

Question No # 3

Solution: Trading and profit & loss Account.

Particulars	Amount	Amount	Particulars	Amount	Amount
TO opening stock A/c		50000	By sales A/c		325000
TO purchase A/c		272500	(260000 + 25%)		
(260000 - 50000			By closing stock		62500
+ 62500)					
TO Gross profit c/d		65000			
		387500			387500
			By Gross profit b/d		65000
TO sale on fixed assets		750			
TO Expenses A/c		49250			
TO Depreciation on					
Fixed assets A/c		1000			
TO Net profit		14000			
		65000			65000

Balance sheet of

Liabilities	Amount	Amount	Assets	Amount	Amount
Capital	169000		Fixed assets	7500	
Add: Additional capital	5000		Less: Sale	(2500)	
Less: Drawings	(25000)		Add: purchases	5000	
Add: Net profit	14000	163000	Less: Depreciation	(1000)	9000
		46000	Debtors		87500
Creditors		53500	Stock		62500
			Bank		50000
		209000			209000

Bank Account.

TO Balance bld	52500	By Creditors A/c	280000
TO Debtors A/c	340000	By Expenses A/c	49250
TO Capital A/c	5000	By Drawing A/c	25000
TO Fixed assets A/c	1750	By Fixed assets A/c	5000
		By Balance cld	50000
	<u>406250</u>		<u>409250</u>

Debtors Account.

TO Balance bld	102500	By Bank A/c	340000
TO Sales A/c	325000	By Balance cld	87500
	<u>427500</u>		<u>427500</u>

Creditors Account.

TO Bank A/c	280000	By purchases A/c	272500
		By Balance bld	53500
		(Balancing figure)	
TO Balance cld	46000		<u>326000</u>
	<u>326000</u>		

Balance sheet of

Capital	169000	Stock	50000
Creditors	53500	Bank	62500
		Fixed assets	7500
		Debtors	102500
	<u>222500</u>		<u>222500</u>