20,400		20,400

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount (₹)
Capital as on March 31, 2019	16,900
Add: Drawings	4,100
	21,000
Less: Additional Capital Introduced	(300)
Adjusted Capital as on March 31, 2019	20,700
Less: Capital as on April 01, 2018	(15,800)
Profit made during the year 2018-19	4,900

Q.17 Aditya a retailer, has not maintained proper books of account but it has been possible to obtain the following details:

	Last Year (₹)	This Year (₹)
Trade Creditors	6,270	5,890
Loan from Naresh	5,000	5,000
Stock	12,350	11,980
Cash in Hand	570	650
Shop Fittings	7,250	7,800
Trade Debtors	5,280	4,560
Bank Balance	3,990	4,130

Calculate the net profit for this year and draft the Statement of Affairs at the end of the year after noting that:

- Shop Fittings are to be depreciated by ₹ 780.
- Aditya has drawn ₹ 100 per week for his own use.
- Included in the Trade Debtors is an irrecoverable balance of ₹ 270.
- Interest at 5% p.a. is due on the loan from Naresh but has not been paid for the year.

The solution can be presented as follows

In the books of Aditya
Statement of Affairs
(Previous Year)

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	6,270	Stock	12,350
Loan from Naresh	5,000	Cash in Hand	570
Capital (Balancing Figure)	18,170	Shop Fittings	7,250
		Trade Debtors	5,280
		Bank Balance	3,990
	29,440		29,440

Statement of Affairs
(Current Year)

Liabilities	Amount (₹)	Assets	Amount (₹)
Trade Creditors	5,890	Stock	11,980
Loan from Naresh	5,000	Cash in Hand	650
Add: Outstanding Interest (5,000 × 5%)	250	Shop Fittings	7,800
Capital (Balancing Figure)	16,930	Less: Depreciation	(780)
		Trade Debtors	4,560
		Less: Bad Debts	(270)
		Bank Balance	4,130
	28,070		28,070

Statement of Profit or Loss
(Current Year)

Particulars	Amount (₹)
Capital of the Current Year	16,930
Add: Drawings (₹ 100 × 52)	5,200
	22,130
Less: Capital of the Previous Year	(18,170)
Profit made during the Current Year	3,960

Q.18 On 1st April, 2018, X started a business with ₹ 40,000 as his capital. On 31st March, 2019, his position was as follows:

	(₹)
Creditors	30,000
Bills Payable	10,000
Bank	10,000
Debtors	50,000
Stock	40,000
Plant	68,000
Furniture	12,000

During the year 2018–19, X drew ₹ 24,000. On 1st October, 2018, he introduced further capital amounting to ₹ 30,000. You are required to ascertain profit or loss made by him during the year 2018–19.

Adjustments:

(a) Plant is to be depreciated at 10%.

(b) A provision of 5% is to be made against debtors.

Also prepare the Statement of Affairs as on 31st March, 2019.

The solution can be presented as follows

Statement of Affairs
for the year ended March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	30,000	Bank	10,000
Bills Payable	10,000	Debtors	50,000
Capital (Balancing Figure)	1,30,700	Less: 5% Provision for Doubtful Debts	(2,500)
		Stock	40,000
		Plant	68,000
		Less: 10% Depreciation	(6,800)
		Furniture	12,000
	1,70,700		1,70,700

Statement of Profit or Loss
for the year ended March 31, 2019

Particulars	Amount (₹)
Capital as on March 31, 2019	1,30,700
Add: Drawings	24,000
	1,54,700
Less: Additional Capital Introduced	(30,000)
Adjusted Capital as on March 31, 2019	1,24,700
Less: Capital as on April 01, 2018	(40,000)
Profit made during the year 2018-19	84,700

Q.19 Chaman maintains his books according to Single Entry System. Following figures were available from the books for the six months ended 31st December 2018:

