



SYJC – FEB 2016

BOOK-KEEPING

SET-B

(3HRS)
(80 Marks)
Date: 21/1/ 2016

Q. 1. Attempt any Three of the following.

[15 Marks]

(A) Answer the following in 'one' sentence each:

1. What is 'liability of partners'?

Ans. The 'liability of partners' are joint, several and unlimited as mentioned in 'Indian Partnership Act - 1932'.

2. What is meant by 'capital fund'?

Ans. Capital fund consists of contributions, entrance fees, surplus income, legacies and donations specifically received for capital fund.

3. What is 'due date of a bill'?

Ans. The date on which the bill will become mature for pay is known as due date the bill.

4. What is 'deficit'?

Ans. Debit balance of Income and Expenditure account is known as Deficit, it is the expenditure over income of a 'Not for Profit' Concern.

5. What is 'allotment of shares'?

Ans. Allotment of shares means after considering the demand of the applicants, accepting application forms up to certain fixed number as per the resolution passed in the meeting of the board of directors

(B) Write a word / term / phrase which can substitute each of the following statements: [5]

1. Debit balance of revaluation account.

Ans. Loss on revaluation.

2. The debentures which are convertible into shares.

Ans. Convertible debentures

3. The excess of total assets over total liabilities of a 'not for profit concern'.

Ans: Capital Fund

4. Transfer of title of a bill from a debtor to a creditor.

Ans: Endorsement of bill of exchange

5. Expenses which are due but not paid at the end of the year.

Ans. Outstanding expenses.

(C) Select the most appropriate alternative from those given below and rewrite the statements: [5]

1. Dissolution expenses are credited to _____

a. Realisation account

b. Cash/ Bank account

c. Partners' capital account

d. Partners' loan account

Ans.Cash / Bank account

2. Prepaid expenses are shown on the _____ side of balance sheet.

- a. Assets
- b. Liability
- c. Debit
- d. Cash

Ans.Assets

3. When shares are forfeited, share capital account is _____

- a. debited
- b. credited
- c. adjusted
- d. none of the above

Ans.debited

4. A bill drawn and accepted on 23rd November, 2012 for two months will payable on _____

- a. 23rd January, 2012
- b. 23rd January, 2013
- c. 25th January, 2013
- d. 26th January, 2013

Ans.25th January, 2013

5. Purchase of stationery is a _____ expenditure.

Ans.[Revenue]

- a. capital
- b. revenue
- c. long term
- d. Deferred revenue

Ans.Revenue

(E) Prepare a specimen of a bill of exchange from the following information.

[5]

Drawer	: Rahul Chaudhari, 105 Ghodbunder Road, Thane.
Drawee	: PrakashPatil, 207, Ganga Road, Nashik.
Payee	: SonalChaudhari, M.G. Road, Dhule.
Period of Bill	: 60 days.
Amount of bill	: ₹ 10,000
Date of Bill	: 15th December, 2013
Date of acceptance	: 18th December, 2013.

BILL OF EXCHANGE

Stamp

Rahul Chaudhari,
105, Ghodbunder Road,
Thane,
Date: 15 th December, 2013

Rs. 10,000/-

Sixty days after date, pay to Sonal Chaudhari,
M.G.Road, Dhule or her order, the sum of Rupees Ten
Thousand Only for the value received.

To,
Prakash Patil,
207, Ganga Road,
Nashik.

Sd/-
(Mr. Rahul Chaudhari)

Accepted
Sd/-
(Prakash Patil)
Date: 18th December, 2013

Q.2

[8 Marks]

Mr.Yogesh keeps his books on Single Entry System. From the following particulars, prepare Opening and Closing Statement of Affairs and Statement of Profit and Loss.

