



Solution

**PRIYANK BROS.**

**Machinery A/c**

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-04-2023	To Balance b/d		20,00,000	01-04-2023	By Provision for Depreciation A/c (Refer WN)		2,25,000
				01-04-2023	By Bank A/c		5,00,000
				01-04-2023	By Loss on sale of Machinery A/c (Refer WN)		25,000
				31-03-2024	By Balance c/d		12,50,000
			<b>20,00,000</b>				<b>20,00,000</b>



**Provision for Depreciation A/c**

<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Debit Amount</b>	<b>Date</b>	<b>Particulars</b>	<b>LF</b>	<b>Credit Amount</b>
01-04-2023	To Machinery A/c (Refer WN)		2,25,000	01-04-2023	By Balance b/d		8,00,000
31-03-2024	To Balance c/d		7,00,000	31-03-2024	By Depreciation A/c (12,50,000 X 10%)		1,25,000
			<b>9,25,000</b>				<b>9,25,000</b>





**Working Notes**

Loss on Sale of Machinery

Cost of Machine

7,50,000

Accumulated Depreciation

Apr20 to Mar23 = 3 years

(7,50,000 X 10% X 3)

2,25,000

Net Value

**5,25,000**

Sales consideration

5,00,000

Loss on Sale of Machinery

**25,000**

