



**BAD DEBTS ACCOUNT**

**Dr.**

**Cr.**

| Date       | Particulars     | Rs.   | Date       | Particulars                    | Rs.   |
|------------|-----------------|-------|------------|--------------------------------|-------|
| 31-03-2017 | To Balance b/d  | 2,000 | 31-03-2017 | By Provision for Bad Debts A/c | 2,500 |
| 31-03-2017 | To Debtors' A/c | 500   |            |                                |       |
|            |                 | 2,500 |            |                                | 2,500 |
|            |                 |       |            |                                |       |

**PROVISION FOR BAD DEBTS ACCOUNT**

**Dr.**

**Cr.**

| Date       | Particulars            | Rs.   | Date       | Particulars     | Rs.   |
|------------|------------------------|-------|------------|-----------------|-------|
| 31-03-2017 | To Bad Debts A/c       | 2,500 | 31-03-2017 | By Balance b/d  | 5,000 |
| 31-03-2017 | To Profit and Loss A/c |       |            | (Old Provision) |       |
| 31-03-2017 | (b/f)                  | 115   |            |                 |       |
|            | To Balance c/d         |       |            |                 |       |
|            | @ 3% on 79,500         | 2,385 |            |                 |       |
|            |                        | 5,000 |            |                 | 5,000 |
|            |                        |       |            |                 |       |



**BALANCE SHEET**

| Liabilities | Amount (Rs.) | Assets                      | Amount (Rs.) |
|-------------|--------------|-----------------------------|--------------|
|             |              | Debtors                     | 80,000       |
|             |              | (-) Bad Debts               | 500          |
|             |              | (-) Provision for Bad Debts | 2,385        |
|             |              |                             | 77,115       |
|             |              |                             | 77,115       |
|             |              |                             |              |

**PROFIT AND LOSS ACCOUNT**

Dr.

Cr.

| Date | Particulars                     | Rs.   | Date | Particulars                         | Rs.   |
|------|---------------------------------|-------|------|-------------------------------------|-------|
|      | To Bad Debts A/c                | 2,000 |      | By Old Provision for Doubtful Debts | 5,000 |
|      | (+) Further Bad Debts           | 500   |      |                                     |       |
|      | (+) New Provision for Bad Debts | 2,385 |      |                                     |       |
|      |                                 | 4,885 |      |                                     |       |
|      | To Balancing Figure             | 115   |      |                                     |       |
|      |                                 | 5,000 |      |                                     | 5,000 |
|      |                                 |       |      |                                     |       |