Particulars	Amount (₹)	Amount (₹)
	an 1.4.2009	on 31.3.2010
Bank Balance	36,000	27,000
Cash Balance	7,500	9,000
Sundry Debtors	90,000	1,20,000
Stock	60,000	90,000
Furniture	9,000	9,000
Machinery	60,000	90,000
Sundry Creditors	36,000	60,000
Bills Payable	16,500	27,000

Additional Information:

1. Mr.Yogesh has withdrawn ₹ 22,500 from the business for his personal use.
2. He has introduced additional capital of ₹ 7,500 in the business on 1st January. 2010.
3. Additions to machinery were made on 1st January, 2010.
4. Depreciate furniture and machinery @ 10% p.a.
5. Maintain reserve for doubtful debts @ 2% on Sundry Debto₹
6. Closing stock is overvalued by 20% in the books.

Ans.

In the books of Mr.Yogesh

Opening Statement of Affairs as on 01.04.2009

liabilities	Amount (₹)	Assets	Amount (₹)
Sundry Creditors	36,000	Bank	36,000
Bills Payable	16,500	Cash	7,500
Capital (Bal. figure)	2,10,000	Sundry Debtors	90,000
		Stock	60,000
		Furniture	9,000
		Machinery	60,000
	2,62,500		2,62,500

Closing Statement of Affairs as on 31.03.2010

Liabilities	Amount	Assets	Amount
Sundry Creditors	60,000	Bank	27000
Bills Payable	27000	Cash	9000
Capital (Bal.Figure)	2,58,000	Sundry Debtors	1,20,000
		Stock	90,000
		Furniture	9,000
		Machinery	90,000
	345000		345000

Statement of Profit or Loss for the year ended 31.03.2010

Particulars	Amount	Amount
Capital at the end of the year		2,58,000
Add: Drawings during the year	22,500	22,500
		2,80,500
Less: Capital at the beginning of the year	2,10,000	
- Additional Capital Introduced	7,500	2,17,500
Profit before adjustment		63,000
Less: Depreciation on Furniture	900	
Depreciation on Machinery (6,000+750)	6,750	
Reserve for Doubtful Debts	2,400	
Overvaluation of Stock in the books	15,000	25,050
Profit for the year		37,950

Q.3

[10 Marks]

Rajiv and Sanjiv are partners sharing profits and losses 3:2 respectively. Their position on 31st March, 2012 were as follows:

Balance Sheet as on 31st March,2012

Liabilities	Rs	Assets	₹	₹
Creditors	10,000	Bank Balance		15,000
Bills Payable	5,000	Building		1,00,000
General Reserve	15,000	Debtors	50,000	
Capital:		Less: R.D.D.	<u>1,000</u>	49,000
Rajiv	1,00,000	Furniture		10,000
Sanjiv	75,000	Closing Stock		31,000
	2,05,000			2,05,000

On 1st April, 2012 they admitted Mr. Sunil on following terms:

- (1) Sunil should bring in cash ₹ 1,00,000 as a capital for 1/5 share in future profit and ₹ 25,000 as Goodwill.
 - (2) Building should be revalued for ₹1,25,000.
 - (3) Depreciate Furniture at 12 1/2 % p.a. and Stock at 10% p.a.
 - (4) R.D.D. should be maintained as it is.
 - (5) Capital accounts of all partners be adjusted in their new profit sharing ratio.
- Prepare Profit and Loss Adjustment Account, Capital Account of Partners, Balance Sheet of new Firm and also show how you have calculated new ratio and new capital.

Ans.

**In the books of the firm
Revaluation A/c**

Particulars	₹	Particulars	₹
To Furniture	1,250	By Buildings	25,000
To Stock	3,100		
To Profit on Rev.trd. to Cap.A/cs			
Rajiv 12,390			
Sanjiv <u>8,260</u>	20,650		
	25,000		25,000

Partners' Capital A/cs

Particular	Rajiv	Sanjiv	Sunil	Particular	Rajiv	Sanjiv	Sunil
To Bal.c/d	2,40,000	1,60,000	1,00,000	By Bal. b/d	1,00,000	75,000	-
				By Gen.Res.	9,000	6,000	-
				By Bank A/c	-	-	1,00,000
				By Goodwill	15,000	10,000	-
				By Rev. A/c	12,390	8260	
				By Bank A/c	1,03,610	60,740	
	2,40,000	1,60,000	1,00,000		2,40,000	1,60,000	1,00,000