	1st July, 2018 (₹)	31st December, 2018 (₹)
Plant and Machinery	1,50,000	1,40,000
Debtors	65,000	60,000
Cash and Bank balances	25,000	31,000
Stock	40,000	45,000
Creditors	9,000	10,000

Adjustments:

- (a) He had withdrawn ₹ 200 in the beginning of every month for household purposes.
 - (b) Depreciation on Plant and Machinery @ 10% p.a.
 - (c) Further Bad Debts ₹ 5,000 and Provision for Doubtful Debts to be created @ 2%.
 - (d) During the period, salaries have been prepaid by ₹ 500 while wages outstanding were ₹ 1,000.
 - (e) Interest on drawings to be reckoned @ 6% p.a.
- You are required to prepare the Statement of Profit or Loss for the half year ended 31st December, 2018, followed by Revised Statement of Affairs as on that date.

The solution can be presented as follows

Statement of Affairs
as on July 01,2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	9,000	Cash and Bank balances	25,000
Capital (Balancing Figure)	2,71,000	Debtors	65,000
		Stock	40,000
		Plant and Machinery	1,50,000
	2,80,000		2,80,000

Statement of Affairs
as on December 31,2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	10,000	Cash and Bank balances	31,000
Outstanding Wages	1,000	Debtors	60,000
Capital (Balancing Figure)	2,65,500	Stock	45,000
		Prepaid Salary	500
		Plant and Machinery	1,40,000
	2,76,500		2,76,500

Statement of Profit or Loss
for the half year ended December 31,2018

Particulars	Amount (₹)
Capital at the end of the year	2,65,500
Add: Drawings made during the year	1,200
Adjusted capital at the end of the year	2,66,700
Less: Capital in the beginning of the year	2,71,000
Gross Loss (Profit before Adjustment)	4,300
Less: Interest on Drawings	21
Add: Depreciation on Plant and Machinery	7,000
Bad Debts	5,000
Provision for Doubtful Debts	1,100
Net Loss (Profit After Adjustment)	17,379

**Statement of Affairs (After adjustments)
as on December 31, 2018**

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	10,000	Cash and Bank balances	31,000
Outstanding Wages	1,000	Debtors	60,000
Capital	2,71,000	Less: Bad Debts	5,000
Less: Net Loss	17,379		55,000
Less: Drawings	1,200	Less: Provision for D.D.	1,100
Less: Interest on Drawings	21	Plant and Machinery	1,40,000
	2,52,400	Less: Depreciation	7,000
		Stock	45,000
		Prepaid Salary	500
	2,63,400		2,63,400

Working Notes:

1. Calculation of Deprecation for Plant and Machinery

Amount of Depreciation on plant and machinery (charged for 6 months)

$$1,40,000 \times 10/100 \times 6/12 = 7,000$$

2. Calculation of Provision for Doubtful Debts

Amount of Provision for Doubtful Debts

$$55000 \times 2/100 = 1,100$$

3. Calculation of Interest on Drawings (Amount):

Date	Amount	Months	Product
July 01	200	6	1,200
Aug. 01	200	5	1,000
Sep. 01	200	4	800
Oct. 01	200	3	600
Nov. 01	200	2	400
Dec. 01	200	1	200
Total			4,200

Interest on Drawings (Amount):

$$4,200 \times 6/100 \times 1/12 = 21$$

Q.20 A firm sells goods at a Gross profit of 25% of sales. On 1st April, 2018 the Stock was ₹ 40,000; Purchases were ₹ 1,10,000 and the Stock on 31st March, 2019 was ₹ 30,000. What was the value of Sales?

