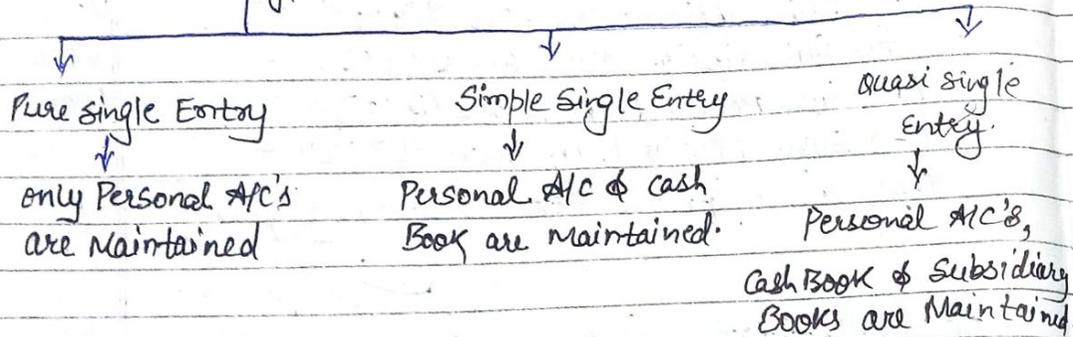


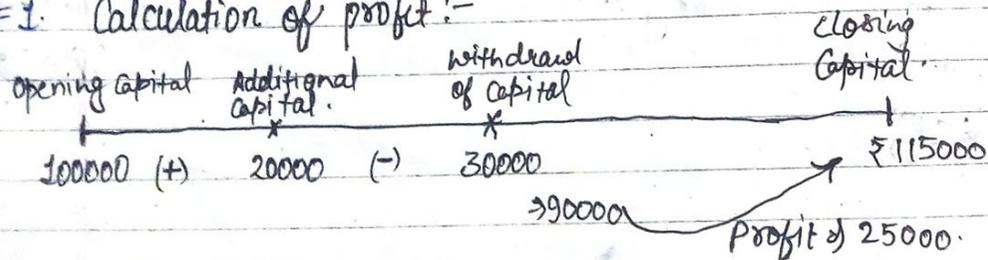
(Single Entry System)
Accounts from Incomplete Records

- * Small Business follow single entry system to record incoming & outgoing of cash transactions.
- * Single entry system is generally adopted by very small sole proprietorship firms.
- * They do not maintain double entry book keeping system.
- * Three types -



- * In this chapter we have to :-
 1. Calculation of profit.
 2. Preparation of final accounts.

#1. Calculation of profit :-



Particulars	₹
Closing capital	XXX
(+) Drawings	
(-) Additional Capital	XXX
(-) opening Capital	XX
Profit →	XXX

→ if Capital is missing :-

1 Apr (Statement of Affairs)

Creditor	25000	Machine	10000
Capital (bal. fig)	35000	Stock	6000
		Debtor	14000
		Cash	30000
	60000		60000

Basis	Statement of Affairs	Balance sheet
Source	Mostly information is based on estimates & assumptions	It is based on transaction recorded strictly on the basis of double entry system.
Capital	Capital is the bal. figure	Capital is derived from Capital A/C in ledger.
ommission	There are probability of ommission	No possibility of ommit.
Basis of valuation	valuation is done in an arbitrary manner (No base)	valuation of asset is done on scientific Basis.
Objective	To identify the capital figure	To identify financial position of business

TU-1

Statement of Profit		₹
Particulars		
Sol-)	Closing Capital	12500
	(+) Drawings	3000
	(-) Additional Capital	(3750)
	(-) Opening Capital	(10000)
	Profit →	1750

TU-3

Sol → * Closing → Building → 100000 (-) 2.5% dep ₹ 97500
 * Closing furniture → 50000 (-) 10% dep ₹ 45000

* Additional Capital → 40000
 * Drawing — 2000/month for 12 months ₹ 24000

TU-2

Statement of Profit		₹
	Closing Capital	132000
	(+) Drawings	24000
	(-) Opening Capital	(100000)
	Profit →	56000

