

**Course  
&  
Test Series**

**Self-Made Assignment - Manual Accounting**

Financial Statement with Adjustments - Interest on Capital and Interest on Drawings

**Question:**

From the following Trial Balances of Sh. Prince Malhotra, prepare Trading and Profit & Loss Account for the year ended 31<sup>st</sup> December 1993 and a Balance Sheet as on that date:-

	Amount (Dr.)	Amount (Cr.)
Purchases and Sales	2,75,000	5,20,000
Return Inwards	15,000	
Return Outwards		9,000
Carriage	12,400	
Wages and Salaries	58,600	
Trade Expenses	2,200	
Rent		13,000
Insurance	2,000	
Audit fees	1,200	
Debtors and Creditor	1,10,000	62,100
B/R and B/P	3,300	2,200
Printing and Advertising	5,500	
Commission		1,000
Opening Stock	36,000	
Cash in Hand	12,800	
Cash at Bank	26,800	
Bank Loan		20,000
Interest on loan	1,500	
Capital		2,50,000
Drawings	15,000	
Fixed Assets	3,00,000	
	<u>8,77,300</u>	<u>8,77,300</u>

**Adjustments:**

1. Stock at the end Rs. 60,000.
2. Depreciate Fixed Assets by 10%.
3. Commission earned but not received amount to Rs.400.
4. Rent received in Advance Rs.1000.
5. Allow 8% Interest on Capital and Charge Rs. 900 as Interest on Drawings.

...many more

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