



- 6] Which of the following represents the adjusted closing capital
  - a] Opening capital + Drawings - Additional capital
  - b] Closing capital + Drawings - Additional capital
  - c] Opening capital + Additional capital - Drawings
  - d] Closing capital + Additional Capital - Drawings
- 7] Credit purchases during the year is ascertained by preparing :-
  - a] Total Creditors A/c
  - b] Opening Debtors A/c
  - c] Cash A/c
  - d] Opening statement of affairs
- 8] Credit sales during the year is ascertained by preparing:-
  - a] Cash Book
  - b] Statement of affairs
  - c] Total Debtors A/c
  - d] Total Creditors A/c
- 9] Accounts from incomplete records is generally followed by :
  - a] Small business units
  - b] Non trading concerns
  - c] Large business units
  - d] None
- 10] Bad debts will be appeared in:
  - a] Total Debtors A/c
  - b] Total Creditors A/c
  - c] Total Bills Receivable A/c
  - d] Total Bills Payable A/c

### III: True or False:-

- 1] Incomplete records are also known as Single entry system.
- 2] Statement of Affairs & Balance Sheet both are the same.
- 3] Statement of affairs is prepared to know the capital on a particular date.
- 4] Incomplete records mechanism is unscientific method.
- 5] Total Debtors Account is prepared to know the Credit Sales.
- 6] Total Creditors Account is prepared to know Credit Purchases.
- 7] Trial balance may be prepared under Accounts from Incomplete Records.
- 8] There is no difference between Accounts from Incomplete Records and Double Entry System.
- 9] Incomplete records mechanism is suitable for small traders.
- 10] A company may be followed incomplete records mechanism as it is simple and suitable method.

### IV: Very Short Answer Questions:-

1. Give the meaning of Incomplete Records.
2. State any one possible reason for keeping Incomplete Records.
3. Mention any one distinction between Statement of Affairs and Balance Sheet.
4. What is Statement of affairs?
5. What is the necessity of preparing Statement of Affairs?
6. Mention any one feature of accounts from Incomplete Records.
7. What is Adjusted Closing Capital?
8. Can a Joint Stock Company maintains its books under incomplete records?
9. Is it possible to prepare Trial Balance in incomplete records mechanism?
10. Which are the accounts usually maintained in accounts from incomplete records?

**SECTION – B: Six Marks Questions/Short problems:-**

1] From the following information, find out Closing Debtors.

	<b>Rs</b>
Debtors on 01/04/2016	20,000
Cash Received from Debtors	70,000
Discount allowed	5,000
Bad debts	2,000
Returns from customers	3,000
Credit sales	1,00,000

**[Ans: Closing Debtors: Rs.40,000]**

2] From the following information, find out opening Debtors.

	<b>Rs</b>
Cash received from debtors	50,000
Total sales	1,50,000
Cash sales	30,000
Discount allowed	8,000
Provision for Doubtful debts	2,500
Debtors as on 31/03/2017	80,000

**[Ans: Opening Debtors: Rs.18,000]**

3] Prepare Total Debtors Account and find out the missing figure.

	<b>Rs</b>
Debtors as on 01/01/2015	35,000
Debtors as on 31/12/2015	42,000
Returns inwards	2,000
Bad debts recovered	1,000
Cash received form Debtors	50,000
Bills receivable received from Debtors	20,000
Discount to customers	3,000

**[Ans: Credit Sales: Rs.82,000]**

4] From the following information, find out cash received from Debtors.

	<b>Rs</b>
Debtors as on 01/04/2015	17,000
Debtors as on 31/03/2016	25,500
Credit sales during the year	95,000
Bills accepted by customers	15,000
Sales returns	2,000
Bills receivable dishonored	3,000

**[Ans: Cash received from Debtors: Rs.72,500]**

5] From the following information, calculate the amount paid to Creditors :

	<b>Rs</b>
Sundry Creditors as on 01/04/2016	1,80,000
Discount earned	6,000
Returns outwards	7,000
Bills accepted	1,50,000
Credit purchases	2,00,000
Sundry Creditors as on 31/03/2017	1,90,000

**[Ans: Amount paid to Creditors: Rs.27,000]**

- 6] Prepare Total Creditors Account from the following information and Find out the missing figure.

	<b>Rs</b>
Creditors as an 01/04/2015	15,000
Total purchases	75,000
Cash purchases	3,000
Discount received	2,000
Cash paid to Creditors	50,000
Returns to suppliers	4,000
Creditors as on 31-03-2016	?

**[Ans: Closing Creditors: Rs.31,000]**

- 7] Prepare Total Creditors Account from the information given below and find out the missing figure.

