

2) From the following Trial Balance of M/S Mitesh and Mangesh, you are required to prepare Trading and Profit and Loss Account for the year ended 31st March, 2019 and Balance Sheet as on that date.

Trial Balance as on 31st March, 2019

Debit BALANCE	Amount	Credit BALANCE	Amount
Stock AS on (1/4/2018)	25,000	Sundry Creditors	38,000
Building	48,500	SALES	1,75,000
CARRIAGE	1,780	CAPITAL :	
FACTORY INSURANCE	2,700	Mitesh	1,50,000
POSTAGE	1,600	MANGESH	50,000
Bills RECEIVABLE	13,700	OUTSTANDING SALARIES	2,000
Sundry Debtors	52,200	Bills PAYABLE	18,000
Return INWARD/ SALES	1,600	Return outword	1,800
RETURN		/purchase return	
PURCHASES	68,900	Current A/c :	
Audit fees	1,800	Mitesh	3,000
Loose tools	32,000	MANGESH	2,000
MFG. Expenses	1,820		
Electricity CHARGES	2,600		
GENERAL Expenses	3,400		
Export duty	1,000		
CASH in HAND	75,000		
BANK BALANCE	29,000		
CONVEYANCE	4,100		
Furniture	64,000		
SALARIES	2,000		
Rent, RATE & TAXES	3,700		
DRAWINGS :			

Adjustments :

- Mitesh and Mangesh are sharing Profit and losses in the ratio 3:1.
- Partners are entitled to get Commission @ 1% each on Gross Profit.
- The closing stock is valued at ` 23,700. tc & asset
- Outstanding Expenses - Audit fees ` 400; carriage ` 600.
- Building is valued at ` 46,500.
- Furniture is depreciated by 5%.
- Provide Interest on Partner's capital at 2.5% pa
- Goods of ` 900 were taken by Mangesh for his personal use.
- Write off ` 1,000 as Bad Debts and maintain R.D.D at 3% on Sundry Debtors.

IN THE BOOKS OF Mitesh and Mangesh
Trading, Profit and Loss Account for the year Ended 31st March 2019

Dr.

Cr.

PARTICULARS	Amt	Amt	PARTICULARS	Amt	Amt
To Opening Stock		25000	By SALES	175000	
To PURCHASES	68900		Less : SALES Return	<u>1600</u>	173400
Less - PURCHASES Return	1800	67100			
To CARRAIGE	1780		By Goods withdrawn by mangesh		900
ADD: O/S CARRAIGE	<u>600</u>	2380			
To FACTORY INSURANCE		2700	By Closing Stock		23700
To MFG EXP		1820			
To Gross Profit c/d		99000			
		<u>198000</u>			<u>198000</u>
To Conveyance		4100			
To Postage		1600			
To Audit Fees	1800		By Gross Profit b/d		99000
Add: O/s Audit Fees	400	2200			
To Electricity charges		2600			
To General Exp		3400			
To DEPRECIATION on :					
Building	2000				
FURNITURE	3200	5200			
To export Duty		1000			
To Rent,Rats & Taxes		3700			
To BAD debts (old)	-				
Add : New BAD Debts	1000				
Add : New R.D.D.	1536	2536			
To salary		2000			

Partners Current Account

Dr

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PARTICULARS	Amt. (Mitesh)	Amt. (MANGESH)	PARTICULARS	Amt. (Mitesh)	Amt. (MANGESH)
To Drawing A/c	1200	2200	By Balance b/d	3000	2000
To goods withdrwn By Mangesh		900	By Interest On Partners capital	3750	1250
By Balance C/d	54303	17061	By Commission to Partners	990	990
			By Net Profit & Loss	47763	15921
	55503	20161		55503	20161

- $99000 * 1/100 = 990$ commi for each partner

BALANCESHEET AS ON 31ST MARCH 2019

LAIBILITIES	Amt. `	Amt. `	ASSET	Amt. `	Amt. `
.Capital			Building	48500	
Mitesh		150000	Less : Depreciation	<u>2000</u>	46500
Mangesh		50000			
Sundry Creditors		38000	Bill Recivable		13700
Outstanding Salary		2000	Loose Tools		32000
Bill Payable		18000	Furniture	64000	60800
			Less: Depreciation	3200	
			5%		
Outsatnding Exp			Sundry Debtors	52200	
Audit Fees	400		Less : Bad Debts	<u>1000</u>	
Carraige	600	1000	New	51200	
Current A/C			Less: R.D.D 3%	<u>1536</u>	49664
Mitesh	54303		Cash in Hand		75000
Mangesh	17061	63684	Bank balance		29000
			Closing Stock		23700
		330364			330364