

2015

M/s Scholar Toddler

Nisha Jain B15033 (BM-A)

NAME OF THE BUSINESS: M/s Scholar Toddler

ENTITY: Sole Proprietorship

NATURE: Manufacturing of educational toys for toddlers

DATE OF COMMENCEMENT: 1ST of May, 2015

INITIAL CAPITAL CONTRIBUTION: Rs. 594 lakhs

[PROJECT ON MANAGERIAL ACCOUNTING]

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TRANSACTIONS FOR PERIOD 1 : MAY

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01-May	Capital introduced by proprietor, Nisha Jain, towards the Capital	594,00,000
01-May	Paid Municipality @ 1% of Owner's Equity at the start of the month	5,94,000
02-May	Opened a bank account with IDBI and deposited cash into bank	10,00,000
02-May	Availed a loan from IDBI. Rate of interest: 10% (payable by monthly installments, over 5 years)	600,00,000
02-May	Received Government Grant	104,00,000
03-May	Purchased a factory	275,00,000
03-May	Purchased a warehouse	80,00,000
04-May	Purchased 3 machines for factory	75,00,000
04-May	Purchased furniture for offices	50,00,000
06-May	Paid for registration expenses	20,000
06-May	Purchased 4 trucks	40,00,000
07-May	Application charges for electricity connection	5,000
07-May	Office rent paid for the month of May and June @ 100,000 per month	2,00,000
08-May	Purchase of 15000 Plastic strips @ 100 per strip on credit from Alibaba Plastics	15,00,000
08-May	Purchased 150,000 bolts @ Rs. 10/bolt from M/s Nut and Bolt on cash	15,00,000
09-May	Purchased 100,000 litres of paint @ Rs. 5/litre from Asian Paints on credit, issued Bills payable	5,00,000
09-May	Purchased a water purification unit for the factory in cash	10,00,000
09-May	Purchased Paper @ Rs. 10 per sheet. 160000 sheets. On Credit from Paperking	16,00,000
09-May	Sold 30,000 toys to M/s Kidsarena @ Rs. 100/toy on credit	30,00,000
10-May	Purchased 50000 kgs of cotton @ Rs. 20/kg from M/s Cottonhub on credit, issued Bills payable	1000000
10-May	Paid the municipality for 100,000 litres of water @ Rs. 1/litre	1,00,000
11-May	Purchased 4,00,000 customized Scholar Toddler name tags from M/s Namesake @ Rs. 1/tag on credit	4,00,000
13-May	Hired 2 security guards @ Rs. 15000/month Paid Advance cash for the month	30,000
13-May	Sold 10,000 toys to M/s Kidsworld @ Rs. 100/toy on credit, bills receivable received	1000000
14-May	Purchase of Stationery on credit from Star Stationery	5,00,000
14-May	Sold 20,000 toys to M/s Mykidsdream @ Rs 100/toy on cash	20,00,000
14-May	Discounted the bills receivable, received on 13-05-2015, from Kidsworld, with bank	9,91,370
15-May	Sold 30,000 toys to M/s Kidsarena @ Rs. 100/toy on credit, bills receivable received	30,00,000
16-May	Administration and petty cash expenses	10,00,000
17-May	Sold 30,000 toys to M/s Kidtree @ Rs. 100/toy for cash	30,00,000
17-May	Sold 25,000 toys to M/s Happykids @ Rs. 100/toy on credit	25,00,000
18-May	Discounted the bills receivable, received on 15-05-2015, from Kidsarena, with bank	29,77,810
18-May	Paid M/s Namesake for purchase of name tags	3,84,000
18-May	Paid for sundry tools and equipments	30,00,000
19-May	Paid Star Stationery for purchase of stationery	5,00,000
20-May	Transportation charges for truck (Diesel + tax)	40,000
20-May	Sold 15000 toys to M/s Kidsarena @ Rs. 100/toy on credit	15,00,000
21-May	Purchase of 8762 Plastic strips @ 105 per strip on credit from Alibaba Plastics, issued bills payable	9,20,000
21-May	Sold 10,000 toys to M/s Kid edu @ Rs. 100/toy on Cash	10,00,000

