



# ITO'S EXAM 2017

## PAPER IV –ACCOUNTANCY

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## Q6 – FINAL ACCOUNTS (2015)

- From the following transactions of M/s. Sharma & Co., you are required to prepare trading, profit and loss account and balance sheet for the year ended 31.03.2015:

Particulars	Rs.	Particulars	Rs.
Sales	3,55,000	Sundry Debtors	30,000
Sales Return	5,000	Rent Received	3,000
Purchases	2,52,000	Discount Received	3,000
Return Outwards	2,000	Commission Allowed	1,000
Carriage Outward	1,000	Taxes and Insurance	3,000
Carriage Inward	5,000	Provision for B&D Debts	2,000
Opening Stock	40,000	Bad Debts	1,500
Direct Expenses	5,000	Salaries	20,000
Capital	60,000	Dividend Paid	5,000

## Q6 – FINAL ACCOUNTS (2015)

Particulars	Rs.	Particulars	Rs.
Furniture	5,000	Discount Allowed	2,000
Bank Overdraft	10,000	General Expenses	5,000
Buildings	45,000	Rent Paid	3,000
Plant & Machinery	40,000	Bills Receivable	21,500
Sundry Creditors	25,000		
Bills Payable	30,000		

### o Additional Information:

- i. Stock at the end – Rs. 42,000
- ii. Dep on P&M – Rs. 2,000; on Buildings – Rs. 1,000
- iii. Provision for B&D Debts @ 5% on Sundry Debtors
- iv. O/s. Rent Rs. 1000 and Prepaid Salaries Rs. 1,000
- v. Interest on Capital @ 5%. (20 Marks)

## A6 – FINAL ACCOUNTS (2015)

- Trading and Profit and Loss A/c of M/s. Sharma for the year ended 31.03.2015:

Particulars	Rs.	Particulars	Rs.
To Opening Stock	40,000	By Sales	3,55,000
To Purchases	2,52,000	Less: Return Inwards	-5,000
Less: Ret Outwards	-2,000	<b>By Closing Stock</b>	<b>42,000</b>
To Carriage Inwards	5,000		
To Direct Expenses	5,000		
To Gross Profit c/d	92,000		
<b>Total</b>	<b>3,92,000</b>	<b>Total</b>	<b>3,92,000</b>
To Carriage Outwards	1,000	By Gross Profit	92,000
To Taxes & Insurance	3,000	By Rent Received	3,000
To Discount Allowed	2,000	By Discount Received	3,000

## A6 – FINAL ACCOUNTS (2015)

Particulars	Rs.	Particulars	Rs.
To Salaries	20,000		
Less: Prepaid	-1,000		
To Commission Allowed	1,000		
To Dividend Paid	5,000		
To General Expenses	5,000		
To Rent Paid	3,000		
Add: O/s.	1,000		
To Dep – P&M	2,000		
To Dep – Buildings	1,000		
To Int. on Capital	3,000		
To Bad Debts	1,500		
To Provision for B&DD	1,500		
To Net Profit (Trf. Cap A/c).	49,000		
<b>Total</b>	<b>98,000</b>	<b>Total</b>	<b>98,000</b>

## A6 – FINAL ACCOUNTS (2015)

- Balance Sheet of M/s. Sharma as on 31.03.2015:

Liabilities	Rs.	Assets	Rs.
Capital	60,000	Building	45,000
Add: Int. on Cap	3,000	Less: Depreciation	-1,000
Add: Net Profit	49,000	Plant & Machinery	40,000
Bank OD	10,000	Less: Depreciation	-2,000
Sundry Creditors	25,000	Furniture	5,000
Bills Payable	30,000	Sundry Debtors	30,000
O/s Rent	1,000	Prepaid Salary	1,000
Prov. For B&DD	2,000	Bills Receivable	21,500
Add: Created CY	1,500	Closing Stock	42,000
<b>Total</b>	<b>1,81,500</b>	<b>Total</b>	<b>1,81,500</b>

