

**Course  
&  
Test Series**

**Self-Made Assignment - Manual Accounting**

Financial Statement with Adjustment - Prepaid Expenses and Depreciation

Question:

The following are the balances extracted from the books of Raghunath ji as on 31<sup>st</sup> March 2017. From these balances Prepare Trading and Profit & loss Account and Balance sheet as on that date.

	<b>Dr. (₹)</b>	<b>Cr. (₹)</b>
Opening Stock	12,000	
Purchases	40,000	
Sales		86,000
Discount		400
Sales Return	6,000	
Buildings	50,000	
Debtors	16,000	
Salaries	2,400	
Office Expenses	1,200	
Wages	10,000	
Purchase Return		4,000
Interest		800
Travelling Expenses	400	
Fire Insurance Premium	800	
Machinery	20,000	
Carriage on Purchases	700	
Commission	400	
Cash in hand	2,300	
Rent and Taxes	1,800	
Capital		62,000
Creditors		10,800
	<b>1,64,000</b>	<b>1,64,000</b>

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Financial Statement with Adjustment - Prepaid Expenses and Depreciation

Adjustments

1. Closing Stock was valued at Rs. 16000.
2. Wages Rs.2000 and Salaries Rs.1200 are Outstanding.
3. Rent for the 2 month at the rate of Rs. 500 per month is Outstanding.
4. Depreciate building by 5% and Furniture by 10%.
5. Prepaid Insurance Rs. 200.



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