



## INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet No: 2	Topic: FINANCIAL STATEMENTS WITH ADJUSTMENTS

**Question 1:** Prepare Trading and Profit and Loss Account and Balance Sheet from the following balances, relating to the year ended 31st March, 2019:

	₹		₹
Capital	1,00,000	Wages	50,000
Creditors	12,000	Bank	10,000
Returns Outward	5,000	Repairs	500
Sales	1,64,000	Stock on 1st April, 2018	20,000
Bills Payable	5,000	Rent	4,000
Plant and Machinery	40,000	Manufacturing Expenses	8,000
Sundry Debtors	24,000	Trade Expenses	7,000
Drawings	10,000	Bad Debts	2,000
Purchases	1,05,000	Carriage	1,500
Returns Inward	3,000	Fuel and Power	1,000

**Additional Information:**

- Closing Stock was valued at ₹ 14,500.
- Depreciate Plant and Machinery by ₹ 4,000.
- Write off Bad Debts ₹ 4,000 & PBDD @ 10%.
- ₹ 400 is due for repairs.

**Question 2:**

Prepare Trading and Profit and Loss Account and Balance Sheet as at 31st March, 2019 after following adjustments are made:

- Closing Stock was ₹ 16,000.
- Depreciate Plant and Machinery @ 10% and Delivery Vehicle @ 15%.
- Unpaid Rent amounted to ₹ 500.

	₹		₹
Capital	1,90,000	Cash at Bank	26,000
Drawing	7,000	Salaries	8,000
Plant and Machinery	1,20,000	Repairs	1,900
Delivery Vehicle	26,000	Stock on 1st April, 2018	16,000
Sundry Debtors	36,000	Rent	4,500
Sundry Creditors	26,000	Manufacturing Expenses	1,500
Purchases	20,000	Bills Payable	23,500
Sales	42,000	Bad Debts	5,000
Wages	8,000	Carriage	1,600

### Question 3:

Following Trial Balance has been extracted from the books of Prasad on 31st March, 2019:

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Machinery	4,00,000	Capital	9,00,000
Cash at Bank	1,00,000	Sales	16,00,000
Cash in Hand	50,000	Sundry Creditors	4,50,000
Wages	1,00,000	Interest Received	30,000
Purchases	8,00,000		
Stock on 1st April, 2018	6,00,000		
Sundry Debtors	4,40,000		
Bills Receivable	2,90,000		
Rent	45,000		
Commission	25,000		
General Expenses	80,000		
Salaries	50,000		
	29,80,000		29,80,000

#### *Additional Information:*

- (i) Outstanding salaries were ₹ 45,000.
- (ii) Depreciate Machinery at 10%.
- (iii) Wages outstanding were ₹ 5,000.
- (iv) Rent prepaid ₹ 10,000.
- (v) Stock on 31st March, 2019 ₹ 8,00,000 its market value is ₹ 9,00,000

### Question 4:

From the following Trial Balance of Shradha as on 31st March, 2019, prepare Trading and Profit and Loss Account and Balance Sheet:

Heads of Accounts	Debit Balances (₹)	Credit Balances (₹)
Capital	...	80,000
Drawings	18,000	...
Sales	...	1,55,000
Purchases	82,600	...
Stock (1st April, 2018)	42,000	...
Returns Outward	...	1,600
Carriage Inwards	1,200	...
Wages	4,000	...
Power	6,000	...
Machinery	50,000	...
Furniture	14,000	...
Rent	22,000	...
Salary	15,000	...

Insurance	3,600	...
8% Bank Loan	...	25,000
Debtors	20,600	...
Creditors	...	18,900
Cash in Hand	1,500	...
<b>Total</b>	<b>2,80,500</b>	<b>2,80,500</b>

**Adjustments:**

- (i) Closing Stock ₹ 64,000.
- (ii) Wages outstanding ₹ 2,400.
- (iii) Bad Debts ₹ 600.
- (iv) Provision for Doubtful Debts to be 5%.
- (v) Rent is paid for 11 months.
- (vi) Insurance premium is paid per annum, ended 31st May, 2019.
- (vii) Loan from the bank was taken on 1st October, 2018.
- (viii) Provide Depreciation on machinery @ 10% and on Furniture @ 5%.

