

Topic:Single Entry System

Q.1. From the information given below you are asked to calculate credit purchase and total purchase.

Cash purchase	29000
Bills payable on 1-4-11	7500
Creditors on 1-4-11	20000
Bills payable on 31-3-12	2500
Creditors on 31-3-12	18000
Cash paid to Creditors	25000
Bills payable paid during the year	10500
Purchase Return	1500
Allowance Received from Creditors	800
Bills payable dishonor	300

Q.2. From the following particulars taken now form the books of Shri Subhas who has kept those under single entry system. Prepare total Debtors and Bills Receivable Account .

Balance of Debtors on 1-4-16	127000
Balance of Debtors on 31-3-17	150000
Balance of Bills Receivable on 1-4-16	60000
Balance of Bills Receivable on 31-3-17	90000
Credit sales	?
Cash Received form Debtors	410000
Bills Receivable Received form Debtors	?
Bills Receivable dishonor	3000
Cash Received against bill	167000
Goods Return form Debtors	20000
Discount allowed	13000

Bad debts

7000

Q.3. Mr. Santosh keeps his books of A/c on Single entry. He gives you the following information relation to 2016-17

Balance sheet

As on 31-3-17

Liabilities	Amount	Assets	Amount
Capital	33000	Machinery	10500
Creditors	3000	Bills Receivable	3000
Bills payable	1500	S. Debtors	9000
		Stock	7500
		Cash & bank balance	7500
	37500		37500

Summary of cash transactions

Receipt	Amount	Payment	Amount
To bal. b/d	7500	By paid to Creditors	15000
To capital [1-10-16]	4500	By machinery [1-1-17]	900
To Receipt form Drs.	18000	By Bills payable	1500
To cash sales	3000	By Drawings	1500
To Bills Receivable	3750	By Freight	750
To S. Receipts	600	By wages & salary	4500
		By Rent & Rates	300
		By S. exp.	1050
		By bal. c/d	11850
	37350		37350

Other information as on 31<sup>st</sup> march 2017

1] Sundry Debtors 12000, Creditors 6000, Stock 7500, Bills Receivable 4500, Bills payable 3000.

2] Credit purchase 21000 and Credit sales 26250

3] allow interest on capital @ 5% p.a. and Depreciate machinery by 10% p.a.

Prepare Trading, Profit & loss A/c for the year ended 31<sup>st</sup> march 2017 Balance sheet as on 31<sup>st</sup> march 2017.

Q. 4. Mr. Homi Carries on a grocery business and does not keep his books on double entry basis. The following particulars have been extracted from his book.

Particulars	1-4-16	31-3-17
Plant & machinery	25000	25000
Stock	22000	19500
Sundry Debtors	8000	25500
Sundry Creditors	12500	10000
Cash in hand	400	800
Bank balance	6250	-7000

The following cash transactions took place during the year ending 31<sup>st</sup> march 2017.

Particulars	Amount	Particulars	Amount
Received on amount of cash sales	31250	Payment for purchase	28850
Received from s. Debtors	160000	Payment to S. Creditors	132000
		General exp.	21450
		Wages	15000
		Drawings	6800

During the year Homi had taken goods from the business for his own consumption which amounted to 1950 and not paid money in to the business for them.

You are required to prepare profit and loss account for the year ending 31-3-17 after charging 10% depreciation on plant and machinery and also balance sheet at 31<sup>st</sup> march 2017.

### **Branch Account**

Q.1. Form the following information relating to Nagpur Branch for the year ending 31<sup>st</sup> march 2021 figure Branch A/c in the books of head office.

#### Opening balance on 1-4-20

Branch stock	15000
Debtors	30000
Petty cash	300

Goods sent to Branch	252000
Cash sales	60000
Received form Debtors	210000
Credit sales	228000

Cheques sent to Branch for

Salaries	9000	
Rent & Rates	1500	
Petty cash	<u>1100</u>	11600
Goods Return by Branch		2000

Closing balances

Branch Stock	25000
Branch Debtors	48000
Petty cash	200

Q.2. From the following particulars prepare Branch A/c and Goods sent to Branch A/c.

Opening balance

Stock on 1 <sup>st</sup> April 2016	21000
Petty cash on 1-4-16	300
Goods supplied to Branch at invoice price	240000
Remittance form Branch	240000

Cheques sent to Branch for

Salary	7200	
Rent	<u>3000</u>	10200
Cheque sent for petty cash		600
Goods return to head office		6000

Stock 31-3-17	45000
Petty cash on 31-3-17	525

A head office send goods to its Branch at Pune market at 25% above cost.

Q.3. India Traders Mumbai open a Branch at Bopal on 1<sup>st</sup> April 2016 . The following information is available in respect of Branch for the year ending 31-3-17.

Goods sent to Branch	75000
Cash sales at the Branch	50000
Credit sales at the Branch	60000
Salary of the Branch paid by head office	15000
Cash sent to Branch for petty exp.	5000
Office exp. Of Branch paid by head office	12000
<u>Balance on 31<sup>st</sup> march 2017</u>	
Petty cash	500
Debtors	5000
Stock	27000

Prepare Branch account and Branch Trading & profit & loss A/c for the year ending 31<sup>st</sup> march 2017.

Q.4. A head office supplied goods to its Branch at cost+ 25% .All cash received at Branch is deposited daily in head office A/c. From the following particulars Branch Trading & profit & loss A/c.