The solution can be presented as follows

$$\text{Cost of Goods Sold} = \text{Net Sales} - \text{Gross Profit}$$

$$\text{Cost of Goods Sold} = \text{Opening Stock} + \text{Purchases} - \text{Closing Stock}$$

$$\text{Cost of Goods Sold} = 40,000 + 1,10,000 - 30,000$$

$$= ₹ 1,20,000$$

$$\text{Gross Profit} = 25\% \text{ of Sales}$$

$$\text{Gross Profit} = ₹ 40,000$$

$$\text{Net Sales} = \text{Cost of Goods Sold} + \text{Gross Profit}$$

$$\text{Net Sales} = 1,20,000 + 40,000$$

$$= ₹ 1,60,000$$

Q.21 A firm sells goods at Cost plus 25%. Sales to credit customers (3/4 of total) was ₹ 1,80,000. His Opening and Closing Stocks were ₹ 20,000 and ₹ 15,000 respectively. Find out the value of Purchases.

The solution can be presented as follows

Credit Sales = ₹ 1,80,000 (3/4 of Total Sales)

Total Sales = ₹ 2,40,000

Gross Profit = 25% of Cost

Gross Profit = ₹ 48,000

Cost of Goods Sold = Net Sales – Gross Profit

Cost of Goods Sold = 2,40,000 – 48,000

= ₹ 1,92,000

Cost of Goods Sold = Opening Stock + Purchases – Closing Stock

1,92,000 = 20,000 + Purchases – 15,000

1,92,000 = 5000 + Purchases

Purchases = 1,87,000

Q.22 Calculate Stock in the beginning:

	₹
Sales	80,000
Purchases	60,000
Stock at the end	8,000
Loss on Cost	1/6

The solution can be presented as follows

Here

Let cost be ₹ 100

Loss = 16.67 (1/6 of 100)

Sale = 83.33 (100 – 16.67)

% Loss on Sale = 20%

Loss on Sale = 16,000 (which is 20% of 80,000)

Cost of Goods Sold = Net Sales + Loss on Sale

Cost of Goods Sold = 80,000 + 16,000

= 96,000

Cost of Goods Sold = Opening Stock + Purchases – Closing Stock

96,000 = Opening Stock + 60,000 – 8,000

Opening Stock = 96,000 – 52,000

= 44,000

Q.23 Calculate the Stock at the end:

	₹
Stock in the beginning	20,000
Cash Sales	60,000
Credit Sales	40,000
Purchases	70,000
Rate of Gross Profit on Cost	1/3

The solution can be presented as follows

Rate of Gross Profit on Cost = $\frac{1}{3}$

Rate of Gross Profit on Sale = $\frac{1}{4}$

Total Sales = Cash Sales + Credit Sales

Total Sales = 60,000 + 40,000

= 1,00,000

Gross Profit = 25,000 ($\frac{1}{4}$ of 1,00,000)

Cost of Goods Sold = Net Sales – Gross Profit

Cost of Goods Sold = 1,00,000 – 25,000

= 75,000

Cost of Goods Sold = Opening Stock + Purchases – Closing Stock

75,000 = 20,000 + 70,000 – Closing Stock

Closing Stock = 90,000 – 75,000

= 15,000

Q.24 Calculate the value of Closing Stock from the following information:

	₹
Purchases	93,000
Wages	20,000
Sales	1,20,000
Carriage Outwards	3,200
Opening Stock	16,000
Rate of Gross Profit 25% on Cost.	

The solution can be presented as follows

Rate of Gross Profit on Cost = $\frac{1}{4}$

Rate of Gross Profit on Sale = $\frac{1}{5}$

Gross Profit = ₹ 24,000 ($\frac{1}{5}$ of 1,20,000)

Cost of Goods Sold = Net Sales – Gross Profit

Cost of Goods Sold = 1,20,000 – 24,000

= 96,000

Cost of Goods Sold = Opening Stock + Purchases + Direct Expenses – Closing Stock

96,000 = 16,000 + 93,000 + 20,000 – Closing Stock

Closing Stock = 1,29,000 – 96,000

= 33,000

Q.25 Calculate Purchases:

	₹
Cost of Goods Sold	65,000
Stock in the beginning	4,000
Closing Stock	5,000

The solution can be presented as follows

Purchases = Cost of Goods sold - Opening Stock + Closing Stock

Purchases = 65,000 - 4,000 + 5,000
= 66,000

Q.26 Calculate Sales:

