

**Course  
&  
Test Series**

**Self-Made Assignment - Manual Accounting**

Financial Statement with Adjustment - Interest on loan and Bad debt

**Question:**

From the Following Trial Balance extracted from the books of A, prepare Trading and Profit & Loss Account for the year ending 31<sup>st</sup> March 2008 and a Balance Sheet as at that date.

	Dr. (₹)	Cr. (₹)
Furniture	640	
Loose Tools	6,250	
Buildings	7,500	
Capital Account		12,500
Bad-debts	125	
Provision for Bad-debts		200
Sundry Debtors and Creditors	3,800	2,500
Stock on 1st April, 2007	3,460	
Purchases and Sales	5,475	15,450
Bank Overdraft		2,850
Sales Return and Purchases Return	200	125
Stationery	450	
Interest Account	118	
Commission		375
Cash in hand	650	
Taxes and Insurance	1,250	
General Expenses	782	
Salaries	3,300	
	<b>34,000</b>	<b>34,000</b>



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Financial Statement with Adjustment - Interest on loan and Bad debt

The Following Adjustments are to be made:

1. Stock in Hand for 31<sup>st</sup> March 2008 was Rs.3250.
2. Depreciate Building at 5% and Furniture at 10%. Loose tools are revalued at Rs.5000 at the end of the year.
3. Salaries Rs.300 and Taxes Rs.120 are Outstanding.
4. Insurance amounting to Rs. 100 is prepaid.
5. Write off a further Rs.100 as Bad debts and Provision for doubtful debts is to be made 5% on Sundry Debtors.
6. Half of the Stationery was used by the Proprietor for his personal purposes.



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