

SAMPLE CONTENT



SMART NOTES

As per the new textbook prescribed
by Maharashtra State Board

Std. XII

Book Keeping and
Accountancy (PRACTICE)

We are what we repeatedly
do. Excellence, then, is not
an act, but a habit - Aristotle

• 227 SUMS •



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SMART NOTES
**BOOK-KEEPING &
ACCOUNTANCY
(PRACTICE BOOK)**
S.Y.J.C.

MAHARASHTRA STATE BOARD

(As per the new textbook published by Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune. w.e.f. Academic Year 2020-21)

Salient Features:

- ☞ Based on the latest textbook
- ☞ Includes only additional sums for practice
- ☞ 227 sums covered in total across all chapters
- ☞ Sums in this book are NOT covered in textbook & Smart Notes main book
- ☞ Type-wise bifurcation of sums for systematic study
- ☞ Final answers for all questions provided at the end of the book

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PREFACE

Practice makes a student perfect, doesn't it? Book-Keeping & Accountancy – Practice Book 'Smart Notes' is a book curated to facilitate additional practice for students to make them perfect in this core subject of commerce.

This book is a complete and thorough guide which is critically analysed and drafted to serve as a supplementary problem-solving book for students. Book-Keeping & Accountancy is a subject that can be perfected only with thorough practice and this book is a perfect aid to help students form a strong base for the subject to prepare for bigger challenges ahead in their study of this subject.

This book is apt for students who have understood concepts of this subject clearly and now want to only solve more sums. Therefore, this book includes only questions and does not include any theory or objective questions. We have compiled 227 sums in this book which are apart from the sums available in the government textbook and our book "Book Keeping & Accountancy - Smart Notes". In order to enable the students to study the chapter in a systematic step-by-step manner, we have rearranged the sums type-wise on the basis of adjustments in selected chapters. A table for the same is provided at the start of such chapters. The 'final solution' for all sums is provided at the end of the book for your reference.

The journey to create a complete book is strewn with triumphs, failures and near misses. If you think we've nearly missed something or want to applaud us for our triumphs, we'd love to hear from you.

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From,
Publisher

Edition: First

Disclaimer

This reference book is transformative work based on 'Book - Keeping & Accountancy; First Reprint: 2021' published by the Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune. We the publishers are making this reference book which constitutes as fair use of textual contents which are transformed by adding and elaborating, with a view to simplify the same to enable the students to understand, memorize and reproduce the same in examinations.

This work is purely inspired upon the course work as prescribed by the Maharashtra State Bureau of Textbook Production and Curriculum Research, Pune. Every care has been taken in the publication of this reference book by the Authors while creating the contents. The Authors and the Publishers shall not be responsible for any loss or damages caused to any person on account of errors or omissions which might have crept in or disagreement of any third party on the point of view expressed in the reference book.

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Why to study Book-Keeping & Accountancy?

Apart from the basic objective of doing well in your exams, there are various reasons for studying Book Keeping & Accountancy (BK):

1. BK is the fundamental subject of commerce. Most courses of commerce have BK as one of the primary subjects.
2. Finance is the core of any business. It is difficult to understand finance without the basic knowledge of accounts.
3. All organizations have to regularly maintain books of accounts and file income tax returns. All these organizations require qualified accountants to finalize their books of accounts.
4. Accounts is required everywhere from household budget to national budget.

How to study from this book ?

1. Read the theory of the chapter thoroughly from your textbook / Smart Notes main book.
2. Seek help of your teachers to understand concepts that you haven't understood yourself.
3. Now start solving the sums in this book in the order given.
4. You can refer the solutions at the end of the book to check whether you have solved the sums correctly.

You are now moving towards perfection. 😊

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Sr. No.	Problem Type	Q. No.
1.	Solved Questions – Introduction to Partnership	Q. 1
2.	Solved Questions – Partnership Final Accounts	Q. 2 to Q. 21

Solved Questions – Introduction to Partnership

Q.1. Ashok and Rajesh are partners sharing profits and losses in the ratio 1 : 1. On 01.04.2020 the capital balances are Ashok ₹ 1,00,000 and Rajesh ₹ 2,00,000, their drawings are ₹ 50,000 and ₹ 60,000 respectively. As per the agreement, partners are allowed 8% interest on capital and interest on drawings is to be charged at 10% p.a. Ashok gets salary of ₹ 4,000 per month and Rajesh is entitled to get commission @ 5% on net sales which is ₹ 8,00,000. The firm's profit is ₹ 2,50,000. Prepare partners' capital account for the year ended 31st March 2021 under:

- Fixed Capital Method
- Fluctuating Capital Method

Solved Questions – Partnership Final Accounts

Q.2. From the following Trial Balance of M/s. Mahesh and Umesh, you are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date. Profit sharing ratio of Mahesh and Umesh was 3/5th and 2/5th respectively.

