INDIAN SCHOOL AL WADI AL KABIR

Class: XI	**Department: Commerce**
Worksheet No:	**Topic: DEPRECIATION**

1. Calculate the amount & Rate of Depreciation under Straight Line Method (SLM) from the following:
   Purchased a second-hand machine for ₹ 96,000, spent ₹ 24,000 on its cartage, repairs and installation, estimated useful life of machine 4 years. Estimated residual value ₹ 72,000.

2. On 1st April, 2019, X Ltd. purchased a machine costing ₹ 4,00,000 and spent ₹ 50,000 on its installation. The estimated life of the machinery is 10 years, after which its residual value will be ₹ 50,000 only. Find the amount of annual depreciation according to the Fixed Instalment Method and prepare Machinery Account for the first two years. The books are closed on 31st March every year.

3. On 1st April, 2018, a Company bought Plant and Machinery costing ₹ 68,000. It is estimated that its working life is 10 years, at the end of which it will fetch ₹ 8,000. Additions are made on 1st April, 2019 to the value of ₹ 44,000 (Residual value ₹ 4,000). More additions are made on Oct. 1, 2019 to the value of ₹ 10,000 (Scrap value ₹ 1.000). The working life of both the additional Plant and machinery is 10 years.
   Show the Plant and Machinery account for the first three years, if depreciation is written off according to Straight Line Method. The accounts are closed on 31st March every year.

4. From the following transactions of a concern, prepare the Machinery Account for the year ended 31st March, 2021:

1st April, 2020	:	Purchased a second-hand machinery for ₹ 40,000
1st April, 2020	:	Spent ₹ 10,000 on repairs for making it serviceable.
30th September, 2020	:	Purchased additional new machinery for ₹ 20,000.
31st December, 2020	:	Repairs and renewals of machinery ₹ 3,000.
31st March, 2021	:	Depreciate the machinery at 10% p.a.

5. On 1st April, 2019, *A* Ltd. Purchased a machine for ₹ 2,40,000 and spent ₹ 10,000 on its erection. On 1st July, 2019 an additional machinery costing ₹ 1,00,000 was purchased. On 1st July, 2020 the 3rd machine was purchased at a cost of ₹ 2,00,000.

Show the Machinery Account for the first two years if depreciation is charged at 10% p.a. by the Straight-Line Method.

6. An asset was purchased for ₹ 10,500 on 1st April, 2018. The scrap value was estimated to be ₹ 500 at the end of asset's 10 years' life. Straight Line Method of depreciation was used. The accounting year ends on 31st March every year. The asset was sold for ₹ 600 on 31st March, 2021. Calculate the following.
(i) The Depreciation expense for the year ended 31st March, 2019.
(ii) The grain or loss on sale of the asset on 31st March, 2021.

7. A company purchased on 1st April, 2019, a machinery for ₹ 80,000. On 1st October, 2019, it purchased another machine for ₹ 50,000 and on 1st October, 2020, it sold off the first machine purchased in 2019 for ₹ 23,000. Depreciation was provided on the machinery at the rate of 20% p.a. on the original cost annually.
Give the Machinery Account for two years. Accounts are closed on 31st March every year.

8. Modern Ltd. purchased a machinery on 1st August, 2015 for ₹ 60,000. On 1st October, 2016, it purchased another machine for ₹ 20,000 *plus* CGST and SGST @ 6% each. On 30th June, 2017, it sold the first machine purchased in 2015 for ₹ 38,500 charging IGST @ 12%. Depreciation is provided @ 20% p.a. on the original cost each year. Accounts are closed on 31st March every year. Prepare the Machinery A/c for three years.

9. On 1st July, 2015, Sohan Lal & Sons purchased a plant costing ₹ 60,000. Additonal plant was purchased on 1st January, 2016 for ₹ 40,000 and on 1st October, 2016, for ₹ 20,000, paying CGST and SGST @ 6% each. On 1st April, 2017, one-third of the plant purchased on 1st July, 2015, was found to have become obsolete and was sold for ₹ 6,000, charging CGST and SGST @ 6% each.
Prepare the Plant Account for the first three years in the books of Sohan Lal & Sons. Depreciation is charged @ 10% p.a. on Straight Line Method. Accounts are closed on 31st March each year.

10. Following balances appear in the books of Priyank Brothers:

		₹
1st April, 2016	Machinery A/c	20,00,000
	Provision for Depreciation A/c	8,00,000

On 1st April, 2016, they decide to sell a machine for ₹ 5,00,000. This machine was purchased for ₹ 7,50,000 on 1st April, 2013. Prepare the Machinery Account and Provision for Depreciation Account for the year ended 31st March, 2017 assuming that the firm has been charging Depreciation @ 10% p.a. on the Straight-Line Method.

10. Following balances appear in the books of *X* Ltd. as on 1st April, 2017:

	₹
Machinery A/c	5,00,000
Provision for Depreciation A/c	2,25,000

The machinery is depreciated @ 10% p.a. on the Fixed Instalment Method. The accounting year being April-March. On 1st October, 2017, a machinery which was purchased on 1st July, 2014 for ₹ 1,00,000 was sold for ₹ 42,000 *plus* CGST and SGST @ 6% each and on the same date a new machine was purchased for ₹ 2,00,000 paying IGST @ 12%. Prepare Machinery Account and Provision for Depreciation Account for the year ended 31st March, 2018.

11. Kaushal Traders purchased a second-hand machinery on 1st April, 2015 for ₹ 23,000 and spent ₹ 2,000 on its repair. It was decided to depreciate the machinery @ 20% every year on 31st March at Diminishing Balance Method.
    Prepare the Machinery Account from years ended 31st March, 2016 to 2018 and show Profit or Loss as it was sold on 31st March, 2018 for ₹ 10,800

12. Babu purchased on 1st April, 2016, a machine for ₹ 6,000. On 1st October, 2016, he also purchased another machine for ₹ 5,000. On 1st October, 2017, he sold the machine purchased on 1st April, 2016 for ₹ 4,000.
    It was decided that Depreciation @ 10% p.a. was to be written off every year under Diminishing Balance Method.
    Assuming the accounts were closed on 31st March every year, show the Machinery Account for the years ended 31st March, 2017 and 2018.

13. A company purchased a machinery for ₹ 50,000 on 1st October, 2015. Another machinery costing ₹10,000 was purchased on 1st December, 2016. On 31st March, 2018, the machinery purchased in 2015 was sold at a loss of ₹ 5,000. The company charges depreciation @ 10% p.a. on Diminishing Balance Method. Accounts are closed on 31st March every year. Prepare the Machinery Account for 3 years.

14. A Machinery was purchased for ₹ 1,80,000 on 1st July, 2015. Depreciation was charged annually @ 10% on Diminishing Balance Method. 1/4th of this Machinery was sold on 1st October, 2017 for 36,000. Prepare Machinery A/c from the year ended 31st March, 2016 to 2018, if the books are closed on 31st March every year.
15. A company purchased on 1st July, 2015 machinery costing ₹ 30,000. It further purchased machinery on 1st January, 2016 costing ₹ 20,000 and on 1st October, 2016 costing ₹ 10,000. On 1st April, 2017, one-third of the machinery installed on 1st July, 2015 became obsolete and was sold for ₹ 3,000. The company follows financial year as accounting year.
    Show how the Machinery Account would appear in the books of company if depreciation is charged @ 10% p.a. on Written Down Value Method.