1. Credit side of Trial Balance as on 31.4.05 shows ‘Commission received Rs. 1,000. Commission accrued but not yet received Rs. 150. Pass adjusting entry.

2. **The Trial Balance (31.3.06) shows the following:**
   
   Bank loan @ 10% Rs. 3,00,000
   Interest paid Rs. 10,000

   Provide interest outstanding. Pass adjusting entry.

3. **Calculate the missing information from the following:**
   
   Profit 35,000  
   Drawings 55,000

   Capital at the end ?  
   Capital in the beginning 1,20,000  
   Additional Capital 10,000

4. **From the following, find out total sales:**
   
   Opening Sundry debtors 60,000  
   Cash received from Sundry debtors 90,000  
   Discount allowed 3,000  
   Sales return 7,500  
   Closing Sundry debtors 74,500  
   Cash sales 65,000

5. A Machine was bought for Rs 2,00,000 on 1.1.2000. This is expected to last for five years. Estimated scrap at the end of five years is Rs 40,000. Find out the rate of Depreciation under straight line method.

6. A machine was purchased for Rs 3,00,000 on 1.4.2005. This is expected to last 10 years. Estimated scrap at the end of 10 years Rs 30,000. Find out the rate of Depreciation under straight line method.

7. **Calculate Capital turnover ratio from the following information:**
   
   Cash sales Rs 2,00,000  
   Credit sales Rs 1,75,000  
   Sales return Rs 25,000  
   Equity share capital Rs 1,00,000  
   Long term loans Rs 50,000  
   Reserves Rs 25,000

8. **Calculate creditors turnover ratio from the following:**
   
   Credit purchases Rs 1,50,000  
   Opening creditors Rs 36,000  
   Closing creditors Rs 24,000

9. Vinod Ltd. Issued 10000 shares of Rs. 100 each at a discount of 10% for cash. Give journal entry.

10. Sai Ltd. Issued 20000 shares of Rs. 10 each @ a premium of Rs. 2 per share. Give journal entry.
ANSWER THE FOLLOWING QUESTIONS:

1. From the following Trial Balance of Mr. Ravi, prepare Trading and Profit and Loss Account for the year ended 31st March, 2002 and a Balance Sheet as on that date.

   Capital 40,000
   Debtors 2,500
   Sales 25,000
   Salaries 2,000
   Insurance 300
   Machinery 28,000
   Cash 2,000

   Stock (1.4.2001) 5,200
   Creditors 1,000
   Purchases 15,000
   Rent 1,500
   Drawings 5,000
   Bank Balance 4,500

   Adjustments required:
   a) Stock on 31.3.02 Rs. 4,900
   b) Salaries unpaid Rs. 300
   c) Rent paid in advance Rs. 200
   d) Insurance prepaid Rs. 90

2. From the following details, prepare Trading and Profit & Loss account for the period ended 31.3.2004 and a Balance sheet on that date.

   As on 1.4.2003   As on 31.3.2004
   Stock
   Sundry Debtors 50,000
   Cash
   Furniture
   Sundry Creditors
   Other Details:
   Drawings 20,000
   Discount received 7,500
   Sundry expenses 17,500
   Cash paid to creditors 22,500
   Cash received from debtors 267,500
   Sales return 7,500
   Purchase return 2,500
   Cash sales 2,500

3. Prepare a cash budget for the months of June, July, and August 2004 from the following information:
   1) Opening cash balance in June Rs.7,000.
   2) Cash sales for June Rs.20,000; July Rs.30,000 and AugustRs.40,000.
   3) Wages payable Rs.6,000 every month.
   4) Interest receivable Rs.500 in the month of August.
   5) Purchase of furniture for Rs.16,000 in July.
   6) Cash Purchases for June Rs.10,000; July Rs.9,000 and, August Rs.14,000.
ACCOUNTANCY

Class: XII

Answer all questions:-

1. The Trial Balance shows the following as on 31.03.2006

Bank loan @ 10% [on 01.04.2005] Rs 10,00,000
Interest paid Rs 60,000
Provide for interest on bank loan outstanding pass adjusting entry and how will appears in the final accounts.

2. Rent received shown in the Trial balance as on 31st December 2001. Rs 10,000.
Rent received in advance is Rs 1,500. You are required to show how it appears in the profit and Loss a/c and balance sheet.

3. Give adjusting entry and transfer entry for Depreciation at 10% per annum on Machinery of Rs 25,000.

4. The Trial balance 31.3.2005 shows Rs 40,000 as Insurance premium paid.
Unexpired insurance premium Rs 5,000. pass adjusting entry and show how this item will appear in the Profit and loss account and Balance sheet.

5. From the following information calculate the missing information;
Drawings 40,000
Additional capital 60,000
Opening capital 60,000
Profit 50,000
Closing capital?

6. Calculate the missing information:
Capital at the end 80,000
Capital at the beginning 60,000
Profit 32,000
Additional capitals 10,000
Drawings?

7. From the following information, find out the total sales.
Sundry Debtors (1-04-2004) 50,000
Cash received from sundry Debtors 80,000
Sales return 5,000
Closing (31.03.2005) Sundry Debtors 75,000
Cash Sales 79,000
Discount allowed to debtors 2,000.
8. Calculate the sundry debtors at the end:
Opening sundry debtors 80,000
Total sales 3,20,000
Cash sales 40,000
Cash received from sundry debtors 1,56,000
Returns inwards 10,000

9. Find out the rate of depreciation under straight line method.
Cost of plant Rs 1,30,000
Installation charges Rs 20,000
Expected life in year 10 years
Scrap value Rs 30,000

10. Find out the rate of depreciation under straight line method
Cost of plant Rs 4,60,000
Installation charges Rs 40,000
Expected life in year 10 years
Scrap value Rs 1,00,000

11. Gokul & co purchased machinery for Rs 48,000 Its useful life 10 years and the scrap value is Rs 4,800. Determine the rate of depreciation under the straight line method.

12. M/S Victory & co purchased a plant for Rs 5,00,000 Depreciation is to be provided annually according to the straight line method. The useful life of the plant is 10 years and the residual value is Rs 50,000. Find out the rate of depreciation.