Trial Balance as on 31st March, 2019

Particulars	Debit ₹	Particulars	Credit ₹
Investments	56,000	Capital A/c:	
Carriage	7,000	Mahesh	1,62,000
Loose Tools	17,000	Umesh	1,08,000
Building	1,50,000	Current A/c:	
Salary	13,000	Mahesh	16,200
Audit Fees	8,500	Umesh	10,800
Opening Stock	83,000	Sundry Creditors	99,000
Wages	7,500	Sales	4,20,000
Purchases	1,97,000	Bank Overdraft	56,400
Motive Power	15,000		
Bad Debts	6,400		
Printing and Stationery	4,000		
Debtors	96,000		
Cash at Bank	52,000		
Machinery	72,000		
Motor Van	88,000		
	8,72,400		8,72,400

Adjustments:

- Stock on hand on 31st March, 2019 was valued at ₹ 76,000.
- Interest on Partners' Capital at 5% p.a. was allowed.
- Goods worth ₹ 2,000 and ₹ 1,500 withdrawn by Mahesh and Umesh respectively for their personal use.
- Mahesh is entitled to get salary of ₹ 6,500 and Umesh is to be given 2% commission on sales.
- ₹ 2,500 due from customer is not recoverable.
- Depreciate Motor Van at 8% p.a. and Building at 7% p.a.



Q.3. Following is the Trial Balance of Premlal and Sundarlal as on 31st March, 2020.
Trial Balance as on 31st March, 2020

Debit Balances	Amount ₹	Credit Balances	Amount ₹
Stock on 01.04.2019	90,000	Sales	3,75,000
Purchases	2,25,000	Purchase Returns	3,000
Drawings A/c:		Discount Received	3,000
<i>Premlal</i>	33,000	Sundry Creditors	90,000
<i>Sundarlal</i>	30,000	Capital A/c:	
Sales Return	7,200	<i>Premlal</i>	1,05,000
Wages A/c:		<i>Sundarlal</i>	1,35,000
Productive	10,500	Bank Overdraft	30,000
Unproductive	1,800		
Salaries	18,600		
Rent, Rates and Insurance	10,200		
Bad Debts	1,200		
Discount Allowed	3,900		
Machinery	45,000		
Building	1,08,600		
Sundry Debtors	1,53,000		
Cash	3,000		
	7,41,000		7,41,000

Adjustments:

- Closing Stock was valued on 31st March, 2020 at Market Price ₹ 60,000 which was 20% above its Cost Price.
- Outstanding Productive Wages ₹ 600.
- Rent, Rates and Insurance include Insurance ₹ 1,600 paid for one year ending on 30th June, 2020.
- Maintain Reserve for doubtful debts at 5% on Debtors.
- Depreciate Building by 5% and Machinery at 10% p.a.
- Goods costing ₹ 2,500 were distributed as free samples for which no record has been made in the books.
- Six months interest is due on Bank Overdraft at 10% p.a.

Prepare:

- Trading and Profit & Loss Account for the year ended 31st March, 2020 and
- Balance Sheet as on that date.

Q.4. Mohini and Rohini are in Partnership firm sharing profits and losses equally. From the following Trial Balance and adjustments given below, you are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2020 and the Balance Sheet as on that date.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Partners' Capital A/c:		
<i>Mohini</i>	—	1,20,000
<i>Rohini</i>	—	90,000
Purchases and Sales	2,20,000	4,30,000
Sundry Debtors and Creditors	45,000	35,000
Bills Receivable and Bills Payable	50,000	45,000
Discount	4,000	3,500
Opening Stock	25,000	—
Wages and Salaries	23,000	—
Manufacturing Expenses	9,000	—
Factory Insurances	5,000	—
Factory Building	1,30,000	—



Plant and Machinery	75,000	—
Advertisement (for 2 years w.e.f. 1 st Jan, 2020)	10,000	—
Salaries and Wages	45,000	—
Warehouse Rent	6,000	—
Import Duty	11,500	—
Cash in Hand	5,000	—
10% Government Bonds (Purchased on 1 st July, 2019)	60,000	—
	7,23,500	7,23,500

Adjustments:

- Closing stock was valued at Market Price ₹ 92,000 which is 15% above its Cost Price.
- Goods costing ₹ 3,000 purchased and received on 31st March, 2020 were not recorded in Purchase Book.
- Depreciate Machinery at 10% p.a.
- Outstanding Wages were ₹ 2,500.
- Goods of ₹ 2,000 were taken by Mohini for personal use but no entry was made in the books of account.
- Maintain R.D.D. at 5% on Sundry Debtors.

