

BRAIN INTERNATIONAL SCHOOL

SUBJECT: ACCOUNTANCY

CLASS: XI

DECEMBER'24

CHAPTER 18 & 19: FINANCIAL STATEMENTS OF A SOLE PROPRIETORSHIP BUSINESS WITH ADJUSTMENTS

1. What type of expenses are shown in Trading Account?
 - a. Direct expenses
 - b. Indirect expenses
 - c. Opening expenses
 - d. Direct and Indirect expense
2. Find out the value of closing stock.

Opening Stock	Rs.960000
Sales	Rs. 3900000
Purchases	Rs. 2720000
Gross Profit is 30% on Cost.	

3. Differentiate between Revenue Expenditure and Capital Expenditure on three basis.
4. From the following information, prepare a Trading account for the year ended 31/03/2022.
Cost of goods sold ₹ 8,00,000; Sales ₹ 10,00,000; Wages ₹ 12,000; Closing stock ₹ 50,000.
5. The following balances were extracted from the books of Mr. Surya Pratap on 31st December, 2019:

Ledger Accounts	Dr. Balance	Cr. Balance
Capital		24,500
Drawings	2,000	
General Expenses	2,500	
Building	11,000	
Machinery	9,340	
Stock (01.01.2019)	16,200	
Power	2,240	
Taxes & Insurance	1,315	
Wages	7,200	
Sundry Debtors	6,280	
Sundry Creditors		2,500
Charity	105	
Bad Debts	550	
Bank Overdraft		11,180
Sales		65,360
Purchases	47,000	
Scooter	2,000	
Bad Debts Provision		900
		1,320

Commission	1,780	
Trade Expenses		
Bills Payable	100	3,850
Cash		
Total	1,09,610	1,09,610

Prepare Trading Account and Profit and Loss Account and Balance Sheet for the year ended 31st December, 2019 after taking into account the following:

- Stock on 31st December 2019 was valued at ₹ 23,500.
 - Write-off further Bad Debts ₹ 160 and maintain the provision for Bad Debts at 5% on Sundry Debtors.
 - Depreciate Machinery by 10% and Scooter by ₹ 240.
 - Provide ₹ 750 for outstanding interest on bank overdraft.
 - Prepaid Insurance is to the extent of ₹ 50; Commission receivable amounting to ₹ 50.
 - Provide Manager's Commission at 10% on net profit after charging such commission.
6. From the following trial balance as on 31/03/2022, prepare Trading and Profit and Loss Account and Balance Sheet as on that date:

Particulars	Dr. (₹)	Cr. (₹)
Opening stock	2,500	
Purchases and sales	20,000	50,000
Returns	2,500	1,000
Building	10,000	
Wages	2,500	
Debtors and creditors	5,000	2,500
Interest		500
Salaries	5,000	
Machinery	15,000	
Carriage inward	1,000	
Carriage outward	2,500	
Rent, rates and taxes	5,000	
Capital		24,500
Drawings	1,000	
Office expenses	1,000	
Office cleaning expenses	500	
Investment@20%	5,000	

Additional information:

- Stock in hand on 31/03/2022 ₹ 6,000.
- Depreciate machinery by 10%.

- c) ₹200 of the debtors proved bad.
- d) Create provision for doubtful debts@ 10% on debtors.
- e) Outstanding rent ₹5,000.