13. From the following information determine the stock Turnover ratio.
Opening stock Rs 40,000
Closing stock Rs 30,000
Purchases Rs 95,000

14. From the following information calculate Debts equity ratio:
Equity share capital Rs 3,00,000
Loan from banks Rs 2,00,000
6% Debentures Rs 5,00,000
Reserves Rs 50,000

15. Calculate Liquid Ratio
Current assets Rs 20,000
Stock Rs 3,000
Prepaid Expenses Rs 1,000
Current liabilities Rs 8,000
16. Calculate creditor’s turnover ratio from the following:
Credit purchases Rs 1, 50,000
Opening creditors Rs 36,000
Closing creditors Rs 24,000

17. The opening balance of Cash on 1.4.2009 was Rs 50,000. Estimated receipts during the month were Rs 80,000 and the estimated payments for the month were Rs 1, 00,000. Determine the closing balance on 30.4.2009.

18. The opening balance of cash in January 2002 is Rs 1, 50,000. The estimated cash receipts are Rs 50,000 and the estimated cash payments are Rs 30,000. What is the opening balance of cash in February 2002?

19. From the following information prepare cash budget for June 2005.

<table>
<thead>
<tr>
<th>Cash in hand (1.6.2005)</th>
<th>10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash sales-June (2005)</td>
<td>1, 00,000</td>
</tr>
<tr>
<td>Cash purchases-June (2005)</td>
<td>70,000</td>
</tr>
<tr>
<td>Purchases of furniture-June (2005)</td>
<td>2,500</td>
</tr>
</tbody>
</table>

20. The opening balance of Cash in January 2007 is Rs 90,000. The estimated receipts are Rs 1, 40,000 and the estimated payments are Rs 1, 00,000. Find out the closing balance of cash for January 2007.

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ACCOUNTANCY

Class: XII
Marks: 75

Section - A

I) Fill in the blanks :

1. Depreciation is deducted from the concerned ________ in the Balance sheet.
2. Prepaid expenses are shown on the ________ side of the balance sheet.
3. Interest on drawings is credited in ________ account.
4. A statement of affairs resembles a ________.
5. Closing capital can be found by preparing statement of affairs at the ________ of the year.
6. The excess of assets over liabilities is ________.
7. ________ method of depreciation is calculated on the original cost of assets.
8. Under ________ method, depreciation is calculated on the book value of the asset each year.
9. All assets whose benefit is derived for a ________ period of time are called as ________ Assets.
10. ________ is those assets which are easily convertible into cash.
11. Bank overdraft is an example of ________ liability.
12. Liquid ratio is used to assess the firm’s ________ liquidity.
13. The term ‘cash’ in cash budget stands for ________ and ________.
14. Cash budget is also called as ________.
15. There are ________ methods by which a cash budget is prepared.

Section - B

II) Answer all questions:

5X12=60

1) a). The Trial Balance as on 31st March 2003 show Sundry debtors Rs.60,000. Write off bad debts Rs.4,000.

Pass adjusting and transfer entry. Show how this item will appear in the Final accounts.

b). The Trial Balance shows on 31.3.2002, Sundry debtors Rs.1,50,000.
Adjustments:
Provide 5% provision for bad and doubtful debts on Sundry debtors. Pass adjusting entry and how this item will appear in the Final accounts.

2) Mrs. Vanitha keeps her books on singly entry basis. Find out the profit or loss made for the period ending 31.3.2004.

<table>
<thead>
<tr>
<th>Assets &amp; Liabilities</th>
<th>1.4.2003</th>
<th>31.3.2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Balance</td>
<td>3,500(Cr.)</td>
<td>4,500 (Dr.)</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>200</td>
<td>300</td>
</tr>
<tr>
<td>Stock</td>
<td>3000</td>
<td>4000</td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>8500</td>
<td>7600</td>
</tr>
<tr>
<td>Plant</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Furniture</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td>15,000</td>
<td>18,000</td>
</tr>
</tbody>
</table>

Mrs. Vanitha had withdrawn Rs.10,000 for her personal use and had introduced fresh capital of Rs.4,000. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and furniture at 15%.

3) Ganesh & Co. purchased a Machinery worth Rs.3,00,000 on 1st October 2000. They spent Rs.20,000 on its erection. The firm writes off depreciation at the rate of 10% on the original cost every year. The books are closed on 31st March of every year. Prepare Machinery account and Depreciation account for three years.

4) From the following, calculate Operating profit ratio and Operating ratio, Gross profit ratio and Net profit ratio.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Dividend received</td>
<td>400</td>
</tr>
<tr>
<td>Gross profit</td>
<td>30,000</td>
</tr>
<tr>
<td>Net profit</td>
<td>26,600</td>
</tr>
</tbody>
</table>

Selling expense 2,000
Loss on sale of investments 800
Administration expenses 1,000
5) From the following, prepare a cash budget for August & September 2004

<table>
<thead>
<tr>
<th>Particulars</th>
<th>July Rs.</th>
<th>August Rs.</th>
<th>September Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash purchases</td>
<td>1,00,000</td>
<td>2,00,000</td>
<td>3,00,000</td>
</tr>
<tr>
<td>Cash sales</td>
<td>2,75,000</td>
<td>3,25,000</td>
<td>4,75,000</td>
</tr>
<tr>
<td>Credit purchase</td>
<td>1,45,000</td>
<td>2,45,000</td>
<td>3,25,000</td>
</tr>
<tr>
<td>Credit sales</td>
<td>2,75,000</td>
<td>3,45,000</td>
<td>4,00,000</td>
</tr>
<tr>
<td>Expenses</td>
<td>50,000</td>
<td>60,000</td>
<td>70,000</td>
</tr>
</tbody>
</table>

1. Estimated Opening balance of cash on 1st August Rs.80,000
2. Credit allowed by suppliers and to customer is one month
3. Expenses are payable in the same month
4. Dividend receivable in August is Rs.16,000
5. Commission payable in September is Rs.2,70,000.

