



**Trading Account and Profit & Loss Account
For the year ending 31st March, 2023**

Dr.

Cr.

Particulars		Rs.	Particulars		Rs.
To Opening Stock		30,000	By Sales	1,50,000	
To Purchases	1,20,000		Less: Returns Inwards	10,000	1,40,000
Less: Returns Outwards	20,000	1,00,000	By Closing Stock		45,000
To Gross Profit		55,000			
		1,85,000			1,85,000
To Establishment Expenses	22,000		By Gross Profit		55,000
Add: Salaries Outstanding	1,000	23,000	By Commission	5,000	
To Taxes and Insurance	5,000		Less: Advance	1,000	4,000
Add: Taxes Outstanding	2,000		By Interest on Deposits		2,100
	7,000				
Less: Insurance Prepaid	500	6,500			
To Bad-debts	5,000				
Add: New Provision	10,000				
	15,000				
Less: Old Provision	7,000	8,000			
To Interest on bank overdraft		3,000			
To Depreciation on furniture		600			
To Net Profit		20,000			
Total		61,100	Total		61,100



Balance Sheet
As at 31st March, 2023

Liabilities		Rs.	Assets		Rs.
Capital			Fixed Assets		
Opening Balance	1,00,000		Furniture	6,000	
Add: Net Profit	20,000		Less: Provision for Depreciation	600	5,400
	1,20,000				
Less: Drawings	14,000	1,06,000	Current Assets		
			Cash		15,000
Current Liabilities			Deposits		40,000
Bank Overdraft		20,000	Debtors	50,000	
Creditors		20,000	Less: Provision for Bad Debts	10,000	40,000
Bills Payable		25,000	Prepaid Insurance		500
Salaries Outstanding		1,000	Interest Accrued on Deposits		2,100
Taxes Outstanding		2,000	Bills Receivable		30,000
Commission received in advance		1,000	Closing Stock		45,000
Interest due on bank overdraft		3,000			
Total		1,78,000	Total		1,78,000



Working Notes

Bad Debts

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
31-Mar-23	To Balance b/d	5,000	31-Mar-23	By Provision for Doubtful Debts A/c	5,000
		5,000			5,000

Provision for Doubtful Debts

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
31-Mar-23	To Bad Debts A/c	5,000	31-Mar-23	By Balance b/d	7,000
31-Mar-23	To Balance c/d	10,000	31-Mar-23	By Profit & Loss A/c (B.F.)	8,000
		15,000			15,000

Sundry Debtors

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
31-Mar-23	To Balance b/d	50,000	31-Mar-23	By Balance c/d	50,000
		50,000			50,000