

# 1

## SINGLE ENTRY SYSTEM

### Problem No. 1

Mr. Sajid

Statement of Profit and Loss Account  
For the year ended. December 31, 2006

|                                      | Rs.                  |
|--------------------------------------|----------------------|
| Capital at the ended of the year     | 1,20,000             |
| Add drawings                         | 15,000               |
|                                      | <u>1,35,000</u>      |
| Less Fresh Capital                   | 20,000               |
|                                      | <u>1,15,000</u>      |
| Less Capital on Jan. 1 <sup>st</sup> | 1,00,000             |
| Net Profit                           | <u><u>15,000</u></u> |

### Problem No. 2

Statement of Affairs  
As on January 1, 2005

| Liabilities | Amount        | Assets       | Amount        |
|-------------|---------------|--------------|---------------|
|             | Rs.           |              | Rs.           |
| Creditors   | 11,000        | Cash in hand | 100           |
|             |               | Cash at bank | 1,500         |
|             |               | Stock        | 10,000        |
|             |               | Debtors      | 4,250         |
|             |               | Fixtures     | 900           |
| Capital     | 13,250        | Machinery    | 7,500         |
|             | <u>24,250</u> |              | <u>24,250</u> |

**Statement of Affairs**  
**As on 31st December, 2005**

| Liabilities | Amount | Assets       | Amount |
|-------------|--------|--------------|--------|
|             | Rs.    |              | Rs.    |
| Creditors   | 9,000  | Cash in hand | 150    |
|             |        | Cash at bank | 2,500  |
|             |        | Stock        | 13,000 |
|             |        | Debtors      | 7,000  |
|             |        | Fixtures     | 850    |
| Capital     | 21,500 | Machinery    | 7,000  |
|             | 30,500 |              | 30,500 |

**Statement of Profit and Loss Account**  
**As on 31st December, 2005**

|                                   |                     |
|-----------------------------------|---------------------|
| Capital as on 31st December, 2005 | 21,500              |
| Add drawings                      | 1,600               |
|                                   | <u>23,100</u>       |
| Less Fresh Capital Introduce      | 2,500               |
|                                   | <u>20,600</u>       |
| Less Capital on Jan. 1, 2005      | 13,250              |
| Net Profit                        | <u><u>7,350</u></u> |

**Problem No. 3**

**Statement of affairs**  
**As on 31st December, 2005**

| Liabilities       | Amount | Assets         | Amount |
|-------------------|--------|----------------|--------|
| Sundry Creditors  | 5800   | Cash           | 2000   |
| Loan 10000        |        | Stock          | 28400  |
| Add Interest 4500 | 10450  | Sundry debtors | 32400  |
| Capital           | 46550  |                |        |
|                   | 62800  |                | 62800  |

**Statement of Profit & Loss A/c**  
**As on 30th June, 2005**

|                                |              |
|--------------------------------|--------------|
|                                | Rs.          |
| Capital as on 31st December    | 46550        |
| Add drawings                   | 15600        |
|                                | <u>62150</u> |
| Less Capital on January 1 2005 | 50000        |
| Net Profit                     | <u>12150</u> |

**Problem No. 4**

**Statement of Affairs**  
**As on January 1, 2005**

| Liabilities | Amount         | Assets       | Amount         |
|-------------|----------------|--------------|----------------|
|             | Rs.            |              | Rs.            |
| Creditors   | 43,000         | Cash in hand | 2,750          |
|             |                | Cash at bank | 33,000         |
|             |                | Stock        | 40,000         |
|             |                | Debtors      | 50,000         |
|             |                | Furniture    | 15,000         |
| Capital     | 95,750         |              |                |
|             | <u>140,750</u> |              | <u>140,750</u> |