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Class: XII

A) Choose the best answer:-

1. Cash budget deals with-----------------
   a) Estimated cash receipts       b) Estimated cash payments       c) Estimated cash receipts & Estimated cash payments

2. Budget is an estimate relating to------------period.
   a) Future b) current c) past

3. Budget is expressed in terms of-------------
   a) Money                b) Physical units              c) Money & Physical units

4. The opening balance of cash in January is Rs.9, 000. The estimated receipts are Rs.14, 000 and the estimated payments are Rs.10, 000. The opening balance of cash in February will be -
   a) Rs. 21,000                      b) Rs. 11,000                                c) Rs. 13,000

5. Purchase of Furniture is an example for -----------
   a) Cash receipts                              b) Cash payments             c) None of the above

B) Fill in the blanks:-

6. There are __________ methods by which a cash budget is prepared.

7. The closing balance of one month will be the __________ balance of the next month.

8. The term ‘cash’ in cash budget stands for __________ and __________.

9. Cash budget is also called as __________.

10. The opening balance of cash in April is Rs.1250. Total receipts for the month are Rs.4300 and total payments amounted to Rs.3750. Opening balance of cash in May will be ______

11. Cash budget is a useful tool for __________.

C) Answer FOUR of the following questions:-

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12. The opening balance of Cash on 1.4.2009 was Rs 50,000. Estimated receipts during the month were Rs 80,000 and the estimated payments for the month were Rs 1,00,000. Determine the closing balance on 30.4.2009.

13. The opening balance of cash in January 2002 is Rs 1,50,000. The estimated cash receipts are Rs 50,000 and the estimated cash payments are Rs 30,000. What is the opening balance of cash in February 2002?


15. Give few examples for cash receipts?

D) Answer for the following questions:

16. What do you mean by cash budget? What are the characteristics and advantages of cash budget?

17. Explain the steps and methods of cash budget? What are the examples of cash receipts and payments?

E) Answer for the following question:

18. From the following information prepare a cash Budget for three months from October 2003.

1. Opening cash balance in October Rs 6,000

2. Cash sales: October Rs 50,000; November Rs 40,000; December Rs 30,000

3. Credit purchases: September Rs 20,000; October Rs 24,000; November Rs 28,000; December Rs 32,000. The period of credit allowed by suppliers is one month

4. Dividend to be received in December Rs 8,000

5. Sale of old assets for Rs 24,000 during November
1. Interest on capital is added to………………
   a) Expense A/c b) Income A/c c) Capital A/c
2. Credit sales is obtained from ………………..
   a) Bills Receivable account b) Total debtors account c) Total creditors account
3. The capital of a business is ascertained by preparing………………
   a) Trading accountb) Statement of profit or loss c) Statement of affairs.
4. If selling price is less than the book value of the asset it denotes…………
   a) Loss b) capital profit c) expenditure
5. All activity ratios are expressed in terms of………..
   a) Proportion b) Times c) Percentage
6. Opening stock is equal toRs.10,000, Purchase Rs.2,00,000 and closing stock is Rs.5,000.
   Cost of goods sold is equal to…………………..
   a) Rs. 2, 15,000 b) Rs. 2,10,000 c) Rs. 2,05,000
7. Cash budget deals with ……………………..
   a) Estimated cash receipts b) Estimated cash payments c) Estimated cash receipts &estimated cash payments
8. Opening stock is shown in………………..
   a) Balance sheet b) Profit and Loss account c) Trading account
9. Under the net worth method the basis for ascertaining the profit is …………..
   a) The difference between the capitals on two dates. b) The difference between the liabilities on two dates. c) The difference between the gross assets on two dates
10. Single Entry System is…………………..
    a) a Scientific method b) an Incomplete Double Entry System c) None
11. If selling price is more than the book value of the asset on the date of sale, it is………
    a) A loss b) an incomec) a profit
12. Current assets of a business concern is Rs.60,000 and current liabilities are Rs.30,000. Current ratio will be…………………………
    a) 1 : 2 b) 1 : 1 c) 2 : 1
13. Under straight line method, rate of depreciation is calculated on………..
   a) Original cost b) Written down value c) Cost less scrap value
14. Incomplete records are generally used by…………..
   a) Small traders b) Company c) Government
15. Rent outstanding is …………………
   a) A liability b) an asset c) an income
16. Liquid liabilities means………………
   a) Current liabilities b) Current liabilities – Bank overdraft c) Current liabilities + Bank overdraft
17. Gross profit ratio establishes the relationship between …………
   a) Gross profit & Total sales b) Gross profit & Credit sales c) Gross profit & Cash sales
18. The Profit and Loss account shows…………………..
   a) Financial position of the concern b) Net profit or Net loss c) Gross profit or Gross Loss
19. Purchase of Furniture is an example for …………………
   a) Cash receipt b) Cash payments c) None of the above
20. Cost of goods sold is Rs.4,00,000 and average stock is Rs.80,000. Stock turnover ratio will be ………………..
   a) 5 times b) 4 times c) 7 times
21. All solvency ratios are expressed in terms of…………
   a) Proportion b) Times c) Percentage
22. Gross Profit is transferred to …………….. 
   a) Capital account b) Profit and loss account c) None of the above
23. All the items given in the adjustment will appear at ………….in the Final accounts.
   a) Three places b) Two places c) One Place
24. Under diminishing balance method, depreciation …………..
   a) decreases every year b) increases every year c) constant every year
25. Which of the following option is correct……………..
   a) Tangible Assets = Land + Building + Furniture b) Tangible Assets = Land + Building + Goodwill c) Tangible Assets = Land + Furniture + Goodwill + Copy right
26. Budget is an estimate relating to …………..period.
   a) Future b) current c) past
27. Returns inwards are deducted from…………………
   a) Purchases b) Sales c) Returns outward

28. Profit made on sale of fixed asset is debited to……
   a) Profit and Loss account b) Fixed Asset account c) Deprecation account