**M/s Rajiv, Sanjiv and Sunil
New Balance Sheet as on 1-4-2012**

Liabilities	₹	Assets	₹
Creditors	10,000	Cash at Bank	304,350
Bills Payable	5,000	Building	1,25,000
Capital Accounts		Debtors	50,000
Rajiv	2,40,000	Less : R.D.D	<u>1,000</u>
Sanjiv	1,60,000	Furniture	8,750
Sunil	1,00,000	Stock	27,900
	5,15,000		5,15,000

Working Notes:

(1) Capital Adjustment of Partners:

New Ratio of Rajiv, Sanjiv and Sunil = 12:8:5. Sunil's Capital for 5 units ₹1,00,000. Hence 1 unit = 1,00,000 ÷ 5 = 20,000. Rajiv's Capital = 20,000 × 12 units = ₹2,40,000 and Sanjiv's Capital = ₹20,000 × 8 units = ₹1,60,000.

Dr.	(2) Cash/Bank A/c		Cr.
Particulars	₹	Particulars	₹
To Balance b/d	15,000	By Balance c/d	3,04,350
To Sunil Capital A/c	1,00,000		
To Goodwill A/c	25,000		
To Rajiv's Capital A/c	1,03,610		
To Sanjiv's Capital A/c	60,740		
	3,04,350		3,04,350

OR

Q.3

[10 Marks]

Asha, Lata and Nisha were partners in a firm sharing profits and losses in the ratio of 6 : 4 : 2 respectively. On 31st March, 2012, their Balance Sheet was as follows:

Balance Sheet as on 31st March, 2012

Liabilities	₹	₹	Assets	₹	₹
Creditors		10,000	Cash		1,000
Bills Payable		3,000	Bills Receivable		4,000
General Reserve		12,000	Debtors	60,000	
Capital A/cs :			Less :R.D.D.	<u>4,000</u>	56,000
Asha	60,000		Investments		50,000
Lata	40,000		Land and Buildings		34,000
Nisha	<u>20,000</u>	1,20,000			
		1,45,000			1,45,000

On 30th Sept. 2012 Nisha died and it was agreed that:

(i) Assets were revalued at:

Land and Building ₹40,000

Investment at ₹47,200

(ii) All debtors were recoverable,

(iii) Goodwill of the firm shall be valued at twice of average profit of last 4 year Profit for last 4 years were:

2008-09 ₹90000

2009-10 ₹90000

2010-11 ₹80000

2011-12 ₹100000

The goodwill account is to be raised.

(iv) Nisha's share of profit to the date of her death was to be calculated on the basis of average profits of last two year

Prepare: (1) Profit and Loss Adjustment A/c (2) Capital Accounts. And (3) Balance Sheet of Asha and Lata.

Ans.

Dr.	In the books of firm		Cr.
Profit and Loss Adjustment A/c			
Particulars	₹	Particulars	₹
To Investment A/c	2800	By Land and Building A/c	6000
To Profit on Rev. Trd. to Cap. A/c		By R.D.D. A/c	4000
Asha	3600		

Lata	2400		
Nisha	1200	7200	
		10000	10000

Dr. Partner's Capital Accounts Cr.