**Question 5:**

Trial Balance of a business as at 31st March, 2019 is given below:

Particulars	Dr. (₹)	Particulars	Cr. (₹)
Stock on 1st April, 2018	25,000	Sales	2,27,800
Furniture	8,000	Commission	500
Plant and Machinery	1,50,000	Returns Outward	1,000
Debtors	30,000	Creditors	40,000
Wages	12,000	Capital	1,50,000
Salaries	20,000		
Bad Debts	1,000		
Purchases	1,20,000		
Electricity Charges	1,200		
Telephone Charges	2,400		
General Expenses	3,000		
Postage Expenses	1,800		
Returns Inward	900		
Insurance Premium	1,500		
Cash in Hand	2,500		
Cash at Bank	40,000		
	<b>4,19,300</b>		<b>4,19,300</b>

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date after taking into account the following adjustments:

- (i) Closing Stock was valued at ₹ 7,000.
- (ii) Outstanding liabilities for wages were ₹ 600 and salaries ₹ 1,400.
- (iii) Depreciation is to be provided @ 5% p.a. on fixed assets.
- (iv) Insurance premium paid in advance ₹ 200.

### Question 6:

Following are the balances extracted from the books of Narain on 31st March, 2019:

Particulars	Amount (₹)	Particulars	Amount (₹)
Narain's Capital	3,00,000	Sales	15,00,000
Narain's Drawings	50,000	Sales Return	20,000
Furniture and Fittings	26,000	Discounts (Dr.)	16,000
Bank Overdraft	42,000	Discounts (Cr.)	20,000
Creditors	1,38,000	Insurance	20,000
Business Premises	2,00,000	General Expenses	40,000
Stock on 1st April, 2018	2,20,000	Salaries	90,000
Debtors	1,80,000	Commission (Dr.)	22,000
Rent from Tenants	10,000	Carriage on Purchases	18,000
Purchases	11,00,000	Bad Debts Written off	8,000

#### Additional Information:

- (i) Closing Stock as on 31st March, 2019 was ₹ 2,00,600, whereas its Net Realisable Value (Market Value) was ₹ 2,05,000.
- (ii) Depreciate: Business Premises by ₹ 3,000 and Furniture and Fittings by ₹ 2,500.
- (iii) Make a provision of 5% on debtors for doubtful debts.
- (iv) Carry forward ₹ 2,000 for unexpired insurance.
- (v) Outstanding salary was ₹ 15,000.

Prepare Trading and Profit and Loss Account for the year and Balance Sheet as at that date.

### Question 7:

Following balances are taken from the books of Niranjana. Prepare Trading and Profit and Loss Account and Balance Sheet for the year ended 31st March, 2019:

Particulars	₹	Particulars	₹
Capital	12,00,000	Drawings	2,10,000
Opening Stock	4,50,000	Plant and Machinery	2,40,000
Furniture	15,000	Purchases	29,50,000
Sales	43,50,000	Insurances	15,000
Purchases Return	40,000	Sales Return	70,000
Rent	50,000	Trade Expenses	20,000
Salaries	2,40,000	Wages	4,00,000
Bad Debts	10,000	6% Investments	5,00,000

Sundry Debtors	4,00,000	Sundry Creditors	1,90,000
Bills Payable	8,000	Cash	1,22,000
Advertisement Expenses	60,000	Miscellaneous Income	12,000
Patents	48,000		

### Adjustments:

- Closing Stock ₹ 7,50,000.
- Depreciate Machinery by 10% and Furniture by 20%.
- Wages ₹ 50,000 and salaries ₹ 20,000 are outstanding.
- Write off ₹ 50,000 as further Bad Debts and create 5% Provision for Doubtful Debts.
- Investments were made on 1st July, 2018 and no interest has been received so far