21-May	Paid Alibaba for purchases made on 08-05-2015 (net of cash discount received @ 4%)	14,40,000
22-May	Sold 24,000 toys to M/s Brainkid @ Rs. 100/toy on credit	24,00,000
22-May	Sold 9000 toys to M/s Joykids @ Rs.100/toy on credit	9,00,000
22-May	Paid Asian Paints for purchases (net of cash discount)	4,80,000
23-May	Purchased 109524 litres of paint @ Rs. 5.25/litre from Asian Paints on credit, issued Bills payable	5,75,000
23-May	Sold 17,000 toys to M/s Kids edu @ Rs. 100/toy on credit	17,00,000
23-May	Purchased 95238 bolts @ Rs. 10.5/bolt from M/s Nut and Bolt on cash	10,00,000
24-May	Purchased 11905 kgs of cotton @ Rs. 21/kg from M/s Cottonhub on credit, issued Bills payable	2,50,000
27-May	Paid municipality for consumption of 50,000 litres of water @ Rs. 1.05/litre	52,500
27-May	Sold 30,000 toys to M/s Kid edu @ Rs. 100/toy on Credit, bills receivables received	30,00,000
27-May	Discounted the bills receivable, received on 27-05-2015, from Kid Edu, with bank	29,74,110
28-May	Invested in BHEL Bonds @ 6%	10,00,000
28-May	Sold 50,000 toys to M/s Kidsarena @ Rs. 100/toy on credit, bills receivable received	50,00,000
29-May	Discounted the bills receivable, received on 28-05-2015, from Kidsarena, with bank	49,56,850
30-May	Received money from M/s Kidsarena for sale of goods on 09-05-2015 (net of cash discount)	28,80,000
30-May	Purchased Paper @ Rs. 10.5 per sheet. 71905 sheets. On Credit from Paperking. Issued bills payable for 505000	7,55,000
30-May	Paid Wages to 150 workers @ Rs. 30,000/month	45,00,000
30-May	Paid Salaries to 30 employees @ Rs. 50,000/month	15,00,000
30-May	Monthly Loan Principal Repayment	10,00,000
30-May	Monthly Loan Interest Payment	5,00,000
30-May	Paid For electricity and other administration expenses	7,50,000
31-May	Received interest from BHEL	500
31-May	Surplus Cash invested in Reliance and TCS	714,85,140

JOURNAL ENTRIES FOR PERIOD 1 : MAY

S. No.	Date	Particulars	Debit Amount(Rs.)	Credit Amount(Rs)
1	01-May	Cash A/c To Capital A/c (being Capital introduced by proprietor)	594,00,000	594,00,000
2	01-May	Municipality fees A/c To Cash A/c (being Municipality fees paid)	5,94,000	5,94,000
3	02-May	Bank A/c To Cash A/c (being bank account opened with IDBI)	10,00,000	10,00,000
4	02-May	Bank A/c To Loan A/c (being loan taken from IDBI)	600,00,000	600,00,000
5	02-May	Cash A/c To Government Grant A/c (being government grant received)	104,00,000	104,00,000
6	03-May	Factory A/c Warehouse A/c To Cash A/c (being factory and warehouse purchased for cash)	275,00,000 80,00,000	355,00,000
7	04-May	Machinery A/c Furniture a/c To Cash A/c (being factory and warehouse purchased for cash)	75,00,000 50,00,000	125,00,000
8	06-May	Registration fees A/c To Cash A/c (being Registration expenses paid)	20,000	20,000
9	06-May	Trucks A/c To Cash A/c (being trucks purchased for cash)	40,00,000	40,00,000
10	07-May	Electricity Expenses To Cash A/c (being application fees paid for electricity connection)	5,000	5,000
11	07-May	Office Rent A/c Advance office Rent a/c To Cash A/c (being office rent paid for two months)	1,00,000 1,00,000	2,00,000
12	08-May	Purchases A/c To Alibaba Plastics A/c (being Purchase of 15000 Plastic strips @ 100 per strip on credit from Alibaba Plastics)	15,00,000	15,00,000
13	08-May	Purchases A/c To Cash A/c (being Purchased 150,000 bolts @ Rs. 10/bolt from M/s Nut and Bolt on cash)	15,00,000	15,00,000