**Statement of Affairs**  
**As on 31<sup>st</sup> December 2005**

| Liabilities | Amount         | Assets            | Amount         |
|-------------|----------------|-------------------|----------------|
|             | Rs.            |                   | Rs.            |
| Creditors   | 51,000         | Cash in hand      | 56,000         |
|             |                | Cash at bank      | 20,000         |
|             |                | Debtors           | 60,000         |
|             |                | Less Reserve      | <u>3,000</u>   |
|             |                |                   | 57,000         |
|             |                | Furniture         | 22,000         |
|             |                | Less Depreciation | <u>2,200</u>   |
|             |                |                   | 19,800         |
| Capital     | 101,800        |                   |                |
|             | <u>152,800</u> |                   | <u>152,800</u> |

## Statement of Profit and Loss Account

|                                   |                      |
|-----------------------------------|----------------------|
| Capital as on 31st December, 2005 | 101,800              |
| Add drawings                      | 4,000                |
|                                   | <u>105,800</u>       |
| Less Capital on Jan. 1            | 95,750               |
|                                   | <u><u>10,050</u></u> |

## Problem No. 5

Statement of Affairs  
As on January 1, 2005

| Liabilities      | Amount       | Assets         | Amount       |
|------------------|--------------|----------------|--------------|
| Sundry Creditors | 15000        | Sundry Debtors | 53000        |
| Bank Overdraft   | 7400         | Stock          | 17000        |
| Capital          | 69000        | Furniture      | 1400         |
|                  |              | Plant          | 20000        |
|                  | <u>91400</u> |                | <u>91400</u> |

Statement of Affairs  
As on 31st December, 2005

| Liabilities      | Amount        | Assets            | Amount        |
|------------------|---------------|-------------------|---------------|
| Sundry Creditors | 19500         | Cash in hand      | 100           |
| Capital          | 106600        | Bank Balance      | 4000          |
|                  |               | Sundry Creditors  | 88000         |
|                  |               | Less Reserve      | <u>4400</u>   |
|                  |               | Stock             | 19000         |
|                  |               | Furniture         | 1400          |
|                  |               | Plant             | 20000         |
|                  |               | Less Depreciation | <u>2000</u>   |
|                  | <u>126100</u> |                   | <u>180000</u> |
|                  |               |                   | <u>126100</u> |

**Statement of Profit and Loss Account**  
**For the year ended 31st December, 2005**

|                              |                     |
|------------------------------|---------------------|
|                              | Rs.                 |
| Capital as on 31st December  | 106600              |
| Add drawings                 | 30000               |
|                              | <u>136600</u>       |
| Less Fresh Capital           | 6000                |
|                              | <u>130600</u>       |
| Less Interest on Capital     | 3600                |
|                              | <u>127000</u>       |
| Less Capital as on Jan. 2005 | 69000               |
| Net Profit for the year      | <u><u>58000</u></u> |

**Problem No. 6**

**Statement of Affairs**

As on January 1, 2005 *31st Dec 2005*

| Liabilities  |        | Amount        | Assets            |       | Amount               |
|--------------|--------|---------------|-------------------|-------|----------------------|
|              |        | Rs.           |                   |       | Rs.                  |
| Creditors    |        | 8,500         | Cash in hand      |       | 2,500                |
| Loan         | 10,000 |               | Cash at bank      |       | 10,000               |
| Add Interest | 1,000  | 11,000        | Stock in trade    |       | 24,000               |
|              |        |               | Debtors           |       | 4,000                |
|              |        |               | Investment        |       | 8,000                |
| Capital      |        | 30,900        | Furniture         | 2,000 |                      |
|              |        | <u>50,400</u> | Less Depreciation | 100   | 1,900                |
|              |        |               |                   |       | <u><u>50,400</u></u> |

**Statement of Profit and Loss Account**  
**As on December, 2005**

|                                   |                     |
|-----------------------------------|---------------------|
|                                   | Rs.                 |
| Capital as on 31st December, 2005 | 30,900              |
| Add drawings                      | 12,000              |
|                                   | <u>42,900</u>       |
| Less Capital on Jan. 2005         | 40,000              |
| Net Profit                        | <u><u>2,900</u></u> |

