

**Q20. From the following balances as on 31<sup>st</sup> March, 2024, prepare Trading and Profit and Loss Account and Balance Sheet:**

<b>Capital Account</b>	<b>1,00,000</b>	<b>Returns Outward</b>	<b>5,000</b>
<b>Plant and Machinery</b>	<b>40,000</b>	<b>Rent</b>	<b>4,000</b>
<b>Sundry Debtors</b>	<b>24,000</b>	<b>Sales</b>	<b>1,64,000</b>
<b>Sundry Creditors</b>	<b>12,000</b>	<b>Manufacturing Expenses</b>	<b>8,000</b>
<b>Life Insurance Premium</b>	<b>12,000</b>	<b>General Expenses</b>	<b>7,500</b>
<b>Purchases</b>	<b>1,05,000</b>	<b>Bad Debts</b>	<b>2,000</b>
<b>Wages</b>	<b>50,000</b>	<b>Carriage</b>	<b>1,500</b>
<b>Bank</b>	<b>10,000</b>	<b>Bills Payable</b>	<b>7,000</b>
<b>Stock (1<sup>st</sup> April, 2020)</b>	<b>20,000</b>	<b>Returns Inward</b>	<b>4,000</b>

**Closing Stock on 31<sup>st</sup> March, 2024 was valued at 14,500.**

**Solution -**

**In the Books of**

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

<b>Particulars</b>	<b>Amount</b>	<b>Particulars</b>		
To Opening Stock A/c	20,000	By Sales A/c	1,64,000	160,000
To Purchases A/c	1,05,000	Less: Return Inwards	4,000	
Less: Return Outwards	5,000	By Closing Stock A/c		14500
To Wages A/c	50,000	By Gross Loss A/c (b/f)		5000
To Manufacturing Expenses A/c	8,000			
To Carriage A/c	1,500			
	1,79,500			179500
To Gross Loss A/c	5,000			
To Repair A/c	500	By Net Loss A/c (B/F)		18500
To Rent A/c	4,000			
To Trade Expenses A/c	7,000			

To Bad Debts A/c	2,000		18500	
	18,500			

Balance Sheet

As on March 31, 2024

Liabilities	Amount	Assets	Amount
Current Liabilities:		Current Assets:	
Creditors	12,000	Bank	10,000
Bills Payable	7,000	Debtors	24,000
Long Term Liabilities and Capital:		Stock	14,500
Capital		Fixed Assets:	
1,00,000		Plant and Machinery	40,000
Less: Net Loss	69,500		
18,500	88,500		88,500
Add: Drawings			
12,000			