Cost of goods sold ₹ 2,00,000

Rate of Gross Profit 20% on Sales

The solution can be presented as follows

$$\text{Gross Profit} = 2,00,000 \times 25\% = 50,000$$

$$\text{COGS} + \text{Gross Profit} = \text{Sales}$$

$$2,00,000 + 50,000 = 2,50,000$$

Q.27 Debtors in the beginning of the year were ₹ 30,000, Sales on credit during the year were ₹ 75,000, Cash received from the Debtors during the year was ₹ 35,000, Returns Inward (regarding credit sales) were ₹ 5,000 and Bills Receivable drawn during the year were ₹ 25,000. Find the balance of Debtors at the end of the year, assuming that there were Bad Debts during the year of ₹ 2,000.

The solution can be presented as follows

Debtors Account			
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	30,000	Cash A/c	35,000
Sales A/c	75,000	Sales Return A/c	5,000
		Bill Receivable A/c	25,000
		Bad-Debts A/c	2,000
		Balance c/d	38,000
	1,05,000		1,05,000

Q.28 Creditors on 1st April, 2018 were ₹ 15,000, Purchases on credit were ₹ 30,000, Cash paid to Creditors during 2018-19 was ₹ 20,000, Returns Outward (regarding credit purchases) were ₹ 1,000 and Bills Payable accepted during the year were ₹ 10,000. Find the balance of Creditors on 31st March, 2019.

The solution can be presented as follows

Creditors Account			
Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Cash A/c	20,000	Balance b/d	15,000
Purchases Return A/c	1,000	Purchases A/c	30,000
Bills Payable A/c	10,000		
Balance c/d	14,000		
	45,000		45,000

Q.29 Following information is given of an accounting year:

Opening Creditors ₹ 15,000; Cash paid to creditors ₹ 15,000; Returns Outward ₹ 1,000 and Closing creditors ₹ 12,000.

Calculate Credit Purchases during the year.

The solution can be presented as follows

Creditors Account			
Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Cash A/c	15,000	Balance b/d	15,000
Purchases Return A/c	1,000	Purchases A/c	13,000
Balance c/d	12,000		
	28,000		28,000

Q.30 From the following information supplied by Rohit, who keeps his books on Single Entry System, you are required to calculate Total Purchases:

	₹
Opening balance of Bills Payable	5,000
Opening balance of Creditors	6,000
Closing balance of Bills Payable	7,000
Closing balance of Creditors	4,000
Cash paid to Creditors during the year	30,200
Bills Payable discharged during the year	8,900
Returns Outward	1,200
Cash Purchases	25,800

The solution can be presented as follows

Creditors Account			
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Cash A/c	30,200	Balance b/d	6,000
Purchases Return A/c	1,200	Purchases A/c	40,300
Bills Payable A/c	10,900		
Balance c/d	4,000		
	46,300		46,300

Total Purchases = Cash Purchases + Credit Purchases

Total Purchases = 25,800 + 40,300

= ₹ 66,100

Q.31 Cash sales of a business in a year were ₹ 85,000, the Cost of Goods Sold (including direct expenses) was ₹ 97,000 and Gross Profit as shown by the Trading Account for the year was ₹ 1,29,000. Calculate Credit Sales during the year.

The solution can be presented as follows

Gross Profit = Net Sales – Cost of Goods Sold

1,29,000 = Net Sales – 97,000

Net Sales = 2,26,000

Credit Sales = Total Net Sales – Cash Sales

Credit Sales = 2,26,000 – 85,000

= 1,41,000

Q.32 From the following information, calculate Total Sales made during the period:

	₹
Debtors as on 1st April, 2018	20,400
Cash received from debtors during the year (as per Cash Book)	60,800
Returns Inward	5,400
Bad Debts	2,400
Debtors as on 31st March, 2019	27,600
Cash Sales (as per Cash Book)	56,800

