

Que

Que 1 Value of PPE = 35,00,000.

Revaluation surplus Balance $\rightarrow$ 3,00,000.

(a) Given fair value is ₹ 37,00,000.

∴ Value of PPE $\Rightarrow$ 35,00,000.

Since there was an upward revaluation & there is a Balance in revaluation surplus the surplus must be credited to revaluation surplus (37,00,000 - 35,00,000).

Entry: PPE Dr 2,00,000
To Revaluation surplus. 2,00,000

(b) Given fair value is 33,00,000.

Since there is a downward revaluation, & there is no revaluation surplus, hence it should be debited to Revaluation surplus.

33.
[~~33~~,00,000 - 35,00,000] = (2,00,000)

Entry: Revaluation surplus a/c Dr. 2,00,000
To PPE a/c 2,00,000

(c) Given fair value is 31,00,000

Since there is a downward revaluation So the revaluation surplus account is

to be debited with ₹ 4,00,000

[31,00,000 - 35,00,000] = (4,00,000)

Entry ~~Re~~

Revaluation Surplus Dr. 3,00,000

P & L a/c Dr. 1,00,000

To Property plant & Equip. 4,00,000

Note:- Hence it should be noted here
that the revaluation reserve has a balance
of 3,00,000 and the remaining 1,00,000
deficit is to be written off from P & L a/c.

Q2

Total value of Trucks $\Rightarrow 45,00,000 \times 10$

$\Rightarrow 4,50,00,000$

1st Oct 2021 $\rightarrow 4,50,00,000$ (destroyed truck)

Insurance company claim $\rightarrow 27,00,000$.

1st Oct, 2021 $\rightarrow$ Another truck $\rightarrow 50,00,000$ purchased

20/Dep (JRM) :-

Dr.			Cr.		
Truck a/c					
Date	Particulars.	₹	Date	Particulars	₹
2021. Jan 1.	To Balance old T ₁ - 2925000. T ₂ - 26325000. ↓ (WN-1,2) (2925000 × 9)	29250000	2021 1st Oct	By Bank (I claim)	27,00,000
	To profit & loss a/c (gain from I. claim) (WN-1)	4,50,000		By Dep on T ₁ (WN-1)	650,000
Oct 1.	To Bank (T ₃)	50,00,000		By Depreciati on T ₂ , T ₃ T ₂ - 81,00,000 T ₃ - 2,50,000	83,50,000
		<u>34,70,00,000</u>		By Balance old	2,29,75,000
					<u>34,90,00,000</u>
	To Balance b/d.	2,29,75,000.	Dec 31	By Dep on T ₂ , T ₃ T ₂ - 81,00,000 T ₃ - 19,00,000 (WN-1,3)	1,00,00,000
				By Bal old 10125000 T ₂ - ~~20157500~~ T ₃ - 3750000	<u>21,00,000</u>

working notes:- Calculation

(T₁)

WN⁽ⁱ⁾ Calculation of truck involved in an accident:-

1st April 2019 → Truck → 45,00,000

31st Dec 2019 → (-) Dep (675000)

1st Jan 2020 → Truck value 38,25,000

31st Dec 2020 → (-) Dep. (400000)

~~31st Dec 2021~~ →

1st Jan 2021 → Truck →

29,25,000

(675000)

31st Oct 2021 → (-) Dep →

31st Oct 2021 → truck

28,50,000

(-) Insurance claim

(29,00,000)

Profit on insurance claim.

45,00,000

WN⁽ⁱⁱ⁾

(ii) Calculation of value of 9 truck:- (T₂)

1st April 2019 → Truck → 45,00,000 × 9

→ 40,50,00,000

31st Dec 2019 → (-) Dep → (60,75,000)

31st Jan 2020 → truck → 34,42,50,000

31st Dec 2020 → (-) Dep. (81,00,000)

31st Dec 2021 → (-) Dep (81,00,000)

31st Dec 2022 → (-) Dep. (81,00,000)

→ Bal:- 13,87,50,000

10,12,50,000

iii) Calculation of New Truck purchased on
Oct 1, 2021 : - (T₃)

31st Sep 2021 → Truck → 50,00,000

31st Dec 2021 → (-) Dep (250000)

31st Jan 2022 → Truck → 4750000

31st Dec 2022 → (-) Dep (1000000)

(50,00,000 × 20%)

Truck ←

37,50,000