29. The opening balance of cash in January is Rs.9, 000. The estimated receipts are Rs.14,000 and the estimated payments are Rs.10,000. The opening balance of cash in February will be
   a) Rs. 21,000 b) Rs. 11,000 c) Rs. 13,000

30. Total sales is Rs, 3, 40,000 and the gross profit made is Rs.1, 40,000. The cost of goods sold will be ……………
   a) Rs.2, 00,000 b) Rs. 4, 80,000 c) Rs. 3, 40,000

31. Depreciation arises due to …………………
   a) Wear and tear of the asset b) fall in the market value of asset c) fall in the value of money

32. Interest on drawings is deducted from………………
   a) Income A/c b) Capital A/c c) Expense A/c

33. The amount of depreciation charged on machinery will be debited to ………
   a) Machinery account b) Depreciation account c) Cash account

34. Operating ratio is equal to…………………
   a) 100 – Operating profit ratio b) 100 + Operating profit ratio c) Operating profit ratio

35. Budget is expressed in terms of…………………
   a) Money b) Physical units c) Money & Physical units

36. Shareholders’ funds includes…………………
   a) Equity share capital, Preference share capital, Reserves & Surplus b) Loans from banks and financial institutions c) Equity share capital, Preference share capital, Reserves & Surplus and Loans from banks and financial institutions

37. Outstanding interest on loan borrowed is to be added to………………
   a) Asset A/c b) Income A/c c) Loan A/c

38. Loss on sale of fixed asset appear on the…………………
   a) Credit side of Depreciation account b) debit side of fixed asset account c) credit side of fixed asset account

39. Equity share capital is Rs.2, 00,000, Reserves & surplus is Rs.30, 000. Debenture Rs.40, 000 and the shareholders’ funds will be………………
   a) Rs.2, 00,000 b) Rs. 2, 30,000 c) Rs. 1, 90,000
40. Closing stock is shown in………………
   a) Profit and loss account b) Trading account and Balance sheet c) None of the above.

41. The term depletion is used for……………
   a) Intangible assets b) Fixed assets c) Natural resources

42. All profitability ratios are expressed in terms of ……………
   a) Proportion b) Times c) Percentage

43. Total sales of a business concern is Rs.8,75,000. If cash sales is Rs.3,75,000, then credit sales will be………………
   a) Rs.12,50,000 b) Rs.5,00,000 c) 12,00,000

44. Rent received in advance is -------------------------
   a) Income    b) asset    c) liability

45. The trial balance shows as on 31.03.2006 shows sundry debtors Rs. 25000. Write off Rs. 1000 as bad debts. The amount of provision for bad and doubtful debts at 5% will be ---------
   a) Rs. 1300  b) Rs. 1200  c) Rs.1250

46. Debtors on 01.04.2005 were RS. 1,00,000 and on 31.03.2006 was RS. 80,000. Cash received from debtors during the year is RS. 1,60,000. The credit sales during the year is ----
   a) RS. 2,40,000 b) RS. 1,40,000 c) 1,60,000

47. The amount of depreciation is RS. 45,000. The original cost of the asset is Rs. 5,00,000. The rate of depreciation is -------------------------
   a) 7%        b) 8%        c) 9%

48. ---------------------- indicates the performance of the business.
   a) Activity ratios b) solvency ratios c) liquidity ratios

49. Stock is a---------------
   a) Fixed asset     b) current asset    c) current liability

50. Credit purchase is obtained from --------------------------
   a) Bills payable account   b) Total debtors account   c) Total creditors account
1. Interest on capital is calculated on the___________
   a) Opening Capital  b) Closing Capital  c) Average Capital

2. The minimum number of persons in a partnership firm is _____
   a) one b) two c) seven

3. In admission, profit from revaluation of assets and liabilities will be transferred to the capital accounts of the old partners in the-------------------------
   a) Old profit sharing ratio  b) Sacrifice ratio  c) New profit sharing ratio

4. _______ ratio is computed at the time of admission of a new partner
   a) Gaining ratio  b) Capital ratio  c) Sacrificing ratio

5. A company can issue shares____________
   a) At par only  b) at par and at premium  c) at par, at premium & at discount

   a) Asset  b) Liability  c) Assets & Liabilities

7. According to Companies (Amendment) Act 2000, a company limited by share can issue _______ kinds of shares.
   a) 1  b) 2  c) 3

8. The old partners share all the accumulated profits and reserves in their___________
   a) New profit sharing ratio  b) oldprofit sharing ratio  c) capital ratio

9. In order to maintain fair dealings, at the time of admission, it is necessary to revalue assets and liabilities of the firm to their _______.
   a) Cost price  b) cost price less depreciation  c) true value

10. Under fixed capital method salary payable to a partner is recorded__________
    a) In Current Account  b) in Capital Account  c) either in Current Account or Capital Account.

11. On admission of a new partner, increase in value of assets is debited to____________
    a) Asset account  b) Profit& Loss adjustment account  c) Old partners’ capital account

12. If the goodwill account is raised for Rs.30,000, the amount is debited to_____
    a) The capital accounts of partners  b) Goodwill Account  c) Cash Account
13. Minimum amount to be collected by a company as application money according to SEBI is _____% of the issue price.
   a) 10% b) 25% c) 50%

14. When the company issue shares at a price more than the face value it is called as an issue at __________.
   a) Par b) Premium c) Discount

15. When A and B sharing profits and losses in the ratio 3:2, admit C as a partner giving him 1/5 share of profits. This will be given by A and B ______________
   a) Equally b) in their capitals ratio c) in their profit sharing ratio

16. If the amount due to the outgoing partner is transferred to loan account then he is entitled to interest at ______ until it is paid out.
   a) 9% b) 5% c) 6%

17. When shares are forfeited the share capital of the company will _______.
   a) Remain same b) reduce c) increase

18. On retirement of a partner goodwill amount is credited to the account of _____________
   a) Only retiring partner b) all partners including retiring partner c) only remaining partner

19. At the time of retirement of a partner, calculation of new profit ratio is _______.
   a) Not necessary b) necessary c) optional

20. If a firm is maintaining both ‘Capital Accounts’ and ‘Current Accounts’ of the partners A and B. Additional capital introduced by B will be recorded in ______________
   a) B’s Current Account b) B’s Capital Account c) either B’s Capital Account or Current Account

21. On admission of a partner if goodwill account is to be raised this should be debited to
   a) Partners’ capital account b) Goodwill account c) Revaluation account

22. In the absence of an agreement profits and losses are divided ____________
   a) in the ratio of capitals b) in the ratio of time devoted by each partner c) equally

23. In the absence of partnership deed, partners shall ______________
   a) Be paid salaries b) not to be paid salaries c) paid salaries to those who work for the firm
24. On admission of a new partner balance of General Reserve Account should be transferred to the capital account of

a) All partners in their new profit sharing ratio  
b) Old partners in their old profit sharing ratio  
c) Old partners in their new profit sharing ratio.

