

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

Dr. Cr.

Do. Double-views						
Particulars		Rs.	Particulars	6,75,000	Rs.	
To Opening Stock		82,000	By Sales			
To Purchases	4,40,000		Less: Returns Inwards	Less: Returns Inwards 25,000		
Less: Returns Outwards	37,000	4,03,000	By Closing Stock		1,12,500	
To Carriage Inward		6,000				
To Fuel and Water		4,750				
To Gross Profit		2,66,750				
		7,62,500			7,62,500	
To Trade Expenses		2,500	By Gross Profit		2,66,750	
To Rent, Rates & Taxes		12,000	By Commission	4,000		
To Salaries and Wages	24,000		Less: Received in advance 1,200		2,800	
Add: Outstanding	4,800	28,800	By Bad Debts:			
Add: Depreciation on			Old Provision	6,000		
Plant and Machinery	30,000		Less: Bad Debts	4,250		
Motor Vehicle	30,000	60,000	Less: Further Bad Debts	500		
To Net Profit	A	1,66,805	Less: New Provision	695	555	
	Total	2,70,105		Total	2,70,105	



### Balance Sheet As at 31st March, 2023

Liabilities		Rs.	Assets		Rs.
Capital			Fixed Assets		
Opening Balance	3,25,000		Plant and Machinery	2,00,000	
Add: Net Profit	1,66,805		Less: Provision for Depreciation	30,000	1,70,000
	4,91,805		Motor Vehicle	1,50,000	
Less: Drawings	15,000	4,76,805	Less: Provision for Depreciation	30,000	1,20,000
Current Liabilities			Current Assets		
Creditors		55,000	Cash in Hand		16,500
Commission received in advance		1,200	Cash at Bank		50,000
Salaries and Wages Outstanding		4,800	Debtors	69,500	
			Provision for Doubtful Debts	695	68,805
			Closing Stock		1,12,500
	Total	5,37,805	THE STATE OF THE S	Total	5,37,805

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#### Adjustments in Preparation of Financial Statements Practical Questions - 26

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#### **Working Notes**

#### Bad Debts A/c

Dr. Cr.

Date	Particulars	Rs.	Date	Particulars	Rs.
21.14	m D 1 1 / 1	4.050	01.15	By Provision for Doubtful Debts	4.050
31-Mar-23	To Balance b/d	4,250	31-Mar-23	A/c By Provision for Doubtful Debts	4,250
31-Mar-23	To Sundry Debtors A/c	500	31-Mar-23		500
		4,750			4,750

# Provision for Doubtful Debts A/c

Dr.

Date	<b>Particulars</b>	Rs.	Date	Particulars	Rs.
31-Mar-23	To Bad Debts A/c	4,250	31-Mar-23	By Balance b/d	6,000
31-Mar-23	To Bad Debts A/c	500			
31-Mar-23	To Profit & Loss A/c (B.F.)	555	COUNT	S 7	
31-Mar-23	To Balance c/d	695			
		6,000		5	6,000

# Sundry Debtors A/c

Dr.

Date	Particulars	Rs.	Date	Particulars	Rs.
31-Mar-23	To Balance b/d	70,000	31-Mar-23	By Bad Debts A/c	500
			31-Mar-23	By Balance c/d	69,500
		70,000			70,000