## Q7 – PARTNERSHIP ACCOUNTS (2015)

- P & Q were working in partnership sharing profit and losses equally. On 31.12.2013, P decided to retire and in his place his son R was admitted as partner from 01.01.2014 with 1/3 share of profit.
- Balance sheet as on 31.12.2016

Liabilities	Rs.	Assets	Rs.
Sundry Creditors	14,700	Goodwill	15,000
Capital Accounts:		Land & Building	40,050
P	54,300	Motor Car	12,000
Q	48,000	Furniture	9,300
		Sundry Debtors	24,150
		Cash at Bank	16,500
<b>Total</b>	<b>1,17,000</b>	<b>Total</b>	<b>1,17,000</b>

## Q7 – PARTNERSHIP ACCOUNTS (2015)

- It was decided that:
  - a. The goodwill would be raised to Rs. 20,000.
  - b. The car would be taken over by P at its book value.
  - c. The value of land and building would be increased by Rs. 8,280.
  - d. Q and R would introduce sufficient capital to pay off P and to leave thereafter a sum of Rs. 7,350 as bank balance, so as to make their capital proportionate to their share of profits.
  - e. The capital payable by R was to be gifted to him by his father.
  - f. The new partners decided not to show goodwill as an asset.
  - g. Show the partner's capital account and the bank account.



# A7 – PARTNERSHIP ACCOUNTS (2015)

## ○ Partner's Capital Account

13-06-2

Particulars	P	Q	R	Particulars	P	Q	R
To GW	7500	7500	0	By Bal b/d.	54300	48000	0
To MC	12000	0	0	By Rev (LB)	4,140	4,140	0
To Q (GW)	0	0	6667	By R (GW)	0	6667	0
To Bank	7463	0	0	By P (Cap)	0	0	31477
To R (Cap)	31477	0	0				
To Bank	0	1687	0				
To Bal. c/d	0	49620	24810				
Total	58440	58807	31477	Total	58440	58807	31477

## A7 – PARTNERSHIP ACCOUNTS (2015)

### ○ Bank Account

Particulars	Rs.	Particulars	Rs.
To Balance B/d.	16500	By Q	1687
		By P	7463
		By Balance C/d.	7350
<b>Total</b>	<b>16500</b>	<b>Total</b>	<b>16500</b>

### ○ Working Notes:

- The first thing to find out is the capital to be brought in by R. The total capital of Q and R after P's retirement can be ascertained by deducting liabilities from assets as they would stand after P if paid off.

## A7 – PARTNERSHIP ACCOUNTS (2015)

- The Net Assets are

Particulars	Rs.
Cash at Bank	7350
Debtors	24150
Furniture	9300
Land & Building	48330
Less: Sundry Creditors	-14700
<b>Net Assets – Cap of Q&amp;R</b>	<b>74430</b>

## A7 – PARTNERSHIP ACCOUNTS (2015)

### ○ Working Notes:

#### a. Capital of Q & R:

- i. Q's Capital will be  $\frac{2}{3}$  of Rs. 74430 i.e. Rs. 49620
- ii. R's Capital will be  $\frac{1}{3}$  of Rs. 74430 i.e. Rs. 24810.

#### b. Gift by P in favour of R:

- i. R's Capital – Rs. 24810
- ii. Goodwill – Rs. 6667 (Rs. 20000)

#### c. Amount Payable to P:

- i. Capital – Rs. 54300
- ii. L&B Appreciation – Rs. 4140
- iii. Goodwill – (Rs. 7500)
- iv. Motor Car – (Rs. 12000)
- v. Gift to R – (Rs. 31477)

## A7 – PARTNERSHIP ACCOUNTS (2015)

### ○ Working Notes:

- d. Amount Payable to Q:
  - i. Capital – Rs. 48000
  - ii. L&B Appreciation – Rs. 4140
  - iii. Goodwill – (Rs. 7500)
  - iv. Goodwill (R) – Rs. 6667
  - v. Proportionate Capital – (Rs. 49620)

## Q8 – RECTIFICATION ENTRIES (2015)

- An accountant could not tally the Trial Balance. The difference of Rs. 5100 was temporarily placed to the credit of suspense account for preparing final accounts. The following errors were later located.