25. The public issue must be kept open for at least______________

a) 3 days b) 5 days c) 7 days

26. The reconstitution of the partnership requires a revision of the ___ of the existing partners

a) Profit sharing ratio b) Capital ratio c) Sacrificing ratio

27. ______ ratio is calculated by taking out the difference between new profit sharing ratio and old profit sharing ratio.

a) Gaining  
b) Capital  
c) Sacrifice

28. According to Table A, interest charged on calls in advance is ______%.

a) 4% b) 5% c) 6%

29. Calls-in-arrears is shown in the Balance Sheet as______________

a) Deduction from called up capital b) addition to paid up capital c) addition to issued capital

30. When A and B sharing profits and losses in the ratio of 3:2, they admit C as a partner giving him 1/3 share of profits. This will be given by A and B_________

a) Equally  
b) In the ratio of their capitals  
c) In the ratio of their profits.

31. Current accounts for partners will be opened under__________

a) Fixed capital method  
b) Fluctuating capital method  
c) Either fixed capital method or fluctuating capital method

32. Where a partner is entitled to interest on capital such interest will be payable,

a) Only out of profits  
b) Only out of capital  
c) Out of profits or out of capital

33. A, B and C are sharing profits in the ratio of 2/5 : 2/5 : 1/5. C retired from business and his share was purchased equally by A and B. Then new profit sharing ratio shall be_____

a) A – 1/2 & B – 1/2  
b) A – 3/5 & B – 2/5  
c) A – 2/5 & B – 3/5

34. The balance of forfeited share account is________ in the Balance Sheet.

a) Added to paid up capital b) added to authorised capital c) deducted from paid up capital.

35. When more number of applications are received than that are offered to the public, it is called ____________.

a) Over subscription b) Under subscription c) Full subscription

36. If new share of the incoming partner is given without mentioning the details of the sacrifice made by the old partners then, the presumption is that old partner’s sacrifice in the _
a) Old profit sharing ratio  
a) Gaining ratio 
b) Capital ratio

37. X and Y are partners sharing the profits and losses in the ratio of 2:3 with capitals of Rs.1, 20,000 and Rs.60,000 respectively. Profits for the year are Rs.9,000. If the partnership deed is silent as to interest on capital. Show how profit is shared among X and Y.

a) Profit : X - Rs. 6,000; Y - Rs.3,000
b) Profit : X - Rs. 3,600; Y - Rs.5,400
c) Profit : X - Rs. 3,000; Y - Rs.6,000

38. Normally companies can issue shares at ________% of discount.
a) 5  b) 10  c) 20

39. Undistributed profits and losses ______ transferred to all the partners account at the time of retirement of a partner.
a) Should be  
b) should not be  
c) may be

40. Capital Reserve is shown on the ________ side of Balance Sheet.
a) Asset  
b) Liability  
c) Both

41. In a partnership business, agreement is ________
a) Compulsory  
b) optional  
c) not necessary

42. The maximum calls that a company can make is ______
a) One b) two c) three

43. At the time of retirement Balance sheet items like Profit & Loss account and General Reserve must be transferred to__________
a) Revaluation A/c 
b) Partner’s Capital A/c  
c) None of the above

44. According to Table A, interest charged on calls-in-arrears is ______%.
a) 4% b) 5% c) 6%

45. In a partnership, partners share their profits and losses in ________ ratio
a) Their capital  
b) equal  
c) agreed

46. Under fixed capital system, the profits and losses of partners will be transferred to their ________ account
a) Current  
b) drawings  
c) capital

47. When the amount due to an outgoing partner is not paid immediately, then it is transferred to_______
a) Capital A/c  
b) Loan A/c  
c) Cash A/c

48. In the absence of any specific agreement partner’s loan to the firm will carry an interest of ______________
a) 6%  
b) 10%  
c) 12%

49. Gaining ratio is calculated at the time of ------------------
a) Dissolution of partnership  
b) admission of a partner  
c) Retirement of a partner

50. Discount on issue of shares will appear in the ------------------ side of the balance sheet.
a) Liability  
b) asset  
c) liabilities and assets
ACCOUNTANCY ONE WORD MODEL TEST – I (FIRST VOLUME)

CLASS: XII  FILL IN THE BLANKS  50X1=50

1. Outstanding expenses are shown on the _____ side of the balance sheet.

2. A statement of affairs resembles a _______.

3. ______ method of depreciation is used in the case of lease

4. The term ‘cash’ in cash budget stands for _____ and ______.

5. _____ Ratio measures the firm ability to pay off its current dues.

6. In the single system, only personal and ______ are opened

7. Closing stock is valued at cost price or ______ price whichever is lower.

8. Closing capital can be found by preparing statement affairs at the _____ of the year.

9. The total assets over liabilities are ________.

10. Liquid ratio is used to assess the firm’s_____ liquidity.

11. The closing balance of one month will be the _____ balance of the next month.

12. Net profit is transferred from profit and loss account to ____ account.

13. Credit purchase can be ascertained as the balancing figure in the _____.

14. Under insurance policy method, cash is paid by way of every year.

15. Ratio helps in _____ fore casting.

16. Stock turnover ratio is otherwise called as ______.

17. Cash budget is a useful tool for ______.

18. _____ratio is modified form of liquid ratio.

