

BCM SCHOOL, BASANT AVENUE LUDHIANA

ASSIGNMENT 3

XI ACCOUNTANCY

TOPIC: FINANCIAL STATEMENT WITH ADJUSTMENT (DATE 17 OCT 2022)

1. Net profit before the following adjustment is Rs 1,80,000.
Outstanding salary Rs 10,000; prepaid expenses Rs 13,000. What will be net profit after the adjustment.
(a) Rs 183,000
(b) Rs 1,77,000
(c) Rs 2,03,000
(d) Rs 1,87,000
2. Prepaid shown in the trial balance ____
(a) Assets
(b) DR to trading and assets
(c) DR to profit and loss account.
(d) DR to trading account.
3. Outstanding salary is ____ account
(a) Real account
(b) Nominal account
(c) Personal account
(d) Both (a) and (b)
4. Trial balance contains the following information:
15% bank loan Rs 40,000
Interest paid Rs 1,500; total interest paid will be:-
(a) Rs 1,500
(b) Rs 4,500
(c) Rs 3,000
(d) Rs 6,000
5. How is goods lost by fire adjustment in final accounts, if insurance company admitted 60% claim? (1)

6. **The following items are found in the trial balance of Parkash Singh on 31st March, 2016:** (4)

	Dr.	Cr.	
	₹	₹	
Debtors	40,000	-	
Bad Debts	4,000	-	
Provision for Bad Debts (1.4.2015)	-	3,000	i.

Adjustment :

Provision for bad debts @ 5% and provision for discount @ 2% on debtors is to be maintained.

Show how these items will appear in the financial statements of 2015-16.

7. The following are the balances of M/s Gupta & Co. as on 31st March, 2014.

(6)

	Dr. ₹		Cr. ₹
Cash in hand	540	Sales	98,780
Cash at bank	2,630	Returns outwards	500
Purchases account	40,675	Capital account	62,000
Returns inwards	680	Sundry creditors	6,300
Wages account	8,480	Rent	9,000
Fuel and power	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Stock (1.4.2013)	5,760		
Buildings account	32,000		
Freehold land	10,000		
Machinery	20,000		
Patents	7,500		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry debtors	14,500		
	1,76,580		1,76,580

Prepare trading and profit and loss account and a balance sheet as on 31st March, 2010 after taking into account the following adjustments :

- (i) Stock on hand 31st March, 2014 is ₹ 6,800.
- (ii) Plant and machinery is to be depreciated at 10% and patents at 20%.
- (iii) Salaries for the month of March, 2010 amounting to ₹ 1,500 were unpaid.
- (iv) Insurance includes a premium of ₹ 170 on a policy expiring on 30th Sept, 2010.
- (v) Further bad debts are ₹ 725.
- (vi) Rent receivable ₹ 1,000.