Date: 30/08/24
Page No.

(Single Entry System)
Accounts From Incomplete Records

★ Small Business follow single Entry System to Record Incoming & outgoing of cash transactions.

★ Single Entry system is generally adopted by very small sole propritership firms.

★ They donot maintain double Entry book keeping system

★ Three types:-

Pure single Entry	Simple Single Entry	Quasi single Entry.
only Personal A/C's are Maintained	Personal A/c & cash Book are Maintained.	Personal A/C's, Cash Book & Subsidiary Books are Maintained.

★ In this chapter we have to:-
1. Calculation of profit.
2. Preparation of final accounts.

1. Calculation of profit:-

opening capital — Additional capital — withdrawal of capital — Closing Capital.

100000 (+) 20000 (-) 30000 → 90000 ; ₹115000

Profit of 25000.

Date:
Page No.

Particulars	₹
Closing capital	xxx
(+) Drawings	
(-) Additional Capital	xxx
(-) Opening Capital	xx
Profit →	xxx

→ if Capital is missing:-

1 Apr (Statement of Affair)

Creditor	25000	Machine	10000
		Stock	6000
Capital (bal. fig)	35000	Debtor	14000
		Cash	30000
	60000		60000

Basis	Statement of Affairs	Balance sheet
Source	Mostly information is based on Estimates or assumptions	It is based on transaction Recorded, strictly on the basis of double Entry System.
Capital	Capital is the bal. figure	Capital is derived from Capital A/C in ledger.
ommission	There are probality of ommission	No possibility of ommit.
Basis of Valuation	valuation is done in an arbitary manner (No base)	valuation of Asset is done on scentific Basis.
Objective	To identify the capital figure	To identify financial position of business

Ill-1 Statement of profit

Sol)

Particulars	₹
Closing Capital	12500
(+) Drawings	3000
(-) Additional Capital	(3750)
(-) Opening Capital	(10000)
Profit →	1750

Ill.2 Statement of profit

Closing Capital	132000
(+) Drawings	24000
(-) opening Capital	(100000)
profit →	$\boxed{56000}$

W.N (Liabilities) Statement of Affairs 31/3/22 (Assets)

Particulars	₹	Particulars	₹
Creditor (vinod)	12000	Cash	3200
		Inventory	34800
Loan from Bank	10000	Debtor (AJay)	31000
		Machine	85000
Closing Cap. (bal.fig)	132000		
	154000		154000

Ill-3

Sol) ★ Closing → Building → 100000 (-) 2.5% dep = 97500

★ Closing furniture → 50000 (-) 10% dep = 45000

★ Additional Capital → 40000

★ Drawing — 2000/month for 12 Month = 24000

Statement of Affairs

Liability	31.3.21	31.3.22	Assets	31.3.21	31.3.22
Loan	100000	80000	Building	100000	97500
Creditor	40000	70000	furniture	50000	45000
			Inventory	120000	270000
Capital (bal.fig)	241200	440700	Debtors	40000	90000
			Bank	70000	85000
			Cash	1200	3200
	381200	590700		381200	590700

Ill.4 Statement of profit

Closing Capital	440700
(+) Drawing	24000
(-) Additional Capital	(40000)
(-) opening Capital	(241200)
profit →	$\boxed{183500}$

Date:
Page No.

☆ III-5 ☆

Statement of Affairs

Sol→

Liabilities	1.4.20	1.4.22	Assets	1.4.20	1.4.22
Creditor (Moti bro)	(40000)	–	Cash in hand	25500	16000
Creditor	35000	55000	Inventory	56000	91500
			Debtors	41500	52500
Capital (bal fig)	313000	565000	Land & Building	190000	190000
			Wife Jewellery	75000	125000
			Motor Car	–	125000
			Loan to Moti Bro's.	–	20000
	388000	620000		388000	620000

Closing Cap –	565000
(+) Drawings →	96000
(–) Opn. Cap →	(313000)
Income of Shri Moti for (2 years.)	348000

☆ Declared Income by Shri Moti (Given) - 228000
(105000 + 123000)

∴ SUPRESSED INCOME → 120000

Therefor – Moti chor hai !!

2. Preparation of final Accounts :-

Trading A/C — P&L A/C — B/Sheet

☆ While preparing final A/c's, certain items may be missing, & to find them we have to analyse cashbook purchase ledger or sales ledger & prepare some ledger A/c's in the working note.

