



ACCOUNTS

BOOKS - SULTAN CHAND & SONS ACCOUNTS (HINGLISH)

ACCOUNTS FROM INCOMPLETE RECORDS-SINGLE ENTRY SYSTEM

Illustration

1. Mohan maintains books on Single Entry System. He gives you the following information:

	Rs.
Capital on 1st April, 2018	30,400
Capital on 1st April, 2019	33,800
Drawings made during the period, April, 2018 to March, 2019	9,600
Capital introduced on 1st August, 2018	4,000

You are required to calculate the profit earned or loss incurred by Mohan.



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2. Hari, who keeps his books on Single Entry System, tells you that his capital on 31st March, 2019 is Rs. 1,87,000 and his capital on 1st April, 2018 was Rs. 1,92,000. He further informs you that during the year, he withdrew for his household purposes Rs. 84,200. He once sold his investment of Rs. 20,000 at 2% premium and brought that money into the business.

You are required to prepare a Statement of Profit of Loss.

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3. Sanjay started a firm on 1st April, 2018 with a capital of Rs. 10,000. On 1st July, 2018 he borrowed from his wife a sum of Rs. 4,000 @9% p.a. (interest not yet paid) for business and introduces a further capital of his own amounted to Rs. 1,500. On 31st March, 2019 his position was:

Cash Rs. 600, Stock Rs. 9,400, Debtors Rs. 7,000 and Creditors Rs. 6,000.

Ascertain his Profit of Loss taking into account Rs. 2,000 for his drawings during the year.

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4. Ramanuj keeps his books under Single Entry System. His assets and liabilities were as under:

	31st March, 2018 (₹)	31st March, 2019 (₹)
Cash	1,000	900
Sundry Debtors	39,000	45,000
Stock	34,000	32,000
Plant and Machinery	60,000	80,000
Sundry Creditors	15,000	14,900
Bills Payable	...	5,000

During 2018-19, he introduced Rs. 10,000 as additional capital. He withdrew Rs. 3,000 every month for his household expenses. Ascertain his Profit for the year ended 31st March, 2019.



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5. Kumaran, a trader, does not keep proper books of account. However, he furnishes you the following particulars:

	31st March, 2018 (Rs.)	31st March, 2019 (Rs.)
Cash at Bank	4,500	3,000
Cash in Hand	300	4,000
Stock-in-Trade	40,000	45,000
Debtors	12,000	20,000
Office Equipment	5,000	5,000
Sundry Creditors	30,000	20,000
Furniture	4,000	4,000

During the year Kumaran introduced Rs. 6,000 as further capital and

withdrew Rs. 4,000 as drawings. Write off Depreciation on furniture at 10 % and on office equipment at 5 % . Prepare a statement showing the Profit or Loss made by him for the year ended 31st March, 2019.



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6. Prashad keeps his books on Single Entry System Entry System. From the following information given by him, ascertain his profit or loss for the year ended 31st March, 2019:

On 31st March, 2018 his position was:

Plant and Machinery Rs. 30,000, Stock Rs. 5,000, Cash in Hand Rs. 100, Debtors Rs. 17,000, Loan from Anish Rs. 1,000 at 4 % p.a interest, Bank Overdraft Rs. 1,100 and Creditors Rs. 12,120

On 31st March, 2019 he owed to his creditors Rs. 9,170 and had paid to Anish Rs. 500 in lieu of his loan on 1st October, 2018 but had paid no interest. He had bought additional plant and Machinery which costed Rs. 13,000. Debtors were Rs. 23,000 out of which Rs. 900 he would not be able to collect. The Cash and Bank Balance was Rs. 4,100. Stock at the end was valued at Rs. 4,500.

Prashad withdrew Rs. 8,300 for domestic purposes. He introduced a further capital of Rs. 10,000 during the year.

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7. A retailer had not kept proper books of account. From the details given, you are required to ascertain the Profit or Loss for the year ended 31st March, 2019 and also to prepare his Statement of Affairs as at that date:

	1st April, 2018 (Rs.)	31st March, 2019 (Rs.)
Stock-in-hand	16,000	18,100
Sundry Creditors	15,400	19,200
Sundry Debtors	11,200	10,600
Cash in Hand	250	1,400
Bank Overdraft	19,200	Nil
Bills Receivable	16,000	5,000
Fixtures and Fittings	1,500	1,500
Motor Van	1,900	Nil
Bank Balance	Nil	2,900

Drawings during the year amounted to Rs. 2,400. Depreciate Fixtures and Fittings by 10%. Rs. 600 is irrecoverable from Debtors, Provide 5% for Doubtful Debts and Rs. 200 in respect of Bills Receivable.

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8. Mr. A started a business with a capital of Rs. 5,00,000. At the end of the year his position was:

Particulars	Amount ₹
Cash in Hand	15,000
Cash at Bank	70,000
Sundry Debtors	1,20,000
Stock	2,40,000
Furniture	75,000
Machinery	2,00,000

Sundry creditors on this date totalled Rs. 80,000. During the year he introduced a further capital of Rs. 1,50,000 and withdrew for household expenses Rs. 90,000. You are required to calculate Profit or Loss during the year.