**Question 8:** From the following Trial Balance of Mahesh, prepare his Final Accounts for the year ended 31st March, 2019:

Heads of Accounts	Debit Balances (₹)	Credit Balances (₹)
Purchases	2,50,000	...
Sales	...	5,00,000
Returns Inward	12,000	...
Returns Outward	...	10,000
Carriage	8,000	...
Wages	60,000	...
Misc. Exp.	2,000	...
Insurance	1,200	...
Repairs	8,000	...
Debtors	1,15,000	...
Creditors	...	1,00,000
Printing and Stationery	6,000	...
Advertisement	15,000	...
Bills Receivable	4,000	...
Bills Payable	...	2,000
Opening Stock	30,000	...
Cash in Hand	12,000	...
Interest on Loan	2,800	...
Machinery	2,80,000	...
Furniture	34,000	...
Drawings	20,000	...
Commission	...	1,000
12% Bank Loan	...	30,000
Capital	...	2,40,000
Rent Received	...	5,000
Cash at Bank	28,000	...
<b>Total</b>	<b>8,88,000</b>	<b>8,88,000</b>

**Additional Information:**

- (i) Closing Stock on 31st March, 2019 was ₹ 21,000.
- (ii) Rent of ₹ 1,200 has been received in advance.
- (iii) Outstanding liability for Miscellaneous expenses ₹ 12,000.
- (iv) Commission earned during the year but not received was ₹ 2,100.
- (v) Goods costing ₹ 2,000 were taken by the proprietor for his personal use but entry was not passed in the books of account.

**Question 9:**

Following balances were extracted from the books of Vijay on 31st March, 2019:

Particulars	₹	Particulars	₹
Capital	2,45,000	Loan	78,800
Drawings	20,000	Sales	6,53,600
General Expenses	47,400	Purchases	4,70,000
Building	1,10,000	Motor Car	20,000
Machinery	93,400	Provision for Doubtful Debts	9,000
Stock on 1st April, 2018	1,62,000	Commission (Cr.)	13,200
Insurance	13,150	Car Expenses	18,000
Wages	72,000	Bills Payable	38,500
Debtors	62,800	Cash	800
Creditors	25,000	Bank Overdraft	33,000
Bad Debts	5,500	Charity	1,050

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date after giving effect to the following adjustments:

- (a) Stock as on 31st March, 2019 was valued at ₹ 2,30,000.
- (b) Write off further ₹ 1,800 as Bad Debts and maintain the PDD at 5%.
- (c) Depreciate Machinery at 10%.
- (d) Provide ₹ 7,000 as outstanding interest on loan.

**Question 10:**

From the following Trial Balance and other information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Particulars	Dr. (₹)	Cr. (₹)
Sundry Debtors	3,20,000	...
Stock on 1/4/18	2,20,000	...
Cash in Hand	350	...
Cash at Bank	15,450	...
Plant and Machinery	1,75,000	...
Sundry Creditors	...	1,06,500

General Expenses	10,750	...
Sales	...	13,45,000
Salaries	22,250	...
Carriage Outwards	4,000	...
Rent	9,000	...
Bills Payable	...	75,000
Purchases	11,88,700	...
Discounts	11,000	...
Premises	3,45,000	...
Capital on 1/4/18	...	7,95,000
<b>Total</b>	<b>23,21,500</b>	<b>23,21,500</b>

1. Stock on 31st March, 2019 was ₹ 1,24,500.
2. Rent was unpaid to the extent of ₹ 850 and ₹ 1,500 were outstanding for General Expenses;
3. ₹ 4,000 are to be written off as bad debts out of the above debtors; and 5% is to be provided for doubtful debts.
4. Depreciate Plant and Machinery by 10% and Premises by 2%.
5. Manager is entitled to a commission of 5% on net profit after charging his commission.