## Q8 – RECTIFICATION ENTRIES (2015)

- i. Commission of Rs. 500 paid, was posted twice, once to discount allowed account and once to commission account.
  - ii. The sales book was under cast by Rs. 1000.
  - iii. The credit sale of Rs. 2780 to Roja though correctly entered in sales book, was posted wrongly to her account as Rs. 3860.
  - iv. A credit purchase from Nataraj of Rs. 1500, though correctly entered in purchases book, was wrongly debited to his personal account.
  - v. Discount column of the payment side of the cash book was wrongly added as Rs. 2800 instead of Rs. 2400.
- Prepared rectification entries and Suspense A/c.

# A8 – RECTIFICATION ENTRIES (2015)

## ○ Journal Entries:

- a. Discount wrongly debited for commission – Rs. 500:
  - i. Suspense A/c Dr.
  - ii. Discount A/c. Cr. (One Side Error)
- b. Sales income under cast - By Rs. 1000:
  - i. Suspense A/c Dr.
  - ii. Sales A/c Cr. (One Side Error)
- c. Wrong Debit in Roja A/c – Rs. 1080 (3860-2780):
  - i. Suspense A/c Dr.
  - ii. Roja A/c Cr. (One Side Error)
- d. Wrong Debit instead of Credit in Nataraj A/c – Rs. 3000 (1500\*2):
  - i. Suspense A/c Dr.
  - ii. Nataraj A/c Cr. (One Side Error)
- e. Discount column over cast – Rs. 400 (2800-2400):
  - i. Suspense A/c Dr.
  - ii. Discount A/c Cr. (One Side Error)



## A8 – RECTIFICATION ENTRIES (2015)

### ○ Suspense Account

Particulars	Rs.	Particulars	Rs.
To Discount	500	By Differ. in Books b/d	5100
To Sales	1000		
To Roja A/c	1000		
To Natraj A/c	3000		
To Discount	400		
		By Difference c/d	800
<b>Total</b>	<b>5900</b>	<b>Total</b>	<b>5900</b>

## Q9 – BRS (2015)

- From the following information, prepare a BRS as at 31.12.2015 for M/s. New Steel Ltd.
  - i. Bank OD as per Cash Book on 31.1.2015 – Rs. 245900/-.
  - ii. Interest debited by bank on 26.12.2015 but no advice received – Rs. 27870/-.
  - iii. Cheque issued before 31.12.2015 but not yet presented to Bank – Rs. 66000/-.
  - iv. Transport subsidy received from the State Govt. directly by the bank but no advice received by the company – Rs. 42500/-.
  - v. Draft deposited in the Bank, but not credited till 31.12.2015 – Rs. 20000/-.

## Q9 – BRS (2015)

- From the following information, prepare a BRS as at 31.12.2015 for M/s. New Steel Ltd.
- vi. Bills for collection credited by the Bank till 31.12.2015 but no advice received by the Company – Rs. 83600/-.
- vii. Amount wrongly debited to company account by the Bank, for which no details are available – Rs. 7400/-.

# A9 – BRS (2015) – FORMAT (CASH BOOK STARTING POINT)

Particulars	Amount
<b>Balance as per Cash Book (B.F.)</b>	<b>-245900</b>
Add: Cheques Issued but not presented	66000
Add: Direct Deposit in Bank (42500+83600)	126100
Add: Interest Credited by the bank	Xxxx
Add: Interest & Dividends Collected	Xxxx
	Xxxx
Less: Cheques deposited but not credited by the bank	-20000
Less: Bank charges not recorded in the cash book	(xxxx)
Less: Bank Interest on Overdraft	-27870
Less: Payment for Standing Instructions	Xxxx
Less: Bills & Cheques Dishonored etc.,	(xxxx)
Less: Rectification Entries (Wrong Debit)	-7400
<b>Balance as per Pass Book</b>	<b>-109070</b>