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9. Gopi Chand maintains his books of account on Single Entry System.

Calculate his profit on 31st March, 2019 from the following information:

Liabilities and Assets	1st April, 2018 (Rs.)	31st March, 2019 (Rs.)
Cash in Hand	1,500	500
Bank Balance	4,500	3,500
Furniture	2,000	2,000
Stock	1,000	3,000
Creditors	4,000	3,000
Debtors	3,000	4,000

During the year his drawings were Rs. 1,000 and additional capital invested Rs. 2,000.

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10. Mr. Wise keeps his books on Single Entry System and the following information is disclosed from his records:

	As at 1st April, 2018 (Rs.)	As at 31st March, 2018
Balance at Bank	3,150(Cr.)	8,400
Stock-in-Trade	22,500	30,000
Sundry Debtors	45,000	42,8000
Furniture	7,500	7,500
Investments	7,500	7,500
Cash in Hand	150	600
Sundry Creditors	37,5000	40,500
Bills Payable	1,500	750
Loan from Mr. Faithful ...		4,500

Mr. Wise transferred Rs. 375 every month during the first half of the year and Rs. 300 every month for the remaining period from the business to his personal bank account by way of drawings. In addition, he withdrew Rs. 7,500 for his daughter's marriage and Rs. 3,000 for domestic purposes. In September, 2018, he had received a lottery prize of Rs. 6,000, which he invested in the business. He sold his personal car for Rs. 7,000 and the

proceeds were utilised for business. He wants his furniture to be depreciated at 10 % and a provision for doubtful debts to be created at 5 % . He had not paid two months' salary to his peon @ rs. 225 per month and two month's rent outstanding amounting to Rs. 300 Commission earned but not received by him was Rs. 3,600.

Prepare Statement of Profit or Loss for the year ended 31st March, 2019.

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11. Shanti maintains her books of account from incomplete records. Her books provide the following information:

Particulars	1st April, 2018 (Rs.)	31st March, 2019 (Rs.)
Cash	1,200	1,600
Bills Receivable	...	2,400
Debtors	16,800	27,200
Stock	22,400	24,200
Investments	...	8,000
Furniture	7,500	8,000
Creditors	14,000	15,200

She withdrew Rs. 300 per month for personal expenses. She sold her investments of Rs. 16,000 at 2 % premium and introduced that amount into business.

You are required to prepare a Statement of Profit of Loss for the year ending 31st March, 2019.

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12. Ascertain appropriate missing value (figure) by preparing Total Debtors Account from the following information:

Debtors as on 1st April, 2018	₹ 20,400	Bad Debts	₹ 2,400
Cash received from Debtors (Including ₹ 1,000 being the sale proceeds of an old printer sold on credit, received during the year)	61,800	Debtors as on 31st March, 2019	27,600
		Cash Sales	56,800
		Sales Return	5,400

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13. Determine the appropriate missing value (figure) by preparing the Total Creditors Account from the following information:

	Rs.	
Cash Purchases	17,000	Purchases Return
Creditors as on 1st April, 2018	8,000	Creditors as on 31st March, 2019
Cash paid to Creditors	31,000	

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14. From the following particulars, ascertain the closing balance of Bills

Receivable Account and opening balance of Bills Payable Account:

Particulars	Rs.
Opening Balance of Bills Receivable.....	11,000
Closing Balance of Bills Payable.....	8,000
Bills Payable issued	35,000
Bills Receivable encashed	46,000
Bills Reveivable received	49,000
Bills payable paid in cash	36,000
Bills Receivable dishonoured	1,000



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15. From the following information, calculate Total Sales:

	Rs.	
Bills Receivable in the beginning	15,600	Sales Return
Debtors in the beginning	61,600	Bills Receivable (D
Bills Receivable encashed during the year	41,800	Bills Receivable at
Cash received from Debtors	1,40,000	Debtors at the end
Bad Debts written off	5,600	Cash Sales



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16. (Calculation of Total Purchases).

From the following information, calculate Total Purchases:

	Rs.	
Opening Balance of Bills Payable	15,000	Cash Paid to Creditors during the year
Opening Balance of Creditors	18,000	Bills Payable Discharged during the year
Closing Balance of Bills Payable	21,000	Purchases Return
Closing Balance of Creditors	12,000	Cash Purchases



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17. Determine Total Sales and Total Purchases from the following information:

	Rs.		Rs.
Opening Debtors	11,400	Opening Creditors	6,800
Cash received	48,300	Cash Paid to Creditors	25,100
Discount allowed	1,500	Discount received	300
Bad Debts written off	300	Purchases return	600
Sales Return	800	Bills Payable issued	3,100
Bills Receivable received	6,100	Closing Creditors	5,400
Closing Debtors	10,800		

Additional Information : Cash Sales - Rs. 1,00,000 and Cash Purchases Rs.- 50,000.



