

3)

a) Mr. Fake (Inexperienced accountant) has drawn up a trail balance for year ending March, 2024.

| Particulars | Dr. Balance (₹) | Cr. Balance (₹) |
|--------------------|-----------------|-----------------|
| Capital | | 1,11,600 |
| Drawings | | 25,000 |
| Leasehold premises | 40,000 | |
| Sales | | 2,00,000 |
| Debtors | 25,000 | |
| Purchases | 1,50,000 | |
| Salaries and wages | 12,000 | |
| Loan to kavya | | 15,000 |
| Trade payables | 80,000 | |
| Trade expenses | 2,300 | |
| Bank overdraft | 26,000 | |
| Bills payable | | 5,000 |

Prepared by Tax Navigation

| | | |
|--------------------------------|-----------------|-----------------|
| Outstanding Salaries and wages | 2,300 | |
| Prepaid Expenses | 25,000 | |
| Rent and rates receivable | | 5,000 |
| Rent and rates | | 1,000 |
| TOTAL | 3,62,600 | 3,62,600 |

The closing inventory on 31st March, 2024 was valued at ₹ 18000. Mr. Fake claims that the above trail balance was correct since it was matched both side totals. As CA professional, Check the accuracy of the above trial balance by preparing corrected trail balance. And give the details of mistakes (if any).

10 Marks