Particulars	Asha	Lata	Nisha	Particulars	Asha	Lata	Nisha
To Nisha's Exec. Loan A/c	-	-	60700	By Balance b/d	60000	40000	20000
To Balance c/d	159600	106400		By Gen.Res.A/c	6000	4000	2000
				By Goodwill A/c	90000	60000	30000
				By P/L Adj. A/c	3600	2400	1200
				By P/L Susp.A/c	-	-	7500
	159600	106400	60700		159600	106400	60700

**M/s Asha and Lata
Balance Sheet as on 30th Sept.2012**

Liabilities	₹	₹	Assets	₹	₹
Capital A/c			Cash		1000
Asha	159600		Bills Receivable		4000
Lata	106400	266000	Debtors		60000
Nisha's Executor's Loan A/c		60700	Investments	50000	
Creditors		10000	Less: Decrease	2800	47200
Bills Payable		3000	Land & Building	34000	
			Add: Appreciation	6000	40000
			Goodwill		180000
			P/L Suspense A/c		7500
		339700			339700

Working notes:

1. Valuation of Goodwill:

=Average Profit of 4 years x No. of years of purchase

=90000 x 2= ₹180000

[Where A.P. of 4 years = $\frac{90000 + 90000 + 80000 + 100000}{4}$ = Rs.90000]

2. Nisha's share of profit

= Average profit of 2 years x Nisha's Share x period

$90000 \times \frac{2}{12} \times \frac{6}{12}$ = Rs.7500

[where A.P. of 2 years = $\frac{80000 + 100000}{2}$ =Rs.90000]

Q.4

[10 Marks]

Journalise the following transactions in the books of Ashwin :

- Bank informed that Sachin's acceptance for ₹5,750 sent to bank for collection had been honoured and bank charges debited were ₹50.
- Nitin renewed his acceptance for ₹7,200 by paying ₹2,200 in cash and accepting a new bill for the balance plus interest @ 8% p.a. for 3 months.
- Discharged our acceptance to Pravin for ₹4,250 by endorsing Bhavin's acceptance to us for ₹4,000.

(D) Jatin who had accepted Ashwin's bill of ₹8,500 was declared insolvent and only 40% of the amount due could be recovered from his estate.

Ans.

Journal of Ashwin

Date/ Sr.No.	Particulars	L.F.	Dr. (₹)	Cr.(₹)
(A)	Bank A/c Dr. Bank Charges Dr. To Bank for Collection of Bill A/c (Being bill sent to bank for collection collected by bank and bank charges debited)		5700 50	5750
(B) (i)	Nitin's A/c Dr. To Bills Receivable A/c (Being cancellation of bill)		7200	7200
(ii)	Nitin's A/c Dr. To Interest A/c (Being interest receivable)		100	100
(iii)	Cash A/c Dr. To Nitin's A/c (Being part amount of bill received in cash)		2200	2200
(iv)	Bills Receivable A/c Dr. To Nitin's A/c (Being new bill received on account of renewal)		5100	5100
(C)	Bills Payable A/c To Bills Receivable A/c To Discount A/c (Being our acceptance to Pravin discharged by endorsing Bhavin's acceptance to us)		4250	4000 250
(D)(i)	Jatin's A/c Dr. To Bills Receivable A/c (Being dishonour of bill due to insolvency)		8500	8500
(ii)	Cash/bank A/c Dr. Bad Debts A/c Dr. To Jatin's A/c (Being 40% amount recovered from Jatin in full settlement)		3400 5100	8500

Q.5

[10 Marks]

Ajay, Vijay and Sanjay are partners They share profits and losses equally. Their Balance Sheet as on 31st March, 2012 was as follows :

Balance Sheet as on 31st March, 2012

Liabilities	₹	Assets	₹
Capital Accounts :		Cash at Bank	5,000
Ajay	25,000	Stock	15,000
Vijay	15,000	Machinery	25,000
Reserve Fund	9,000	Debtors	11,000
Creditors	15,000	Less :R.D.D.	<u>1,000</u>
Bills Payable	5,000	Bills Receivable	9,000
		Sanjay's Capital	5,000
	69,000		69,000

On the above date it was decided to dissolve the firm,

(i) The assets realised were as follows:

Stock ₹12,500; Machinery ₹15,000; Debtors ₹8,500 and Bills Receivable ₹7,200.

(ii) Creditors were paid at a discount of 2% and Bills Payable were paid in full.