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18. From the following information, prepare Total Debtors Account and Total Creditors Account and find out credit sales purchases:

	Rs.	
Debtors as on 1st April, 2018	50,000	Bad Debts written off
Creditors as on 1st April 2018	40,000	Bad Debts recovered
Debtors as on 31st March, 2019	40,000	Bills Receivable ending
Creditors as on 31st March 2019	60,000	Bills Receivable Discontinued
Bills Receivable received during the year	1,00,000	Endorsed Bills Received
Bills Payable issued during the year	80,000	Discounted Bills Received
Cash received from customers	3,00,000	Sales Return
Cash returned to customers	5,000	Purchases Return
Discount allowed by suppliers	2,700	Cash paid to suppliers
Discount allowed to customers	1,500	

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19. From the following information, ascertain the value of Opening Stock:

	Rs.		Rs.
Purchases	2,20,000	Wages	7,000
Sales	3,60,000	Carriage Outwards	6,000
Closing Stock	40,000	Rate of Gross Profit on cost of Good sold	50%

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20. From the following information, ascertain the value of Closing Stock:

Particulars	Rs.
Stock in the beginning	10,000
Cash Sales	30,000
Credit Sales	20,000
Purchases	35,000
Indirect Expenses	7,000
Rate of Gross Profit on cost.....	1/3

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21. From the following information, calculate the amount to be taken to Profit and Loss Account: (i) Rent paid as per Cash Book Rs. 70,000, and (ii) Rent outstanding at the end Rs. 10,000:

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22. From the following particulars, calculate the value of Land to be shown in the Balance Sheet as on 31st March, 2019.

Rs.

Land as on 1st April, 2018 10,00,000

Purchase of land during 2018-2019 30,00,000

Sale of land during 2018-19 15,00,000

Rs.

Land as on 1st April, 2018 10,00,000

Purchase of land during 2018-19 30,00,000

Sale of land during 2018-19 15,00,000

Rs.

Land as on 1st April, 2018 10,00,000

Purchase of land during 2018-19 30,00,000

Sale of land during 2018-19 15,00,000

April, 2018", "10,00,000"), ("Purchase of land during 2018-19", "30,00,000"),

("Sale of land during 2018-19", "15,00,000");} {"(", "Rs."), ("Land as on 1st April,

2018", "10,00,000"), ("Purchase of land during 2018-19", "30,00,000"), ("Sale of

land during 2018-19", "15,00,000");}`



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23. Srinvas did not maintain the Books of Accounts properly. From the following data, prepare final accounts for the year ended 31st March,

2019:

	Rs.	
Opening Stock	1,00,000	Cash received from debtor
Creditors on April, 2018	40,000	Cash paid to creditors
Cash in Hand on 31st March, 2018	60,000	Cash purchases
Furniture on 1st April, 2018	20,000	Credit purchases
Salaries	68,000	Closing stock
Rent	24,000	Debtors on 31st March, 2018
Other expenses	48,000	Debtors on 1st April, 2018
Cash Sales	80,000	Drawings
Credit sales	8,00,000	Discount allowed to debtor



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24. The position of Manmoji Lal's business as on 1st April, 2018 was as follows,

Sundry Creditors Rs. 1,70,000, Freehold Premises Rs. 5,00,000, Stock Rs. 2,50,000, Sundry Debtors Rs. 2,00,000, Furniture Rs. 20,000. An abstract of the Cash Book is given below:

Receipts	₹	Payments	₹
Sundry Debtors	1,50,000	Bank Overdraft (1st April, 2018)	1,00,000
Sales	8,00,000	Expenses	5,00,000
		Drawings	30,000
		Sundry Creditors	2,00,000
		Cash in Hand	20,000
		Cash at Bank	1,00,000
	<u>9,50,000</u>		<u>9,50,000</u>

Additional Information: Closing Stock Rs. 3,00,000, Closing Debtors Rs.

2,50,000, Closing Creditors Rs. 1,20,000. No additions were made during the year to Premises and Furniture Account, but they to be depreciated
 o 10 % and 15 % respectively. A Bad Debts Provision of $2\frac{1}{2}$ % is to raised.

Prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date.

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25. Rajesh does not maintain proper books of account. From the following particulars, prepare the Trading and Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date:

Particulars	31st March, 2018 (₹)	31st March, 2019 (₹)
Debtors	90,000	1,25,000
Stock	49,000	66,000
Furniture	5,000	7,500
Creditors	30,000	22,500

Summary of other transactions is as follows:

Particulars	₹
Cash collected from Debtors	3,04,000
Cash paid to Creditors	2,20,000
Salaries	60,000
Rent	7,500
Office Expenses	9,000
Drawings	15,000
Additional Capital introduced	10,000

Cash Sales	7,500
Cash Purchases	25,000
Discount Received	3,500
Discount Allowed	1,500
Returns Inward	5,000
Returns Outward	4,000
Bad Debts	1,000

He had Rs. 25,000 as Cash Balance in the beginning of the year.

