

Accounting Equation

Q1. Prepare Accounting Equation from the following –

1. Sandeep started business with cash Rs.1,00,000, goods Rs.20,000 and furniture Rs.50,000.
2. Purchased goods from Ram Rs.20,000 and for cash Rs.5,000.
3. Goods costing Rs.30,000 sold at a profit of 20% , half of the payment received in cash.
4. Rent paid Rs.700 and rent outstanding Rs.500.
5. Withdrew goods for personal use Rs.1,000.
6. Goods costing Rs.5,000 sold for Rs.4,000 to Rakesh.
7. Received Rs.800 for commission.
8. Rent paid for 16 months Rs.64,000.
9. Cash paid to Ram (creditor) Rs.19,500 in full settlement of his account.
10. Accrued interest Rs.500.
11. Goods Rs.200 destroyed by fire.
12. Depreciation on furniture Rs.500.
13. Received cash from Rakesh (debtor) Rs.3800, discount allowed Rs.200.
14. Interest on capital Rs.1,000.
15. Goods worth Rs.300 and cash of Rs.200 given as charity.
16. Purchased goods from Ram worth Rs. 10,000 at a trade discount of 10% and cash discount of 2%. Half of the amount is paid in cash immediately.

Q2. Y started a business on 1st Jan, 2007 with a capital of Rs.2,00,000 and a loan of Rs.75,000 from the bank. During the year he had introduced additional capital of Rs.60,000 and had withdrawn Rs.36,000 for personal purpose. On 31st Dec, 2007 his assets were Rs.3,80,000. Find out his closing capital and profit earned during the year.

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ACCOUNTING EQUATION

Q1. Prepare accounting equation from the following transactions:

- (a) Started business with cash of Rs.2,30,000, goods of Rs.1,00,000 and building of Rs.2,00,000.
- (b) Purchased goods worth Rs.50,000, half of the payment made in cash.
- (c) Opened a current account in State Bank Of India & deposited Rs.20,000.
- (d) Goods costing Rs.72,000 sold at a profit of 33 $\frac{1}{3}$ %. Half of the payment received in cash.
- (e) Rent paid Rs.5,000 and rent outstanding Rs.3,000.
- (f) Payment made to creditors Rs. 24,000 in full settlement of his account.
- (g) Borrowed from bank Rs.20,000.
- (h) Depreciation charged on building Rs.12,000.
- (i) Goods withdrawn by proprietor for his personal use worth Rs. 2,000.
- (j) Bank loan repaid, principle amount Rs.12,000 and interest Rs.1,500.
- (k) Salary Rs.3,000 p.m. paid in advance for three months.
- (l) Received from debtors Rs.28,500, discount allowed to them Rs.1,500.
- (m) Provide interest on capital Rs.2,500.
- (n) Rent received Rs.4,000.
- (o) Purchase a motor cycle for personal use Rs.15,000.

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