19. Prepaid expenses are shown on the _____ side of the balance sheet.

20. Bank overdraft is an example of _____ liability.

21. Incomplete records are those records which are not kept under _____ system.

22. When total sale is Rs. 2, 00 000 cash sales is Rs 65,000. Credit sales will be Rs ______.

23. _____ method of depreciation is calculated on the original cost of assets.

24. Proprietary ratio shows the relationship between _____ and total tangible assets.

25. Interest on capital is debited in ____ account.
26. The excess of assets over liabilities is _____.

27. Income accrued but not received will be shown on the ____ side of the balance sheet.

28. _____ method of depreciation is suitable for special type of assets like loose tools.

29. The estimated sale value of assets at the end of its economic life is called as _____ value.

30. Provision for bad & doubtful debts is deducted from _____ in the balance sheet.

31. A firm has assets worth Rs 60,000 and capital Rs 45,000 it is liabilities is _____.

32. Interest on loan borrowed unpaired is shown on the______ side of the balance sheet.

33. Liquid ratio is otherwise known as ______.

34. There are ______ methods by which a cash budget is prepared.

35. 100% operating profit ratio is equal to _____ ratio.

36. Debts which are not recoverable from sundry debtors are termed as ________.

37. Income received in advance will be shown on the side of the balance sheet.

38. Provision for discount on creditors is deducted from _____ in the balance sheet.

39. _____ capital can be found by preparing a statement of affairs at the beginning of the year.

40. Liquid assets mean current liabilities less _______and _____.

41. Cash budget is also called as ______.

42. Depreciation is deducted from the concerned _____ in the balance sheet.

43. Under _____ method, depreciation is calculated on the book value of the assets each year.

44. _____ is mathematical relationship between two item expressed in quantitative forms.

45. Interest on drawings is credited in _____ account.

46. ____ is those assets which are easily convertible into cash.

47. Liquid liabilities mean current liabilities less ________.

48. Statement of affairs method is also called as ______ method.

49. Gross profit can be ascertained by deducting cost of goods sold from ______.

50. All assets whose benefit is derived for a _____ period of time are called as fixed assets.
ACCOUNTANCY ONE WORD MODELTEST – 2 (SECOND VOLUME)

CLASS: XII

FILL IN THE BLANKS

60X1=60

1. The capital accounts of partners may be ______ or fluctuating.

2. Audit of accounts is done by practicing chartered accounts who are appointed by ____ at the ____.

3. When the value of an asset increases, it results in ______

4. If the value of liabilities decrease, its result in _____ item.

5. Reserve capital can be issued only at the time of ______.

6. Good will is an _____ assets.

7. A sole trader business is owned and managed by _____ person

8. The difference between old profit sharing ratio and new profit sharing ratio at time of admission is ______ ratio.

9. Under ______ goodwill account is raised by crediting the old partners’ capital accounts in the old profit sharing ratio

10. The amount due on the retiring partners is either _____ or is paid in ______

11. _____ is the maximum amount of capital that can be is ______ side of the balance sheet.

12. Securities premium is shown in the ________ side of the balance sheet.

13. ______ is calculated to determine the amount of compensation to be paid by each of the continuing] partners to the outgoing partners.

14. The revaluation profit or loss is transferred to the old partners’ capital accounts, in their ______

15. Under fluctuating capital method, profit or loss in a year. Will be transferred to the respective _____accounts.

16. At the time of admission of a new partner, ______ profit ratio should be found out.

17. The new profit sharing ratio will be determined by how the new partner acquires is ______ from the old partners.

18. Sacrificing ratio is the ratio in which the ole partner’s coexisting? Have agreed tp sacrifice their _____in favour of ______.

19. A public issue can be kept open for more _____ days.

20. The persons who entered into partnership are collectively known as _____.
21. The profit and losses of the business will be shared among the partners in the ______ ratio.

22. Undistributed Profit will appear on the ______ side of the Balance sheet.

23. Minimum subscription that should be received by the company is ______ % of the issued capital.

24. At the time of retirement the revaluation profits of business will be shared by _____ partners.

25. Money lent to the business by a partner is credited to his account and not his capital account.

26. The balance of revaluation account shows ______ on revaluation.

27. At the time of retirement of partners stand to ______.

28. The part of the authorised capital not offered for subscription to the public in known as ______.

29. At the time of admission of a new partner, ______ of assets and liabilities should be taken up.

30. The debit balance of the current account will be shown in the ______ side of the balance sheet.

31. Capital Reserve represents ______ profit.

32. In the absence of any specific agreement between the partners, partner’s loan to the firms will carry an interest at the rate of ______ percentage.

33. Indian partnership act was enacted in the year______.

34. The partner admitted into partnership firm acquires two rights i.e., right to share in the ______ of the partnership and right to share in the ______.

35. At the time of retirement, the profit on revaluation of assets and liabilities will be transferred to the_____ side of the capital account of the partners.

36. Companies have been defined in section ______ of the companies act, ______

37. Interest on partners’ capital is allowed, only when the ______ specifically provides for it.

38. In the event of admission of a new partner, legally there is ______ of old partnership.

39. The management of a company is done by ______.

40. Projected shares have to be reissued at a price ______ than the face value.
41. At the time of admission, when goodwill is raised, the old partners’ capital account will be credited in the ______ ratio.

42. Mutual and _____ agency is the essence of partnership.

43. When an unrecorded liability is brought into books, it results in ______

44. A, B and C shares profit as ½ to A 1/3 to B and 1/6 to C. If B retires then the new profit sharing ratio is ______.

45. _____ is considered as the official signature of the company.

46. Under _____ capital arrangements, current accounts will not be maintained.

47. In the absence of partnership deed, no interest is to be changed on ______.

48. The retiring partner should be paid off of the amount due to him, will be treated as his _____ to the firm.

49. There should be a time gap of _____ between two calls.

50. A partnership can be formed only for ____ business.

51. At the time of retirement, the increases in the value of good will be transferred to the ____ side of the capital accounts of all the partners.