1. Cash Book

Increase Money ↓ In	Cash	Bank	Decrease Money ↑ out	Cash	Bank
To Cash Sale	xx		By Cash Purchase	xx	
To Debtor	xx		By Bank Charges		xx
To B/R		xx	By creditor	xx	
	xxx	xx		xx	xx

☆ 2. Debtor's A/c • (Asset)

Increase Dr.		Decrease Cr.	
To Bal. b/d (Opn. bal)	XX	By sales Return A/c	xxx
To Credit Sales	xxx	By Bad debt A/C	xxx
To B/R A/c (dishonour) (if any)	xxx	By Dis. Allowed	xx
		By Cash A/C	xx
		By B/R A/C (if any)	
		By bal c/d (closing)	xx
	xxx		xx

iii) B/R A/C (Asset A/C)

Dr			Cr
To Bal b/d (openg)	xx	By Creditor (Bill Endorse)	xx
To Debtor A/C (BR made)	xxx	By Bank A/c	xx
		By dis-charge A/c	xx
		By debtor (dishno)	xx
		By Cash A/C	xx
		By bal. c/d (clo)	xx
	xxx		xxx

iv) Creditor A/C (Liability A/c)

Dr Decrease		Increase	Cr
To Purchase Return	xx	By bal b/d (openig)	xx
To Dis. Received	xx	By credit purchase	xx
To Cash A/c	xx	By B/P (dishonour)	xx
To B/R (bill Endo)	xxx		
To B/P (bill accept)	xx		
To bal c/d (closig)	xx		
	xxx		xxx

B/P A/C liability A/C

Dr			Cr
		By bal. b/d (openig)	xx
To Creditor (B/P dish)	xx	By creditor A/C	xx
To Cash (B/P paid)	xx		
To bal. c/d (closig)	xx		
	xxx		xxx

v) Sales A/C

Dr			Cr
		By Cash (Sales	xx
To Trading A/C	xxx	By debtor (credit sales)	xx
	xxx		xxx

vi) Purchase A/C

Dr			Cr
To Creditor A/C (cr. pur)	xxx	By Trading A/C	xxx
To Cash A/C	xx		
	xxx		xxx

★ We have to prepare some more ledger A/c's as Requiremet of Qtn - (Asset A/C, Etc)

TU-7 Debtor A/C

Dr			Cr
To Bal. b/d (opn.)	500000	By cash A/c	600000
		By Dis. Allowed	10000
To cr. sales	1140000	By B/R A/C	300000
		By bad debt A/c	$\boxed{30000}$
		By bal c/d (closig)	700000
	1640000		1640000

III-7

Creditor A/c

		By bal b/d	400000
To Cash A/C	85000	By credit Pur.	970000
To dis. Received	20000		
To Bal c/d	500000		
	1370000		1370000

III-8

Soln

Trading A/c

To opn stock	3900	By closing stock	5700
To purchases:- Cash - 12000 Credit - 37100* (W.N)	49100	By sales - 51100* Cash sales - 11000	62100
G/profit to P/L	14800		
	67800		67800

P & L A/C

Particulars	₹	Particulars	₹
~~[illegible]~~	~~[illegible]~~	~~[illegible]~~	~~[illegible]~~
To Dep - (750 + 120)	870	By Int. on Invest	200
To P.D.D.	800	By G/P -	14800
To Salaries	6500		
To Rent & Tax	1500		
To General Exp.	2500		
Net profit	2830		
			15000

B/S: 31/3/2022

Liabilities	₹	Asset	₹
Creditors	7900	Debtors - 17600 (-) P.D.D 800	16800
Capital - 29100* (+) Add cap - 6000 (-) drawing - 3600 (+) Net profit - 2830	~~[illegible]~~ 34330	Machine - 7500 (-) Dep - 750	6750
		Furniture - 1200 (-) Dep 120	1080
		Closing stock	5700
		Investment	5000
		Bank -	6400
		Cash -	500
	42230		42230

W.N

B/S - 1/4/21 - (openig)

Liability	₹	Asset	₹
Creditors	5800	Debtors - opn.	14500
		Bank bal.	2800
		Machine	7500
		furniture	1200
Capital (opn.) →	29100		
		Openig stock	3900
		Investment	5000
	34900		34900

Debtor A/c

To bal b/d	14500	By Cash A/c	48000
To credit Sales (bal)	51100		
		By Bal c/d	17600
	65600		65600

Creditor A/c

To Cash A/c	35000	By bal b/d	5800
		By credit pur. (bal fig)	37100
To Bal c/d	7900		
	42900		42900

L.3

Q.3.)

