

Q16. The following are the balances as on 31st March, 2024 extracted from the books of Dass:

| | | | |
|--------------------------------------|----------|------------------------|----------|
| Sales | 9,20,000 | Postage and Courier | 6,200 |
| Purchases | 6,83,000 | Miscellaneous Expenses | 9,000 |
| Return Inward | 13,000 | Bad Debts | 4,000 |
| Return Outward | 22,000 | Debtors | 2,20,000 |
| Stock on 1 st April, 2023 | 1,76,000 | Creditors | 1,28,000 |
| Carriage Inwards | 24,000 | Loan from Sahil | 50,000 |
| Rent | 22,000 | Capital | 5,25,000 |
| Discount | 37,500 | Drawings | 19,100 |
| Printing | 7,200 | Business Premises | 3,90,000 |
| Insurance | 5,000 | Furniture | 15,000 |
| Travelling Expenses | 14,000 | | |

The stock on 31st March, 2024 was valued at 2, 40,000.

You are required to prepare Trading Account, Profit and Loss Account and Balance Sheet as at 31st March, 2024.

Solution – In the Books of Bhagwan Dass

Dr Trading and Profit & Loss Account for the Year ended March 31, 2024 Cr

| Particulars | Amount | Particulars | Amount |
|------------------------------|-----------|------------------------|-----------|
| To Opening Stock A/c | 1,76,000 | By Sales A/c | 9,20,000 |
| To Purchases A/c | 6,83,000 | Less: Sales Return A/c | 13,000 |
| Less: Return Outwards A/c | 22,000 | By Closing Stock A/c | 2,40,000 |
| To Carriage Inwards A/c | 24,000 | | |
| To Gross Profit A/c (b/f) | 2,86,000 | | |
| | 11,47,000 | | 11,47,000 |
| To Rent, Rates and Taxes A/c | 22,000 | By Gross Profit A/c | 2,86,000 |
| To Printing A/c | 7,200 | | |
| To Discount A/c | 37,500 | | |

| | | | |
|-------------------------------|----------|--|----------|
| To Travelling Expenses A/c | 14,000 | | |
| To Insurance A/c | 5,000 | | |
| To Miscellaneous Expenses A/c | 9,000 | | |
| To Postage and Courier A/c | 6,200 | | |
| To Bad Debts A/c | 4,000 | | |
| To Net Profit A/c | 1,81,100 | | |
| | 2,86,000 | | 2,86,000 |

Balance Sheet
As on March 31, 2024

| Liabilities | | Amount | Assets | Amount |
|---|----------|----------|------------------------|----------|
| Current Liabilities: | | | Current Assets: | |
| Creditors | | 1,28,000 | Debtors | 2,20,000 |
| Long Term Liabilities and Capital: | | | Closing Stock | 30,000 |
| Loan from Sahil | | 50,000 | Fixed Assets: | |
| Capital | 5,25,000 | | Office Furniture | 15,000 |
| Add: Net Profit | 1,81,100 | | Business Premises | 3,90,000 |
| Less: Drawings | 19,100 | 6,87,000 | | |
| | | 8,65,000 | | 8,65,000 |