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26. Babu commenced business on 1st April, 2018 with a capital of Rs. 2,50,000. Out of this he purchased Furniture for Rs. 40,000. During the year he borrowed from his wife Rs. 50,000 and introduced a further capital of Rs. 30,000. From the following particulars extracted from his books of account which are kept under Single Entry System, you are required to prepare the Trading and Profit and Loss Account for the year ended are required to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date:

Particulars	₹
Receipts from Debtors	4,67,000
Cash Sales	3,00,000
Cash purchases	1,00,000
Wages paid	10,000
Salaries to Staff	62,000
General Expenses	34,000
Cash withdrawn by the Proprietor	77,000
Cash paid to Creditors	5,00,000
Other Information:	8,000
Discount allowed to Debtors	15,000
Bad Debts written off	

Babu used goods of Rs. 13,000 for personal purposes which is not recorded in the books. On 31st March, 2019 his Debtors were Rs. 2,10,000 and Creditors Rs. 1,50,000. Stock-in-Trade on 31st March, 2019 was valued at Rs. 1,00,000.

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27. Ram Prakash keeps his books on Single Entry System. From the following information provided by him, prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as at that date:

Particulars	31st March, 2018 (₹)	31st March, 2019 (₹)
Furniture	1,00,000	1,20,000
Stock-in-Trade	60,000	20,000
Sundry Debtors	1,20,000	1,40,000
Prepaid Expenses	---	4,000
Sundry Creditors	40,000	?
Unpaid Expenses	12,000	20,000
Cash	22,000	6,000

Receipts and Payments during the year were as follows:

Particulars	₹
Receipts from Debtors	4,20,000
Paid to Creditors	2,00,000
Transportation	40,000
Drawings	1,20,000
Sundry Expenses	1,40,000
Furniture Purchased	20,000

Other Information: There were considerable amount of Cash Sales. Credit

Purchases during the year amounted Rs. 2,30,000. Provide a provision for Doubtful Debts to the extent of 10 % on Debtors.

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Hots

1. A limited company cannot maintain its accounts under Single Entry System. Why?

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2. Books maintained by the Single Entry System are not as reliable as they are when maintained following the Double Entry System. Comment.

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3. What is the common objective between the Double Entry System and Single Entry System?



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4. Is it possible to prepare a Trial Balance and check the arithmetical accuracy of the books of account under Single Entry System?



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5. Which Generally Accepted Accounting Principle (GAAP) is followed and which one is ignored while preparing the accounts under Single Entry System?



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6. Why the statement of assets and liabilities prepared under Single Entry System at the end of the accounting period is called a Statement of Affairs instead of Balance Sheet?



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7. Calculate closing capital:

Opening capital Rs. 70,000, Profit for the year Rs. 20,000, Drawings Rs. 7,000. During the year proprietor sold ornaments of his wife for Rs. 20,000 and invested the same in business.



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8. Calculate the amount of Total Purchases from the following information:

Opening Creditors Rs. 30,000, Closing Creditors Rs. 50,000, Cash paid to Creditors during the year Rs. 60,000, Cash Purchases Rs. 20,000.



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9. Calculate credit sales from the following details:

Opening Debtors Rs. 2,50,000, Closing Debtors Rs. 3,00,000, Cash received from Debtors Rs. 7,50,000, Discount allowed to Debtors Rs. 50,000.



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10. From the following particulars, prepare Total Creditors Account:

Credit purchases	₹	
Cash purchases	2,40,000	
Payment to creditors	50,000	
Discount allowed by them	2,10,000	
Bills Payable accepted	5,000	
Creditors in the beginning of the year	30,000	90,000



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11. Calculate the stock at the end:

Stock in the beginning	₹		₹
Cash Sales	10,000	Purchases	35,000
Credit Sales	30,000	Rate of Gross Profit on Cost	1/3
	20,000		



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1. Capital in the beginning of the accounting year ascertained by preparing

- A. Debtors' Account.
- B. Cash Account.
- C. Opening Statement of Affairs.
- D. None of these.

Answer: C



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2. Single Entry System can be adopted by

- A. Small firms.

B. Joint Stock Companies.

C. Co-operative Societies.

D. None of these.

Answer: A



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3. In case of net worth method of Single Entry System, Profit is ascertained by

A. comparing the capital in the beginning of the accounting period and the capital at the end of the accounting period.

B. Preparing a Profit and Loss Account.

C. Preparing a Balance Sheet.

D. None of these.

Answer: A

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4. Profit = Capital at the end + ? - Capital in the beginning.

- A. Sales.
- B. Drawings.
- C. Net Purchases.
- D. None of these.

Answer: B

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5. From incomplete records, it is possible to prepare

- A. Ledger Accounts.
- B. Trial Balance.
- C. Statement of Affairs.

D. None of these.

Answer: C



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6. Given the opening and closing balances of debtors and the figure of credit sales, the balancing figure of Total Debtors Account will give

- A. Bills received during the year.
- B. Cash received from debtors.
- C. Closing balance of bill receivable.
- D. None of these.

Answer: B



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7. When closing capital is greater than opening capital it means

- A. Profit.
- B. Loss.
- C. Profit if fresh capital is not introduced.
- D. No Profit, no Loss.

Answer: C



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8. When closing capital is greater than opening capital, it means

- A. Profit.
- B. Loss.
- C. Loss if there is no drawing.
- D. None of these.

