



Solution

PRIYANK LIMITED

Machinery A/c

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-04-2023	To Balance b/d		10,00,000	31-01-2023	By Provision for Depreciation A/c (Refer WN)		34,000
				31-01-2023	By Bank A/c		34,000
				31-01-2023	By Loss on sale of Machinery A/c (Refer WN)		52,000
				31-03-2024	By Balance c/d		8,80,000
			10,00,000				10,00,000



Provision for Depreciation A/c

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-10-2023	To Machinery A/c (Refer WN)		34,000	01-04-2023	By Balance b/d		4,50,000
31-03-2024	To Balance c/d		5,10,000	01-10-2023	By Depreciation A/c (Refer WN)		6,000
				31-03-2024	By Depreciation A/c (8,80,000x10%)		88,000
			5,44,000				5,44,000





Working Notes

Loss on Sale of Machinery

Cost of Machine 1,20,000

Accumulated Depreciation

Dec'20 to Sep'23= 2 years 10 months=34 months

(1,20,000 X 10% X 34/12) 34,000

Net Value **86,000**

Sales consideration 34,000

Loss on Sale of Machinery **52,000**