**Balance Sheet**  
**As on 31st December, 2005**

| Liabilities    |        | Amount | Assets         |  | Amount |
|----------------|--------|--------|----------------|--|--------|
|                |        | Rs.    |                |  | Rs.    |
| Creditors      |        | 8,500  | Cash in hand   |  | 2,500  |
| Loan           | 10,000 |        | Cash at bank   |  | 10,000 |
| Add Interest   | 1,000  | 11,000 | Stock in trade |  | 24,000 |
| Capital        | 40,000 |        | Debtors        |  | 4,000  |
| Add Net Profit | 2,900  |        | Investment     |  | 8,000  |
|                | 42,900 |        | Furniture      |  | 2,000  |
| Less Drawings  | 12,000 | 30,000 |                |  |        |
|                |        | 50,400 |                |  | 50,400 |

**Problem No. 7**

**Statement of Affairs**  
**As on 31st December, 2005**

| Liabilities      |      | Amount | Assets            |      | Amount |
|------------------|------|--------|-------------------|------|--------|
|                  |      | Rs.    |                   |      | Rs.    |
| Sundry Creditors |      | 500    | Cash in hand      |      | 2800   |
| Rent outstanding |      | 150    | Sundry Debtors    |      | 4800   |
| Loan             | 5000 |        | Stock             |      | 6800   |
| Add Interest     | 225  | 5225   | Bills Receivable  |      | 1600   |
| Capital          |      | 11925  | Furniture         | 2000 |        |
|                  |      |        | Less depreciation | 200  | 1800   |
|                  |      | 17800  |                   |      | 17800  |

**Statement of Profit and Loss Account**  
**As on 31st December, 2005**

|                                  |                    |
|----------------------------------|--------------------|
|                                  | Rs.                |
| Capital as on 31st December 2005 | 11925              |
| Add drawings                     | 3600               |
|                                  | <u>15525</u>       |
| Less Capital during the year     | 1500               |
|                                  | <u>14025</u>       |
| Less Capital on Jan. 1, 2005     | 10000              |
| Net Profit                       | <u><u>4025</u></u> |

**Problem No. 8**

**Statement of Affairs**  
**As on 31st December, 2005**

|                          |      | Rs.   |                            | Rs.   |
|--------------------------|------|-------|----------------------------|-------|
| Creditors                |      | 7000  | Cash                       | 2000  |
| Bank Loan                | 4000 |       | Debtors                    | 16700 |
| Add outstanding Interest | 350  | 4350  | Less Reserve for bad debts | 835   |
| Capital                  |      | 16385 | Stock                      | 4000  |
|                          |      |       | Motor cycle                | 5000  |
|                          |      |       | Less depreciation          | 750   |
|                          |      |       | Furniture                  | 1800  |
|                          |      |       | Less depreciation          | 180   |
|                          |      | 27735 |                            | 1620  |
|                          |      |       |                            | 27735 |

**Statement of Profit and Loss Account**  
**For the year ended on 31st December, 2005**

|                              |           |
|------------------------------|-----------|
| Capital as on 31st December  | Rs. 16385 |
| Less Fresh Capital           | 1000      |
|                              | 15385     |
| Add Drawings                 | 700       |
|                              | 16085     |
| Less Capital on Jan. 1, 2005 | 15000     |
| Net Profit                   | 1085      |

**Problem No. 9**

**Statement of Affairs**  
**As on January 1, 2005**

| Liabilities               | Amount | Assets                | Amount |
|---------------------------|--------|-----------------------|--------|
|                           | Rs.    |                       | Rs.    |
| Sundry Creditors          | 30,800 | Motor Van             | 3,800  |
| Cash at bank (Over Draft) | 40,000 | Furniture and Fixture | 3,000  |
|                           |        | Stock in Trade        | 33,400 |
|                           |        | Sundry Debtors        | 22,400 |
|                           |        | Cash in hand          | 500    |
| Capital                   | 22,400 | Bills Receivable      | 30,100 |
|                           | 93,200 |                       | 93,200 |