Statement of Affairs

Liability	31.3.21	31.3.22	Assets	31.3.21	31.3.22
Loan	100000	80000	Building	100000	97500
Creditor	40000	70000	furniture	50000	45000
Capital (bal. fig)	241200	440700	Inventory	120000	270000
			Debtors	40000	90000
			Bank	70000	85000
			Cash	1200	3200
	381200	590700		381200	590700

W.N (Liabilities) Statement of Affairs 31/3/22

Particulars	₹	(Assets) Particulars	₹
Creditor (Vinal)	12000	Cash	3200
Loan from Bank	10000	Inventory	34800
Closing Cap. (bal. fig)	132000	Debtor (A. Jay)	31000
		Machine	85000
	154000		154000

TU-4

Statement of Profit		₹
	Closing Capital	440700
(+)	Drawing	24000
(-)	Additional Capital	(40000)
(-)	Opening Capital	(241200)
	Profit →	183500

ii) Dr

B/R A/c		(Asset A/c)	
To Bal b/d (opening)	xx	By Creditor (Bill Endorse)	xxx
To Debtor A/c (BR made)	xxx	By Bank A/c	xx
		By dis-charge A/c	xx
		By debtor (dishon)	xx
		By cash A/c	xx
		By bal. c/d (clo)	xxx
	xxx		xxx

v) Dr

		Sales A/c	
To Trading A/c	xxx	By Cash (Sales)	xx
		By debtor (Credit sales)	xx
			xxx
	xxx		xxx

iv) Dr Decrease

Creditors A/c (Liability A/c) - Increase		Cr.	
To Purchase Return	xx	By bal b/d (opening)	xxx
To Dis. Received	xx	By credit purchase	xx
To Cash A/c	xx	By B/P (dishonour)	xx
To B/R (bill endo)	xx		
To B/P (bill accept)	xx		
To bal. c/d (closing)	xx		
	xxx		xxx

vi) Dr

		Purchase A/c	
To Creditor A/c (Cr. pur)	xxx	By Trading A/c	xxx
To Cash A/c	xx		
	xxx		xxx

* We have to prepare some more ledger A/c's as Requirement of Qtn - (Asset A/c, Etc)

Dr

B/P A/c		Liability A/c	
To Creditor (B/P dish)	xx	By bal. b/d (opening)	xx
To Cash (B/P paid)	xx	By Creditor A/c	xx
To bal. c/d (closing)	xx		
	xxx		xxx

vii) Dr

		Debtor A/c	
To Bal. b/d (opn.)	50000	By Cash A/c	60000
To cr. sales	114000	By Dis. Allowed	10000
		By B/R A/c	30000
		By bad debt A/c	30000
		By bal. c/d (closing)	70000
	164000		164000

JU-7

Creditor A/c			
		By bal b/d	400000
To Cash A/c	80000		
To disc Received	20000	By credit Pur.	970000
To Bal c/d	500000		
	1370000		1370000

JU-8

8000

Trading A/c			
To Opn stock	3900	By closing stock	5700
To purchases:-		By sales - 51100*	62100
Cash - 12000		Cash sales - 11000	
Credit - 37100*	49100		
(w.N)			
G/P profit	14800		
to P/L	67800		67800

P & L A/c

Particulars	₹	Particulars	₹
To Opn Stock (1000)	2000	By closing stock	5700
To Dep - (750 + 120)	870	By Int. on Invest	200
To P.D.D.	800		
To Salaries	6500	By G/P -	14800
To Rent & Tax	1500		
To General Exp.	2500		
Net Profit	2830		
			15000

B/S = 31/3/2022

Liabilities	₹	ASSET	₹
Creditors	7900	Debtors - 17600	
Capital - 29100*		-> P.D.D. 800	16800
(+) Add cap - 6000	31200	Machine - 7500	
(-) drawing - 3600		(-) Dep - 750	6750
(+) Net profit - 2830	34330	Furniture - 1200	
		(-) Dep 120	1080
		Closing stock	5700
		Investment	5000
		Bank -	6400
		Cash -	500
	42230		42230

