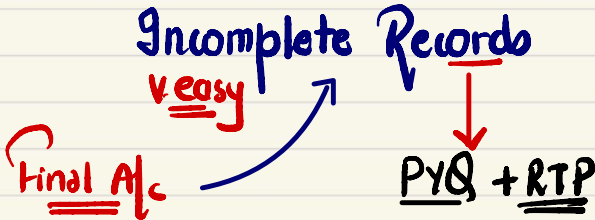




CA FOUNDATION
ACCOUNTS & ECONOMICS
FOR MAY 2025

PREPARATION
BOOSTER SERIES

CA Hardik Manchanda



(b) Following are the details of Assets and Liabilities of Mr. Sarthak for the year ended 31st March, 2023 and 31 March, 2024:

	31 st March,2023 (₹)	31 st March,2023(₹)
Assets:		
Building	2,00,000	?
Furniture	75,000	?
Inventory	1,05,000	1,95,000
Sundry Debtors	68,000	94,000
Cash at Bank	72,500	86,800
Cash in hand	2,400	3,800
Liabilities:		
Loans	1,50,000	1,25,000
Sundry Creditors	58,400	79,500

It was decided to depreciate Building by 5% p.a. and Furniture by 10% p.a. On 1st June, 2023 an additional capital of ₹ 40,000 was brought in the business. Proprietor has withdrawn @ ₹ 2,500 p.m. for meeting the family expenses.

Prepare Statement of Affairs as on 31stMarch, 2023 and 31stMarch, 2024. Find the profit or loss earned by Mr. Sarthak for the year ended 31stMarch, 2024.

(5 Marks)

Statement of affairs
as on 31-3-23 & 31-3-24

Liab.	31-3-23	31-3-24	Assets	31-3-23	31-3-24
Cap (bat fig)	314500	432600	Building	200000	190000
Loan	150000	125000	Furniture	75000	67500
Crediton	58400	79500	Inventory	105000	195000
			Debtors	68000	94000
			Cash at Bank	72500	86800
			Cash in hand	2400	3800
	<u>522900</u>	<u>631100</u>		<u>522900</u>	<u>631100</u>

<div>Profit / Loss</div> <div>Or ↓</div> <div>Cap A/c</div> <div>↗ Paiso jo owner ne business se lena hain</div> <div>Profit - Cr ↑</div>			
To Drawings	30000	by bal bld	314500
		by Bank	40000
To bal old	<u>432600</u>	By profit (bat fig)	<u>108100</u>

CA Hardik Manchanda

(ii) Following information relates to Mr. Prem who maintains his books under single entry system. He is not able to ascertain the amount of bad debts incurred by him and seeks your help.

Debtors as on 01.04.2023 ₹ 6,50,000

Debtors as on 31.03.2024 ₹ 8,50,000

- 1280000

Sale for Financial Year 2023-2024 is 16,00,000 out of which 80% is on credit.

Payment received during the year is ₹ 7,50,000 out of which cheques of ₹ 18,000 were dishonored. Bills of exchange accepted by customers ₹ 2,90,000

Debit to Bad

B/R To Debtor

Discount allowed is 1% of the credit sale.

(5 Marks)

Debtor A/c

Dr ↑

Cr

To bal bld

650.000

To Sales A/c
To Bank A/c
(Dishonour)

1280,000
18000

By Bank
By B/R A/c
By Disc allowed A/c
By Bad debt
(bal. fig)

750.000
290.000
12800
45200

by bal cld

850.000

Bad debt
To Debtor

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PYQ June 24

Harshit Traders are carrying on the retail business of electrical goods. They keep their books of account under single entry system. The Balance Sheet as on 31st March, 2023 was as follows:

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c	6,05,000	Motor Vehicle	1,10,000
Trade Creditors	75,200	Furniture	73,500
Salary payable	9,000	Stock in trade	1,70,800
		Trade Debtors	1,45,400
		6% Investments	60,000
		Cash in hand & at Bank	1,29,500
	6,89,200		6,89,200

The summary of Cash and Bank Book for the year ended 31st March, 2024 was given as below:

Receipts	Amount (₹)	Payments	Amount (₹)
Cash in hand & at Bank on 1 st April, 2023	1,29,500	Cash Purchases	9,48,400
Cash Sales	10,22,400	Payment to Trade Creditors	75,45,000
Receipts form Trade Debtors	85,52,000	Salaries	4,12,800
Interest on investments	3,600	Rent & taxes	2,51,600
		Sundry Expenses	1,38,400
		Drawings	2,40,000
		Cash in hand & at Bank on 31 st March, 2024	1,71,300
	97,07,500		97,07,500

- Additional Information:**
- (i) Gross Profit ratio of 12.5% on Sales is maintained throughout the year.
 - (ii) During the year, discount allowed to Trade debtors was for ₹ 62,500 and discount received from Trade Creditors amounted to ₹ 35,000.
 - (iii) As on 31st Mrch, 2024. The closing balances to Trade Debtors and Trade Creditors were ₹ 2,20,500 and ₹ 1,05,600 respectively.
 - (iv) On 31st March, 2024 an amount of ₹ 14,800 was outstanding towards Salary.
 - (v) Depreciation @ 10% p.a. to be charged on Motor Vehicle and Furniture.
- You are required to prepare Trading and Profit & Loss account for the year ended 31st March, 2024 and Balance Sheet as n that date. (8 Marks)

Trading, Profit & Loss A/c
for this year ended ..