	<b>Rs</b>
Credit purchases	25,000
Bills payable issued to Creditors	20,000
Cash paid to creditors	50,000
Returns outwards	750
Chaque issued to creditors	55,600
Creditors as on 31/12/2015	60,000
Creditors as on 01/01/2015	?

**[Ans: Opening Creditors: 1,61,350]**

- 8] Find out Credit Purchases from the following information by preparing the Total Creditors Account

	<b>Rs</b>
Creditors as on 01/04/2015	5,000
Creditors as on 31/03/2016	45,000
Cash paid to creditors	70,000
Returns to supplier	2,000
Bills accepted drawn by suppliers	25,000
Bills payable dishonored	4,000

**[Ans: Credit purchases: Rs. 1,33,000 ]**

- 9] From the following information, find out Bills Payable issued to Creditors

	<b>Rs</b>
Creditors as on 01/04/2016	17,000
Creditors as on 31/03/2017	23,000
Credit purchases	75,000
Returns to suppliers	1,500
Discount earned	2,500
Bills payable dishonored	3,500

**[Ans: Bills Payable issued to Creditors: Rs.68,500 ]**

- 10] Prepare Total Debtors Account to find out the Bills Receivable received from customers (Debtors)

	Rs
Debtors as on 01/01/2015	35,000
Debtors as on 31/12/2015	55,000
Credit sales	1,25,000
Bad debts	750
Allowance to customers	2,500
Bills Receivable dishonored	3,800
<b>[Ans: Bills receivable received from Debtors: Rs.1,05,550 ]</b>	

#### SECTION – D: Twelve Marks Problems:-

- 1] Mallikarjun, a retailer started his business on 01-04-2016 with Capital of Rs. 45,000. On 01-07-2016, he invested Rs.15,000 as Additional Capital. He used Rs. 18,000 for his personal use on 01-10-2016  
His financial position as on 31-03-2017 was as under.

Particulars	Rs.
Stock of goods	26,000
Sundry Debtors	16,000
Furniture	6,000
Cash at Bank	6,000
Cash in hand	600
Bills Receivable	4,600
Plant and Machinery	20,000
Sundry Creditors	16,000
Loan from wife	6,000

#### Adjustments:-

- Depreciate Furniture by Rs. 600
- Allow Interest on Capital at 5% p.a.
- Rent Prepaid Rs.1,000
- Charge Interest on drawings at 6% p.a.

**Prepare :-** 1) Statement of Profit or Loss  
2) Revised Statement of Affairs as on 31-03-2017.

**[Ans:Closing Capital:Rs.57,200 Gross Profit:Rs.15,200 Net Profit:Rs.13,327 Revised Statement of affairs total:Rs.79,600]**

- 2] Mr. Shenoy, a Sole Trader, keeps his books of accounts under incomplete records. He Commenced his Business on 01-04-2015 with a Capital of Rs.1,00,000. His Position as on 31-03-2016 was as under :

Particulars	Rs.
Cash in hand	15,000
Cash at Bank	20,000
Bills Receivable	13,000
Buildings	36,000
Sundry Debtors	30,000
Furniture(Purchased on 01-04-2015)	2,000
Bills Payable	3,500
Sundry Creditors	10,500
Investment	10,000

During the year, he transferred Rs.500 every month from business bank account to his personal S.B Account. He also used goods worth Rs. 1,250 for his domestic use. He sold his private land for Rs.10,000 and introduced the same into his business.

**Adjustments:-**

- 1) Appreciate Building by 10%
- 2) Depreciate Furniture by 5%
- 3) Write off Bad Debts Rs.1,000 and provide for Doubtful debts at 5% on Sundry Debtors.
- 4) Legal expenses due but not paid Rs.500

Ascertain his Profit or Loss for the year ending 31-03-2016 and also prepare Revised Statement of Affairs as on that date.

**[Ans:Closing Capital:Rs.1,12,000 Gross Profit:Rs.9,250 Net Profit:Rs.9,800 Revised Statement of affairs total:Rs.1,27,050]**

- 3] Manamohan Singh Keeps his books of accounts under incomplete records.  
His Position on 01-01-2015 was as under.

Liabilities	Rs.	Assets	Rs
Creditors	20,000	Cash in hand	1,400
Bills payable	6,000	Cash at Bank	6,600
Capital	1,60,000	Bills Receivable	10,400
		Sundry Debtors	19,600
		Stock	40,000
		Furniture	8,000
		Machinery	20,000
		Building	80,000
	<b>1,86,000</b>		<b>1,86,000</b>

His Position on 31-12-2015 was as follows:

Creditors	Rs. 16,000	Bills Payable	Rs.8,000
Cash in hand	Rs. 2,000	Bills Receivable	Rs.8,000
Debtors	Rs.28,000	Stock	Rs.36,000

His Drawings during the year was Rs.20,000. Furniture and Machinery are to be depreciated by 10% each. Buildings are to be appreciated by 20% Commission of Rs.1,000 was received in advance.