The solution can be presented as follows

Debtors Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	20,400	Cash A/c	60,800
Sales A/c	75,800	Sales Return A/c	5,400
		Bad-Debts A/c	2,400
		Balance c/d	27,600
	96,200		96,200

Total Sales = Cash Sales + Credit Sales

Total Sales = 56,800 + 75,800

= 1,32,600

Q.33 Calculate Total Sales from the following information:

	₹
Bills Receivables as on 1st April, 2018	7,800
Debtors as on 1st April, 2018	30,800
Cash received on maturity of Bills Receivable during the year	20,900
Cash received from Debtors	70,000
Bad Debts written off	4,800
Returns Inward	8,700
Bills Receivable dishonoured	1,800
Bills Receivable on 31st March, 2019	6,000
Debtors as on 31st March, 2019	25,500
Cash Sales during the year	15,900

The solution can be presented as follows

Debtors Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	30,800	Cash A/c	70,000
Bill Receivable A/c	1,800	Sales Return A/c	8,700
Sales A/c	97,300	Bad-Debts A/c	4,800
		Bill Receivable A/c	20,900
		Balance c/d	25,500
	1,09,000		1,09,000

Total Sales = Cash Sales + Credit Sales

Total Sales = 15,900 + 97,300

= 1,13,200

Q.34 From the following information, ascertain the opening balance of Sundry Debtors and the closing balance of Sundry Creditors:

	₹
Sundry Creditors as on 31st March, 2018	20,600
Sundry Debtors as on 31st March, 2019	37,400
Stock as on 31st March, 2018	26,000
Stock as on 31st March, 2019	24,000
During the year ended 31st March, 2019:	
Purchases	1,10,000
Discount allowed by creditors	800
Discount allowed to customers	1,100
Cash paid to sundry creditors	95,000
Bills Payable issued by them	14,000
Bills Receivable received from customers	16,500
Cash received from customers	1,30,000
Bills receivable dishonoured	1,900

The solution can be presented as follows

Debtors Account			
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	43,100	Cash A/c	1,30,000
Bill Receivable A/c	1,900	Discount Allowed A/c	1,100
Sales A/c	1,40,000	Bill Receivable A/c	16,500
		Balance c/d	37,400
	1,85,000		1,85,000

Cost of Goods Sold = Opening Stock + Purchases - Closing Stock

Cost of Goods Sold = 26,000 + 1,10,000 - 24,000

= 1,12,000

Gross Profit = 30/70 x 1,12,000

= 48,000

Sales = Cost of Goods Sold + Gross Profit

Sales = 1,12,000 + 48,000

= 1,60,000

Credit Sales = 1,60,000 - 20,000

= 1,40,000

Creditors Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Cash A/c	95,000	Balance b/d	20,600
Discount Received A/c	800	Purchases A/c	1,10,000
Bills Payable A/c	14,000		
Balance c/d	20,800		
	1,30,600		1,30,600

Q.35 Roshan, whose accounts are maintained by Single Entry System, acquired a retail business on 1st April, 2018. He had ₹ 40,000 of his own and he borrowed ₹ 20,000 from his wife. He paid ₹ 15,000 for Goodwill, ₹ 5,000 for Furniture and ₹ 35,000 for Stock.

Total cash received by him during the financial year from the Debtors was ₹ 2,30,000. His payments were:

	₹
Purchases	1,56,000
Salary and Wages	21,400
Trade Expenses	7,200

Rent:	
For business premises	5,920
For private house	2,960
Payments made for domestic purposes and drawings	26,400

At the end of the year, the Stock was ₹ 37,500. He owed ₹ 13,500 to Creditors for goods and his customers owed to him ₹ 15,000. Provide 5% for Depreciation on Furniture, Interest at 5% on wife's Loan and ₹ 1,000 for Doubtful Debts.

Prepare the Cash Account, the Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet at the close of the year.

