



Solution

MACHINERY ACCOUNT

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
01-07-2014	To Bank A/c (75,000 x 10)	7,50,000	31-12-2014	By Depreciation A/c	56,250
			31-12-2014	By Balance c/d	6,93,750
		7,50,000			7,50,000
01-01-2015	To Balance b/d	6,93,750	31-12-2015	By Depreciation A/c	1,04,063
			31-12-2015	By Balance c/d	5,89,687
		6,93,750			6,93,750



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Date	Particulars	Rs.	Date	Particulars	Rs.
01-01-2016	To Balance b/d	5,89,687	01-10-2016	By Depreciation A/c	6,634
01-10-2016	To Bank A/c	1,25,000		(for 9 months @ 15% on 5,89,687)	
			01-10-2016	By Bank A/c	
				(Insurance Company)	45,000
			01-10-2016	By Profit & Loss A/c (Loss)	7,335
			31-12-2016	By Depreciation A/c	
				Old = 79,608	
				New = 4,688	84,296
			31-12-2016	By Balance c/d	
				Old = 4,51,110	
				New = 1,20,312	5,71,422
		7,14,687			7,14,687



Cr.

Dr.

Date	Particulars	Rs.	Date	Particulars	Rs.
01-01-2017	To Balance b/d		31-12-2017	By Depreciation A/c	
	Old = 4,51,110			Old = 67,667	
	New = <u>1,20,312</u>	5,71,422		New = 18,047	85,714
			31-12-2017	By Balance c/d	
				Old = 3,83,443	
				New = 1,02,265	4,85,708
		<u>5,71,422</u>			<u>5,71,422</u>

Working Notes:

$$\text{Cost of one machine as on 01-01-2016} = \frac{5,89,687}{10} = \text{Rs. } 58,968.7$$

$$\begin{aligned} \text{Loss on Sale of Machine} &= \text{Cost of machine} - \text{Depreciation} - \text{Claim} \\ &= 58,969 - 6,634 - 45,000 \\ &= \text{Rs. } 7,335 \end{aligned}$$