Answer: C



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9. If the rate of gross profit is 25 % of sales and Cost of Goods sold is Rs. 1,00,000, the amount of gross profit will be

A. Rs. 25,000.

B. Rs. 33,333

C. Rs. 20,000.

D. None of these.

Answer: B



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10. If the gross profit is 20 % of cost of goods sold and sales are Rs. 1,00,000, the amount of gross profit will be

A. Rs. 20,000.

B. Rs. 25,000.

C. Rs. 16,667.

D. None of these.

Answer: C

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11. Closing balance of creditors is determined by preparing

A. Total Debtors Account.

B. Total Creditors Account.

C. Bills Receivable Account.

D. Bills Payable Account.

Answer: B

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12. Sales are calculated by adding

- A. Cash sales and cash received from debtors.
- B. Credit sales and cash received from debtors.
- C. Cash sales and credit sales.
- D. None of these.

Answer: C



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13. Bills Receivable endorsed dishonoured are debited to

- A. Debtors Account.
- B. Bills Receivable Account.
- C. Creditors Account.

D. Bank Account.

Answer: A



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14. Bills Payable honoured during the year will be debited to

A. Cash Account.

B. Bills Payable Account.

C. Creditors Account.

D. None of these.

Answer: B



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Very Short Answer Type Questions

1. What is meant by 'Accounts from Incomplete Records'?

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2. Mention two characteristics of 'Accounts from Incomplete Records'.

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3. What is Single Entry System?

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4. Give one limitation of incomplete record.

Or

State any two limitations of Incomplete Record System.

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5. What is Statement of Affairs?



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6. Name the two main accounts maintained in 'Accounts from Incomplete Records'.



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7. How can Opening Capital be ascertained from incomplete records?



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8. How can Closing Capital be ascertained from incomplete records?



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9. How can credit sales be determined from incomplete records?



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10. How can credit purchases be determined from incomplete records?



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Short Answer Type Questions

1. Define Single Entry System. What are the defects of this system?



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2. Mention three characteristics of Single Entry System.



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3. What is the difference between Single Entry System and Double Entry System?

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4. How profit is calculated under Statement of Affairs Method?

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5. Give any three advantages of Single Entry System of Accounting.

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6. State the necessary steps that are required to be taken to convert Single Entry Books into Double Entry Books.

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1. Following information of an accounting year is given:

Opening Capital Rs. 60,000, Drawing Rs. 5,000, Capital added during the year Rs. 10,000 and Closing Capital Rs. 90,000. Calculate the Profit or Loss for the year.

	Rs.
Opening Capital	1,00,000
Closing Capital	1,25,000
Drawings during the year	30,000
Capital added during the year	37,500



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2. Mayank does not keep proper records of his business, he gives you the following information:

	Rs.
Opening Capital	1,00,000
Closing Capital	1,25,000
Drawing during the year	30,000
Capital added during the year	37,500

Calculate the profit of loss for the year.





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3. Capital of Ganesh Gupta in the beginning of the year was Rs. 70,000. During the year his business earned a profit of Rs. 20,000, he withdrew Rs. 7,000 for his personal use. He sold ornaments of his wife for Rs. 20,000 and invested that amount into the business. Find out his Capital at the end of the year.



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4. Vikash maintains his books of account on Single Entry System. He provides following information from his books. Find out additional capital introduced in the business during the year 2018-19.

Opening Capital-Rs. - 1,30,000 Drawings during the year Rs. 50,000

Closing Capital Rs. 2,00,000 Profit made during the year Rs. 1,00,000



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5. Mohan maintains books on Single Entry System. He gives you the following information:

	Rs.
Capital on 1st April, 2018	15,200
Capital on 31st March, 2019	16,900
Drawings made during the year	4,800
Capital introduced on 1st August, 2018	2,000

You are required to calculate the Profit or Loss made by Mohan.

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6. Mahesh who keeps his books on Single Entry System sells goods at Cost plus 50% . On 1st April, 2018 his capital was Rs. 4,00,000 and on 31st March, 2019 it was Rs. 3,50,000. He had withdrawn Rs. 20,000 per month besides goods of the sale value of Rs. 60,000. How much did he earn in 2018-19?

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7. Krishan started his business on 1st April, 2018 with a Capital of Rs. 1,00,000. On 31st March, 2019, his assets were:

	Rs.
Cash	3,200
Stock	34,800
Debtors	31,000
Plant	85,000

He owed Rs. 12,000 to sundry creditors and Rs. 10,000 to his brother on that date. He withdrew Rs. 2,000 per month for his personal expenses. Ascertain his profit.



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8. Ram Prashad keeps his books on Single Entry System and from them and the particulars supplied, the following figures were gathered together on 31st March, 2019:

Book Debts Rs. 10,000, Cash in Hand Rs. 510, Stock-in-Trade (estimated) Rs. 6,000, Furniture and Fittings Rs. 1,200, Trade Creditors Rs. 4,000, Bank Overdraft Rs. 1,000. Ram Prashad stated that he started business on 1st April, 2018 with cash Rs. 6,000 paid into bank but stocks valued at Rs.