(iii) Realisation expenses amounted to ₹2,500.

Sanjay was declared insolvent and 50 paise in a rupee could be recovered from his private estate.

Prepare : (1) Realisation Account (2) Partner's Capital Account and (3) Bank Account

Ans.

In the books of firm

Dr.		Realisation A/c		Cr.	
Particulars	₹	₹	Particulars	₹	₹
To Sundry Assets A/c:			To Sundry Liabilities A/c:		
Stock	15000		Creditors	15000	
Machinery	25000		Bills Payable	5000	20000
Debtors	11000		By R.D.D.		1000
Bills Receivable	9000	60000	By Bank A/c:		
To Bank A/c:			Stock	12500	
Creditors	14700		Machinery	15000	
Bills Payable	5000	19700	Debtors	8500	
To Bank A/c:			Bills Receivable	7200	43200
Realisation Expenses		2500	By Loss transferred to:		
			Ajay's Capital A/c	6000	
			Vijay's Capital A/c	6000	
			Sanjay's Capital A/c	6000	18000
		82200			82200

Dr.		Partner's Capital A/c			Cr.		
Particulars	Ajay	Vijay	Sanjay	Particulars	Ajay	Vijay	Sanjay
To Balance b/d	-	-	5000	By Balance b/d	25000	15000	-
To Realisation A/c	6000	6000	6000	By Reserve Fund	3000	3000	3000
To Sanjay's Cap. A/c	2000	2000	-	By Bank A/c	-	-	4000
To Bank A/c	20000	10000	-	By Ajay's Cap. A/c	-	-	2000
				By Vijay's Cap. A/c	-	-	2000
	28000	18000	11000		28000	18000	11000

Dr.		Bank		Cr.	
Particulars	₹	₹	Particulars	₹	₹
To Balance b/d	5000		By Realisation A/c	19700	
To Realisation Expenses	43200		By Realisation A/c	2500	
To Sanjay's Capital A/c	4000		By Ajay's Capital A/c	20000	
			By Vijay's Capital A/c	10000	
	52200			52200	

Working Notes:

1.	Capital Deficiency of Sanjay:	₹
	Total of Debit side of Capital A/c	11000
	Less: Total of Credit Side of Capital A/c	3000
		8000
	Less: 50% Cash brought by Sanjay	4000
	Capital Deficiency	4000

(2) Distribution of Capital Deficiency:

Capital Deficiency of Sanjay is shared between Ajay and Vijay in equal ratio (i.e. their profit sharing ratio). Journal Entry to be passed is;

Date	Particulars	L.F.	Debit ₹	Credit ₹
31.03.12	Sanjay's Capital A/c..... Dr. To Ajay's Capital A/c To Vijay's Capital A/c (Being capital deficiency of Sanjay shared by solvent partners)		4000	2000 2000

OR**Q.5****[10 Marks]**

What Journal Entries would be passed if 9,000 12% Debentures of ₹ 100 issued as under:

(A) Redeemable at par in the following cases :

- (i) Issued at par.
- (ii) Issued at 10% premium,
- (iii) Issued at 10% discount.

(B) Redeemable at 10% premium in the following cases :

- (i) Issued at par,
- (ii) Issued at 10% premium,
- (iii) Issued at 10% discount.

Ans.

Date/Sr.No.	Particulars	L.F.	Debit ₹	Credit ₹
(A)(i)	Bank A/c.Dr. To 12% Debentures A/c (Being issue of 12% 9,000 debentures of ₹ 100)		900000	9,00,000
(ii)	Bank A/c Dr. To 12% Debentures A/c To Premium on Issue of Debentures A/c (Being issue of 12% 9,000 debentures of ₹100 at a premium of 10%)		990000	900000 90000
(iii)	Bank A/c Dr. Discount on issue of debentures A/c Dr. To 12% Debenture A/c (Being issue of 12% 9,000 debentures of ₹100 at a discount of 10%)		810000 90000	900000
(B)(i)	Bank A/c Dr. Loss on Issue of Debentures A/c. Dr. To 12% Debentures A/c To Premium on Redemption of Debentures A/c (Being issue of 12% 9,000 debentures of ₹100 at par and redeemable at 10% premium)		900000 90000	900000 90000