Q.5. Amy and Rash share profits and losses equally in their partnership firm. From the given Trial balance you are required to prepare a Trading and Profit & Loss A/c for the year ended 31st March, 2020 and a Balance Sheet as on that date, after taking into consideration the additional information provided.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Wages	63,000	
Salaries	1,63,000	
Rent, Rates and Taxes	33,000	
Purchases	3,41,300	
Sales		7,30,000
Opening Stock	23,300	
Purchase Returns		3,000
Sales Returns	3,300	
Sundry Income		23,300
10% Bank Loan		43,300
Provident Fund		63,000
Provident Fund Investment	63,000	
Bad Debts	4,300	
R.D.D.		8,300
Cash at Bank	1,03,000	
Land and Building	93,000	
Furniture	13,300	
Debtors	73,000	
Creditors		33,300
Capital A/c:		
Amy		33,000
Rash		33,000
Bank Overdraft		6,300
	9,76,500	9,76,500

Adjustments:

- Closing Stock was valued at ₹ 33,300
- Depreciate land and building and furniture at 10%
- Goods worth ₹ 3,300 were distributed as free samples.
- Goods worth ₹ 13,000 were taken by Amy for personal use.
- Maintain R.D.D. at 3% of debtors after writing off bad debts worth ₹ 5,300



Q.6. Below is the Trial Balance of V.S.K. Firm as on 31st March, 2019. You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

Trial Balance as on 31st March, 2019

Particulars	Debit ₹	Particulars	Credit ₹
Stock on 01.04.2018	12,000	Capital A/c:	
Purchases	1,20,000	<i>Varun</i>	1,20,000
Sales Return	3,500	<i>Siddhart</i>	80,000
Debtors	50,000	<i>Karan</i>	50,000
Wages	18,000	Sales	2,76,000
Royalties	2,000	Purchase Return	1,200
Machinery	40,000	Commission	500
Furniture	20,000	Provident Fund	42,000
Advertisement (4 years)	4,000	Interest	3,600
Salary (10 months)	10,000	Reserve for Doubtful Debts	5,000
Provident Fund Contribution	6,500	Creditors	15,000
Provident Fund Investment	35,000	Bills Payable	5,000
Other Investment	10,000		
Insurance	1,200		
Cash	21,100		
Bills Receivable	40,000		
Drawings A/c:			
<i>Varun</i>	3,000		
<i>Siddhart</i>	2,000		
<i>Karan</i>	—		
Land and Building	2,00,000		
	5,98,300		5,98,300

Adjustments:

- Closing Stock was valued at cost ₹ 17,500 and Market Price ₹ 16,500.
- Depreciate Machinery and Furniture by 10% p.a.
- Create Reserve for Discount on Debtors 5% and Creditors 10%.
- Uninsured goods worth ₹ 5,000 were destroyed by Fire.

Q.7. Following is the Trial Balance of Jitesh and Pritesh. The partners share profits and losses equally.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Capital A/c:		
<i>Jitesh</i>	—	2,00,000
<i>Pritesh</i>	—	1,20,000
Bills Receivable and Bills Payable	40,000	50,000
Opening Stock	70,000	—
Purchases and Sales	1,94,000	3,63,000
Returns	3,000	4,000
Salaries	15,600	—
Wages	28,400	—
Conveyance	2,200	—
Commission	—	6,000



Miscellaneous Expenses	3,200	—
Warehouse Rent	9,000	—
Brokerage	3,000	—
Dock Charges	4,200	—
Insurance	4,800	—
Goodwill	76,000	—
Land and Building	1,80,000	—
Shares in Bajaj Ltd.	50,000	—
Cash in Hand	3,600	—
Sundry Debtors and Creditors	56,000	60,000
Motor Van	60,000	—
	8,03,000	8,03,000

Adjustments:

- Closing Stock was valued at ₹ 75,000.
- Depreciate Land and Building and Motor Van at 5% p.a.
- Insurance is paid for the year ended 31st May, 2020.
- Jitesh has taken goods of ₹ 3,000 for his personal use, but no entry has been made.
- Goods of ₹ 8,000 were destroyed by fire and the Insurance Company admitted a claim of ₹ 6,400 only.
- Commission due but not received ₹ 1,600.

Prepare after taking into account the adjustments: Trading and Profit & Loss account for the year ended 31st March, 2020 and a Balance Sheet as on that date.