52. Nominal capital is the capital mentioned in the ______ of the company.

53. Interest on partner’s loan should be paid, even if there is no ______ in a year.

54. The liability of shareholders is _____ in a company.

55. The accumulated reserves will be transferred to the old partners’ capital amount in the ______ ratio at the time of his retirement.

56. The excess of average profit over normal profit is ______.

57. When excess application money is adjusted towards allotment is called as ____ allotment.

58. A person can be admitted into the partnership only with the -------------- of all the existing patters.

59. New profit sharing ratio = old ratio + --------------

60. Every public issue of shares must be accompanied by an issue of ---------------
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ACCOUNTANCY

Class: XII

Marks: 75

A) Choose the best answer:- 5X1=5

1. Single Entry System is ...............  
   a) a Scientific method             b) an Incomplete Double Entry System  
   c) None

2. The capital of a business is ascertained by preparing .............  
   a) Trading account   b) Statement of profit or loss  
   c) Statement of affairs

3. Incomplete records are generally used by --------------  
   a) Small traders   b) Company   c) Government

4. Credit sales is obtained from .................  
   a) Bills Receivable account   b) Total debtors account  
   c) Total creditors account

5. Credit purchases is obtained from .............  
   a) Bills Receivable account  
   b) Total debtors account   c) Total creditors account

B) Fill in the blanks:- 6X1=6

6. A statement of affairs resembles a ________.

7. In ________ system, only personal and cash accounts are opened.

8. The excess of assets over liabilities is ________.

9. Statement of affairs method is also called as ________ method.

10. A firm has assets worth Rs.90, 000 and capital Rs.45, 000. Then its liabilities are _____.

11. Closing capital can be found by preparing statement of affairs at the ________ of the year.

C) Answer any FOUR of the following questions:- 4X5=20

12. What is net worth method?

13. What is conversion method?

14. What is statement of affairs?

15. Calculate the missing figure:-

   Capital at the end  12,000  Profit 5,500

   Capital introduced 4,000  Drawings  2,500  Capital at the beginning  ?

16. From the following find out the Total Sales:-

   Sundry Debtors (1-1-2005)  60,000

   Cash received from sundry Debtors  90,000

   Sales return  7,500

   Closing (31.12.2005) Sundry Debtors  74,500

   Cash Sales  65,000
D) Answer for the following questions:

17. Mr. Suthan keeps his books by incomplete double entry. He started business with Rs 3,00,000 on 1.4.2005 on his position was as under:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>8,000</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>50,000</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>20,000</td>
</tr>
<tr>
<td>Bills payable</td>
<td>10,000</td>
</tr>
<tr>
<td>Furniture</td>
<td>40,000</td>
</tr>
<tr>
<td>Outstanding expenses</td>
<td>8,000</td>
</tr>
<tr>
<td>Plant &amp; machinery</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>1,50,000</td>
</tr>
<tr>
<td>Stock</td>
<td>1,50,000</td>
</tr>
<tr>
<td>Bills receivable</td>
<td>15,000</td>
</tr>
</tbody>
</table>

Additional Capital Rs 10,000 and drawings Rs 5,000. Ascertain the Profit or Loss for the year 2005-2006.

18. Mr. David started business with Rs 4,00,000 on 1st April 2003. Is books are kept under incomplete double entry system. On 31st March 2004 his position was as under:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry creditors</td>
<td>3,00,000</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>10,000</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>60,000</td>
</tr>
<tr>
<td>Bills payable</td>
<td>50,000</td>
</tr>
<tr>
<td>Outstanding expenses</td>
<td>25,000</td>
</tr>
<tr>
<td>Furniture</td>
<td>1,00,000</td>
</tr>
<tr>
<td>Plant &amp; machinery</td>
<td>4,00,000</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>2,50,000</td>
</tr>
<tr>
<td>Stock</td>
<td>1,50,000</td>
</tr>
<tr>
<td>Bills receivable</td>
<td>75,000</td>
</tr>
</tbody>
</table>

He introduced an additional capital of Rs 45,000 during the financial year. He withdrew Rs 20,000 for domestic purposes. Ascertain the profit or loss for the year ended 31st March 2004.

E) Answer for the following question:

19. Kannan started business with Rs 2,62,500 on 1.4.2003. He bought furniture for Rs 42,000. He borrowed Rs 52,500 from Bank. He withdrew for personal expenses Rs 75,600. From the details given prepare final accounts on 31.3.2004:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit sales</td>
<td>7,00,000</td>
</tr>
<tr>
<td>Cash sales</td>
<td>3,50,000</td>
</tr>
<tr>
<td>Credit Purchases</td>
<td>7,87,500</td>
</tr>
<tr>
<td>Cash Purchases</td>
<td>1,40,000</td>
</tr>
<tr>
<td>Wages</td>
<td>15,750</td>
</tr>
<tr>
<td>Discount Allowed</td>
<td>3,500</td>
</tr>
<tr>
<td>Salaries</td>
<td>17,500</td>
</tr>
<tr>
<td>Business Expenses</td>
<td>14,000</td>
</tr>
<tr>
<td>Advertisement</td>
<td>17,500</td>
</tr>
<tr>
<td>Closing sundry debtors</td>
<td>2,62,500</td>
</tr>
<tr>
<td>Closing sundry creditors</td>
<td>1,75,000</td>
</tr>
<tr>
<td>Closing stock</td>
<td>1,22,500</td>
</tr>
<tr>
<td>Closing cash balance</td>
<td>1,64,150</td>
</tr>
</tbody>
</table>
| Depreciation to be provided on furniture | 10%
ACCOUNTANCY

Class: XII

A) Answer the following questions:- 5x12=60

1. What are the reasons for providing depreciation?
2. What are the causes of Depreciation?
3. What are the factors determining the amount of depreciation?
4. What is Cash Budget? What are its characteristics and advantages?
5. List the methods and steps that can be used for the preparation of the cash budget. Give few examples for cash receipts and cash payments.