Stock on 1-4-16	79000
Debtors on 1-4-16	113000
Petty cash on 1-4-16	900
Return inward	4000
Goods invoiced to Branch	250000

Return goods to head office	10000	
Bad debts	1000	
Cash sales	14000	
<u>Branch exp. Paid by head office</u>		
Rent	14000	
Salary	15000	
Sundry exp .	<u>7000</u>	36000
Allowances given	4500	
Petty cash exp. At Branch	2400	
Total sales	349000	
Remittance to Branch to		
Petty cash	2800	
Stock on 31-3-17	84000	
Debtors on 31-3-17	195100	

Q.5. A head office in Mumbai has a Branch in Miraj to which goods are invoice by head office at cost + 25%. All cash received by the Branch is remitted to head office. All exp. are paid form Mumbai. Form the following particulars prepare

1] Miraj Branch A/c .

2] Trading & profit & loss A/c .

3] Journal entry in the books of head office [under Debtors system ]

Particulars	amount
Stock on 1-4-2016	12500
Debtors on 1-4-2016	12000
Goods invoiced form Mumbai	40000

### Remittance to head office

Cash sales	16000
Collection form Debtors	29080
Credit sales	40000
Discount allowed to Debtors	420

### Cheques Received from head office Mumbai

Wages & salary	11000
Rent & Rates	3000
Sundry exp.	500
Goods Return to head office Mumbai	2400
Stock on 31-3-17	15000
Debtors on 31-3-17	22500

### Conversion of Partnership

Q.1. X and Y were in partnership sharing P & L in proportion 3:2 respectively.

#### Balancesheet As on 31-12-2015

Liabilities	Amt	Assets	Amt
Creditors	7000	Cash	1000
Bills payable	3000	Investment	3000
X's loan	4000	Debtors	6000
Reserve fund	5000	Stock	20000
Capital A/c		Furniture	3000
X	20000	Machinery	21000
Y	15000		
	54000		54000

On 1<sup>st</sup> April 2015 Alfa LTD. incorporated to take over certain assets and liability of a firm

1. The company takeover all assets, except cash and investment and all liabilities except 'X' loan.
2. The purchase price was agreed at 60000 payable 1/5 in cash . and 4/5 in shares. Of 100 each.
3. The firm sold investment for 4000, and paid of X loan.
4. The expenses of dissolution incurred by the firm amounted to 1000.

Show necessary ledger account to close the books of firm.

Q.2 Mithun and Abhijit were in partnership sharing P & I in capital proportion .

Balancesheet

As on 31<sup>st</sup> march 2017

Liabilities	Amt	Assets	Amt
Capital A/c		Cash in hand	15000
Mithun	500000	Machinery	480000
Abhijit	300000	Furniture	200000
Creditors	40000	Stok	85000
General reserve	160000	Debtors	220000
	1000000		1000000

The converted there business into LID. Company biz. Komal LID. To take over whole assets except cash and furniture @ 10 % less than book values and liabilities @ book figures. Goodwill was valued at 100000. The furniture was sold for 165000 and realization exp. Were incurred at 15000

The purchase price is to be discharge by issue in 6000 equity share of 100 each and balance in cash.

Prepare Realisation A/c , and Partners capital A/c.

Q.3 Ram co. LTD. Was to purchase the business of shri. Laxman & Bharat to who were partners sharing P & L as 2:1 respectively

Balancesheet

As on 31<sup>st</sup> march 2017

Liabilities	Amt	Assets	Amt
Capital A/c		Goodwill	10000
Laxman	65000	Land & building	45000
Bharat	45000	Machinery	25000
Loan A/c	6000	Stock	20000
Bills payable	7500	Debtors	8500
Creditors	16000	Bills receivable	6500
		Investment	2500



		Cash at bank	2500
	139500		139500

The Co. took over all assets at book value except land & building & stock which were taken over @ 50000 and 15000 respectively . The investment sold by firm for 6000. The firm also discharge the loan A/c . The company took over remaining liability. The value of goodwill the fix at 25000. The purchase consideration paid by the company. The firm by 10000 equity share of 100 each and balance in cash. Realisation exp. Amounted 1000.

Show calculation of purchase consideration and prepare Realisation A/c.

Q.4 Amar & Bhalchandrawere sharing P & L equily They decided to convert there business into a LTD. Company name AB LTD. On 31<sup>st</sup> march 2017. When therebalancesheet was as under.

#### Balacesheet

As on 31<sup>st</sup> march 2017

Liabilities	Amt	Assets	Amt
Capital A/c		Building	400000
Amar	510000	Plant	300000
Bhalchandra	390000	Furniture	50000
Bills payable	50000	Debtors	280000
Sundry creditors	250000	Stock	100000
		Bank	70000
	1200000		1200000

AB Ltd. Agreed to take over assets & liabilities at valued stated below-

Building -420000

Furniture-43400

Plant -250000

Stock -80000

Debtors are subject to provision for doubtful debts at 3 % , creditors at discount of 2 %

The company issued to the firm 6300 equity shares of 100 each. And balance in cash.

Prepare necessary ledger A/c to closed the books of firm and opening journal entries in the books of company.

**Tally**

**Q.3. Write a Short Notes.**

- 1] Objectives of Branch account
- 2] Conversion of partnership firm
- 3] Features of Tally
- 4] Types of Vouchers
- 5] Types of Branches
- 6] Purchase Consideration
- 7] Advantages of Computerised Accounting
- 8] Creation of Company