Ascertain the Profit or Loss for the year ending 31-12-2015 and also redraft the Statement of Affairs as on that date.

**[Ans:Closing Capital:Rs.1,58,000 Gross Profit:Rs.18,000 Net Profit:Rs.30,200 Redrafted Statement of affairs total:Rs.1,95,200]**

- 4] Mr. Aniket Kept his books under incomplete records. He provides you the following information.

Particulars	01-04-2015 Rs.	31-03-2016 Rs.
Cash	10,000	16,000
Bank Overdraft	20,000	14,000
Bills Receivable	16,000	20,000

Debtors	30,000	40,000
Stock	24,000	28,000
Furniture	20,000	20,000
Machinery	30,000	30,000
Bills Payable	6,000	10,000
Building	50,000	50,000
Creditors	14,000	16,000
Capital	1,40,000	?

During the year he has withdrew Cash Rs. 13,000 and Goods worth Rs. 7,000 for his personal use. He has also introduced Rs.12,000 as an Additional Capital on 01-07-2015.

**Adjustments:-**

- 1) Appreciate Building by 20%
- 2) Provide for Bad and Doubtful Debts at 5% on Debtors
- 3) Allow interest on capital at 12% p.a.
- 4) Depreciate Machinery by Rs.3,000
- 5) Salary due but not paid Rs.1,000

**Prepare :-** 1) Statement of Affairs  
2) Statement of Profit or Loss  
3) Revised Statement of Affairs.

**[Ans: Closing Capital:Rs.1,64,000 Gross Profit:Rs.32,000 Net Profit:Rs.18,120 Revised Statement of affairs total:Rs.2,09,000]**

- 5] Mr. Akshaykumar keeps his books on incomplete records. He gives you the following information

Particulars	01/04/2015 Rs	31/03/2016 Rs
Cash in hand	1,000	1,500
Cash at bank	15,000	10,000
Stock	1,00,000	95,000
Debtors	42,500	70,000
Business Premises	75,000	1,35,000
Furniture	9,000	9,000
Creditors	66,000	87,000
Bills Payable	44,000	58,000

During the year he withdrew Rs. 45,000 for his personal use and introduced Rs. 25,000 as further capital in the business:

**Adjustment :**

- 1) Appreciate Business Premises by 20%
- 2) Depreciate Furniture by 10%
- 3) Outstanding Salary Rs. 1,000
- 4) Provision for Doubtful Debts at 10% on Debtors

**Prepare :** 1) Statement of Affairs  
2) Statement of Profit or Loss for the year ending 31/03/2016  
3) Revised Statement of Affairs as on 31/03/2016

**[Ans: Opening Capital:Rs.1,32,500 Closing Capital:Rs.1,75,500 Gross Profit:Rs.63,000 Net Profit:Rs.81,100 Revised Statement of affairs total:Rs.3,39,600]**

- 6] Govind does not keep proper books of accounts. Following information is given.

Particulars	01/01/2015 Rs	31/12/2015 Rs
Cash in hand	18,000	12,000
Cash at Bank	1,500	2,000
Stock in trade	80,000	90,000
Sundry Debtors	36,000	60,000
Sundry Creditors	60,000	40,000
Bank Loan	10,000	8,000
Office Equipment	25,000	30,000
Land & Building	30,000	30,000
Furniture	10,000	10,000

During the year he introduced Rs.20,000 as further capital and withdrew goods worth Rs. 2,000 and Cash Rs.10,000 from the business for his personal use.

**Adjustments:**

- 1] Appreciate Land & Buildings by 10%
- 2] Depreciate Furniture by 5%
- 3] Bad debts Rs. 5,000 and Provide 10% for bad and doubtful debts on Sundry Debtors.
- 4] Unexpired insurance amounted to Rs. 500

**Prepare :** 1] Statement of Profit or Loss for the year ending 31/12/2015.

2] Revised Statement of Affairs as on 31/12/2015.

**[Ans: Opening Capital:Rs.1,30,500 Closing Capital:Rs.1,86,000 Gross Loss:Rs.12,500 Net Loss:Rs.20,000 Revised Statement of affairs total:Rs.2,26,500]**

- 7] Krishnakant has not kept proper books of accounts. From the following information, prepare the Statement of Profit or Loss for the year ending 31<sup>st</sup> December 2016 and Revised Statement of Affairs as on that date.

Particulars	01/01/2016 Rs	31/12/2016 Rs
Cash in hand	10,000	36,000
Debtors	20,000	80,000
Creditors	10,000	46,000
Bills Receivable	20,000	24,000
Bills Payable	4,000	42,000
Motor Car (01/07/2016)	-	80,000
Stock	40,000	30,000
Furniture	8,000	48,000
Investments	40,000	50,000
Cash at Bank	1,00,000	90,000

During the year, he withdrew Cash Rs.5,000 per month for his private use and he sold his Private Car for Rs.30,000 on 30/06/2016 and invested the same into the business on 30/09/2016.