W.N

B/S - 1/4/21 - (Opening)

Liability	₹	Asset	₹
Creditors	5800	Debtors - opn.	14500
		Bank bal.	2800
		Machine	7500
		Furniture	1200
Capital (opn.) →	29100	Opening stocks	3900
		Investment	5000
	34900		34900

Debtor A/c

To bal b/d	14500	By Cash A/c	48000
To credit Sales (bal)	51100		
		By Bal c/d	17600
	65600		65600

Creditor A/c

To Cash A/c	35000	By bal b/d	5800
		By credit pur.	37100
		(bal fig)	
To Bal c/d	7900		
	42900		42900

L.3

Q.3)

Trading A/c		(bal fig)
To opn. stock	28000	By closing stock* → 12000
To Purchase (All credit)	77000	By Sales:- (100000* + 240000) cr ↑ cash ↑
To Gross Profit	31000	
	136000	136000

P&L A/c

To Business Exp.	12000	By gross profit	31000
To Int. on loan	5000		
To salary	40000		
To Net Profit - (bal. figure)	145000		
	310000		310000

* 1240000 x 25% = Cr Gross Profit → 310000

B/S - 31/3/22

Creditors	90000	Cash in hand	10000
(+) Net Profit 145K		Cash at Bank	80000
Capital - 300000	365000	Debtors	350000
(-) Drawing - 80000		Stock (closing) *	120000
Loan	100000		
Outstanding Interest on loan	5000		
	560000		560000

Cash Book A/c

To Bal b/d - opn	10000	By creditor	70000
		By Bank A/c	100000
		By creditor	20000
		By Salaries	40000
To Cash sales (bal)	240000	By drawings	80000
		By bal b/d -	10000
	250000		250000

Bank A/c

To Debtor	750000	By bal b/d (o/d) *	50000
To loan	100000	By creditor	70000
To Cash	100000	By Business Exp.	120000
		By Salaries	40000
		By bal c/d	80000
	950000		950000

W.N

Debtor A/c

To bal b/d (Opn)	100000	By Bank	750000
To credit (bal) Sales	1000000		
		By bal c/d	350000
	1100000		1100000

Creditor A/c

To Bank	700000	By bal b/d	40000
To Cash	20000		
To bal	90000	By credit (bal) Purchase	770000
To bal c/d -	90000		
	810000		810000

Ill-9 Dr. Trading A/c Cr.

To Opn Stock	8040	By closing stock	11120
To purch.		By sales - 7810	
(-) Return - (400)		(-) Return - 1450	76360
Cash - 1030		→ Cash - 4600	
Credit - 58000*	58030	→ Credit - 67210	
		(b/f)	
To Cr/P L bal.	14810		
	81480		81480

P&L A/c

To dis. Allowed	1500	By dis. Rec.	700
To Bad debt	420	By Cr/P -	14810
To Exp.* (WN.)	3300*		
To Net Profit (b/f)*	4290		
	15510		15510

B/S - 31/3/22 (Closing) Inc

Creditors	12400	Sundry Asset (M-430)	12040
Expense o/s	330	Closing Stock	11120
Capital - 26770		Cash & Bank	8080
(+) Add - 8500		Debtors	17870
(-) drawing - 3180			
(+) Net Profit - 4290	36380		
	49110		49110

B/S - 31/3/21

Creditors	15770	Sundry Asset	11610
Exp. o/s	600	Stock Opn.	8040
Capital (bal.)	26770	Cash & Bank	6960
fig.		Debtors -	16530
	43140		43140

(b/f)

Debtor A/c			
To bal. b/d	16530	By Cash	62500
To Credit Sales *	67210	By dis.	1500
		By sales Retn	1450
		By bad debt	420
		By bal c/d	17870
	83740		83740

Creditor A/c			
To dis. Recd.	700	By bal b/d	15770
To Purchase Return	400		
To Bank	60270	By Creditor purchase (bal.)	58000
To bal c/d	12400		
	73770		73770