14	09-May	Purchases A/c To Asian Paints A/c (being Purchased 100,000 litres of paint @ Rs. 5/litre from Asian Paints on credit)	5,00,000	5,00,000
15	09-May	Asian Paints A/c To Bills Payable (being bills payable issued to Asian Paints)	5,00,000	5,00,000
16	09-May	Water Purifier A/c To Cash A/c (being water purifier purchased for cash)	10,00,000	10,00,000
17	09-May	Purchases A/c To Paperking A/c (Being Purchased Paper @ Rs. 10 per sheet. 160000 sheets. On Credit from Paperking)	16,00,000	16,00,000
18	09-May	Kidsareana A/c To Sales A/c (Being Sold 30,000 toys to M/s Kidsareana @ Rs. 100/toy on credit)	30,00,000	30,00,000
19	10-May	Purchases A/c To Cottonhub A/c (Being Purchased 50000 kgs of cotton @ Rs. 20/kg from M/s Cottonhub on credit)	10,00,000	10,00,000
20	10-May	Cottonhub A/c To Bills Payable (being bills payable issued to Cottonhub)	10,00,000	10,00,000
21	10-May	Water expenses A/c To Cash A/c (being water expenses paid to municipality)	1,00,000	1,00,000
22	11-May	Purchases A/c To Namesake A/c (Being Purchased 4,00,000 customized Scholar Toddler name tags from M/s Namesake @ Rs. 1/tag on credit)	4,00,000	4,00,000
23	13-May	Salaries A/c To Cash A/c (being salaries paid to security guards)	30,000	30,000
24	13-May	Kidsworld A/c To Sales A/c (Being Sold 10,000 toys to M/s Kidsworld @ Rs. 100/toy on credit, bills receivable received)	10,00,000	10,00,000
25	13-May	Bills Receivables A/c To Kidsworld A/c (Being bills receivable received from debtor against sale of goods)	10,00,000	10,00,000
26	14-May	Stationery A/c To Creditor for stationery A/c (being stationery purchased on credit)	5,00,000	5,00,000
27	14-May	Cash A/c To Sales A/c (being goods sold on cash to mykidsdream)	20,00,000	20,00,000

28	14-May	Bank A/c	9,91,370	
		Discounting Charges A/c	8,630	
		To Bills Receivable A/c		10,00,000
		(being bills receivable discounted with bank)		
29	15-May	Kidsarena A/c	30,00,000	
		To Sales A/c		30,00,000
		(Being Sold 30,000 toys to M/s Kidsarena @ Rs. 100/toy on credit)		
30	15-May	Bills Receivables A/c	30,00,000	
		To Kidsarena A/c		30,00,000
		(Being bills receivable received from debtor against sale of goods)		
31	16-May	Administration Expenses A/c	10,00,000	
		To Bank A/c		10,00,000
		(being administration expenses paid by cheque)		
32	17-May	Cash A/c	30,00,000	
		To Sales A/c		30,00,000
		(being goods sold on cash to kidtree)		
33	17-May	Happykids A/c	25,00,000	
		To Sales A/c		25,00,000
		(Being Sold 25,000 toys to M/s Happykids @ Rs. 100/toy on credit)		
34	18-May	Bank A/c	29,77,810	
		Discounting Charges A/c	22,190	
		To Bills Receivable A/c		30,00,000
		(Discounted the bills receivable, received on 15-05-2015, from Kidsarena, with bank)		
35	18-May	Namesake A/c	4,00,000	
		To Cash A/c		3,84,000
		To discount Received A/c		16,000
		(being payment made to Namesake, net of discount 4%)		
36	18-May	Sundry tools and equipment A/c	30,00,000	
		To Cash A/c		30,00,000
		(being sundry tools and equipment purchased)		
37	19-May	Creditor for Stationery A/c	5,00,000	
		To Cash A/c		5,00,000
		(being cash paid to Creditor for stationery)		
38	20-May	Transportation Charges	40,000	
		To Cash A/c		40,000
		(being cash paid from transportation charges)		
39	20-May	Kidsarena A/c	15,00,000	
		To Sales A/c		15,00,000
		(Being Sold 15000 toys to M/s Kidsarena @ Rs. 100/toy on credit)		
40	21-May	Purchases A/c	9,20,000	
		To Alibaba Plastics A/c		9,20,000

