

**Course  
&  
Test Series**

**Self-Made Assignment - Manual Accounting**

**Financial Statement With Adjustment Of Interest On Loan & Bad Debts**

**Question 1: Final Accounts of Mr. Asha Patel for the Year Ended 31st March 2025 (Hint: Gross Profit ₹160,000 , Net Profit ₹35,000, Balance Sheet Total ₹820,000)**

**Trial Balance as at 31st March 202**

Particulars	Dr. (₹)	Cr. (₹)
Capital		600,000
Drawings	30,000	
Opening Stock	85,000	
Purchases	350,000	
Sales		700,000
Returns Inward	10,000	
Returns Outward		6,000
Wages	45,000	
Salaries	55,000	
Rent	30,000	
Machinery	220,000	
Furniture	60,000	
Commission Received		8,000
Carriage Inwards	15,000	
Insurance	8,000	
Printing & Stationery	6,000	
Cash at Bank	80,000	
Debtors	120,000	
Creditors		90,000
Bank Loan		120,000
Interest on Loan Paid	3,000	
<b>Total</b>	<b>1,107,000</b>	<b>1,524,000</b>

**Adjustments:**

- Closing stock on 31st March 2025: ₹80,000
- Depreciate machinery @ 12%; furniture @ 5%
- Outstanding salaries: ₹6,000
- Prepaid insurance: ₹2,000
- Interest on capital @ 8%
- Interest on drawings @ 6% (drawings during year: ₹30,000)
- Bank loan of ₹120,000 taken on 1st January 2025 @ 10% p.a.; interest due for the year
- Printing & stationery includes ₹1,200 for next year
- Cash in hand on 31st March 2025: ₹2,00,000
- Bad debts to be written off: ₹7,500; additionally, create a provision for doubtful debts at 5% on debtors (after adjusting bad debts).

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