



Given:

Total Assets =	₹2,00,000
External Liabilities =	₹6,000
Additional Capital =	₹20,000
Drawings =	₹12,000
Profit during the year =	₹20,000

Capital + Liabilities = Total Assets

or, Capital = Total Assets – Liabilities

Capital = ₹2,00,000 - ₹6,000

Closing Capital = ₹1,94,000

Closing Capital = Opening Capital + Additional Capital + Profit - Loss - Drawings

₹1,94,000 = Opening Capital + ₹20,000 + ₹20,000 - ₹12,000

₹1,94,000 = Opening Capital + ₹28,000

Opening Capital = ₹1,94,000 - ₹28,000

Opening Capital = ₹1,66,000