Q.8. Amar and Samar are partners. Their Trial Balance as on 31st March, 2020 is given below.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Opening Stock	20,000	Capital A/c:	
Purchases	1,23,000	<i>Amar</i>	40,000
Return Inwards	5,000	<i>Samar</i>	40,000
Debtors	30,000	Current A/c:	
Wages	8,000	<i>Amar</i>	80,000
Furniture	6,000	<i>Samar</i>	60,000
Machinery (includes purchases made on 01.10.2019 worth ₹ 10,000)	50,000	Sales	2,15,000
Advertisement	12,000	Return Outwards	3,000
Salaries	6,000	Commission	1,000
Contribution to Provident Fund	4,000	Provident Fund	30,000
Provident Fund Investments	25,000	Reserve for Bad Debts	2,000
Other Investment	90,000	Creditors	2,000
Insurance	2,400	Bills Payable	3,000
Cash in Hand	19,000		
Motor Car	75,600		
	4,76,000		4,76,000

Adjustments:

- Closing Stock ₹ 32,000.
- Goods withdrawn by Amar for personal use ₹ 3,000 and Samar ₹ 2,000.
- Depreciate Furniture and Machinery by 5%.
- Commission received in Advance to the extent of ₹ 500.
- Prepare Final Accounts as on 31st March, 2020.



Q.9. From the following Trial Balance of Kamlesh and Mahajan and given adjustments, prepare Trading Account, Profit & Loss Account for the year ended 31st March, 2020 and a Balance Sheet as on that date.

Trial Balance as on 31st March, 2020

Debit Balances	Amount ₹	Credit Balances	Amount ₹
Opening Stock	45,000	Capital A/c:	
Purchases	2,25,000	<i>Kamlesh</i>	25,000
Plant and Machinery	75,000	<i>Mahajan</i>	20,000
Carriage	16,800	Sales	4,50,000
Factory Rent	1,500	Discount Received	750
Insurance	1,050	Sundry Creditors	15,000
Sundry Debtors	60,000	Bad Debts Reserve	200
Office Rent	3,000	Bills Payable	2,000
Printing and Stationery	600		
Advertisement	15,000		
Bills Receivable	3,000		
Drawings A/c:			
<i>Kamlesh</i>	3,500		
<i>Mahajan</i>	2,500		
Salaries	18,000		
Wages	20,000		
Furniture	7,500		
Royalty	1,000		
Cash at Bank	14,500		
	5,12,950		5,12,950

The following adjustments are required:

- Closing Stock was valued at Cost price ₹ 35,000 and Market price ₹ 40,000.
- Plant and Machinery and Furniture are to be depreciated at 6% and 10% p.a. respectively.
- Maintain Reserve for Doubtful Debts @ $2\frac{1}{2}\%$ on Sundry Debtors.
- Outstanding Expenses: Factory Rent ₹ 300, Office Rent ₹ 600.
- Interest on Capital to be allowed at 6% p.a.
- Prepaid Insurance was ₹ 100.

Q.10. The Trial Balance of M/s. Raju and Manju as at 31st March, 2020 is given below.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Capital A/c:		
<i>Raju</i>	—	35,000
<i>Manju</i>	—	30,000
Opening Stock	45,000	—
Purchases	2,25,000	—
Plant and Machinery	95,000	—
Trade Charges	12,800	—
Sales	—	5,50,000
Carriage Inwards	2,500	—
Carriage Outwards	1,500	—
Factory Rent	7,500	—
Discount	350	—
Insurance	700	—
Sundry Debtors	90,000	—



Sundry Creditors	–	12,750
Office Rent	30,000	–
Bad Debts Reserve	–	200
Printing and Stationery	600	–
Advertisement (for 3 years)	15,000	–
Bills Receivable	3,000	–
Drawings A/c:		
<i>Raju</i>	4,500	–
<i>Manju</i>	3,500	–
Loan from Raju	–	38,000
Salaries	18,000	–
Manufacturing Wages	70,000	–
Furniture and Fixtures	17,500	–
Coal, Gas and Water	1,000	–
Cash in Hand	10,000	–
Cash at Bank	12,500	–
	6,65,950	6,65,950

Adjustments:

- The closing stock amounted to ₹ 35,000 whose market value is ₹ 40,000.
- Bad debts reserve to be raised to 2 ½% on debtors.
- Interest on loan from Raju is to be allowed @ 10% p.a. for 9 months.
- Outstanding Expenses: Factory Rent ₹ 300; Printing & Stationery ₹ 600
- Purchase of machinery worth ₹ 15,000 included in purchases.