**Statement of Affairs**  
**As on 31st December, 2005**

| Liabilities              | Amount | Assets                | Amount |
|--------------------------|--------|-----------------------|--------|
|                          | Rs.    |                       | Rs.    |
| Cash at bank (overdraft) | 38,000 | Cash in hand          | 2,400  |
| Sundry Creditors         | 28,000 | Bill Receivable       | 29,400 |
|                          |        | Less Reserve          | 1,400  |
|                          |        | Sundry Debtors        | 21,000 |
|                          |        | Less bad debts        | 1,000  |
|                          |        |                       | 20,000 |
|                          |        | Less Reserve          | 1,000  |
|                          |        | Motor Van             | 3,800  |
|                          |        | Less Depreciation     | 600    |
|                          |        | Furniture and Fixture | 3,000  |
|                          |        | Less Depreciation     | 300    |
| Capital                  | 15,500 | Stock in Trade        | 27,000 |
|                          | 82,300 |                       | 82,300 |

**Statement of Profit and Loss Account**  
**As on December, 2005**

|                                   |        |
|-----------------------------------|--------|
|                                   | Rs.    |
| Capital as on 31st December, 2005 | 15,500 |
| Add drawings                      | 5,200  |
|                                   | 20,700 |
| Less Capital on January           | 22,400 |
| Net Loss                          | 1,700  |

**Balance Sheet**  
**As on 31st December, 2005**

| Liabilities    | Amount | Assets           | Amount |
|----------------|--------|------------------|--------|
|                | Rs.    |                  | Rs.    |
| Creditors      | 28,000 | Cash in hand     | 2,400  |
| Bank Overdraft | 38,800 | Bills Receivable | 29,400 |
| Capital        | 22,400 | Less Reserve     | 1,400  |
| Less Net Loss  | 1,700  | Sundry Debtors   | 21,000 |
|                | 20,700 | Less Bad Debts   | 1,000  |

|               |       |        |                       |        |
|---------------|-------|--------|-----------------------|--------|
| Less Drawings | 5,200 | 15,500 | 20,000                |        |
|               |       |        | Less Reserve          | 1,000  |
|               |       |        | Stock in Trade        | 19,000 |
|               |       |        | Motor Van             | 3,800  |
|               |       |        | Less Depreciation     | 600    |
|               |       |        | Furniture and Fixture | 3,000  |
|               |       |        | Less Depreciation     | 300    |
|               |       | 82,300 |                       | 2,700  |
|               |       |        |                       | 82,300 |

**Problem No. 10****Mr. Irfan****Statement of Affairs****As on January 1, 2005**

| Liabilities      | Amount  | Assets              | Amount  |
|------------------|---------|---------------------|---------|
|                  | Rs      |                     | Rs.     |
| Sundry Creditors | 140,000 | Cash in hand        | 7,500   |
| Bill Payable     | 5,000   | Bank Balance        | 63,000  |
| Capital          | 453,000 | Sundry Debtors      | 150,000 |
|                  |         | Stock               | 96,000  |
|                  |         | Furniture & Fixture | 31,500  |
|                  |         | Plant & Machinery   | 250,000 |
|                  | 598,000 |                     | 598,000 |

**Mr. Irfan****Statement of Affairs****As on January 1, 2005**

| Liabilities      | Amount  | Assets              | Amount  |
|------------------|---------|---------------------|---------|
| Sundry Creditors | 12,000  | Cash in hand        | 5,800   |
| Bills Payable    | 7,000   | Bank Balance        | 72,000  |
| Capital          | 536,620 | Stock in Trade      | 104,200 |
|                  |         | Sundry Debtors      | 189,000 |
|                  |         | Less Reserve        | 3,780   |
|                  |         | Plant & Machinery   | 300,000 |
|                  |         | Less Depreciation   | 45,000  |
|                  |         | Furniture & Fixture | 46,000  |
|                  |         | Less depreciation   | 180     |
|                  | 663,620 |                     | 1620    |
|                  |         |                     | 663,620 |