4,000. During the year he estimated his drawings to be Rs. 2,400. You are required to prepare the statement, showing the profit for the year, after writing off 10 % for Depreciation on Furniture and Fittings .



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9. Shruti maintains her books of account from Incomplete Records. Her books provide the following information:

	1st Apr
Cash	1
Bills Receivable	
Debtors	1
Stock	2
Investments	
Furniture	
Creditors	

She withdrew Rs. 500 per month for personal expenses. She sold her Investments of Rs. 16,000 at 5 % premium and introduced the amount into business.

You are required to prepare a Statement of Profit of Loss for the year ending 31st March, 2016.



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10. Hari maintains his books of account on Single Entry System. His books provide the following information:

	1st April, 201
Furniture	2,000
Stock	28,000
Sundry Debtors	21,000
Cash	1,500
Sundry creditors	17,500
Bills Receivable
Loan
Investments

His drawing during the year were Rs. 5,000. Depreciate furniture by 10 % and provide a reserve for Bad and Doubtful Debts at 10 % on Sundry Debtors.

Prepare the statement showing the profits for the year.



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11. A commenced business on 1st April, 2018 with a capital of Rs. 10,000. He immediately bought Furniture and Fixtures for Rs. 2,000. On 1st October, 2018, he borrowed Rs. 5,000 from his wife @ 9 % p.a. (interest

not yet paid) and introduction a further capital of his own amounting to Rs. 1,500. A drew o Rs. 300 per month at the end of each month for household expenses. On 31st March, 2019 his position was as follows:

Cash in Hand Rs. 2,800, Sundry Debtors Rs. 4,800, Stock Rs. 6,800, Bills Receivable Rs. 1,600, Sundry Creditors Rs. 500 and owing for Rent Rs. 150. Furniture and Fixtures to be depreciated by 10 % .

Ascertain the profit of loss made by A during 2018-19.



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12. Kuldeep, a general merchant, keeps his accounts on Single Entry System. He wants to know the results of his business on 31st March, 2019 and for that following information is available:

	1st April, 2018 (
Cash in Hand	1,50,000
Bank Balance	7,50,000
Furniture	1,00,000
Stock	5,00,000
Creditors	3,50,000
Debtors	2,50,000

During the year, he had withdrawn Rs. 5,00,000 for his personal use and

invested Rs. 2,50,000 as additional capital. Calculate his profits on 31st March, 2019 and prepare the Statement of Affairs as on that date.

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13. Following information is supplied to you by a shopkeeper:

	1st April, 2018
Cash	6,000
Sundry Debtors	68,000
Stock	59,000
Furniture	15,000
Sundry Creditors	20,000
Bills Payable	15,000

During the year, he withdrew Rs. 2,500 per month for domestic purposes.

He also borrowed from a friend at 9% a sum of Rs. 20,000 on 1st October, 2018. He has not yet paid the interest. A provision of 5% on debtors for doubtful debts is to be made.

Ascertain the profit or loss made by him during the period.

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14. Vikas is keeping his accounts according to Single Entry System. His capital on 31st December, 2015 was Rs. 2,50,000 and his capital on 31st December, 2016 was Rs. 4,25,000. He further informs you that during the year he gave a loan of Rs. 30,000 to his brother on private account and withdrew Rs. 1,000 per month for personal purposes. He used a flat for his personal purpose, the rent of which @ Rs. 1,800 per month and electricity charges at an average of 10 % of rent per month were paid from the business account. During the year he sold his 7 % Government Bonds of Rs. 50,000 at 1 % premium and brought that money into the business. Prepare a Statement of Profit of Loss for the year ended 31st December, 2016.



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15. Manu started business with a capital of Rs. 4,00,000 on 1st October, 2005. He borrowed from his friend a sum of Rs. 1,00,000. He brought further Rs. 75,000 as capital on 31st March, 2006, his position was:
Cash Rs. 30,000, Stock Rs. 4,70,000, Debtors Rs. 3,50,000 and Creditors Rs.

3,00,000.

Withdrew Rs. 8,000 per month during this period. Calculate profit or loss for the period.



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16. From the following information relating to the business of Abhay who keeps books on Single Entry System, ascertain the profit or loss for the year 2018-19:

	1st April, 2018
Machinery	8,000
Furniture	2,000
Stock	7,000
Sundry Debtors	4,000
Bank Balance	200 (Cr.)
Sundry Creditors	5,000

Abhay withdrew Rs. 4,100 during the year to meet his household expenses. He introduced Rs. 300 as fresh capital on 15th January, 2019.

Machinery and Furniture are to be depreciated at 10% and 5% p.a. respectively.



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17. Aditya a retailer, has not maintained proper books of account but it has been possible to obtain the following details:

	Last Year (Rs.)	TL
Trade Creditors	6,270	
Loan from Naresh	5,000	
Stock	12,350	
Cash in Hand	570	
Shop Fltting	7,250	
Trade Debtors	5,280	
Bank Balance	3,990	

Calculate the net profit for this year and draft the Statement of Affairs at the end of the year after noting that: Itbr. (a) Shop Fittings are to be depreciated by Rs. 780.

