

Ques-1 A company had bought Machinery for ₹10,000 including there in a heater worth ₹10,000. Depreciation was charged on Reducing Balance method at the rate of 10% p.a for first five years and Machinery Account was credited accordingly. During the fifth current year, the heater became useless on account of damages to some of its vital parts. The damaged heater is sold for ₹2,000. Prepare the Machinery Account for five years.

Ques-2 Provision is an appropriation of profit. Do you agree?

Ques-3 Rectify the following errors assuming that suspense amount was opened.

Ascertain the difference in trial balance.

- (i) Furniture purchased for ₹20,000 wrongly debited to purchase Account as ₹8,000.
- (ii) Machinery purchased on credit from Ram ₹10,000 recorded through purchase book as ₹3,000.
- (iii) Repairs on Machinery ₹1,400 debited to Machinery Account as ₹2,400.
- (iv) Repairs on overhauling of second hand Machinery purchased ₹4,000 was debited to Repairs Account as ₹400.
- (v) Sale of old Machinery at book value ₹30,000 was credited to sales Account as ₹50,000.

Ques-4 Do Question No. 33 from Chapter 21 (Financial statements with adjustments)

Ques-5 Mr. X, a trader does not keep proper books of Accounts. However, he provides the following particulars.

	31-3-2009	31-3-2010
Cash at Bank	4500	3000
Cash in hand	300	4000
Stock	40000	45000
Debtors	12000	20000
Equipments	5000	5000
Creditors	30000	20000
Furniture	4000	4000

During the year 2009-10, Mr X. introduced ₹ 6000 as additional capital and withdrew ₹ 4000 as drawings. He writes off 10% on furniture and 5% on equipment as depreciation. Prepare a statement showing the profit or loss made by him for the year ended 31<sup>st</sup> March, 2010.