



Solution

TRUCK ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-04-2011	To Bank A/c	10,00,000	31-12-2011	By Balance c/d	10,00,000
		10,00,000			10,00,000
01-01-2012	To Balance b/d	10,00,000	31-12-2012	By Balance c/d	10,00,000
		10,00,000			10,00,000
01-01-2013	To Balance b/d (T1)	10,00,000	01-10-2013	By Truck Disposal A/c	2,00,000
01-10-2013	To Bank A/c (T2)	1,20,000	31-12-2013	By Balance c/d	9,20,000
		11,20,000			11,20,000



PROVISION FOR DEPRECIATION ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
31-12-2011	To Balance c/d	1,50,000	31-12-2011	By Depreciation A/c	1,50,000
		1,50,000			1,50,000
31-12-2012	To Balance c/d	3,50,000	01-01-2012	By Balance b/d	1,50,000
		3,50,000	31-12-2012	By Depreciation A/c	2,00,000
					3,50,000
01-10-2013	To Truck Disposal A/c	1,00,000	01-01-2013	By Balance b/d	3,50,000
			01-10-2013	By Depreciation A/c	30,000
31-12-2013	To Balance c/d	4,46,000	(Dep till Oct 9 months)		
			31-12-2013	By Depreciation A/c	
			(Old) (T1)	1,60,000	
			(New) (T2)	6,000	1,66,000
		5,46,000			5,46,000



TRUCK DISPOSAL ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-10-2013	To Truck A/c	2,00,000	01-10-2013	By Provision for Depreciation A/c	1,00,000
			01-10-2013	By Insurance Co. (Claim Account)	70,000
			01-10-2013	By Profit & Loss A/c (Loss on Sale)	30,000
		2,00,000			2,00,000

Working Notes:

Total Depreciation charged on Truck @ 20%

Dec 2011 = 30,000

Dec 2012 = 40,000

Sep 2013 = 30,000

Rs. 1,00,000

Cost of Truck at disposal = 2,00,000 – 1,00,000 = Rs. 1,00,000

Profit or Loss on Sale of truck = 1,00,000 – 70,000 = Rs. 30,000 (Loss)