



Solution

Answer (a)

MACHINERY ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-07-2015	To Bank A/c Machine (I) [56,000 + 24,000 + 5,000]	85,000	31-12-2015	By Depreciation A/c	4,250
		85,000	31-12-2015	By Balance c/d	80,750
					85,000
01-01-2016	To Balance b/d Machine (I)	80,750	31-12-2016	By Depreciation A/c Machine (I)	8,500
01-09-2016	To Bank A/c Machine (II) (2,50,000 + 10,000)	2,60,000		Machine (II)	<u>8,667</u>
		3,40,750	31-12-2016	By Balance c/d Machine (I)	72,250
				Machine (II)	<u>2,51,333</u>
					3,23,583
					3,40,750
01-01-2017	To Balance b/d Machine (I)	72,250	31-12-2017	By Depreciation A/c Machine (I)	8,500
	Machine (II)	<u>2,51,333</u>	31-12-2017	Machine (II)	<u>26,000</u>
		3,23,583		By Balance c/d Machine (I)	63,750
				Machine (II)	<u>2,25,333</u>
					2,89,083
					3,23,583



Dr.

Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
01-01-2018	To Balance b/d		31-12-2018	By Depreciation A/c	
	Machine (I) 63,750			Machine (I) 8,500	
	Machine (II) <u>2,25,333</u>	2,89,083	31-12-2018	Machine (II) <u>26,000</u>	34,500
				By Balance c/d	
				Machine (I) 55,250	
				Machine (II) <u>1,99,333</u>	2,54,583
		<u>2,89,083</u>			<u>2,89,083</u>





DEPRECIATION ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
31-12-2015	To Machinery A/c	4,250	31-12-2015	By Profit & Loss A/c	4,250
		4,250			4,250
31-12-2016	To Machinery A/c		31-12-2016	By Profit & Loss A/c	17,167
	M1 8,500				
	M2 <u>8,667</u>	17,167			
		17,167			17,167
31-12-2017	To Machinery A/c		31-12-2017	By Profit & Loss A/c	34,500
	M1 8,500				
	M2 <u>26,000</u>	34,500			
		34,500			34,500
31-12-2018	To Machinery A/c		31-12-2018	By Profit & Loss A/c	34,500
	M1 8,500				
	M2 <u>26,000</u>	34,500			
		34,500			34,500



Working Note:

Computation of Depreciation:

$$\begin{aligned}\text{Machine (I) or M1} &= (56,000 + 24,000 + 5,000) @ 10\% \\ &= \text{Rs. } 8,500\end{aligned}$$

$$\begin{aligned}\text{Machine (II) or M2} &= (2,50,000 + 10,000) @ 10\% \\ &= \text{Rs. } 26,000\end{aligned}$$

- Depreciation for 2015 on machine (I) will be charged for half year as it was purchased on 1st July

$$\begin{aligned}\text{i.e.} & \frac{8,500}{2} \\ &= \text{Rs. } 4,250\end{aligned}$$

- Depreciation of machine (II) will be charged in 2016 for 4 months only as it was purchased on 1st September

$$\begin{aligned}\text{i.e.} & \frac{26,000 \times 4}{12} \\ &= \text{Rs. } 8,667\end{aligned}$$



Answer (b)

MACHINERY ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-07-2015	To Bank A/c		31-12-2015	By Depreciation A/c	4,250
	Machine (I)	85,000	31-12-2015	By Balance c/d	80,750
	[56,000 + 24,000 + 5,000]				
		85,000			85,000
01-01-2016	To Balance b/d		31-12-2016	By Depreciation A/c	
	Machine (I) 80,750	80,750		Machine (I) 8,075	
01-09-2016	To Bank A/c			Machine (II) <u>8,667</u>	16,742
	Machine (II)		31-12-2016	By Balance c/d	
	(2,50,000 + 10,000)	2,60,000		Machine (I) 72,676	
				Machine (II) <u>2,51,333</u>	3,24,008
		3,40,750			3,40,750
01-01-2017	To Balance b/d		31-12-2017	By Depreciation A/c	
	Machine (I) 72,676			Machine (I) 7,268	
	Machine (II) <u>2,51,333</u>	3,24,008		Machine (II) <u>25,133</u>	32,401
			31-12-2017	By Balance c/d	
				Machine (I) 65,407	
				Machine (II) <u>2,26,200</u>	2,91,607
		3,24,008			3,24,008



Dr.

Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
01-01-2018	To Balance b/d		31-12-2018	By Depreciation A/c	
	Machine (I) 65,407			Machine (I) 6,541	
	Machine (II) <u>2,26,200</u>	2,91,607		Machine (II) <u>22,620</u>	29,161
			31-12-2018	By Balance c/d	
				Machine (I) 58,866	
				Machine (II) <u>2,03,580</u>	2,62,446
		<u>2,91,607</u>			<u>2,91,607</u>





DEPRECIATION ACCOUNT

Dr.

Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
31-12-2015	To Machinery A/c	4,250	31-12-2015	By Profit & Loss A/c	4,250
		4,250			4,250
31-12-2016	To Machinery A/c		31-12-2016	By Profit & Loss A/c	16,742
	M1 8,075				
	M2 <u>8,667</u>	16,742			
		16,742			16,742
31-12-2017	To Machinery A/c		31-12-2017	By Profit & Loss A/c	32,401
	M1 7,268				
	M2 <u>25,133</u>	32,401			
		32,401			32,401
31-12-2018	To Machinery A/c		31-12-2018	By Profit & Loss A/c	29,161
	M1 6,541				
	M2 <u>22,620</u>	29,161			
		29,161			29,161