

**Course
&
Test Series**

Self-Made Assignment - Manual Accounting

Financial Statement with Adjustment - Prepaid Expenses and Depreciation

Question:

From the following trial balance of M/s Gupta Enterprises, prepare the Trading and Profit & Loss Account for the year ended 31st March 2023, and a Balance Sheet as on that date:

Trial Balance as on 31st March 2023:

Dr. Balances	₹	Cr. Balances	₹
Opening Stock (1st April 2022)	20,000	Capital	1,35,000
Purchases	85,000	Sales	2,50,000
Sales Returns	6,000	Purchases Returns	3,000
Carriage Inwards	2,000	Discount Received	800
Plant and Machinery	60,000	Sundry Creditors	21,000
Furniture and Fixtures	7,000	Bills Payable	2,000
Freehold Property	50,000		
Cash in Hand	8,000		
Carriage Outwards	600		
Wages	35,000		
Salaries	22,000		
Lighting (Factory)	1,000		
Sundry Debtors	30,000		
Travelling Expenses	1,500		
Rent and Taxes	5,500		
Drawings	6,000		
Insurance	500		
General Expenses	13,000		
	3,52,100	3,52,100	

Adjustments:

1. Stock on 31st March 2023 was valued at ₹45,000 (market value ₹25,000).
2. Wages amounting to ₹2,500 and salaries amounting to ₹2,000 are outstanding.
3. Prepaid insurance amounted to ₹200.
4. Provide depreciation on Plant and Machinery at 10% and on Furniture and Fixtures at 5%.

...many more

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Instructions:

1. Prepare the Trading Account to calculate the Gross Profit or Loss for the year ended 31st March 2023.
2. Prepare the Profit & Loss Account to determine the Net Profit or Loss for the same period.
3. Prepare the Balance Sheet as on 31st March 2023 after incorporating the Necessary adjustments.



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