Trading A/c

To oph. stock	280000	By closing stock* → (bal. fig)	120000
To Purchase (All credit)	770000	By Sales:- (1000000* cr + 240000 cash)	1240000
To Gross profit	310000		
	1360000		1360000

P&L A/c

To Business Exp.	120000	By gross profit	310000
To Int. on loan	5000		
To salary	40000		
To Net profit - (bal. figure)	145000		
	310000		310000

* 1240000 x 25% - Gross profit => 310000.

Date:
Page No.

B/S - 31/3/22

Creditors	90000	Cash in hand	10000
(+) Net Profit 145K		Cash at Bank	80000
Capital - 300000	365000	Debtors	350000
(-) Drawing - 80000		Stock (closing)*	120000
Loan	100000		
outstanding Interest on loan	5000		
	560000		560000

W.N

Debtor A/C

To bal b/d (Opn)	100000	By Bank	750000
To credit Sales (bal.)	1000000		
		By bal c/d	350000
	1100000		1100000

Creditor A/c

To Bank	700000	By bal. b/d	40000
To Cash	20000		
~~To bal c/d~~	~~90000~~	By credit purchase (bal.	770000
To bal. c/d -	90000		
	810000		810000

Date:
Page No.

Cash ~~Book~~ A/c

To Bal b/d - opn.	10000	~~By creditor~~	~~70000~~
		By Bank A/C	100000
		By creditor	20000
		By salaries	40000
To Cash Sales (bal)	240000	By drawings	80000
		By bal b/d -	10000
	250000		250000

Bank A/c

To Debtor	750000	By bal b/d (O.D)*	50000
To Loan	100000	By creditor	700000
To Cash	100000	By Business Exp.	120000
		~~By salaries~~	~~40000~~
		By bal c/d	80000
	950000		950000

Ill-9 Dr. Trading A/c Cr.

To Opn. stock	8040	By closing stock	11120
To purch. (-) Return - (400) Cash - 1030 Credit - 58000*	58630	By sales - 71810 (-) Return - 1450 Cash - 4600 Credit - 67210 (b/f)	70360
To G/P (bal.)	14810		
	81480		81480

P&L A/c

To dis. Allowed	1500	By dis. Rec.	700
To Bad debt	420	By G/P -	14810
To Exp.* (WN.)	9300*		
To Net profit (b/f)	4290		
	15510		15510

B/S - 31/3/22 (Closing)

Creditors	12400	Sundry Asset (M-430) Inc	12040
Expense O/S	330	Closing Stock	11120
Capital - 26770 (+) Add - 8500 (-) drawing - 3180 (+) Net profit - 4290	36380	Cash & Bank	8080
		Debtors	17870
	49110		49110

B/S - 01/4/21

Creditors	15770	Sundry Asset	11610
Exp. O/S	600	Stock Opn.	8040
		Cash & Bank	6960
Capital (bal.) fig.	26770	Debtors -	16530
	43140		43140

(b/f)

Debtor A/C

To bal. b/d	16530	By Cash	62500
To Credit Sales *	67210	By dis.	1500
		By sales Ret.	1450
		By bad debt	420
		By bal c/d	17870
	83740		83740

Creditor A/C

To dis Recd.	700	By bal b/d	15770
To Purchase Return	400		~~[illegible]~~
To Bank	60270	By Creditor purchase (bal.)	58000
To bal c/d	12400		
	73770		73770

Cash & Bank A/C (Combined)

To Bal. b/d	6960	By Purchase	1030
To debtor	62500	By Exp.	9570
To Cap.	8500	By Machine	430
		By drawings	3180
To Cash Sales (b/f) * (देखा आएगा) *	4600	By Creditor	60270
		By bal c/d	8080
	82560		82560

Expense A/C

To Cash A/C	9570	By O/S Exp. (op.)	600
		** By P&L A/C (bal.)	9300
		~~By Creditor~~	~~60270~~
To O/S Exp (cl.)	330		
	9900		9900

Credit Sales = Debtors X $\frac{12 \text{ Months}}{\text{Debt collection period}}$

P. Qth-1

⇒ $125000 \times \frac{12}{1.5 \text{ Months}}$

⇒ 1000000

Total sales ⇒ $1000000 \times \frac{100}{80}$ ⇒ 1250000

↳ 80% = 10 lac

P.Qtn-2

Trading A/c

Dr.			Cr.
To opn. stock	280000	By Sales (120000 + 480000)	600000
To Purchase (credit)	364000	By Closing stock	160000
To G/P	116000		
	760000		760000

P&L A/C

Dr.			Cr.
To dep	4000	By G/P	116000
To Salary	24000		
To office Exp	14400		
To Rent	16000		
To Cash (theft)	23600		
To Net profit	34000		
	116000		116000

B/S

Liability	₹	Asset	Asset
Capital - 404000 (-) Drawing (6000) (+) Net profit - 34000	432000	Furniture - 40000 (-) 10% dep - 4000	36000
		Closing Stock	160000
		Debtors	120000
		Bank	262000
Creditors	146000		
	578000		578000

Debtors A/c

Dr.			Cr.
To bal b/d	100000	By Bank A/c (bal. fig)	460000
To credit sales	480000	By bal c/d	120000
	580000		580000

Creditors A/c

Dr.			Cr.
To Bank	300000	By bal b/d opn.	82000
		By credit pur. (bal. fig)	364000
To bal c/d	146000		
	446000		446000

Dr. Bank A/c Cr.