(b)



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18. On 1st April, 2018, X started a business with Rs. 40,000 as his capital.

On 31st March, 2019, his position was as follows:

	Rs.
Creditors	30,000
Bills Payable	10,000
Bank	10,000
Debtors	50,000
Stock	40,000
Plant	68,000
Furniture	12,000

During the year 2018-19, X drew Rs. 24,000. On 1st October, 2018, he introduced further capital amounting to Rs. 30,000. You are required to ascertain profit or loss made by him during the year 2018-19.

Adjustments:

- (a) Plant is to be depreciated to 10 % .
- (b) A provision of 5 % is to be made against debtors.

Also prepare the Statement of Affairs as on 31st March, 2019.



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19. Chaman maintains his books according to Single Entry System.

Following figures were available from the books for the six month ended

31st December, 2018:

1st July, 2018 (Rs.) 31st December, 2018 (Rs.)

Plant and Machinery	1,50,000	1,40,000
Debtors	65,000	60,000
Cash and Bank balances	25,000	31,000
Stock	40,000	45,000
Creditors	9,000	10,000

Adjustments:

(a) He had withdrawn Rs. 200 in the beginning of every month for household purposes.

(b) Depreciation on Plant and Machinery \circ 10 % p.a.

(c) Further Bad Debts Rs. 5,000 and Provision for Doubtful Debts to be created \circ 2 % .

During the period, salaries have been prepaid by Rs. 500 while wages outstanding were Rs. 1,000.

(e) Interest on drawings to be reckoned \circ 6 % p.a.

You are required to prepare the Statement of Profit of Loss for the half year ended 31st December, 2018, followed by Revised Statement of Affairs as on that date.



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20. A firm sells goods at a Gross Profit of 25 % of sales. On 1st April, 2018 the Stock was Rs. 40,000, Purchases were Rs. 1,10,000 and the Stock on 31st March, 2019 was Rs. 30,000. What was the value of Sales?

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21. A firm sells goods at Cost plus 25 % . Sales to credit customers (3/4 of total) was Rs. 1,80,000.

His Opening and Closing Stocks were Rs. 20,000 and Rs. 15,000 respectively. Find out the value of Purchases.

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Calculate Stock in the beginning:	Rs.
Sales	80,000
22. Purchases	60,000
Stock at the end	8,000
Loss on cost	1/6

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Calculate Stock at the end:	Rs.
Stock in the beginning	20,000
23. Cash Sales	60,000
Credit Sales	40,000
Purchases	70,000
Rate of Gross Profit on cost	1/3

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24.

Calculate the value of Closing Stock from the following information: Rs.

Purchases	93,000
Wages	20,000
Sales	40,000
Purchases	1,20,000
Carriage Outwards	3,200
Rate of Gross Profit 25 % on cost.	16,000

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25. Debtors in the beginning of the year were Rs. 30,000, Sales on credit during the year were Rs. 75,000, Cash received from the Debtors during the year was Rs. 35,000, Returns Inward (regarding credit sales) were Rs.

5,000 and Bills Receivable drawn during the year were Rs. 25,000. Find the balance of Debtors at the end of year, assuming that there were Bad Debts during the year of Rs. 2,000.



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26. Creditors on 1st April, 2018 were Rs. 15,000, Purchases on credit were Rs. 30,000, Cash paid to Creditors during 2018-19 was Rs. 20,000, Returns Outward (regarding credit purchases) were Rs. 1,000 and Bills Payable accepted during the year were Rs. 10,000. Find balance of Creditors on 31st March, 2019.



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27. Following information is given of an accounting year:

Opening Creditors Rs. 15,000, Cash paid to creditors Rs. 15,000, Returns Outward Rs. 1,000 and Closing creditors Rs. 12,000.



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28. From the following information supplied by Rohit, who keeps his books on Single Entry System, you are required to calculate Total Purchases:

	Rs.
Opening balance of Bills Payable	5,000
Opening balance of Creditors	6,000
Closing balance of Bills Payable	7,000
Closing balance of Creditors	4,000
Cash paid of Creditors during the year	30,000
Bills Payable discharged during the year	8,900
Returns Outward	1,200
Cash Purchases	25,800



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29. Cash sales of a business in a year were Rs. 85,000, the Cost of Goods Sold (including direct expenses) was Rs. 97,000 and Gross Profit as shown by the Trading Account for the year was Rs. 1,29,000. Calculate Credit Sales during the year.