**Statement of Profit and Loss Account**  
**As on December, 2005**

|                                   |                       |
|-----------------------------------|-----------------------|
|                                   | <b>Rs.</b>            |
| Capital as on 31st December, 2005 | 536,620               |
| Add drawings                      | 60,000                |
|                                   | <u>596,620</u>        |
| Less Capital on January 1, 2005   | 453,000               |
| Net Profit                        | <u><u>143,620</u></u> |

**Mr. Irfan**  
**Statement of Affairs**  
**As on January 1, 2005**

| Liabilities      |                | Amount         | Assets              |         | Amount         |
|------------------|----------------|----------------|---------------------|---------|----------------|
|                  |                | <b>Rs.</b>     |                     |         | <b>Rs.</b>     |
| Sundry Creditors |                | 12,000         | Cash in hand        |         | 5,800          |
| Bills Payable    |                | 7,000          | Bank Balance        |         | 72,000         |
| Capital          | 453,0000       |                | Stock in Trade      |         | 104,200        |
| Add Net Profit   | 143,620        |                | Sundry Debtors      | 189,000 |                |
|                  | <u>596,620</u> |                | Less Reserve        | 3,780   | 185,220        |
| Less Drawings    | 60,000         | 536,620        | Plant & Machinery   | 300,000 |                |
|                  |                |                | Less Depreciation   | 45,000  | 255,000        |
|                  |                |                | Furniture & Fixture | 46,000  |                |
|                  |                |                | Less Depreciation   | 4,600   | 41,400         |
|                  |                | <u>663,620</u> |                     |         | <u>663,620</u> |

**Problem No. 11**

**Statement of Affairs**  
**As on January 1, 2005**

| Liabilities      |  | Amount        | Assets         |  | Amount        |
|------------------|--|---------------|----------------|--|---------------|
|                  |  | <b>Rs.</b>    |                |  | <b>Rs.</b>    |
| Sundry Creditors |  | 800           | Cash in hand   |  | 500           |
|                  |  |               | Cash at bank   |  | 4,000         |
|                  |  |               | Stock in trade |  | 5,600         |
|                  |  |               | Sundry Debtors |  | 3,225         |
| Capital          |  | 13,725        | Furniture      |  | 1,200         |
|                  |  | <u>14,525</u> |                |  | <u>14,525</u> |

**Statement of Affairs**  
**As on 31st December, 2005**

|                  |           |                |          |
|------------------|-----------|----------------|----------|
| Sundry Creditors | 10,940    | Cash in hand   | 335      |
|                  |           | Cash at Bank   | 5,430    |
|                  |           | Stock          | 5,050    |
|                  |           | S. Debtors     | 3,830    |
|                  |           | Less Bad Debts | 120      |
|                  |           |                | 3710     |
|                  |           | Less Provision | 185.50   |
|                  |           | Furniture      | 1,300    |
|                  |           | Less Dep.      | 130      |
| Capital          | 72,069.50 | Motor Truck    | 75000    |
|                  |           | Less Dep.      | 7500     |
| Total:           | 83009.50  |                | 67,500   |
|                  |           |                | 83009.50 |

**Statement of Profit and Loss Account**  
**As on 31st December, 2005**

Capital as on 31st December  
Add drawings  
Less Capital on January 1.  
Net Profit

