



Solution

HARISH TRADERS

Machinery A/c

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-04-2024	To Balance b/d		25,00,000	01-10-2024	By Machinery Disposal A/c		5,00,000
				31-03-2025	By Balance c/d		20,00,000
			25,00,000				25,00,000

Accumulated Depreciation A/c

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-10-2024	To Machinery Disposal A/c		2,12,000	01-04-2023	By Balance b/d		5,80,000
31-03-2025	To Balance c/d		7,20,000	01-10-2024	By Depreciation A/c		32,000
				31-03-2025	By Depreciation A/c (WN2)		3,20,000
			9,32,000				9,32,000



Machinery Disposal A/c

Date	Particulars	LF	Debit Amount	Date	Particulars	LF	Credit Amount
01-07-2016	To Machinery A/c (Refer WN)		5,00,000	01-07-2016	By Accumulated Depreciation A/c (Refer WN)		2,12,000
01-07-2016	To Profit on Sale of Machinery A/c		12,000	01-07-2016	By Bank A/c		3,00,000
			5,12,000				5,12,000





Working Notes

1) Profit on Sale of Machine

Cost of machine	01-04-2022	5,00,000
Depreciation @ 20% for Year 2022-23		1,00,000
Balance of Machinery Account at the end of Year-1		4,00,000
Depreciation @ 20% for Year 2023-24		80,000
Balance of Machinery Account at the end of Year-2		3,20,000
Depreciation @ 20% for Year Apr-24 to Sep-24		32,000
Balance of Machinery Account at 01-Oct-24		2,88,000
Sale Consideration		3,00,000
Profit on sale of Machine		12,000



2) Depreciation for the year 2024-25

Cost of the machine remaining	20,00,000
Accumulated Depreciation of both machines as at 31-03-2023	5,80,000
Accumulated Depreciation as at 31-03-2023 on the machine sold (Rs. 5,00,000)	
FY 2022-23	1,00,000
FY 2023-24	80,000
	Total
Accumulated Depreciation as at 31-03-2023 on the machine for Rs. 20,00,000	4,00,000
Depreciation for the year $20,00,000 - 4,00,000 \times 20\%$	3,20,000