To bal. b/d	38000	By Creditor	300000
To Cash	80000	By Rent	16000
To Debtor *	460000		
		By Bal c/d	262000
	578000		578000

Dr Cash A/c Cr.

To bal. b/d	28000	By salaries	24000
To Cash Sales	120000	By office Exp	14400
		By drawing	6000
		By Bank	80000
		* By P&L A/c चोरी - (bal-fig)	23600
	148000		148000

VVI* Cheque dishonour entry - Debtor A/c dr. / Bank A/c

Ill-10

Dr. Trading A/c Cr.

To opn stock	110000	By closing Stock *	130000
To purch- 454100 * (-) Return (4200)	449900	By sales - 959750 (-) Return - 1200	958550
* To G/P (b/f) *	588650		
	1148550		1148550

Dr. P&L A/c Cr.

To Shop Exp.	7200		
To Salary	110400	By G/P	588650
To Discount	750		
To Electricity & Tele - 18700+2200	20900	By Dis. Rec.	2700
To legal Exp.	17000		
To prov. for damage	155000		
To Dis. Allowed	2400		
To Rent	20000		
* To Net profit (b/f) *	~~[illegible]~~ 257700		
	591350		591350

B/S - (Closing)

Liability	₹	Asset	₹
BP	14000	Debtors	92000
Creditors	56000	B/R	6000
Capital - 238200* (-) Drawing (16800) (+) Add. Cap - 34000*	513100	Stock	190000
		Bank	87000
		Cash	5300
O/S Telle & Elect.	2200	Furniture*	25000
O/S Legal Charges	17000	Building :-	
Prov. for legal charge	155000	(350000 + 22000)	372000
O/S Rent	20000		
	777300		777300

Net Profit +257700

W.N

B/S (Opening)

BP	12000	Debtors	70000
Creditors	40000	B/R	15000
		Stock	110000
		Bank	90000
		Cash	5200
Capital - (b/f)	238200		
	290200		290200

Dr. **Debtor A/c** Cr.

To bal b/d	70000	By B/R	40000
To Bank	5700	By Sales Return	1200
To BR*	3000	By Dis. Allowed	2400
To Credit Sales (b/f)*	959750	By Cash (collected)* from (cash A/C)	897150
		By Bank	5700
		By bal c/d	92000
	1038450		1038450

Dr. **B/R A/c** Cr.

To bal b/d	15000	By Creditor (Endorse)	10000
To Debtor	40000	By Bank (Dis.)	19250
		By Dis.	750
		By Bank (Mature)	16000
		By Bill Dishonour (b/f) → Debtor	3000
		By bal c/d	6000
	55000		55000

Dr. **Creditor A/c** Cr.

To Cash	77200	By bal b/d	40000
To B/R	10000	By credit purchase* (b/f)	454100
To B/P	24000		
To Bank	320000		
To Purch. Ret.	4200		
To Dis. Receivd	2700		
To bal c/d	56000		
	494100		494100

Dr. B/P A/c Cr.

		By bal b/d	~~[illegible]~~ 12000
		By Creditor	24000
To Bank A/c (b/f) ↓ (B/P discharged)	22000		
To Bal c/d	14000		
	36000		36000

Dr. Cash A/c Cr.

To bal b/d	5200	By Salaries	110400
To Bank	121000	By Shop Expense	7200
		By drawing	16800
		By Bank	762750
To Debtors (b/f) (cash collected from Debtor)	897150	By creditor	77200
		By Furniture	25000
		By Elec & Telephone	18700
		By bal c/d	5300
	1023350		1023350

Dr. Bank A/c Cr.

To bal b/d	30000	By cash (drawing)	12100
To Cash	762750	By Debtor	5700
To B/R	19250	~~By [illegible]~~	~~[illegible]~~
To B/R	16000	By Creditor	320000
To Capital	34000	By building	390000
To Debtor	5700	By building (Expp.)	22000
		By B/P A/c (b/f)	22000
		By bal c/d	87000
	927700		927700