Part	₹	Part	₹
To op stock	170800	By Sales	
To purchase		Cash - 1022400	
(948400 + 7610400)	8558800	Credit - <u>8689600</u>	9712000
To Gross Profit	1214000	By closing stock	231600
	==	(bal. fig)	==
To Disc allowed	62500	By G.P.	1214000
To Salary (WN3)	418600	By Disc Rec	35000
To Depreciation		By Int on Inv.	3600
Motor. - 11000			
furniture - <u>7350</u>	18350		
To Rent & Taxes	251600		
To Sund. exp	138400		
To N.P.	363150		==

Balance Sheet
as on 31st Mar 24

Liab	₹	Assets	₹
Capital		Closing Stock	231600
Op bal - 605000		Debtors	220500
- Drawings (240000)		Furniture - 73500	
+ Profit <u>363150</u>	728150	(-) Dep (<u>7350</u>)	66150
		Mot veh. 1.10000	
Creditors	105600	(-) Dep (<u>11000</u>)	99000
Op's Salary	14800	Govt. Inv.	60000
		Cash & Bank	171300
	<u>848550</u>		<u>848550</u>

WN1

Trade debtor A/c

- Disc. all Dr
To Debtor A/c

To bal bld	145400	By Disc. all. A/c	62500
To Sales A/c (bal. fig)	8689600	By Bank A/c	8852000
	<u> </u>	By bal cld	220500

WN2

Trade creditors A/c

To Bank	7545000	by bal bld	75200
To Disc. Rec.	35000	By purchases (bal. fig) ✓	7610400
To bal cld	105600		<u> </u>

WN3

Salary Amt paid - 412800
(-) o/s salary (Pr) - (9000)
+ o/s sal. (Cr) 14800

CA Foundation - Accounts

RTP Sep 24

Hw

1. Shivam Enterprises maintain their books of accounts under single entry system. The Balance-Sheet as on 31st March, 2023 was as follows :

Liabilities	Amount (₹)	Assets	Amount (₹)
Capital A/c	6,75,000	Furniture & fixtures	1,50,000
Trade creditors	7,57,500	Stock ✓	9,15,000
Outstanding expenses	67,500	Trade debtors	3,12,000
		Prepaid insurance	3,000
		Cash in hand & at bank	1,20,000
	15,00,000		15,00,000

Exp PY. Paid CY

✓ - CY Expt

The following was the summary of cash and bank book for the year ended 31st March, 2024:

Receipts ✓	Amount (₹)	Payments ✓	Amount (₹)
Cash in hand & at Bank on 1st April, 2023	1,20,000	Payment to trade creditors	1,24,83,000
Cash sales ✓	1,10,70,000	Sundry expenses paid	9,31,050
Receipts from trade debtors	27,75,000	Drawings	3,60,000
		Cash in hand & at Bank on 31st March, 2024	1,90,950
	1,39,65,000		1,39,65,000

Additional Information:

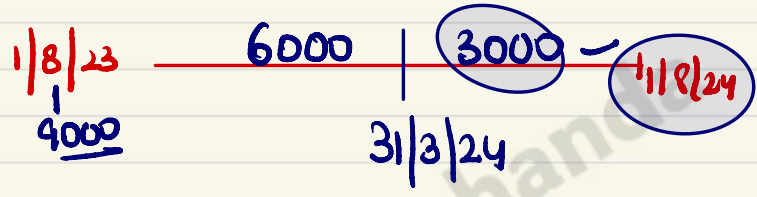
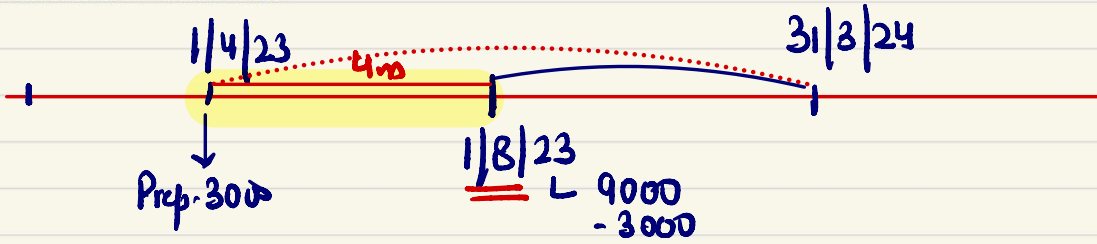
- (i) Discount allowed to trade debtors and received from trade creditors amounted to ₹ 54,000 and ₹ 42,500 respectively (for the year ended 31st March, 2024).
- (ii) Annual fire insurance premium of ₹ 9,000 was paid every year on 1st August for the renewal of the policy.
- (iii) Furniture & fixtures were subject to depreciation @ 15% p.a. on diminishing balance method.
- (iv) The following are the balances as on 31st March, 2024:
 - ✓ Stock ₹ 9,75,000
 - Trade debtors ₹ 3,43,000
 - Outstanding expenses ₹ 55,200 - CY. not paid
- (v) Gross profit is to be maintained at 10% on total sales.

You are required to prepare Trading and Profit & Loss account for the year ended 31st March, 2024, and Balance Sheet as on that date.

8m
1/1/23 31/3/24
↓
$$\frac{9000 \times 4}{12} = 3000$$

CY prepaid
9000
- 3000

CA Foundation - Accounts



$$\begin{array}{r} 9000 \\ - 3000 \\ + 3000 \\ \hline 9000 \end{array}$$

WN CY Exp

Sundry Exp Paid	931050
+ Prep Gns. in the beg	- 3000
- Prep Gns at the end	- (3000) - <u>Asset</u>
+ O/s exp at the end	55200 → <u>Liab</u>
- O/s exp at the beg	(61500)
<u>P&L</u>	<u>918750</u>

CA Hardik Manchanda