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30. From the following information, calculate Total Sales made during the period:

	Rs.
Debtors as on 1st April, 2018	20,400
Cash received from debtors during the year (as per Cash Book)	60,800
Return Inward	5,400
Bad Debts	2,400
Debtors as on 31st March, 2019	27,600
Cash Sales (as per Cash Book)	56,800



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31. Calculate Total Sales from the following information:

	Rs.
Bills Receivables as on 1st April, 2018	7,800
Cash received on maturity of Bills Receivable during the year	30,800
Cash received from Debtors	20,900
Cash received from Debtors	70,000
Bad Debts written off	4,800
Returns Inward	8,700
Bills Receivable dishonoured	1,800
Bills Receivable on 31st March, 2019	6,000
Debtors as on 31st March, 2019	25,500
Cash Sales during the year	15,900



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32. From the following information, ascertain the opening balance of Sundry Debtors and the closing balance of Sundry Creditors:

	Rs.
Sundry Creditors as on 31st March, 2018	20,000
Sundry Debtors as on 31st March, 2019	37,400
Stock as on 31st March, 2018	26,000
Stock as on 31st March, 2019	24,000
During the year ended 31st March, 2019:	
Purchases	1,10,000
Discount allowed by creditors	800
Discount allowed to customers	1,100
Cash paid to sundry creditors	95,000
Bills Payable issued by them	14,000
Bills Receivable received from customers	16,500
Cash received from customers	1,30,000
Bills receivable dishonoured	1,900



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33. Roshan, whose accounts are maintained by Single Entry System, acquired a retail business on 1st April, 2018. He has Rs. 40,000 of his own and he borrowed Rs. 20,000 from his wife. He paid Rs. 15,000 for Goodwill, Rs. 5,000 for Furniture and Rs. 35,000 for Stock. Total cash received by

him during the financial year from the Debtors was Rs. 2,30,000. His payments were:

	Rs.
Purchases	1,56,000
Salary and Wages	21,400
Trade Expenses	7,200
Rent:	
For business house	5,920
For private house	2,960
Payable made for domestic purposes and drawings	26,400

At the end of the year, the stock was Rs. 37,5000. He owed Rs. 13,500 to Creditors for goods and his customers owed to him Rs. 15,000. Provide 5 % for Depreciation of Furniture, Interest at 5 % on wife,s Loan and Rs. 1,000 for Doubtful Debts.

Prepare the Cash Account, the Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet at the close of the year.



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34. Vijay commenced business as food grains merchant on 1st April, 2018 with a capital of Rs. 40,00,000. On the same day, he purchased furniture for Rs. 80,000. Form the following particulars obtained from his books

which do not conform to Double Entry principles, you are required to prepare the Trading and Profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date:

	Rs.
Sales (including Cash Sales Rs. 2,00,000	5,00,000
Purchases (including Cash Purchases Rs. 1,20,000)	4,00,000
Vijay's Drawings (in Cash)	40,000
Salaries to Staff	48,000
Bad Debts written off	4,000
Trade Expenses paid	16,000

Vijay used goods of Rs. 12,000 for personal purposes during the year. On 31st March, 2019, his Debtors amounted to Rs. 1,40,000 and Creditors Rs. 80,000. Stock-in-Trade on that date was Rs. 1,60,000.



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35. Following information is obtained from the books of Vinay, who maintained his books of account under Single Entry System:

1. Receipts for the year ended 31st March, 2019:

From Debtors
Cash Sales
Paid by Vinay

₹
88,125
20,625
12,500
1,21,250

2. Payments during the year:

New plant bought
Drawings
Salaries
Wages
Interest paid
Rent paid
Light and power
Sundry Expenses
Sundry Creditors

3,125
7,500
5,625
33,625
375
6,625
2,375
10,625
38,125
1,08,000

Vinay banks all receipts and makes payments by means of cheque.

Vinay banks all receipts and makes payments by means of cheque.

Assets and Liabilities	As at 31st March	As at 31st March
	2018 (₹)	2019 (₹)
Sundry Creditors	12,625	12,000
Sundry Debtors	18,750	30,625
Bank	3,125	?
Stock	31,250	18,625
Plant	37,500	36,575

3.

From the above information, prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date.



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36. Surya does not keeps a systematic record of his transactions. He is able to give you the following information regarding his assets and liabilities:

	31st March, 2018 (₹)	31st March, 2019 (₹)
Creditors for goods	21,000	19,000
Creditors for expenses	1,500	1,800
Bills Payable	8,700	11,500
Sundry Debtors	35,000	34,000
Stock (At cost)	28,000	25,000
Furniture and Fittings	10,000	12,000
Cash	5,100	...

Following additional information is also available for the year ended 31st March, 2019:

	₹
Bills Payable Issued	20,800
Cash Sales	15,000
Payments to Sundry Creditors	31,000
Expenses paid	6,600
Drawings	8,000

Bad Debts during the year were Rs. 900. As regards sale, Surya tells you that he always sells goods at Cost plus 25%. Furniture and Fittings are to be depreciated at 10% of the value in the beginning of the year.

Prepare Surya's Trading and Profit and Loss Account for the year ended 31st March, 2019 and his Balance Sheet on that date.

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Evaluation Questions With Missing Values

1. From the following Statement of Profit of Loss, determine the missing information:

STATEMENT OF PROFIT OR LOSS for the year ended 31st March, 2019

Particulars	₹
Capital as on 31st March, 2019	2,25,000
Less: Capital introduced during the year	...
	2,07,500
Add: Drawings during the year (₹ 6,250 × 11)	...
	...
Less: Capital as on 1st April, 2018	2,00,000
Profit during the year	...

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