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date:

Q.11. Following is the Trial Balance of Sona and Mona. They share profits and losses in the proportion of 3 : 2. From the following balances and adjustments, prepare Trading and Profit & Loss Account for the year ending 31st March, 2020 and Balance Sheet as on that date.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Stock on 01.04.2019	45,000	–
Purchases and Sales	1,12,500	1,87,500
Drawings A/c:		
<i>Sona</i>	16,500	–
<i>Mona</i>	15,000	–
Returns	3,600	1,500
Wages:		
<i>Productive</i>	5,250	–
<i>Unproductive</i>	900	–
Salaries	9,300	–
Rent, Rates and Insurance	5,100	–
Bad Debts	600	–
Discount	1,950	1,500
Machinery	22,500	–
Building	54,300	–
Sundry Debtors and Creditors	76,500	45,000
Cash	1,500	–
Capital A/c:		
<i>Sona</i>	–	52,500
<i>Mona</i>	–	67,500
Bank Overdraft	–	15,000
	3,70,500	3,70,500



Adjustments:

- i. On 31st March, 2020, the Stock was valued at ₹ 28,000.
- ii. Outstanding Productive Wages ₹ 300.
- iii. Rent, Rates and Insurance include Insurance ₹ 800 paid for one year ending on 30th June, 2020.
- iv. Provide for doubtful debts on Debtors at 5%.
- v. Depreciate Building by 5% and Machinery by 10% p.a.
- vi. Goods worth ₹ 1,250 were distributed as free samples for which no record has been made in the books.

Q.12. Keshav and Devidas are partners in a firm, whose Trial Balance and the necessary adjustments are given below:

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Purchases	1,25,225	Capital A/c:	
Sales Returns	4,250	<i>Keshav</i>	27,000
Debtors	50,200	<i>Devidas</i>	35,000
Opening Stock	28,788	Sales	2,05,000
Salaries	13,677	Purchase Returns	3,230
Wages	20,167	Commission	245
Furniture Balance as on 1 st Apr, 2019	6,750	Creditors	31,073
<i>Add: Purchases on 31st Mar, 2020</i>	700	Dividend on Investments	825
	7,450	Reserve for Doubtful debts	500
Machinery	7,500		
Bad Debts	315		
Advertisements (for 3 years w.e.f. 01.10.2019)	3,000		
Investments	9,500		
Insurance	320		
Drawings A/c:			
<i>Keshav</i>	3,000		
<i>Devidas</i>	1,500		
Cash and Bank Balance	27,981		
	3,02,873		3,02,873

Adjustments:

- i. Closing Stock was valued at ₹ 15,000.
 - ii. Provide Depreciation on Machinery at 5% and on Furniture at 10% p.a.
 - iii. Deduct ₹ 200 for Bad Debts and provide 2% R.D.D.
 - iv. Provide Interest on Capital (Opening Balance) at 5% p.a. but not on Drawings
 - v. Keshav is to get 1% Commission on Gross profit and Devidas to be paid ₹ 2,000 p.a. as Salary.
- After considering the adjustments, prepare the Trading and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.

Q.13. Swati, Swity and Sweta were partners sharing profits and losses equally. Following is their Trial Balance for the year ended 31st March, 2020.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Purchases and Sales	1,04,000	1,95,300
Salaries	11,300	—
Stock (01.04.2019)	28,000	—
Debtors and Creditors	24,200	36,000
Bills Receivable and Bills Payable	62,400	18,100
Land and Building	48,300	—
Returns	6,300	2,600



Wages	25,100	–
Cash at Bank	30,000	–
Insurance	4,500	–
Advertisement	9,300	–
Furniture	18,700	–
Rent and Taxes	4,700	–
Interest	–	4,800
Capitals A/c:		
<i>Swati</i>	–	60,000
<i>Swity</i>	–	40,000
<i>Sweta</i>	–	20,000
	3,76,800	3,76,800

Adjustments:

- Closing Stock is valued at ₹ 37,500.
 - Depreciate Furniture @ 10% p.a. and Land and Building @ 5% p.a.
 - Goods of ₹ 3,000 purchased on 31st March, 2020 are included in the closing stock but the entry is not passed in the books.
 - Insurance is prepaid to the extent of ₹ 1,500.
 - Salaries of ₹ 3,400 and Wages of ₹ 4,700 are outstanding.
 - Write off ₹ 1,200 as bad debts from Debtors and provide 5% for Reserve for Doubtful Debts.
- Prepare Trading Account and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.

