



(a) Cost of goods available for sales which means total goods produced during the year.

$$\begin{aligned} \text{Cost of production} &= \text{Opening Stock} + \text{Purchase} + \text{Wages} - \text{Purchase Return} \\ &= 25,000 + (7,50,000 + 3,00,000) + 1,00,000 - 10,000 \\ &= \text{Rs. } 11,65,000 \end{aligned}$$

(b) Cost of Goods sold = Cost of Production - Closing Stock

$$\begin{aligned} &= 11,65,000 - 30,000 \\ &= \text{Rs. } 11,35,000 \end{aligned}$$

(c) **Gross Profit**

TRADING ACCOUNT

Dr.		Cr.	
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
To Opening Stock	25,000	By Sales	16,00,000
To Purchase	10,50,000	(-) Sales Return	50,000
(-) Purchase Return	10,000	By Closing Stock	30,000
To Wages	1,00,000		
To Gross Profit	4,15,000		
	15,80,000		15,80,000