The solution can be presented as follows

Trading Account for the year ended 31st March, 2019

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	35,000	Sales	2,45,000
Purchases: Cash 1,56,000		Closing Stock	37,500
Credit 13,500	1,69,500		
Gross Profit c/d	78,000		
	2,82,500		2,82,500

Profit and Loss Account
for the year ended March 31, 2019

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Salary and Wages	21,400	Gross Profit b/d	78,000
Trade Expenses	7,200		
Rent for Business Premises	5,920		
Provision for Doubtful Debts	1,000		
Depreciation on Furniture	250		
Interest on wife's loan	1,000		
Net Profit t/d to Capital	41,230		
	78,000		78,000

Balance Sheet
as on March 31, 2019

Liabilities		Amount (₹)	Assets		Amount (₹)
Creditors		13,500	Cash Balance		15,120
Wife's Loan from Wife	20,000		Stock		37,500
Add: O/s Interest	1,000	21,000	Furniture	5,000	
Capital	40,000		Less:	250	4,750
Less: Drawings	29,360		Depreciation		
	10,640		Debtors	15,000	
			Less:		14,000
			Provision for Doubtful Debts	1,000	
Add: Net Profit	41,230	51,870	Goodwill		15,000
		86,370			86,370

Cash Account

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital	40,000	Goodwill	15,000
Wife's Loan	20,000	Furniture	5,000
Debtors	2,30,000	Stock	35,000
		Purchases	1,56,000
		Salary and Wages	21,400
		Trade Expenses	7,200
		Rent for Business Premises	5,920
		Drawings(2,960+26,400)	29,360
		Balance c/d	15,120
	2,90,000		2,90,000

Working Notes

Dr.	Creditors Account		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance c/d	13,500	Purchases- Credit (B/F)	13,500
	13,500		13,500

Dr.	Debtors Account		Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Sales A/c (B/F)	2,45,000	Cash	2,30,000
		Balance c/d	15,000
	2,45,000		2,45,000

Q.36 Vijay commenced business as food grains merchant on 1st April, 2018 with a capital of ₹ 4,00,000. On the same day, he purchased furniture for ₹ 80,000. From the following particulars obtained from his books which do not conform to Double Entry principles, you are required to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date:

	₹
Sales (including Cash Sales ₹ 2,00,000)	5,00,000
Purchases (including Cash Purchases ₹ 1,20,000)	4,00,000
Vijay's Drawings (in Cash)	40,000
Salaries to Staff	48,000
Bad Debts written off	4,000
Trade Expenses paid	16,000

Vijay used goods of ₹ 12,000 for personal purposes during the year. On 31st March, 2019, his Debtors amounted to ₹ 1,40,000 and Creditors ₹ 80,000. Stock-in-Trade on that date was ₹ 1,60,000.

The solution can be presented as follows

Trading Account
for the year ended March 31, 2019

Dr.			Cr.	
Particulars	Amount (₹)		Particulars	Amount (₹)
Purchases	4,00,000		Sales	5,00,000
Less: Drawings	12,000	3,88,000	Closing Stock	1,60,000
Gross Profit		2,72,000		
		6,60,000		6,60,000

Profit & Loss Account
for the year ended March 31, 2019

Dr.			Cr.	
Particulars	Amount (₹)		Particulars	Amount (₹)
Salary	48,000		Gross Profit	2,72,000
Trade Expenses	16,000			
Bad Debts	4,000			
Net Profit	2,04,000			
	2,72,000			2,72,000

Balance Sheet
as on March 31, 2019

Dr.			Cr.	
Liabilities	Amount (₹)		Assets	Amount (₹)
Capital	4,00,000		Cash in Hand	2,56,000
Less: Drawings	52,000		Debtors	1,40,000
Add: Net Profit	2,04,000	5,52,000	Less: Bad Debts	4,000
Creditors		80,000	Furniture	80,000
			Closing Stock	1,60,000
		6,32,000		6,32,000