**Rs.**  
72069 50  
5000.00  
77069.50  
13,725.00  
63344.50

**Balance Sheet**  
**As on December, 2005**

| Liabilities      | Amount   | Assets            | Amount   |
|------------------|----------|-------------------|----------|
| Sundry Creditors | 10940    | Cash in hand      | 335      |
| Capital          | 13725    | Cash at Bank      | 5430     |
| Add Net Profit   | 63344.50 | Stock             | 5050     |
|                  | 77069.50 | Sundry Debtors    | 3830     |
| Less Drawings    | 5000     | Less Bad Debts    | 120      |
|                  | 72069.50 |                   | 3710     |
|                  |          | Less Provision    | 185.50   |
|                  |          | Furniture         | 1300     |
|                  |          | Less Depreciation | 130      |
|                  |          | Motor Truck       | 75000    |
|                  |          | Less depreciation | 7500     |
| Total:           | 83009.50 |                   | 67500    |
|                  |          |                   | 83009.50 |

**Problem No. 12**

**Mr. Farrukh**  
**Statement of Affairs**  
**As on 1<sup>st</sup> Jan. 2006**

| Equity & Liabilities    | Amount   | Prop. & Assets      | Amount   |
|-------------------------|----------|---------------------|----------|
| Sundry Creditors        | 72,500   | Cash at bank        | 20,000   |
| Loan from bank          | 60,000   | S. Debtors          | 1,38,000 |
| Outstanding Liabilities | 43,000   | Stock in trade      | 15,000   |
|                         |          | Furniture & Fixture | 8,000    |
| Capital (Bal Fig)       | 83,500   | Land & Building     | 30,000   |
|                         |          | Plant & machinery   | 48,000   |
|                         | 2,59,000 |                     | 2,59,000 |

**Mr. Farrukh**  
**Statement of Affairs**  
**As on 1<sup>st</sup> Dec. 2006**

| Equity & Liabilities    | Amount   | Prop. & Assets      | Amount        |
|-------------------------|----------|---------------------|---------------|
| Sundry Creditors        | 75,000   | Cash at bank        | 18,000        |
| Loan from bank          | 50,000   | S. Debtors          | 1,55,000      |
| Outstanding Liabilities | 38,000   | Stock in trade      | 28,000        |
|                         |          | Furniture & Fixture | 8,000         |
| Capital (Bal Fig)       | 1,33,500 | Add. Purchased      | <u>1,000</u>  |
|                         |          |                     | 9,000         |
|                         |          | Less: Depreciation  | <u>900</u>    |
|                         |          | Land & Building     | 30,000        |
|                         |          | Less: Depreciation  | <u>600</u>    |
|                         |          | Plant & machinery   | 48,000        |
|                         |          | Less: Sold          | <u>15,000</u> |
|                         |          |                     | 33,000        |
|                         |          | Add. Purchased      | <u>31,500</u> |
|                         |          |                     | 64,500        |
|                         |          | Less: Depreciation  | <u>4,500</u>  |
|                         |          |                     | 60,000        |
|                         | 2,98,500 |                     | 2,98,500      |

**Mr. Farrukh**  
**Statement of Profit and Loss**  
**As on 31<sup>st</sup> Dec. 2006**

|                                                     |               |                     |
|-----------------------------------------------------|---------------|---------------------|
| Capital as on 31st Dec. 2006                        |               | 1,33,500            |
| Add Drawings                                        |               | <u>4,500</u>        |
|                                                     |               | 1,38,000            |
| Less Profit on sale of Machinery                    | 2,500         |                     |
| Less: Additional Capital introduced during the year | 50,000        |                     |
| Less Capital as on 1 <sup>st</sup> Jan. 2006        | <u>83,500</u> | 1,36,000            |
| Net Profit                                          |               | <u><u>2,000</u></u> |

**Problem No. 13**

**Trading Profit and Loss Account**  
**For the year ended December 31, 2005**

| Particulars             | Amount | Particulars         | Amount |
|-------------------------|--------|---------------------|--------|
|                         | Rs.    |                     | Rs.    |
| To Stock (Opening)      | 900    | By Sales            | 2,210  |
| To Purchases 1,400      |        | By Stock (ending)   | 750    |
| Less Drawing 50         | 1,350  |                     |        |
| To Wages 420            |        |                     |        |
| Less Drawing 208        | 212    |                     |        |
| To Gross Profit C/F     | 498    |                     |        |
| Total                   | 2,960  | Total               | 2,960  |
| To Sundry Expenses      | 200    | To Gross Profit B/F | 498    |
| To Net Profit (Capital) | 298    |                     |        |
| Total:                  | 498    | Total:              | 498    |