(ii)	Bank A/c Dr. Loss on issue of Debentures A/c Dr. To 12% Debentures A/c To Premium on Issue of Debentures A/c To Premium on Redemption of Debentures A/c (Being issue of 12% 9,000 debentures of ₹100 at par and redeemable at 10% premium)	990000 90000	900000 90000 90000
(ii)	Bank A/c Dr. Loss on issue of Debentures A/c Dr. To 12% Debentures A/c To Premium on Issue of Debentures A/c To Premium on Redemption of Debentures A/c (Being issue of 12% 9,000 debentures of ₹100 at 10% premium and redeemable at 10% premium)	990000 90000	900000 90000 90000
(iii)	Bank Dr. Discount on Issue of Debentures A/c Dr. Loss on Issue on Debentures A/c Dr. To 12% Debentures A/c To Premium on Redemption of Debentures A/c (Being issue of 12% 9,000 debentures of ₹100 at 10% discount and redeemable at 10% premium)	810000 90000 90000	900000 90000

Q.6

[12 Marks]

Following is the Balance Sheet as on 1.4.2009 and the Receipts and Payments Account for the year ending 31.3.2010 of Bright Students Junior College, Pune.

Balance Sheet as on 1.4.2009

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital Fund (Bal.Fig.)	13,18,000	Building	10,00,000
		Furniture	1,20,000
		Books	60,000
		Bank Deposits	1,00,000
		Tuition Fees Receivable	10,000
		Cash at Bank	19,000
		Cash in Hand	9,000
	13,18,000		13,18,000

Receipts and Payments A/c for the year ended 31st March , 2010

Receipts	Amt. ₹	Payments	Amt. ₹
To Balance b/d		By Salaries to Teachers	1,80,000
Cash in Hand	9,000	By Salaries to Office Staff	30,000
Cash at Bank	19,000	By Books Purchased on 1.1.2010	20,000
To Tuition Fees :		By Printing & Stationery	41,000
2008-09 : 10,000		By Office Rent	10,000
2009-10 : <u>1,70,000</u>	1,80,000	By Repairs to Jr. College Building	24,000
To Fine Collected	5,200	By Sport Expenses	8,600
To Admission Fees	20,000	By Annual Gathering Expenses	14,000
To Donations	1,00,000	By Furniture	
To Interest on Bank		(Purchased on 1.1.2010)	80,000

Deposits	5,000	By Balance c/d	
To Government Grant (Revenue)	2,00,000	Cash at Bank	2,600
		Cash in Hand	1,28,000
	5,38,200		5,38,200

Additional Information:

- (1) For the current year (2009-2010) tuition fees receivable (outstanding) ₹ 24,000.
- (2) Donations are to be capitalized.
- (3) Salary to teachers is outstanding ₹ 12,000.
- (4) Depreciate books @ 20 % p.a. and Furniture @ 10 % p.a.

You are required to prepare:

- a) Income and Expenditure Account for the year ending 31.3.2010.
- b) Balance Sheet as on 31.3.2010.

Ans.

In the books of Bright Students Junior College, Pune

Dr. Income and Expenditure A/c for the year ended 31.03.2010 Cr.