Q.14. Abhijeet and Sujeet are partners sharing profits and losses in the ratio 3/5 and 2/5 respectively. From the following trial balance and adjustments, prepare Trading, Profit & Loss Account for the year ended 31st March, 2020 and the Balance Sheet as on that date.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Drawing A/c:		Capital A/c:	
<i>Abhijeet</i>	6,000	<i>Abhijeet</i>	1,32,000
<i>Sujeet</i>	4,000	<i>Sujeet</i>	88,000
Land and Building	1,70,000	Sales	1,69,000
Plant (Addition on 01.01.2020 worth ₹ 20,000)	90,000	Sundry Creditors	81,900
Opening Stock	44,000	Bank Overdraft	80,000
Wages	13,500	Reserve for Doubtful Debts	2,000
Cash at Bank	6,500	Outstanding Expenses	4,600
Sundry Debtors	69,200	Sundry Income	4,000
Purchases	1,22,500	Pre-received Rent	5,000
Carriage	2,100	10% Bank Loan (Taken on 1 st Oct, 2019)	32,000
Rent, Rates and Insurance	4,500		
Furniture	50,000		
Salaries	7,600		
Bad Debts	3,200		
Office Expenses	5,400		
	5,98,500		5,98,500

Adjustments:

- Closing Stock was valued at cost price ₹ 34,000 and at market price ₹ 40,000.
- Depreciate Plant at 10% p.a.
- Insurance was prepaid ₹ 600.
- Office expenses include personal expenses of Sujeet ₹ 800.
- Maintain R.D.D. at 5% on Sundry Debtors.



**Q.15. Ajay and Vijay were partners sharing profits and losses equally. The Trial Balance of their firm was as under:
Trial Balance as on 31st March, 2020**

Debit Balances	Amount ₹	Credit Balances	Amount ₹
Opening Stock	15,000	Capital A/c:	
Purchases	45,700	Ajay	40,000
Wages	9,900	Vijay	25,000
Investments	3,500	Bills Payable	6,000
Carriage Outward	4,600	Outstanding Salaries	1,700
Printing and Stationery	3,400	Sales	79,800
Insurance	750	Creditors	12,000
Salaries	10,000	Bank Overdraft	3,000
Postage and Telegram	700		
Machinery	26,800		
Furniture	6,400		
Debtors	25,000		
Bills Receivable	4,000		
Cash at Bank	6,000		
Advertisement	1,000		
Bad Debts	250		
Carriage Inwards	4,500		
	1,67,500		1,67,500

Adjustments:

- Closing Stock was valued at ₹ 40,200.
- Goods of ₹ 4,000 were burnt by fire and Insurance Company admitted the claim for ₹ 3,200.
- Prepaid Insurance was ₹ 200.
- Carriage inwards included ₹ 1,000 paid for transport on new machinery purchased on 1st Apr, 2019.
- Depreciate Machinery by 10% and Furniture @ 15% p.a.
- Outstanding Wages were ₹ 2,100.

You are required to prepare Trading Account and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.

Q.16. Rajesh and Dinesh are the partners sharing profit and loss in proportion to their capitals. From the following Trial Balance of the firm, prepare a Trading and Profit & Loss Account for the year ended 31st March, 2020 and a Balance Sheet as on that date:

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Opening Stock	1,20,000	—
Salaries	4,000	—
Unproductive Wages	8,000	—
Railway Freight Charges on Purchases	5,000	—
Purchases	1,20,000	—
Bills Receivables	1,200	—
Rent	7,500	—
Sales	—	2,53,000
Reserve for Bad Debts	—	1,000
Sundry Creditors	—	32,600
Return Outwards	—	1,500
Bad Debts	300	—
Plant and Machinery	20,000	—
Travelling Expenses	5,000	—



Repairs to Plant	1,600	–
Cash at Bank	2,000	–
Buildings	50,000	–
Returns Inward	1,000	–
Sundry Debtors	35,000	–
Office Expenses	5,000	–
Drawings of Rajesh	4,000	–
Drawing of Dinesh	2,500	–
Capitals A/c:		–
<i>Rajesh</i>	–	30,000
<i>Dinesh</i>	–	20,000
Maharashtra Bank Loan	–	54,000
	3,92,100	3,92,100

Adjustments:

- Closing Stock ₹ 35,000.
- Interest on capital to be provided at 5% per annum.
- Provide Reserve for bad and doubtful debts on debtors @ 5%.
- Unexpired insurance amounting to ₹ 500 is included in office expenses.
- Plant and Machinery to be depreciated at 5% and Building at 2.5%.
- Provision to be made for outstanding unproductive wages ₹ 1,000/- and outstanding salaries of ₹ 500.

