

**Q.18 Solution:****TRADING AND PROFIT & LOSS ACCOUNT**

<i>Dr.</i>		<i>for the year ended 31st March, 2023</i>		<i>Cr.</i>
Particulars		₹	Particulars	₹
To Opening Stock		30,000	By Sales	1,50,000
To Purchases	1,20,000		Less: Return	10,000
Less: Returns	20,000	1,00,000	By Closing Stock	45,000
To Gross Profit		55,000		
		1,85,000		1,85,000
To Depreciation on Furniture		600	By Gross Profit	55,000
To Establishment Expenses		22,000	By Commission	5,000
To Taxes and Insurance	5,000		Less: Received in Advance	1,000
Add: Outstanding	3,000		By Accrued Interest on Deposit	2,100
Less: Prepaid	(500)	7,500		
To Bad Debts	5,000			
Add: New Provision for Doubtful Debts	10,000			
Less: Provision for Doubtful Debts (Old)	7,000	8,000		
To Outstanding Interest on Bank Loan		3,000		
To Net Profit		20,000		
		61,100		61,100

**BALANCE SHEET***as at 31st March, 2023*

Liabilities	₹	Assets	₹
Bank Loan	20,000	Cash	15,000
Creditors	20,000	Debtors	50,000
Bills Payable	25,000	Less: Provision for Doubtful Debts	10,000
Outstanding Interest on Bank Loan	3,000	Deposits	40,000
Outstanding Taxes	3,000	Bills Receivable	32,000
Output IGST	2,000	Accrued Interest	2,100
Commission Received in Advance	1,000	Closing Stock	45,000
Capital	1,00,000	Prepaid Insurance	500
Less: Drawings	14,000	Furniture	6,000
Add: Net Profit	20,000	Less: Depreciation	600
	1,06,000		5,400
	1,80,000		1,80,000

**Note:** Input CGST, Input SGST is set off against Output CGST, Output SGST and Output IGST.**Working Note on GST Set-off:**

	IGST	CGST	SGST
Output GST	(6,000)	(8,000)	(8,000)
Less: Input GST	...	10,000	10,000
Balance	(6,000)	2,000	2,000
Less: Set-off	4,000	(2,000)	(2,000)
Balance	(2,000)	...	...
Payable			

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**Q.19 Solution:****TRADING AND PROFIT & LOSS ACCOUNT**

Dr.

for the year ended 31st March, 2023

Cr.

Particulars	₹	Particulars	₹
To Opening Stock	70,000	By Sales	4,00,000
To Purchases	2,60,000	Less: Return	8,000
Less: Returns	7,000	By Closing Stock	35,000
Less: Addition to Machinery	10,000		
To Wages	50,000		
Add: Outstanding	6,000		
To Carriage	5,000		
To Gross Profit	53,000		
	4,27,000		4,27,000
To Bad Debts	2,000	By Gross Profit	53,000
Add: Provision for Doubtful Debts	4,800	By Discount Received	6,000
To Commission	15,000	By Provision for Doubtful Debts	13,000
To Discount Allowed	7,000	By Net Loss	81,500
To Interest on Bank Loan	12,000		
To Salaries	45,000		
Add: Outstanding	5,000		
To Advertisement	15,000		
To Rent and Taxes	13,000		
To Depreciation:			
Plant and Machinery	21,000		
Furniture	8,250		
Land and Building	2,450		
To Outstanding Interest on Bank Loan	3,000		
	1,53,500		1,53,500

**BALANCE SHEET as at 31st March, 2023**

Liabilities	₹	Assets	₹
Capital	3,50,000	Plant and Machinery	2,05,000
Less: Drawings	15,000	Add: Addition to Machinery	10,000
Net Loss	81,500	Less: Depreciation	21,000
10% Bank Loan	1,50,000	Debtors	50,000
Creditors	28,000	Less: Bad Debt	2,000
Outstanding Wages	6,000	Provision for Doubtful Debts	4,800
Outstanding Salaries	5,000	Furniture	55,000
Outstanding Interest on Loan	3,000	Less: Depreciation	8,250
		Land and Building	98,000
		Less: Depreciation	2,450
		Input SGST	3,000
		Closing Stock	35,000
		Cash in Hand	8,000
		Cash at Bank	20,000
	4,45,500		4,45,500

**Note:** Input CGST, Input SGST is set off against Output IGST.