**M/S A. Trader**  
**Balance Sheet**  
**As on December 31, 2005**

| Liabilities    | Amount | Assets       | Amount |
|----------------|--------|--------------|--------|
|                | Rs.    |              | Rs.    |
| Creditors      | 200    | Cash at Bank | 140    |
| Capital        | 910    | Debtors      | 160    |
| Add Net Profit | 298    | Stock        | 750    |
|                | 1,208  |              |        |
| Less Drawing   | 258    |              |        |
| (208+50)       |        |              |        |
| Total:         | 1,150  | Total:       | 1,150  |

**Problem No. 14**

|                  |            |
|------------------|------------|
| <b>Purchases</b> | <b>Rs.</b> |
| Cash Purchases   | 4,500      |
| Credit Purchases | 10,200     |
| Total Purchases: | 14,700     |

|                  |            |
|------------------|------------|
| <b>Sales</b>     | <b>Rs.</b> |
| Cash Sales       | 3,500      |
| Credit Sales     | 12,000     |
| Total Purchases: | 15,500     |

**Mr. A**  
**Trading, Profit and Loss Account**  
**For the year ended on December 31, 2005**

| Particulars             | Amount | Particulars     | Amount |
|-------------------------|--------|-----------------|--------|
|                         | Rs.    |                 | Rs.    |
| To Purchases            | 14,700 | By Sales        | 15,500 |
| To Gross Profit         | 3,050  | By Stock        | 2,250  |
| Total:                  | 17,750 | Total:          | 17,750 |
| To Trade Expenses       | 1,325  | By Gross Profit | 3,050  |
| To War Charity          | 50     | By Commission   | 250    |
| To Depreciation         | 10     |                 |        |
| To Bad Debts            | 500    |                 |        |
| To Net Profit (Capital) | 1,415  |                 |        |
|                         | 3300   |                 | 3300   |

**Mr. A**  
**Balance Sheet**  
**As on 31st December, 2005**

| Liabilities    | Amount | Assets            | Amount |
|----------------|--------|-------------------|--------|
|                | Rs.    |                   | Rs.    |
| Creditors      | 2,350  | Cash in Hand      | 1,500  |
| Expenses Owing | 150    | Debtors           | 5,000  |
| Capital        | 5,000  | Expenses Prepaid  | 75     |
| Add Net Profit | 1,415  | Stock             | 2,250  |
|                | 6,415  | Furniture         | 100    |
|                |        | Less Depreciation | 10     |
| Total:         | 8,915  | Total:            | 8,915  |

**Problem No. 15**

**M/S. A & B**  
**Trading, Profit and Loss Account**  
**For the year ended on December 31, 2005**

| Particulars             | Amount | Particulars      | Amount |
|-------------------------|--------|------------------|--------|
|                         | Rs.    |                  | Rs.    |
| To Purchases            | 27,050 | By Sales         | 50,190 |
| To Gross Profit C/D     | 23,140 |                  |        |
| Total:                  | 50,190 | Total:           | 50,190 |
| To Salaries             | 6,100  | Gross Profit B/D | 23,140 |
| To Rent                 | 3,150  |                  |        |
| To Sundry Expenses      | 1,280  |                  |        |
| To Net Profit (Capital) | 12,610 |                  |        |
| Total:                  | 23,140 | Total:           | 23,140 |

