

**ANSWER KEY**

1. (A)
2. (A)
3. (D)
4. (A)
5. (A)
6. (A)
7. (D)
8. (C)
9. (C)
10. (C)
11. Any three points of difference
- 12.

Dr. TRADING ACCOUNT FOR THE YEAR ENDED AT 31ST MARCH, 2014 Cr.			
Particulars	₹	Particulars	₹
To Wages	5,000		
Less: Erection of wages	1,000		
	4,000		

  

Dr. PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014 Cr.			
Particulars	₹	Particulars	₹
To Depreciation on Plant & Mach.			
On ₹ 30,000	3,000		
On ₹ 21,000	2,100		
	5,100		

  

BALANCE SHEET AS AT 31ST MARCH, 2014			
Liabilities	₹	Assets	₹
		<b>Fixed Assets:</b>	
		Plant & Machinery	
		Opening Balance	30,000
		Add: Addition	20,000
		Add: Erection of Plant	1,000
		Total	51,000
		Less: Depreciation	5,100
			45,900

*Note: Depreciation has been charged for full depreciation the book value of ₹ 4,000*

13. Any three point of difference
14. Profit on sale of machinery Rs 7,000; balance of Machinery Rs 3,50,000 and provision for depreciation Rs1,10,000
15. Profit and loss account

Particular	Amount	Particular	amount
To bad debts	3,000		
Add further	600		
Add new prov.	5,980		
	9580		

  

Balance sheet			
Liabilities	Amount	Assets	Amount
		Debtors	61,000
		Less bad debts	600
		Less provisions	5,980
			54,420

16. closing capital Rs 10,350 and profit made during the year Rs 2,850
17. balance as per Cash book Rs 7,130
18. loss on sale of plant and machinery Rs 30,000; balance of plant and machinery Rs 1,44,000
19. Gross profit Rs 26,300; Net profit Rs 7,160 and balance sheet Rs 96,965