13-06-2017 CA S.S. Vinothkumar

## Q10 – CONSIGNMENT (2015)

- Vimal Mills Ltd., sent 100 pieces of suiting to Lal Garments House of Delhi on consignment basis. The consignees are entitled to receive 5% commission plus expenses. The cost of Vimal Mills Ltd. is Rs. 200 per suiting. Lal Garments House pays following expenses:
  - i. Railway Freight – Rs. 500.
  - ii. Godown Rent & Insurance – Rs. 1000.
- Vimal Mills Ltd., draw on the consignees a bill for Rs. 10000 which is duly accepted. Subsequently it is discounted for Rs. 9500. The consignee informed the consignor of the sale of the entire consignment for Rs. 28500. Show journal entries and ledger accounts in the books of the consignor.

# A10 – CONSIGNMENT (2015)

## ○ Journal Entries:

- a. Goods sent on consignment – Rs. 20000 (100\*20):
  - i. Consignment A/c Dr.
  - ii. Goods Sent on Consignment A/c. Cr.
- b. Bills acceptance - Rs. 10000:
  - i. Bills Receivable A/c Dr.
  - ii. Lal Garment House A/c Cr.
- c. Bill Discounting – Rs. 9500:
  - i. Bank A/c Dr.
  - ii. Consignment A/c Dr.
  - iii. Bills Receivable A/c Cr.
- d. Consignment expenses – Freight Rs. 500, Godown Rent and Insurance Rs. 1000):
  - i. Consignment A/c Dr.
  - ii. Lal Garment House A/c Cr.
- e. Sale of Consigned Goods – Rs. 28500:
  - i. Lal Garment House A/c Dr.
  - ii. Consignment A/c Cr.

# A10 – CONSIGNMENT (2015)

## ○ Journal Entries:

- f. Commission on consignment – Rs. 1425 ( $28500 \times 5\%$ ):
  - i. Consignment A/c Dr.
  - ii. Lal Garment House A/c Cr.
- g. Profit on Consignment – Balancing Figure:
  - i. Consignment A/c Dr.
  - ii. General Profit & Loss A/c Cr.
- h. Consignment sales charged to Trading A/c. – Rs. 20000:
  - i. Goods Sent on Consignment A/c Dr.
  - ii. To Trading A/c Dr.

# A10 – CONSIGNMENT (2015)

## ○ Consignment Account

Particulars	Rs.	Particulars	Rs.
To Goods Sent on Consignment	20000	By Lal Garments House	28200
To Lal Garments House (Freight & Rent)	1500		
To BR (Discount)	500		
To Lal Garments House (Commission)	1425		
To General P&L A/c	5075		
<b>Total</b>	<b>28500</b>	<b>Total</b>	<b>28500</b>



## A10 – CONSIGNMENT (2015)

### ○ Lal Garment House Account

Particulars	Rs.	Particulars	Rs.
To Consignment A/c	28500	By Consignment (Com.)	1425
		By Consignment (Freight & Rent)	1500
		By BR	10000
		By Bal c/f.	15575
<b>Total</b>	<b>28500</b>	<b>Total</b>	<b>28500</b>

### ○ Goods Sent on Consignment A/c

Particulars	Rs.	Particulars	Rs.
To Trading A/c	20000	By Consignment	20000
<b>Total</b>	<b>20000</b>	<b>Total</b>	<b>20000</b>

## Q6 – FINAL ACCOUNTS (2014)

- From the following transactions of M/s. ABC Company, you are required to prepare trading, profit and loss account and balance sheet for the year ended 31.03.2015:

Particulars	Rs.	Particulars	Rs.
Stock (01.04.2014)	23,200	Advertisement	15,950
Capital (01.04.2014)	1,45,000	Apprenticeshp Premium	3,480
Purchases	58,000	Bills Receivable	10,150
Sales	2,32,000	Bills Payable	7,250
Office Expenses	23,345	Sundry Debtors	58,000
Return Inward	4,350	Plant & Machinery	13,050
Interest on Loan	870	Sundry Creditors	45,820
Return Outward	1,160	Loan (Dr) @ 10% - 1.1.14	14,500
Drawings	8,700	Investment	8,700

