



Solution

**TRUCK ACCOUNT**

**Dr.**

**Cr.**

Date	Particulars	Rs.	Date	Particulars	Rs.
01-10-2011	To Bank A/c	20,00,000	31-03-2012	By Depreciation A/c (@10% for 6 months)	1,00,000
			31-03-2012	By Balance c/d	19,00,000
		20,00,000			20,00,000
01-04-2012	To Balance b/d	19,00,000	31-03-2013	By Depreciation A/c (@10% for a year)	1,90,000
			31-03-2013	By Balance c/d	17,10,000
		19,00,000			19,00,000



**Dr.**

**Cr.**

<b>Date</b>	<b>Particulars</b>	<b>Rs.</b>	<b>Date</b>	<b>Particulars</b>	<b>Rs.</b>
01-04-2013	To Balance b/d	17,10,000	01-07-2013	By Depreciation A/c	
31-01-2013	To Bank A/c (Purchase of New Truck)	12,00,000		(for 3 months @ 10% on 8,55,000)	21,375
			01-07-2013	By Bank A/c	
				(Insurance Company)	6,00,000
			01-07-2013	By Profit & Loss A/c (Loss)	2,33,625
			31-12-2013	By Depreciation A/c	
				(for 9 months @ 10% on 8,55,000)	64,125
			31-12-2013	By Bank A/c	1,50,000
			31-12-2013	By Profit & Loss A/c (Loss)	6,40,875
			31-03-2014	By Depreciation A/c	
				(for 2 months @ 10% on 12,00,000)	20,000
			31-03-2014	By Balance c/d	11,80,000
		29,10,000			29,10,000



**Working Notes:**

**Loss on Sale on 1<sup>st</sup> Truck**

Value of Truck on 01-04-2013	=	$\frac{17,10,000}{2}$	=	8,55,000
(-) Dep for 3 months @ 10% on 8,55,000			=	21,375
Value at the time of disposal			=	8,33,625
(-) Insurance Claim received			=	6,00,000
Loss on Settlement of 1 <sup>st</sup> Truck			=	2,33,625

**Loss on Sale of 2<sup>nd</sup> Truck**

Value of Truck as on 1 Apr 2013	=	$\frac{17,10,000}{2}$	=	8,55,000
(-) Dep for 9 months @ 10% on 8,55,000			=	64,125
Value of Truck at the time of disposal			=	7,90,875
(-) Value received from Insurance Company			=	1,50,000
Loss on Sale of 2 <sup>nd</sup> Truck			=	6,40,875

**Computation of Depreciation on 3<sup>rd</sup> Truck**

It was purchased on Jan 1, 2014. Hence, Dep will be charged for 2 months only i.e. Feb and Mar

$$\text{Depreciation} = \left( 12,00,000 \times \frac{10}{100} \times \frac{2}{12} \right) = \text{Rs. } 20,000$$