

**KENDRIYA VIDYALAYA BARWAHA**

WINTER ASSIGNMENT

ACCOUNTANCY - XI

1. The following balances were extracted from the books of Shri Vinod Kumar on 31<sup>st</sup> March 2014.

Particulars	Amount	Amount
Capital	--	24,500
Drawings	2,000	
General Expenses	2,500	
Building	11,500	
Machinery	9,340	
Stock (1 April 2013)	16,200	
Power	2,240	
Taxes & Insurance	1,315	
Wages	7,200	
Sundry Debtors	6,280	
Sundry Creditors	---	2,500
Charity	105	
Bad Debts	550	
Bank Overdraft	---	11,180
Sales	---	65,360
Purchases	47,000	
Scooter	2,000	
Stationery Expenses	500	
Bad Debts Provision	---	900
Commission	---	1,320
Trade Expenses	1,280	
Bills Payable	---	3,850
Cash	100	
	1,09,600	1,09,610

Adjustments:

- (i) Stock on 31<sup>st</sup> March 2014 was valued at Rs.23,500
  - (ii) 1/5<sup>th</sup> of General expenses and Taxes and insurance to be charged to factory and balance to office.
  - (iii) Depreciate machinery at 10% and scooter by Rs.240
  - (iv) Provide 700 for outstanding interest on bank overdraft
  - (v) Prepaid insurance is to the extent of Rs.50
  - (vi) Write off further bad debts of Rs.160 and maintain provision for bad debts at 5% on debtors.
2. The following were the balances of Vinod Bros. as on 31<sup>st</sup> March 2014:  
Taking into account the following adjustments prepare the Trading and profit and loss account and balance sheet as on 31<sup>st</sup> March 2014:
- a) Stock in hand at the end Rs.6,800
  - b) Machinery is to be depreciated at the rate of 10% and patents @20%
  - c) Salaries for the month of March 2014 amounting to Rs.1,500 outstanding
  - d) Insurance includes a premium of Rs.170 on a policy expiring on 30 September 14.
  - e) Further bad debts are Rs.725. Create a provision @5% on Debtors
  - f) Rent Receivable Rs.1,000.

Particulars	Amount	Particulars	Amount
Cash in hand	540	Sales	98,780
Cash at bank	2,630	Return outwards	500
Purchase Account	40,675	Capital	62,000
Return inwards	680	Sundry Creditors	6,300
Wages	8,480	Rent	9,000
Fuel and water	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Stock	5,760		
Building	32,000		
Freehold land	10,000		
Machinery	20,000		
Salaries	15,000		
Patents	7,500		
General Expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry Debtors	14,500		

3. The following balances are taken from the books of Mr. Vinod Kumar. You are required to prepare Trading Account, Profit and Loss Account and Balance Sheet for the year ending on 31<sup>st</sup> March 2014.

Particulars	Amount	Particulars	Amount
Capital	1,20,000	Drawings	21,000
Opening Stock	45,000	Plant and Machinery	24,000
Furniture	1,500	Purchases	2,95,000
Sales	4,35,000	Insurance	1,500
Purchase Return	4,000	Sales return	7,000
Rent	5,000	Trade expenses	2,000
Salaries	24,000	Wages	40,000
Bad Debts	1,000	6% Investment	50,000
Debtors	40,000	Sundry Creditor	19,000
Bad Debts Reserves	800	Cash	12,200
Advertisement expense	6,000	Miscellaneous Receipts	1,200
Patents	4,800		

Adjustments:

- Closing Stock Rs.75,000
- Depreciate Machinery by 10% and Furniture by 20%
- Wages Rs.5,000 and Salaries Rs.1,200 are outstanding
- Write off Rs.500 as bad debts and create 5% provision for bad debts. Also create a reserve for discount on debtors @2%.
- Investments were made on 1<sup>st</sup> July 2013 and no interest has been received so far.

4. Calculate the value of Opening Stock from the following:

Particulars	Amount	Particulars	Amount
Cash sales	40,000	Closing Stock	36,000
Credit Sales	1,65,000	Purchases	1,24,000
Sales Return (out of credit sales)	5,000	Carriage inwards	8,000
Purchase Return	4,000	Rate of Gross Profit	40% of sales

5. From the following balances, prepare Trading and Profit & Loss account for the year ended 31<sup>st</sup> December 2014 and a balance sheet as on that date after making the necessary adjustments:

Particulars	Amount
Trade Expenses	800
Freight & Duty	2,000
Carriage outwards	500
Sundry debtors	20,600
Furniture & Fixtures	5,000
Return inwards	2,000
Printing & Stationery	400
Rent, Rates & Tax	4,600
Sundry Creditors	10,000
Sales	1,20,000
Return outwards	1,000
Postage & Telegram	800
Purchase	82,000
Stock	15,000
Plant and machinery (Opening balance)	20,000
Additions to Plant and machinery ( on 1 <sup>st</sup> July 2014)	5,000
Drawings	6,000
Capital	80,000
Reserve for doubtful debts	800
Rent for premises sublet	1,600
Insurance charges	700
Salaries and wages	21,300
Cash in hand	6,200
Cash at bank	20,500

Additional information:

- (i) Stock at the end was Rs.14,000
- (ii) Write off Rs.600 as bad debts
- (iii) Reserve for doubtful debts is to be maintained at 5% on sundry debtors
- (iv) Depreciate furniture & fixtures at 5% p.a. and on Plant and Machinery at 20% p.a.
- (v) Insurance prepaid was Rs.100
- (vi) A fire occurred on 5<sup>th</sup> December in the same year in the godown and stock of the value of Rs.5,000 was destroyed. It was insured and insurance company admitted full claim.