Expenditure	Amt.₹	Amt.₹	Income	Amt.₹	Amt.₹
To Salaries to Teachers	180000		By Tuition Fees	170000	
Add: Outstanding	12000	192000	Add: Outstanding	24000	194000
To Salaries to Office Staff		30000	By Fine Collected		5200
To Printing and Stationary		41000	By Admission Fees		20000
To Office Rent		10000	By Int. on Bank Deposits		5000
To Repairs to Jr.College Building		24000	By Govt. Grant		200000
To Sports Expenses		8600			
To Annual Gathering Expenses		14000			
To Depreciation on:					
Furniture	14000				
Books	13000	27000			
To Surplus c/d		77600			
		424200			424200

Balance Sheet as on 31.03.2010

Liabilities	Amt.₹	Amt.₹	Assets	Amt.₹	Amt.₹
Capital Fund	1318000		Building		1000000
Add: Donations	100000		Furniture	120000	
Add: Surplus	77600	1495600	Add: Purchases	80000	
O/S Salaries to Teachers		12000		200000	
			Less: Depreciation	14000	186000
			Books	60000	
			Add: Purchased	20000	
				80000	
			Less: Depreciation	13000	67000
			Bank Deposits		100000
			O/S Tuition Fees		24000
			Cash at Bank		128000
			Cash in Hand		2600
		1507600			1507600

Q.7

[15 Marks]

Following is the Trial Balance of Jitesh and Pritesh. The partners share profit and losses equally.

Trial Balance as on 31st March, 2010

Particulars	Debit Balance (₹)	Credit Balance (₹)
Capital - Jitesh	-	2,00,000
- Pritesh	-	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:

1. Closing stock was valued at ₹ 75,000.
2. Depreciate land and building and motor van at 5% p. a.
3. Insurance is paid for the year ended 31 st May, 2010.
4. Jitesh has taken goods of ₹ 3,000 for his personal use.
5. Goods of ₹ 8,000 were destroyed by fire and the Insurance Company admitted a claim Of ₹ 6,400 only.
6. Commission due but not received ₹ 1,600.

Prepare after taking into account the adjustments :

Trading and Profit and Loss account for the year ended 31 st March, 2010 anda Balance Sheet as on that date.

Ans.

**In the books of M/s. Jitesh and Pritesh
Trading and P/L A/c for the year ended 31st March, 2010**

Particulars	Amount ₹	Amount ₹	Particulars	Amount ₹	Amount ₹
To Opening Stock		70000	By Sales	363000	
To Purchases	194000		(-) Sales Return	3000	360000

(-) Purchase Return	4000	190000	By Drawings of goods		3000
To Wages		28400	By Goods dest.by fire		8000
To Dock charges		4200	By Closing Stock		75000
To Gross Profit c/d		153400			
		446000			446000
To Salaries		15600	By Gross profit b/d		153000
To Conveyance		2200	By commission	6000	
To Miscellaneous Exp.		3200	(+)Com. Receivable	1600	7600
To Warehouse Rent		9000			
To Brokerage		3000			
To Insurance	4800				
(-) Prepaid Ins.	800	4000			
To Loss by fire		1600			
To Dep. On:					
Land and Bldg.	9000				
Motor van	3000	12000			
To Net Profit trd.:					
To Capital A/cs:					
Jitesh	55200				
Pritesh	55200	110400			
		161000			161000

Dr.

Partners's Capital Accounts

Cr.

Particulars	Jitesh	Pritesh	Particulars	Jitesh	Pritesh
To Drawings	3000	-	By Balance b/d	200000	120000
To Balance c/d	252200	175200	By Profit & Loss A/c	55200	55200
	255200	175200		255200	175200

M/s. Jitesh and Pritesh

Balance Sheet as on 31st March, 2010

Liabilities	Amt.₹	Amt.₹	Assets	Amt.₹	Amt.₹
Partner's Capital A/c:			Bills Receivable		40000
Jitesh	252200		Goodwill		76000
Pritesh	175200	427400	Land and Building	180000	
Bills Payable		50000	(-) Depreciation	9000	171000
Sundry Creditors		60000	Shares in Bajaj Ltd.		50000
			Cash in hand		3600
			Sundry Debtors		56000
			Motor Van	60000	
			(-) Depreciation	3000	57000
			Closing Stock		75000
			Prepaid Insurance		800
			Insurance Claim		6400
			Commission Receivable		1600
		537400			537400