Q.17. Ashok and Tanaji are partners sharing Profits and Losses in the ratio 2:3. Their Trial Balance as on 31st March, 2020 is given below. You are required to prepare Trading and Profit & Loss account for the year ended 31st March, 2020 and Balance Sheet as on that date after taking into account the given adjustments.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Purchases	98,000	Capital A/c:	
Patents Right	4,000	<i>Ashok</i>	30,000
Building	1,00,000	<i>Tanaji</i>	40,000
Stock (01.04.2019)	15,000	Provident Fund	7,000
Printing and Stationery	1,750	Creditors	45,000
Sundry Debtors	35,000	Bank Loan	12,000
Wages and Salaries	11,000	Sales	1,58,000
Audit Fees	700	Reserve for Doubtful Debts	250
Sundry Expenses	3,500	Purchase Returns	3,500
Furniture	8,000		
10% Investment (Purchased on 30.09. 2019)	10,000		
Cash	4,000		
Provident Fund Contribution	800		
Carriage Inwards	1,300		
Travelling Expenses	2,700		
	2,95,750		2,95,750

The following adjustments are required:

- Closing Stock is valued at the cost of ₹ 15,000 while its market price is ₹ 18,000.
- On 31st March, 2020, the stock of stationery was ₹ 500.
- Provide reserve for bad and doubtful debts at 5% on Debtors.
- Depreciate Building at 5% and Patent Rights at 10%.
- Interest on Capital is to be provided at 5% p.a.
- Goods worth ₹ 10,000 were destroyed by fire. The Insurance company admitted a claim for ₹ 8,000.



Q.18. Following is the Trial Balance of M/s. Sachin and Shrimant on 31st March, 2020. Sachin and Shrimant share profits and losses in the ratio of 3 : 1. Prepare Trading and Profit & Loss Account for the year ending 31st March, 2020 and Balance Sheet as on that date, after taking into consideration the adjustments given.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Advertisement for 2 years (w.e.f. 01-01-2020)	3,600	Sales	2,87,500
Opening Stock	22,000	Bills Payable	3,000
Purchases	1,62,350	Commission	4,200
Drawings A/c:		Capital A/c:	
<i>Sachin</i>	2,500	<i>Sachin</i>	40,000
<i>Shrimant</i>	1,800	<i>Shrimant</i>	20,000
Wages	4,500	Creditors	21,500
Salaries	11,200	Outstanding Salaries	300
Professional Charges	7,300	Provident Fund	12,000
Printing and Stationery	1,850	Interest on P.F. Investment	1,200
Insurance	3,400		
Prepaid Insurance	400		
Interest	6,300		
Debtors	48,200		
Cash at Bank	1,01,300		
P.F. Investment	12,000		
P.F. Contribution	1,000		
	3,89,700		3,89,700

Adjustments:

- Closing Stock – Cost price ₹ 37,500, Market price ₹ 45,000.
- Interest on Capital is allowed at 10% p.a. while Interest on Drawings is charged as - Sachin ₹ 250 and Shrimant ₹ 180.
- Goods worth ₹ 3,000 were taken by Sachin but no entry was made in the books.
- A receipt of ₹ 2,000 from Mr. Patil as loan is wrongly included in commission income.

Q.19. Ram and Lakhani were in partnership sharing profits & losses equally. The following balances were given as on 31st March, 2020.

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Credit ₹
Capital A/c:		
<i>Ram</i>	—	25,000
<i>Lakhani</i>	—	25,000
Current A/c:		
<i>Ram</i>	—	5,000
<i>Lakhani</i>	2,000	—
Stock on 1 st April, 2019	35,000	—
Purchases and Sales	85,000	1,80,000
Tax and Insurance	2,500	—
Debtors and Creditors	71,000	20,100
Rent	3,000	—
Wages	8,000	—



Bills of Exchange	6,100	3,000
Motor Lorry	15,000	—
Furniture	20,000	—
General Expenses	500	—
Purchase Return	—	4,500
Trade Expenses	200	—
Warehouse Rent	300	—
Bank	14,000	—
	2,62,600	2,62,600

You are given the following additional information:

- On 31st March, 2020, the stock was valued at ₹ 24,000.
- Unexpired Rent amounted to ₹ 200.
- Purchase of furniture worth ₹ 5,000 wrongly included in purchases.
- Provide 5% for bad and doubtful debts after writing off further bad debts ₹ 1,000.
- Ram is entitled to get salary ₹ 1,500 per year and Lakhan is entitled to get commission @ 2% on sales.
- Allow interest on capital at 10% p.a.
- The cost of goods taken during the year by partners for their own use was - Ram ₹ 3,000 and Lakhan ₹ 1,000.
- Provide 10% Depreciation on Motor Lorry.

