Solution

Answer (a)   **MACHINERY ACCOUNT**

Dr.   **Cr.**

Date	Particulars	Rs.	Date	Particulars	Rs.
01-04-2010	To Bank A/c	2,00,000	31-03-2011	By Depreciation A/c	18,000
	(1,80,000 + 10,000 + 10,000)		31-03-2011	By Balance c/d	1,82,000
		3,00,000			3,00,000
01-04-2011	To Balance b/d	1,82,000	31-03-2012	By Depreciation A/c	18,000
			31-03-2012	By Balance c/d	1,64,000
		1,82,000			1,82,000
01-04-2012	To Balance b/d	1,64,000	31-03-2013	By Depreciation A/c	18,000
			31-03-2013	By Balance c/d	1,46,000
		1,64,000			1,64,000
01-04-2013	To Balance b/d	1,46,000	31-03-2014	By Depreciation A/c	28,000
			31-03-2014	By Balance c/d	1,28,000
		1,46,000			1,46,000

Working Note:

$$\text{Computation of Depreciation} = \frac{\text{Cost of Machine} - \text{Scrap}}{\text{No. of years}}$$

$$\text{Depreciation} = \frac{(1,80,000 + 10,000 + 10,000) - 20,000}{10} = \text{Rs. } 18,000$$

DEPRECIATION ACCOUNT

Dr.   Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
31-03-2011	To Machinery A/c	18,000	31-03-2011	By Profit & Loss A/c	18,000
		18,000			18,000
31-03-2012	To Machinery A/c	18,000	31-03-2012	By Profit & Loss A/c	18,000
		18,000			18,000
31-03-2013	To Machinery A/c	18,000	31-03-2013	By Profit & Loss A/c	18,000
		18,000			18,000
31-03-2014	To Machinery A/c	18,000	31-03-2014	By Profit & Loss A/c	18,000
		18,000			18,000

Answer (b)

MACHINERY ACCOUNT

Dr.   **Cr.**

Date	Particulars	Rs.	Date	Particulars	Rs.
01-04-2010	To Bank A/c	2,00,000	31-03-2011	By Balance c/d	2,00,000
		2,00,000			2,00,000
01-04-2011	To Balance b/d	2,00,000	31-03-2012	By Balance c/d	2,00,000
		2,00,000			2,00,000
01-04-2012	To Balance b/d	2,00,000	31-03-2013	By Balance c/d	2,00,000
		2,00,000			2,00,000
01-04-2013	To Balance b/d	2,00,000	31-03-2014	By Balance c/d	2,00,000
		2,00,000			2,00,000

DEPRECIATION ACCOUNT

Dr.   **Cr.**

Date	Particulars	Rs.	Date	Particulars	Rs.
31-03-2011	To Provision for Depreciation A/c	20,000	31-03-2011	By Profit & Loss A/c	20,000
		20,000			20,000
31-03-2012	To Provision for Depreciation A/c	18,000	31-03-2012	By Profit & Loss A/c	18,000
		18,000			18,000
31-03-2013	To Provision for Depreciation A/c	16,200	31-03-2013	By Profit & Loss A/c	16,200
		16,200			16,200
31-03-2014	To Provision for Depreciation A/c	14,580	31-03-2014	By Profit & Loss A/c	14,580
		14,580			14,580

PROVISION FOR DEPRECIATION ACCOUNT

Dr.   **Cr.**

Date	Particulars	Rs.	Date	Particulars	Rs.
31-03-2011	To Balance c/d	20,000	31-03-2011	By Depreciation A/c	20,000
		20,000			20,000
31-03-2012	To Balance c/d	38,000	01-04-2011	By Balance b/d	20,000
			31-03-2012	Depreciation A/c	18,000
		38,000			38,000
31-03-2013	To Balance c/d	54,200	01-04-2012	By Balance b/d	38,000
			31-03-2013	Depreciation A/c	16,200
		54,200			54,200
31-03-2014	To Balance c/d	68,780	01-04-2013	By Balance b/d	54,200
			31-03-2014	Depreciation A/c	14,580
		68,780			68,780