**M/S. A & B**  
**Balance Sheet**  
**As on Sept. 30, 2005**

| Liabilities    |        | Amount | Assets              |  | Amount |
|----------------|--------|--------|---------------------|--|--------|
|                |        | Rs.    |                     |  | Rs.    |
| Capital        | 27,610 |        | Good Will           |  | 6,180  |
| Add Net Profit | 12,610 |        | Fitting & Furniture |  | 4,670  |
|                | 40,220 |        | Cash                |  | 2,170  |
| Less Drawing   | 27,200 | 13,020 |                     |  |        |
| Total:         |        | 13,020 | Total:              |  | 13,020 |

**Problem No. 16**

**Mr. Naseem**  
**Trading, Profit and Loss Account**  
**For the year ended on December 31, 2005**

| Particulars           |  | Amount   | Particulars     |  | Amount   |
|-----------------------|--|----------|-----------------|--|----------|
|                       |  | Rs.      |                 |  | Rs.      |
| To Total Purchases    |  | 266,000  | By Total Sales  |  | 302,000  |
| To Gross Profit       |  | 56,000   | By Stock        |  | 20,000   |
| Total:                |  | 3,22,000 | Total:          |  | 3,22,000 |
| To Expenses           |  | 22,000   | By Gross Profit |  | 56,000   |
| To Depreciation Truck |  | 12,000   |                 |  |          |
| To Net Profit         |  | 22,000   |                 |  |          |
| Total:                |  | 56,000   | Total:          |  | 56,000   |

**Mr. Naseem**  
**Balance Sheet**  
**As on Sept. 30, 2005**

| Liabilities    |         | Amount  | Assets            |        | Amount  |
|----------------|---------|---------|-------------------|--------|---------|
|                |         | Rs.     |                   |        | Rs.     |
| Capital        | 90,000  |         | Cash              |        | 24,000  |
| Add Net Profit | 22,000  |         | Truck             | 60,000 |         |
|                | 112,000 |         | Less Depreciation | 12,000 | 48,000  |
| Less Drawings  | 10,000  | 102,000 | Bills Receivables |        | 120,000 |
| Bills payable  |         | 110,000 | Stock             |        | 20,000  |
| Total:         |         | 212,000 | Total:            |        | 212,000 |

**Problem No. 17**

**Trading, Profit and Loss Account**  
**For the year ended on December 31, 2005**

| Particulars              | Amount | Particulars             | Amount |
|--------------------------|--------|-------------------------|--------|
| To Purchase 19000        |        | By Sales 17000          |        |
| To Less Drawings 500     | 18500  | By Closing Stock 6500   |        |
| To Gross Profit c/d      | 5000   |                         |        |
|                          | 23500  |                         | 23500  |
| To Office Salaries 2000  |        | By Gross Profit b/d 200 |        |
| To Bad Debts 500         |        |                         |        |
| To Business Expenses 700 |        |                         |        |
| To Net Profit 1800       |        |                         |        |
| Total 5000               |        | Total: 5000             |        |

**Balance Sheet**  
**As on 31st December, 2005**

| Liabilities         | Amount | Assets              | Amount |
|---------------------|--------|---------------------|--------|
| Sundry Creditors    | 5600   | Cash 800            |        |
| Capital 10000       |        | Closing Stock 6500  |        |
| Add Net Profit 1800 |        | Sundry Debtors 5200 |        |
|                     | 11800  | Furniture 3000      |        |
| Less Drawings 1900  | 9900   |                     |        |
| Total: 15500        |        | Total: 15500        |        |

**Calculation of Cash**  
**Cash**

|                                    |  |                                |  |
|------------------------------------|--|--------------------------------|--|
| To Capital 10000                   |  | By Cash paid to Creditors 9900 |  |
| To Sales 7000                      |  | By Purchases 4000              |  |
| To Cash Received from Debtors 4300 |  | By Drawings 1200               |  |
|                                    |  | By Salaries 2000               |  |
|                                    |  | By Business Expenses 700       |  |
|                                    |  | By Drawings 200                |  |
|                                    |  | By Furniture 3000              |  |
|                                    |  | By Closing Balance 800         |  |
| Total: 21300                       |  | Total: 21300                   |  |