Prepare Trading and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.

Q.20. Vijay and Lakshmi run a partnership firm and share profits and losses in the ratio of their capitals. From the given Trial balance you are required to prepare a Trading and Profit & Loss A/c for the year ended 31st March, 2019 and a Balance Sheet as on that date, after taking into consideration the additional information provided.

Trial Balance as on 31st March, 2019

Particulars	Debit ₹	Credit ₹
Capital A/c:		
<i>Vijay</i>	—	5,00,000
<i>Lakshmi</i>	—	5,00,000
Current A/c:		
<i>Vijay</i>	—	50,000
<i>Lakshmi</i>	40,000	—
Purchases and Sales	5,00,000	15,00,000
Debtors and Creditors	2,50,000	1,25,000
Bills Receivable and Payable	1,25,000	2,20,000
Commission	5,000	25,000
Opening Stock	60,000	—
Cash in Hand	25,000	—
10% Government Bonds (purchased 01.10.2018)	5,00,000	—
Office Expenses	60,000	—
Salaries and Wages	2,00,000	—
Building	10,00,000	—
Furniture	2,00,000	—
Bad Debts	30,000	—
Drawings – Vijay	25,000	—
Carriage	25,000	—
Rent Received	—	1,25,000
	30,45,000	30,45,000

**Adjustments:**

- i. Goods worth ₹ 15,000 were lost by fire. Insurance company admitted claim of ₹ 12,000.
- ii. Interest on partner's capital is 7.5% p.a.
- iii. Interest on drawings at 6% p.a.
- iv. Depreciation is charged at 10% on all fixed assets.
- v. Maintain R.D.D. at 6% on debtors.
- vi. Closing stock was valued at cost of ₹ 1,23,000.

Q.21. Sanjay and Sudhir are partners sharing profit and losses in the ratio 3 : 2. The Trial Balance of the firm on 31st March, 2020 was as follows:

Trial Balance as on 31st March, 2020

Particulars	Debit ₹	Particulars	Credit ₹
Opening Stock	20,000	Capital A/c:	
Purchases	30,000	<i>Sanjay</i>	40,000
Sundry Debtors	10,000	<i>Sudhir</i>	30,000
Wages	5,000	Sales	70,000
Salaries	10,000	Sundry Creditors	21,000
Land and Building	30,000	Bills Payable	20,000
Plant and Machinery	25,000	Discount	5,000
Furniture	16,000	Outstanding Rent	1,500
Advertisement (for 2 years)	6,000		
Bills Receivable	10,000		
Insurance	2,000		
Drawings A/c:			
<i>Sanjay</i>	2,000		
<i>Sudhir</i>	3,000		
Cash in Hand	5,500		
Rent	10,000		
Power and Fuel	3,000		
	1,87,500		1,87,500

Adjustments:

- i. Stock on hand on 31st March, 2020 was at ₹ 35,000.
- ii. Write off ₹ 2,000 for further Bad debts and maintain R.D.D. at 5% on debtors.
- iii. Depreciate Land and Building at 5% and Machinery at 10%.
- iv. Outstanding expenses were - Wages ₹ 2,000 and Salary ₹ 1,000.
- v. Credit purchases amounting ₹ 4,000 which were not recorded in the books of accounts.
- vi. Provide Interest on Partners' Capital at 5% p.a.
- vii. Create a provision for discount on Debtors and Creditors @5%.
- viii. Bills Receivable included one dishonoured bill of ₹ 2,000

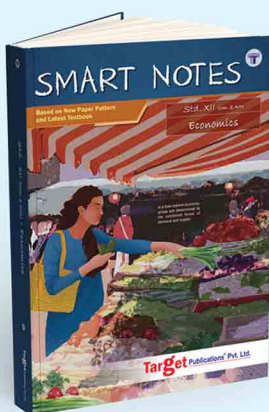
From the above Trial Balance and adjustments, prepare Trading and Profit & Loss Account for the year ended 31st March, 2020 and Balance Sheet as on that date.



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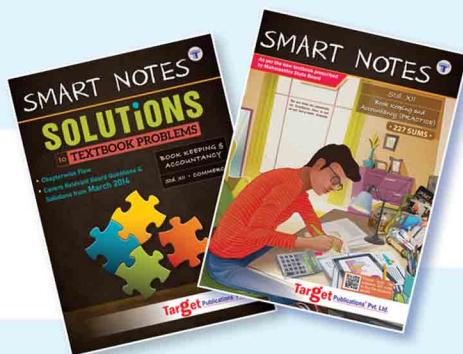


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