B) Answer the following questions:- 1X15=15

6. Prepare cash Budget for the months of June, July and August 2005 from the following information:

1. Opening cash balance in June Rs 1,00,000
2. Cash sales for June Rs 60,000: July Rs 80,000: and August Rs 1,00,000
3. Wages payable Rs 15,000 every month
4. Interest receivable Rs 5,000 in the month of July
5. Purchases of machinery for Rs 25,000 in the month of August
6. Cash purchases for June Rs 25,000: July Rs 40,000: August Rs 30,000

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ACCOUNTANCY

Class: XII

Time: 1.30 hrs.
Marks: 75

Answer for the following questions:-

1. **Pass necessary journal entries for the following adjustments:**
   
   a) Provide 6% interest on capital of Rs. 16,00,000
   
   b) Rent received in advance Rs. 5,000
   
   c) Interest accrued on investments Rs. 2,000
   
   d) Insurance premium prepaid Rs. 1,000
   
   e) Wages outstanding Rs. 15,000.

2. **Calculate the missing information:**
   
   Profit made during the year 2,500
   Capital at the end 6,000
   Drawings 2,000
   Capital at the beginning 1,200

3. **Calculate the missing information:**
   
   Profit made during the year 5,000
   Capital at the end 12,000
   Additional Capital 4,000
   Drawings 2,400
   Capital in the beginning ?

4. **Find out profit or loss from the following information:**
   
   Opening capital 1, 40,000
   Closing capital 1, 50,000
   Additional capital 35,000
   Drawings 10,000

5. **Calculate the missing information:**
   
   Drawings 50,000
   Additional Capital 10,000
   Opening capital 1, 00,000
   Profit 25,000
   Closing Capital ?

6. **Calculate the missing figure:**
   
   Capital at the beginning Rs 60,000
   Capital at the end Rs 80,000
   Profit Rs 32,000
   Additional capital Rs 10,000
   Drawings ?
6. **Find out the rate of Depreciation under straight line method:**

   Cost of the plant      Rs 2,30,000       Installation charges   Rs 20,000  
   Expected life         10 years         Scrap value       Rs 50,000  

7. From the following particulars find out the rate of depreciation under straight line method: Cost of fixed assets Rs 20,000 Residual value Rs 2,000 Expected life 10 Years  

8. M/S Vikram& co purchased a plant for Rs 5,00,000 Depreciation is to be provided annually according to the straight line method. The useful life of the plant is 10 years and the residual value is Rs 50,000. Find out the rate of depreciation  

9. A Machine was bought for Rs 2,00,000 on 1.1.2000. This is expected to last for five years. Estimated scrap at the end of five years is Rs 40,000. Find out the rate of Depreciation under straight line method.  

10. A machine was purchased for Rs 3,00,000 on 1.4.2005. This is expected to last 10 years. Estimated scrap at the end of 10 years Rs 30,000. Find out the rate of Depreciation under straight line method.

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**PREPARED BY**

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DINDIGUL DISTRICT.
WEEKLY TEST – COMMERCE

Time: 1.30 hrs.
Marks: 75

Class: XII

A) Choose the best answer: -

1. Closing stock is shown in the------------------------
   a) Profit and loss A/c    b) Trading A/c and Balance sheet  c) None of the above

2. Rent outstanding is a --------------------------
   a) Liability    b) Assets   c) Income

3. All the items given in the adjustment will appear at ------------------------ in the final Accounts.
   a) One place    b) three places  c) two places

4. Return outwards are deducted from ---------------
   a) Sales    b) purchases  c) expenses

5. Gross profit is transferred to -----------
   a) Profit and loss A/c    b) Balance sheet    c) None of the above

B) Fill in the blanks: -

6. Interest on capital is debited to ---------------

7. Outstanding expenses are shown on the -------- side of the Balance sheet.

8. Debts which cannot be recovered from sundry debtors are termed as --------

9. Closing stock is valued at cost price or ---------- price whichever is lower.

10. Prepaid expenses are shown on the -------- side of the Balance sheet.

11. Loose stool is an ---------------

C) Answer any FOUR of the following questions: -

12. What is bad debt?

13. What is outstanding expense?

14. What is prepaid expense?

15. What is adjusting entry?

16. What is accrued income?

D) Answer for the following questions: -

17. The trial balance shows sundry debtors as Rs. 75,000 as on 31.12.2005.

Adjustment:
1)  Bad debts to be written off Rs. 5,000.
2)  Provide @ 5% provision for bad and doubtful debts.
3)  Provide @ 2% provision for discount on debtors.

Sundry debtors Rs. 51,500,  Bad debts Rs . 1,000

**Adjustment:**
1) Bad debts to be written off Rs. 1500.
2) Provide @ 5% provision for bad and doubtful debts.
3) Provide @ 2% provision for discount on debtors.

E) Answer for the following question:-  
19. The following are the balances are extracted from the books of Mrs.Nandhini as on 31.03.2002.

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drawings</td>
<td>40,000</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>17,000</td>
</tr>
<tr>
<td>Wages</td>
<td>10,000</td>
</tr>
<tr>
<td>Purchases</td>
<td>20,000</td>
</tr>
<tr>
<td>Opening stock</td>
<td>60,000</td>
</tr>
<tr>
<td>Buildings</td>
<td>1, 00,000</td>
</tr>
<tr>
<td>Capital</td>
<td>2,00,000</td>
</tr>
<tr>
<td>Sales</td>
<td>1,60,000</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>44,000</td>
</tr>
<tr>
<td>Bills receivables</td>
<td>29,000</td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>45,000</td>
</tr>
<tr>
<td>Rent</td>
<td>4,500</td>
</tr>
<tr>
<td>Commission</td>
<td>2,500</td>
</tr>
<tr>
<td>General expenses</td>
<td>8,000</td>
</tr>
<tr>
<td>Furniture</td>
<td>5,000</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>65,000</td>
</tr>
</tbody>
</table>

**Adjustment:**
1) Closing stock Rs. 40,000  
2)Depreciate furniture by 5%  
3) Interest on drawings at 5%to be provided.  
4) Wages yet to be paid Rs. 1,000  
5) Rent prepaid Rs. 900