## Q6 – FINAL ACCOUNTS (2015)

Particulars	Rs.	Particulars	Rs.
Wages	20,010	Cash at Bank	10,150
Land & Machinery	1,59,500	Cash in hand	725
Furniture & Fixtures	7,250	Stock (31.03.2015)	20,300

### o Additional Information:

- i. Interest on Capital is to be allowed @ 5% for the year.
- ii. Interest on drawings to be charged for the year is Rs. 232.
- iii. Apprenticeship premium is for 3 years, received in advance on 01.04.2014.
- iv. Rs. 14,500 out of advertisement expenses it to be carried forward.
- v. The stock includes material worth Rs. 2,900 for which bill had not been received and therefore not yet accounted for.

## A6 – FINAL ACCOUNTS (2014)

- Trading and Profit and Loss A/c of M/s. ABC Company for the year ended 31.03.2015:

Particulars	Rs.	Particulars	Rs.
To Opening Stock	23,200	By Sales	2,32,000
To Purchases	58,000	Less: Return Inwards	-4,350
Add: Unaccounted Bill	2,900	<b>By Closing Stock</b>	<b>20,300</b>
Less: Ret Outwards	-1,160	<i>(Assumed stock as per</i>	
To Wages	20,010	<i>Goods Inward Register)</i>	
To Gross Profit c/d	1,45,000		
<b>Total</b>	<b>2,47,950</b>	<b>Total</b>	<b>2,47,950</b>
To Office Expenses	23,345	By Gross Profit	1,45,000
To Int. of Capital	7,250	By Interest on Drawings	232
<i>(1,45,000*5%)</i>			

## A6 – FINAL ACCOUNTS (2014)

Particulars	Rs.	Particulars	Rs.
To Advertisement	15,950	By Int. on Loan	870
Less: Prepaid Adv. Exp	-14,500	Add: Int. Receivable	580
		(14500*10%-870)	
		By Apprentice Premium	3480
		Less: Received in Adv.	-2,320
		(3480/3*2)	
To Net Profit (Trf. Cap A/c).	1,15,797		
<b>Total</b>	<b>1,47,842</b>	<b>Total</b>	<b>1,47,842</b>

## A6 – FINAL ACCOUNTS (2014)

- Balance Sheet of M/s. ABC Company as on 31.03.2015:

Liabilities	Rs.	Assets	Rs.
Capital	1,45,000	Land & Machinery	1,59,500
Add: Int. on Cap	7,250	Furniture & Fixtures	7,250
Add: Net Profit	1,15,797	Plant & Machinery	13,050
Less: Drawings	-8,700	Bills Receivable	10,150
Less: Int. on Drawings	-232	Closing Stock	20,900
App. Premium received in Advance	2,320	Sundry Debtors	58,000
Bills Payable	7,250	Loans & Advances	14,500
Sundry Creditors	45,820	Add: Int. O/s.	580
Add: Unaccounted Stock	2,900	Investment	8,700
		Cash at Bank	10,150
		Cash at Hand	725
<b>Total</b>	<b>3,17,405</b>	<b>Total</b>	<b>3,17,405</b>

## Q7 – RECTIFICATION ENTRIES (2014)

- A book-keeper finds that the TB is out by excess debit of Rs. 500. He puts the difference to a newly opened Suspense Account. Later on, he detects the following errors:
  - i. Goods worth Rs. 15,000 purchased from Ravi, but entered in the sales book.
  - ii. Received a promissory note for Rs. 25,000 from Arun, but entered in the Bills Payable book.
  - iii. An item of Rs. 3,500 relating to prepaid rent account was omitted to be brought forward.
  - iv. An item of Rs. 2,000 in respect of purchase returns to Roshan had been wrongly entered in the purchases book.
- Prepared rectification entries and Suspense A/c.

