



Solution

FURNITURE ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-10-2014	To Bank A/c (F1)	4,50,000	31-03-2015	By Balance c/d	7,50,000
01-03-2015	To Bank A/c (F2)	3,00,000			
		7,50,000			7,50,000
01-04-2015	To Balance b/d		31-03-2016	By Balance c/d	
	F1 = 4,50,000			F1 = 4,50,000	
	F2 = <u>3,00,000</u>	7,50,000		F2 = <u>3,00,000</u>	7,50,000
		7,50,000			7,50,000
01-04-2016	To Balance b/d		01-07-2016	By Furniture Disposal A/c	
	F1 = 4,50,000			(F1)	4,50,000
	F2 = <u>3,00,000</u>	7,50,000	31-03-2017	By Balance c/d	
		7,50,000		(F2)	3,00,000
					7,50,000



ACCUMULATED DEPRECIATION ACCOUNT

Dr.

Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
31-03-2015	To Balance c/d	37,500	31-03-2015	By Depreciation A/c	
				F1 = 33,750	
				F2 = <u>3,750</u>	37,500
		37,500			37,500
31-03-2016	To Balance c/d	1,44,376	01-04-2015	By Balance b/d	37,500
			31-03-2016	By Depreciation A/c	
				F1 = 62,438	
				F2 = <u>44,438</u>	1,06,876
		1,44,376			1,44,376
01-07-2016	To Furniture Disposal A/c	1,09,456	01-04-2016	By Balance b/d	1,44,376
			01-07-2016	By Depreciation A/c	13,268
31-03-2017	To Balance c/d	85,960	31-03-2017	By Depreciation A/c	37,772
		1,95,416			1,95,416



FURNITURE DISPOSAL ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-07-2016	To Furniture A/c	4,50,000	01-07-2016	By Accumulated Dep A/c	1,09,456
			01-07-2016	By Bank A/c (Sales Proceed)	2,50,000
			01-07-2016	By Profit & Loss A/c (Loss on Sale of Furniture)	1,15,544
		4,50,000			4,50,000

Working Notes:

- (i) Computation of Profit or Loss on sale of Furniture

Total Depreciation Charged

31 March, 2015 33,750

31 March, 2016 62,438

1 July, 2016 13,268

Rs. 1,09,456



(ii) Cost of Furniture at the date of disposal i.e. 01-07-2016

Cost of Furniture	4,50,000
(-) Depreciation	<u>1,09,456</u>
	3,40,554
(-) Sales Proceed	<u>2,25,000</u>
Loss	<u>Rs. 1,15,544</u>