6. Show the treatment of following items in Profit and Loss Account and balance sheet and also prepare provision for doubtful debts:

Trial Balance

Particulars	Debit	Credit
Debtors	40,300	----
Provision for doubtful debts	-----	2,000
Bad debts	700	----

Adjustments:

- (i) During the year there was a further bad debt of Rs.300
- (ii) Make a provision for doubtful debts @ 5%
- (iii) Create discount on debtors @ 2%

7. From the following balances prepare Trading Account, P/L Account and B/S.

Particulars	Debit	Credit
Capital	--	25,000
Purchase and Purchase Return	60,000	2,000
Sales and Sales Return	1,000	80,000
Debtors and Creditors	8,000	4,000
Discount	100	300
Opening Stock	500	--
Repair and Renewals	400	--
Wages	700	--
Carriage outward	400	--
Machinery	16,000	--
Investment	14,000	--
Life insurance	500	--
Drawings	1,000	--
Insurance	500	--
Cash in hand	8,595	--
Creditors (others)	--	395
	1,11,695	1,11,695

Closing Stock was Rs.5,465.

8. Following balances are taken from the Trial Balance of Shri Vinod Kumar, you are required to prepare Trading Account and Calculate Gross Profit.

Particulars	Amount	Particulars	Amount
Opening Stock	10,000	Wages	21,000
Purchases	2,15,000	Carriage inwards	9,000
Purchases Return	8,000	Factory rent	15,000
Sales	4,80,000	Freight	12,000
Sales Return	11,000	Octroi	3,000

Show your working clearly.

9. From the following balances prepare Trading Account, P/L Account and B/S.

Particulars	Amount	Particulars	Amount
Opening Stock	27,400	Sales	4,02,160
Purchases	2,83,950	Purchases Returns	1,150
Sales Return	2,005	Creditors	62,000
Carriage	8,715	Discount	110
Wages	58,840	Capital	50,000
Coal, Gas and water	42,860		
Manufacturing expenses	4,840		
Debtor	67,900		
General Expenses	4,890		
Salaries	4,305		
Rent, rates and taxes	1,910		
Cash in hand	75		
Livestock	4,730		
Drawings	3,000		
	5,15,420		5,15,420

Closing Stock was valued at Rs. 53,800.

10. Vinod Sold goods to Mr. Kumar worth Rs.2,000 and drew a bill of exchange on Mr. Kumar. Vinod Retained the bill with him till maturity. On due date the bill was honoured. Pass necessary journal entries in the books of Vinod and Mr. Kumar.

11. Ghanshyam sold goods for Rs.20,000 to Dalbir Singh on credit on Jan 01, 2010. Ghanshyam drew a bill of exchange upon Dalbir Singh for the same amount for three months. Dalbir Singh accepted the bill and returned it to Ghanshyam. Dalbir Singh met his acceptance on maturity. Record the necessary journal entries if Ghanshyam retained the bill till the date of its maturity and collected directly.
12. Ashok sold goods worth Rs. 4,000 to Brown on credit and drew a bill of same amount at three months on Brown. which was duly accepted by Brown and met on maturity. Pass necessary Journal entries in the books of Ashok and Brown.
13. Ram purchased goods from Shyam for Rs.4,000 on 1<sup>st</sup> March 1994 , and accepted a bill of exchange for 2 months drawn on him by Shyam on the same date for the amount. Shyam got the bill discounted at his bank at 12% p.a. on due date Ram met the bill. Pass entries in the books of Ram and Shyam.
14. Rakesh's acceptance to Mukesh for Rs.50,000 is discharged by immediate cash payment of Rs.21,000 including interest of Rs.1,000 and an acceptance of a bill for the balance. Give Journal entries for the above transaction.
15. Puneet's acceptance to Rakesh for Rs.40,000 which was endorsed to Kamal is dishonoured, Rs.500 being paid as noting charges. Give journal entries for the above transaction.
16. Suresh's acceptance to Rakesh for Rs.90,000 is retired before its due date for Rs.88,500. Give journal entries for the above transaction.
17. X Draws a bill on Y for Rs.20,000 on September 4, 2005 payable after 4 months. X discounts the bill with the bank @ 12% on October 7. The bill is dishonoured on the due date. Pass necessary journal entries in the books of X and Y if bank paid Rs.300 as noting charges.
18. Journalise the following in the books of Neelam:
  - a. Neelam's acceptance to Dinesh for Rs.2,000 renewed at 3 months together with interest 18%.
  - b. Ranjan requests Neelam to renew his acceptance for Rs.1,500 for two months. Neelam agrees to it provided interest is paid at 20% in cash.
  - c. Neelam's acceptance in favour of Guddi for Rs.15,000 dishonoured and noting charges paid by Guddi Rs.20 which was paid by cheque later on.
19. Harleen draws a bill on Shweta for Rs. 2,000 which Shweta accepts on 1st January 1996. The bill is discounted on 1st February 1996 For Rs. 1,970. Shweta meets the bill on the due date. Pass necessary journal entries in the books of Harleen and Shweta.
20. Journalise the following transactions:
  - a. Retired our acceptance to Pawan Kumar for Rs.10,000 by a cheque of Rs.6,000 and a new bill for the balance plus interest @ 12% p.a. for three months.
  - b. Our acceptance for Rs.3,000 retired by us before the due date under a rebate of Rs.50.
  - c. Our acceptance to A for Rs.5,000 was discharged by us by giving to him B's acceptance to us for the similar amount.