**Adjustments:-**

- 1] Depreciate Motor Car at 5% p.a. and Furniture at 10% p.a.  
Additional Furnitures were purchased on 01/01/2016
- 2] Outstanding Rent Rs. 6,000
- 3] Write off Bad Debts Rs.3,000
- 4] Interest on Investments accrued Rs.4,000

**[Ans: Opening Capital:Rs.2,24,000 Closing Capital:Rs.3,50,000 Gross Profit:Rs.1,56,000 Net Profit:Rs.1,44,200 Revised Statement of affairs total:Rs.4,32,200]**

8] M/s Sonia does not kept proper records. From the following information, prepare Statement of Profit on Loss f.y.e. 31/03/2016 and also prepare the Revised Statement of Affairs as on that date.

Particulars	01/04/2015 Rs	31/03/2016 Rs
Cash in hand	6,000	24,000
Bank overdraft	30,000	-
Stock	50,000	80,000
Sundry Creditors	26,000	40,000
Sundry Debtors	60,000	1,40,000
Bills Payable	6,000	12,000
Furniture	40,000	40,000
Bills Receivable	8,000	28,000
Machinery	50,000	50,000
Investment	30,000	80,000

She withdrew Rs. 10,000 for personal use and introduced fresh capital during the year Rs. 2,00,000

**Adjustments :**

- 1] Bad debts Rs. 2,000 and 5% provision for doubtful debts is to be provided on Sundry Debtors.
- 2] Outstanding Salary Rs. 2,400
- 3] Interest on investment earned but not received Rs. 8,000
- 4] Depreciate Furniture & Machinery at 10% p.a. each

**[Ans: Opening Capital:Rs.1,82,000 Closing Capital:Rs.3,90,000 Gross Profit:Rs.18,000 Net Loss:Rs.300 Revised Statement of affairs total:Rs.4,26,100]**

9] Manu Keeps his books under incomplete records. He provides you the following information.

Particulars	01-01-2015 Rs.	31-12-2015 Rs.
Cash at Bank	6,000	8,000
Bills Receivable	3,000	4,000
Bills Payable	-	2,000
Debtors	20,000	25,500
Creditors	16,000	20,000
Furniture	10,000	10,000
Investments	-	4,000
Building	50,000	50,000
Stock	14,000	16,000
Motor Car (30.6.2015)	-	30,000

During the year Manu withdrew Rs. 5,000 for his personal use. He also paid Rs.2,000 as medical expenses for his son and introduced additional capital of Rs. 8,000.

**Adjustments :-**

- Depreciate Furniture and Motor Car at 10% p.a. each
- Appreciate Buildings by 20%
- Out of the Debtors, Rs. 500 is irrecoverable and provide PBD at 5% on Debtors
- Rent due but not paid Rs. 100

**Prepare :-** 1) Statement of Profit or Loss  
2) Adjusted Statement of Affairs.

**[Ans: Opening Capital:Rs.87,000 Closing Capital:Rs.1,25,500  
Gross Profit:Rs.37,500 Net Profit:Rs.43,150 Revised Statement of affairs total:Rs.1,53,250]**

**10]** Shri Shivaraj does not kept his books under Double Entry System. Following information is available from his records.

Particulars	01-04-2015 Rs.	31-03-2016 Rs.
Cash	8,000	20,000
Bills Receivable	10,000	-
Debtors	20,000	30,000
Stock	25,000	28,000
Creditors	15,000	16,000
Bills Payable	5,000	6,000
Furniture	12,000	12,000
Bank Overdraft	6,000	8,000

During the year Shivaraj withdrew Rs.500 per month from his business for his private use and also used goods worth Rs. 1,000 for his household purpose. He had brought in Rs.5,000 as extra Capital during the year.

**Adjustments :-**

- Furniture is to be depreciated by 10%
- Provide Interest on Capital at 5% on Opening Capital
- PBD is to be created at 5% on Debtors
- Commission Receivable Rs. 1,200

**Prepare :-** 1) Statement of Profit or Loss for the year  
2) Redraft the Statement of Affairs as on 31-03-2016.

**[Ans: Opening Capital:Rs.49,000 Closing Capital:Rs.60,000 Gross Profit:Rs.13,000 Net Profit:Rs.9,050 Revised Statement of affairs total:Rs.88,500]**

**SECTION – E: Practical Oriented Questions for Five Marks:-**

- Prepare Opening Statement of Affairs with five imaginary figures.
- Prepare Closing Statement of Affairs with five imaginary figures.