## Q7 – RECTIFICATION ENTRIES (2014)

### o Journal Entries:

- a. Purchases wrongly booked as Sales – Rs. 15000\*2:
  - i. Purchases A/c Dr.
  - ii. Sales A/c Dr.
  - iii. Ravi A/c Cr. (Two Side Error)
- b. Bills Receivable recorded as Bills Payable - Rs. 25000\*2:
  - i. Promissory Note A/c Dr.
  - ii. Bills Payable A/c Dr.
  - iii. Arun A/c Cr. (Two Side Error)
- c. Prepaid expenses omitted to B/f. – Rs. 3500:
  - i. Expenses A/c Dr.
  - ii. Suspense (Prepaid Expenses) A/c Cr. (One Side Error)
- d. Purchase return booked as purchases – Rs. 1500\*2:
  - i. Suspense A/c Dr. (One Side Error)
  - ii. Purchases A/c Cr.
  - iii. Purchases Return A/c Cr.



## Q7 – RECTIFICATION ENTRIES (2014)

- Suspense Account

Particulars	Rs.	Particulars	Rs.
To Differ. in Books b/d	500	By Expenses A/c	3500
To Purchases A/c	1500		
To Pur. Returns A/c	1500		
<b>Total</b>	<b>3500</b>	<b>Total</b>	<b>3500</b>

## Q8 – BRS (2014)

- From the following information, prepare a BRS as at 31.12.2015. Bank balance as per the pass book – Rs. 10,000.
  - i. Cheque deposited into the bank but no entry passed in cash book – Rs. 500/-.
  - ii. Cheque received but not sent to bank – Rs. 1200/-.
  - iii. Credit side of the bank column cast short – Rs. 200/-.
  - iv. Insurance premium paid directly by the bank under standing advice – Rs. 600/-.
  - v. Cheque received entered twice in the Cash Book – Rs. 1000/-.

# A8 – BRS (2014) – FORMAT (CASH BOOK STARTING POINT)

Particulars	Amount
<b>Balance as per Cash Book (B.F.)</b>	<b>12500</b>
Add: Cheques Issued but not presented	Xxxx
Add: Direct Deposit in Bank	500
Add: Interest Credited by the bank	Xxxx
Add: Interest & Dividends Collected	Xxxx
	Xxxx
Less: Cheques deposited but not credited by the bank	-1200
Less: Bank charges not recorded in the cash book	(xxxx)
Less: Bank Interest on Overdraft	(xxxx)
Less: Payment for Standing Instructions	-600
Less: Bills & Cheques Dishonored etc.,	(xxxx)
Less: Rectification Entries (200+1000)	-1200
<b>Balance as per Pass Book</b>	<b>10000</b>

## Q9 – PARTNERSHIP ACCOUNTS (2014)

- Following is the Balance sheet of A & B, who share profit and losses in the ratio of 3:2 respectively as on 31.12.2014:

Liabilities	Rs.	Assets	Rs.
Capital – A	35000	Land & Building	30000
Capital – B	30000	Plant & Machinery	20000
Reserve	10000	Stock	10000
Creditors	25000	<i>Debtors</i>	20000
		<i>Less: Prov. for B&amp;D debt</i>	-1000
		Bank	11000
		Cash	10000
<b>Total</b>	<b>1,00,000</b>	<b>Total</b>	<b>1,00,000</b>

## Q9 – PARTNERSHIP ACCOUNTS (2014)

- On 01.01.2015, C joins the firm and brings in the following assets:
  - Stock – Rs. 21000; Investments – Rs. 12000; Cash – Rs. 15000; and Debtors – Rs. 10000.
- The following terms were agreed upon and prepared BS of new firm as on 01.01.2015:
  - i. The new PSR will be equal.
  - ii. The capital of the partners should also be equal taking C's capital as base.
  - iii. The reserve of the new firm will be Rs. 15000.
  - iv. Provision for B&D debts @ 10% on total debtors to be created.
  - v. An investment provision of Rs. 2000 is to be created.

