



SURESH

S.N.	Transactions	Assets			=	Capital + Liabilities		
		Cash + ₹	Prepaid Rent + ₹	Stock ₹	=	Capital + ₹	Creditors + ₹	Outstanding Salary ₹
(i)	Commenced business with cash ₹60,000	60,000			=	60,000		
(ii)	Paid rent in advance ₹500	-500	500		=			
	New Equation	59,500	500	-	=	60,000	-	-
(iii)	Purchased goods for cash ₹30,000 and credit ₹20,000	-30,000		50,000	=		20,000	
	New Equation	29,500	500	50,000	=	60,000	20,000	-
(iv)	Sold goods for cash ₹30,000 costing ₹20,000	30,000		-20,000	=	10,000		
	New Equation	59,500	500	30,000	=	70,000	20,000	-
(v)	Paid salary ₹500 and salary outstanding being ₹100	-500			=	-600		100
	New Equation	59,000	500	30,000	=	69,400	20,000	100
(vi)	Bought motorcycle for personal use ₹5,000	-5,000			=	-5,000		
	New Equation	54,000	500	30,000	=	64,400	20,000	100



Balance Sheet

As at

Liabilities	Rs.	Assets	Rs.
Capital	64,400	Cash	54,000
Creditors	20,000	Prepaid Rent	500
Outstanding Salary	100	Stock	30,000
Total	84,500	Total	84,500