Cash & Bank A/c (combined)			
To Bal. b/d	6960	By Purchase	1030
To debtor	62500	By exp.	9570
To Cap.	8500	By Machine	430
		By drawings	3180
To Cash Sales (b/f) (WKT 31121) *	4600	By Creditor	60270
		By bal. c/d	8080
	82560		82560

Expense A/c			
To Cash A/c	3570	By O/S exp. (op.)	600
		By P&L A/c (bal.)	9300
		By Creditor	60270
To O/S Exp (Cl.)	330		
	9900		9900

Credit Sales of Debtors X $\frac{12 \text{ Months}}{\text{Debt collection period}}$

P. Qth - 1 $\Rightarrow 125000 \times \frac{12}{1.5 \text{ Months}}$

Total sales $\Rightarrow 1000000 \times \frac{100}{80} = 1250000$

80%
810lac

Dr		Cr	
Trading A/c			
To open stock	28000	By Sales (120000 + 480000)	600000
To Purchase (Credit)	364000	By Closing stock	160000
To G/P	116000		
	760000		760000

Dr		Cr	
P&L A/c			
To dep -	4000	By g/p	116000
To Salary	24000		
To office Exp	14400		
To Rent	16000		
To Cash (theft)	23600		
To Net profit	34000		
	116000		116000

B/L			
Liability	₹	Asset	₹
Capital - 404000		Furniture - 40000	
(-) Drawing (6000)		(-) 10% dep - 4000	36000
(+) Net profit - 34000	430000	Closing stock	160000
		Debtors	120000
		Bank *	262000
Creditors	146000		
	578000		578000

Dr		Cr	
Debtors A/c			
To bal b/d	10000	By Bank A/c - (bal) fig	460000
To credit sales	480000		
		By bal c/d	120000
	580000		580000

Dr		Cr	
Creditors A/c			
To Bank	300000	By bal b/d opn.	82000
		By credit pur. (bal to)	364000
To bal c/d	146000		
	446000		446000

Dr. Bank A/c Cr.

To bal b/d	38000	By Creditor	30000
To Cash	80000	By Rent	16000
To Debtor *	460000		
		By Bal cl'd	262000
	578000		578000

Dr. Cash A/c Cr.

To bal b/d	28000	By salaries	24000
To Cash Sales	120000	By office exp	14400
		By drawing	6000
		By Bank	80000
		By P & L A/c - (bal-fig) *	23600
	148000		148000

Cheque dishonored entry - Debtor A/c dr - Bank A/c

V.V.I *

TRR-10

Dr. Trading A/c Cr.

To opn stock *	110000	By closing Stock *	130000
To purch- 454100		By sales - 959750	
(-) Return (4200)	449900	(-) Return - 1200	958550
		By W/P (b/f) *	588650
	1148550		1148550

Dr. P & L A/c Cr.

To Shop Exp.	7200	By 8/P	588650
To Salary	110400		
To Discount	750	By Dis. Rec.	2700
To Electricity & Tele - 18700 + 2200	20900		
To legal exp.	17000		
To prov. for damage	155000		
To Dis. Allowed	2400		
To Rent	20000		
		To Net profit (b/f) *	257700
	591350		591350

Dr.		B/P A/c		Cr.	
		By bal b/d	12000		
		By Creditor	24000		
To Bank (b/f)	22000				
↓ (B/P discharged)					
To Bal c/d	14000				
	36000		36000		

Dr.		Cash A/c		Cr.	
To bal b/d	5200	By Salaries	110400		
To Bank	121000	By Shop Expense	7200		
		By drawing	16800		
		By Bank	762750		
To Debtors (b/f)	897150	By Creditor	77200		
(Cash collected from Debtor)		By Furniture	28000		
		By Elect. Telephone	18700		
		By bal c/d	5300		
	1023350		1023350		

Dr.		Bank A/c		Cr.	
To bal b/d	30000	By cash (drawing)	12000		
To Cash	762750	By Debtor	5700		
To B/R	19250	By Creditor	40000		
To B/R	16000	By Creditor	32000		
To Capital	34000	By building	30000		
To Debtor	5700	By building (Exp.)	22000		
		By B/P (b/f)	22000		
		By bal c/d	87000		
	927750		927750		

X X