## A9 – PARTNERSHIP ACCOUNTS (2014)

### ○ Revaluation Account

Particulars	Rs.	Particulars	Rs.
To Provision for B&D	1000	By Loss on Rev:	
(20000*10%-1000)		A	600
		B	400
<b>Total</b>	<b>1000</b>	<b>Total</b>	<b>1000</b>

## A9 – PARTNERSHIP ACCOUNTS (2014)

- Balance sheet as on 01.01.2015

Liabilities	Rs.	Assets	Rs.
Capital – A	55000	Land & Building	30000
Capital – B	55000	Plant & Machinery	20000
Capital – C	55000	Stock (10000+21000)	31000
General Reserve	15000	<i>Debtors</i>	30000
Creditors	25000	<i>Less: Prov. for B&amp;D debt</i>	-3000
		Investments	12000
		<i>Less: Provision</i>	-2000
		Bank	11000
		Cash	76000
<b>Total</b>	<b>205000</b>	<b>Total</b>	<b>205000</b>

# A9 – PARTNERSHIP ACCOUNTS (2014)

## ○ Capital Accounts

13-06-20

Particulars	A	B	C	Particulars	A	B	C
By Gen. Res	5000	5000	0	To Bal. B/d	35000	35000	0
By Loss on Reval.	600	400	0	To Gen. Res	6000	4000	0
				To Bank A/c	19600	26400	55000
By Bal c/d.	55000	55000	55000				
<b>Total</b>	<b>60600</b>	<b>60400</b>	<b>55000</b>	<b>Total</b>	<b>60600</b>	<b>60400</b>	<b>55000</b>



## A9 – PARTNERSHIP ACCOUNTS (2014)

- Working Notes:
  - Capital brought in by C:

Particulars	Amount
Stock	21000
Investments	12000
Cash	15000
Debtors	10000
Less: Provision on Investments	-2000
Less: Provision on Debtors	-1000
<b>Total</b>	<b>55000</b>

## A9 – PARTNERSHIP ACCOUNTS (2014)

- Working Notes:
  - Cash balance as on 01.01.2015:

Particulars	Amount
Opening Cash Balance	10000
Add: Reserve	5000
Add: Cash brought in by A	19600
Add: Cash brought in by B	26400
Add: Cash brought in by C	15000
<b>Total</b>	<b>76000</b>

## Q10 – INVENTORY VALUATION (2014)

- From the following data, find out the cost of goods sold, closing inventory and profit under FIFO method of inventory valuation:

Date	Particulars	Units	Rs.
01.01.2015	Inventory	1000 @	4 each
31.01.2015	Purchases	1100 @	5 each
28.02.2015	Purchases	1300 @	6 each
31.03.2015	Purchases	1400 @	7 each
	Sales during the period	4000 @	10 each

## A10 – INVENTORY VALUATION (2014)

### ○ Calculation of Cost of Goods Sold & Profit:

Date	Particulars	Units	Rs.
01.01.2015	Inventory	1000 @	4 each
31.01.2015	Purchases	1100 @	5 each
28.02.2015	Purchases	1300 @	6 each
31.03.2015	Purchases	1400 @	7 each
	Total Production	4800	
	Cost of Goods Sold	4000 @	<b>21500</b>
	$(1000 \times 4) + (1100 \times 5) + (1300 \times 6) + (600 \times 7)$		
	<b>Sales</b>	<b>4000 @ 10 each</b>	<b>40000</b>
	<b>Profit on Sales</b>		<b>18500</b>

## A10 – INVENTORY VALUATION (2014)

### ○ Calculation of Closing Stock:

Date	Particulars	Units	Rs.
01.01.2015	Inventory	1000 @	4 each
31.01.2015	Purchases	1100 @	5 each
28.02.2015	Purchases	1300 @	6 each
31.03.2015	Purchases	1400 @	7 each
	Total Production	4800	
	Less: Goods Sold	4000	
	Closing Stock	800 @	7 each