FINAL ACCOUNT

marks - 10 mks

Trading A/c

Dr.			Cr.
To opening stock	xxx	By Sales xxx (-) sales return/ Return inwards (xxx)	xxx
To Purchase xxx (-) Purchase Return (xxx) (-) loss by fire (xxx) (-) Donation of goods (xxx) (-) free Sample (xxx) (-) Drawing of goods (xxx)	xxx		
To Royalty	xxx		
To Carriage inward	xxx		
To factory Rent	xxx		
To Wages	xxx		
To Power	xxx		
To Coal & fuel	xxx		
To Gross Profit	xxx	By Closing stock	xxx
		By Gross loss	xxx

P&L A/C

Particulars	Amount	Particulars	Amount
To Gross loss		By Gross Profit	
To Carriage outward		By Commission	
To Salaries		By discount Recd.	
To Electricity		By Rent	
To Advertisment		By dividend	
To Disc. Allowed		By Profit on sale Asset	
To Comission		By Bad debts recovered	
To Depreciation		By Intrest	
To Bad debts		By Sale of newspaper	
To Printing & stationary			
To Audit fee		By net loss	
To Postage & Courier			
To Rent			
To Travelling exp.			
To Donation			
To Refreshent exp.			
To Amortization			
To loss on sale of fixed Asset			
To Interest on loan			
To Net Profit			

Balance sheet

liabilities		₹	Asset	₹
Capital	xxx		Building	xxx
(+) Net Profit	xxx		furniture	xxx
(-) Drawing	(xxx)	xxx	Plant & machinery	xxx
Reserve & Surplus		xxx	Land	xxx
Borrowing		xxx	Goodwill	xxx
Bank overdraft		xxx	Patent	xxx
outstanding expense		xxx	Furniture	xxx
Income Recieved in Advan		xxx	Trade Recieveable	xxx
Creditors		xxx	Bills Recieveable	xxx
Bills Payable		xxx	Bank Balance	xxx
Provided fund		xxx	Cash Balance	xxx
			Investment	xxx
			Prepaid Exp.	xxx
			Accured Income	xxx
			Closing Stock	xxx

Adjustments

Expense

Prepaid ↓

Prepaid expense [B/S Asset]
To expense a/c
[less from exp.]

Outstanding ↓

Expense a/c Dr. [Add in expense]
To o/s Exp. a/c [B/S Liability]

Income

Accrued ↓

Accrued income Dr. (B/S Asset)
To Income a/c [Add in income]

Income Recd. in Adv. ↓

Income a/c Dr. [less from inc.]
To income recd. in adv. [B/S Liab.]

Trial balance :

Prepaid exp → B/S Asset
O/S exp → B/S Liab.
Income Recd in adv. → B/S Liab.
Accrued income → B/S Asset

* Loss by fire

Cash	Fixed Asset	Goods
loss by fire To Cash (less from Cash)	loss by fire To fixed Asset (less from F.A.)	loss by fire To Purchase [less from Pur.]
↓	↓	↓
Insurance Claim	Insurance Claim	Insurance Claim
Insurance claim Reciv. To loss by fire	Insurance claim To loss by fire	Insurance claim To loss by fire

⟹ P&L a/c

loss by fire (–) insurance claim	

" " " " " "

B/S

	Insurance Claim Recievable xxx Cash xxx (–) loss by fire (xxx)

	F.A. xxx (–) loss (xxx) Insurance Claim Recievable xxx

	Insurance claim Recievable xxx

Common debt :-

Reciveable 20,000 Payable 11,000

Creditor a/c 11,000
To Debtor a/c 11,000

liability a/c Dr.
To Asset A/c } with lower amount

B/s

Creditor	11,000	Debtor	20,000
(-) common debt	11,000	(-) Common debt	(11,000)
	0		9,000

★ Drawing

Goods	Cash	Fixed Asset
Drawing (less from capital) To Purchase (less from Purchase)	Drawing (less from Cap.) To Cash (less from Cash)	Drawings (less from Cap.) To Fixed Asset (less from F.A.)

Adjustment of Provison for doubtful debt or Provision for discount :-

P/L

Bad debts [T.B]
(+) Further Bad debt
(+) New Prov. for doubt. debt
(-) old Prov. for doubt. debt [T.B.]

B/s

Debtors	xxx
+/- All other adj.	xxx
(-) Bad debts (adj.)	(xxx)
(-) New P.D.D.	(xxx)
(-) Prov. For Disc.	(xxx)

xxx