Cash Account

Dr.			Cr.	
Particulars	Amount (₹)		Particulars	Amount (₹)
Capital A/c	4,00,000		Creditors A/c	2,00,000
Debtors A/c	1,60,000		Drawings A/c	40,000
Sales A/c	2,00,000		Furniture A/c	80,000
			Purchases A/c	1,20,000
			Salaries A/c	48,000
			Trade Expenses A/c	16,000
			Balance c/d	2,56,000
	7,60,000			7,60,000

Debtors Account

Dr.			Cr.	
Particulars	Amount (₹)		Particulars	Amount (₹)
Sales A/c	3,00,000		Cash A/c	1,60,000
			Balance c/d	1,40,000
	3,00,000			3,00,000

Creditors Account

Dr.			Cr.	
Particulars	Amount (₹)		Particulars	Amount (₹)
Cash A/c	2,00,000		Purchases A/c	2,80,000
Balance c/d	80,000			
	2,80,000			2,80,000

Q.37 Following information is obtained from the books of Vinay, who maintained his books of account under Single Entry System:

1. Receipts for the year ended 31st March, 2019:	₹
From Debtors	88,125
Cash Sales	20,625
Paid by Vinay	12,500
	1,21,250
2. Payments during the year:	
New plant bought	3,125
Drawings	7,500
Salaries	5,625
Wages	33,625
Interest paid	375
Rent paid	6,625
Light and power	2,375
Sundry Expenses	10,625
Sundry Creditors	38,125
	1,08,000

Vinay banks all receipts and makes payments by means of cheque.

3.

Assets and Liabilities	As at 31st March, 2018 (₹)	As at 31st March, 2019 (₹)
Sundry Creditors	12,625	12,000
Sundry Debtors	18,750	30,625
Bank	3,125	?
Stock	31,250	15,625
Plant	37,500	36,575

From the above information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

The solution can be presented as follows

Trading Account
for the year ended March 31, 2019

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	31,250	Sales (1,00,000 + 20,625)	1,20,625
Purchases	37,500	Closing Stock	15,625
Light & Power	2,375		
Wages	33,625		
Gross Profit	31,500		
	1,36,250		1,36,250

Profit & Loss Account
for the year ended March 31, 2019

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Depreciation on Plant	4,050	Gross Profit	31,500
Interest	375		
Rent	6,625		
Salary	5,625		
Sundry Expenses	10,625		
Net Profit	4,200		
	31,500		31,500

Balance Sheet
as on March 31, 2019

Dr.		Cr.	
Liabilities	Amount (₹)	Assets	Amount (₹)
Capital	78,000	Bank	16,375
Less: Drawings	7,500	Closing Stock	15,625
Add: Additional Capital	12,500	Debtors	30,625
Add: Net Profit	4,200	Plant	36,575
Creditors	12,000		
	99,200		99,200

Balance Sheet
as on April 01, 2018

Dr.		Cr.	
Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	12,625	Bank	37,500
Capital (bal. fig.)	78,000	Closing Stock	18,750
		Debtors	3,125
		Plant	31,250
	90,625		90,625

Bank Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	3,125	Creditors A/c	38,125
Capital A/c	12,500	Drawings A/c	7,500
Debtors A/c	88,125	Interest A/c	375
Sales A/c	20,625	Light & Power A/c	2,375
		Plant A/c	3,125
		Rent A/c	6,625
		Salaries A/c	5,625
		Sundry Expenses A/c	10,625
		Wages A/c	33,625
		Balance c/d	16,375
	1,24,375		1,24,375

Debtors Account

Dr.		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	18,750	Cash A/c	88,125
Sales A/c (bal. fig.)	1,00,000	Balance c/d	30,625
	1,18,750		1,18,750

Creditors Account			
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Cash A/c	38,125	Balance b/d	12,625
Balance c/d	12,000	Purchases A/c (bal.fig.)	37,500
	50,125		50,125

Q.38 Surya does not keep a systematic record of his transactions. He is able to give you the following information regarding his assets and liabilities:

	31st March 2018 (₹)	31st March, 2019 (₹)
Creditors for goods	21,000	19,000
Creditors for expenses	1,500	1,800
Bills Payable	8,700	11,500
Sundry Debtors	35,000	34,000
Stock (At cost)	28,000	25,000
Furniture and Fittings	10,000	12,000
Cash	5,100	

Following additional information is also available for the year ended 31st March, 2019:

	₹
Bills Payable Issued	20,800
Cash Sales	15,000
Payment to Sundry Creditors	31,000
Expenses paid	6,600
Drawings	8,000

Bad Debts during the year were ₹ 900. As regards sale, Surya tells you that he always sells goods at Cost plus 25%. Furniture and Fittings are to be depreciated at 10% of the value in the beginning of the year.

Prepare Surya's Trading and Profit and Loss Account for the year ended 31st March, 2019 and his Balance Sheet on that date.

The solution can be presented as follows

Trading Account for the year ended 31 st March, 2019			
Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Opening Stock	28,000	Sales: Cash	15,000
Purchases	49,800	Credit	51,000
Gross Profit c/d	13,200	Closing Stock	25,000
	91,000		91,000

Profit and Loss Account
for the year ended March 31, 2019

Dr.			Cr.
Particulars	Amount (₹)	Particulars	Amount (₹)
Bad Debts	900	Gross Profit b/d	13,200
Expenses	6,600		
Add: Closing Creditors for Expenses	1,800		
	8,400		
Less: Opening Creditors for Expenses	1,500		
Depreciation on Furniture and Fittings	1,000		
Net Profit t/d to Capital	4,400		
	13,200		13,200

Balance Sheet
as on March 31, 2019

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors for Goods	19,000	Cash Balance	4,600
Creditors for Expenses	1,800	Stock	25,000
Bills Payable	11,500	Debtors	34,000
Capital	46,900	Furniture and Fittings	12,000
Less: Drawings	8,000		
	38,900		
Add: Net Profit	4,400		
	43,300		
	75,600		75,600

Working Notes

Balance Sheet
as on March 31, 2018

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors for Goods	21,000	Cash Balance	5,100
Creditors for Expenses	1,500	Stock	28,000
Bills Payable	8,700	Debtors	35,000
Capital (Balancing Figure)	46,900	Furniture and Fittings	10,000
	78,100		78,100

Cash Account

Liabilities	Amount (₹)	Assets	Amount (₹)
Balance b/d	5,100	Expenses	6,600
Sales	15,000	Sundry Creditors	31,000
Debtors	51,100	Furniture and Fittings	3,000
		Bills Payable	18,000
		Drawings	8,000
		Balance c/d	4,600
	71,200		71,200

Dr. Creditors for Goods Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Bills Payable	20,800	Balance b/d	21,000
Cash	31,000	Purchases-Credit (B/F)	49,800
Balance c/d	19,000		
	70,800		70,800

Dr. Debtors Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Balance b/d	35,000	Bad Debts	900
Sales-Credit	51,000	Cash (Balancing Figure)	51,100
		Balance c/d	34,000
	86,000		86,000

Dr. Bills Payable Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
Cash (Balancing Figure)	18,000	Balance b/d	8,700
Balance b/d	11,500	Creditors for goods	20,800
	29,500		29,500

Dr.		Furniture and Fittings Account		Cr.	
Particulars		Amount (₹)	Particulars	Amount (₹)	
Balance b/d		10,000	Depreciation	1,000	
Cash-Purchases (B/F)		3,000	Balance c/d	12,000	
		13,000		13,000	

Calculating Cost of Goods Sold and Credit Sales

COGS = Opening. Stock + Purchases – closing. Stock

$$= 28,000 + 49,800 - 25,000 = 52,800$$

Gross Profit = $52,800 \times 25/100$

$$= 13,200$$

Total Sales = COGS + Gross Profit

$$= 52,800 + 13,200$$

$$= 66,000$$

Credit Sales = Total Sales – Cash Sales

$$= 66,000 - 15,000 = 51,000$$