		(being Purchase of 8762 Plastic strips @ 105 per strip on credit from Alibaba Plastics)		
41	21-May	Alibaba A/c To Bills Payable A/c (being bills payable issued to Alibaba)	9,20,000	9,20,000
42	21-May	Cash A/c To Sales A/c (being Sold 10,000 toys to M/s Kid edu @ Rs. 100/toy on Cash)	10,00,000	10,00,000
43	21-May	Alibaba A/c To Cash A/c To discount Received A/c (being payment made to Alibaba, net of discount 4%)	15,00,000	14,40,000 60,000
44	22-May	Brainkid A/c To Sales A/c (Being Sold 24,000 toys to M/s Brainkid @ Rs. 100/toy on credit)	24,00,000	24,00,000
45	22-May	Joykids A/c To Sales A/c (Being Sold 9,000 toys to M/s Joykids @ Rs. 100/toy on credit)	9,00,000	9,00,000
46	22-May	Bills Payable A/c To Cash A/c To discount Received A/c (being payment made to Asian Paints, net of discount 4%)	5,00,000	4,80,000 20,000
47	23-May	Purchases A/c To Asian Paints A/c (Being Purchased 109524 litres of paint @ Rs. 5.25/litre from Asian Paints on credit)	5,75,000	5,75,000
48	23-May	Asian Paints A/c To Bills Payable A/c (being bills payable issued to Asian Paints)	5,75,000	5,75,000
49	23-May	Kidsedu A/c To Sales A/c (Being Sold 17,000 toys to M/s Kids edu @ Rs. 100/toy on credit)	17,00,000	17,00,000
50	23-May	Purchases A/c To Cash A/c (Being Purchased 95238 bolts @ Rs. 10.5/bolt from M/s Nut and Bolt on cash)	10,00,000	10,00,000
51	24-May	Purchases A/c To Cottonhub A/c (Being Purchased 11905 kgs of cotton @ Rs. 21/kg from M/s Cottonhub on credit)	2,50,000	2,50,000
52	24-May	Cottonhub A/c To Bills Payable (being bills payable issued to Cottonhub)	2,50,000	2,50,000
53	27-May	Water expenses A/c To Cash A/c	52,500	52,500

54	27-May	(being water expenses paid to municipality) Kidsedu A/c To Sales A/c (Being Sold 30,000 toys to M/s Kid edu @ Rs. 100/toy on Credit)	30,00,000	30,00,000
55	27-May	Bills Receivables A/c To Kidsedu A/c (Being bills receivable received from debtor against sale of goods)	30,00,000	30,00,000
56	27-May	Bank A/c Discounting Charges A/c To Bills Receivable A/c (being bills receivable discounted with bank)	29,74,110 25,890	30,00,000
57	28-May	Investment To Cash A/c (being cash invested in BHEL bonds)	10,00,000	10,00,000
58	28-May	Kidsarena A/c To Sales A/c (Being Sold 50,000 toys to M/s Kidsarena @ Rs. 100/toy on credit)	50,00,000	50,00,000
59	28-May	Bills Receivables A/c To Kidsarena A/c (Being bills receivable received from debtor against sale of goods)	50,00,000	50,00,000
60	29-May	Bank A/c Discounting Charges A/c To Bills Receivable A/c (being bills receivable discounted with bank)	49,56,850 43,150	50,00,000
61	30-May	Bank A/c Discount allowed A/c To Kidsarena A/c (being money received against credit sale of goods earlier)	28,80,000 1,20,000	30,00,000
62	30-May	Purchases A/c To Paperking A/c (Being Purchased Paper @ Rs. 10.5 per sheet. 71905 sheets. On Credit from Paperking)	7,55,000	7,55,000
63	30-May	Paperking A/c To Bills Payable A/c (being bills payable issued)	5,05,000	5,05,000
64	30-May	Salaries A/c Wages A/c To Bank A/c (Being Salaries and Wages paid)	45,00,000 15,00,000	60,00,000
65	30-May	Loan A/c To Bank A/c (Being Loan repayment done)	10,00,000	10,00,000
66	30-May	Interest A/c To Cash A/c	5,00,000	5,00,000

67	30-May	(Being Interest paid) Electricity Expenses To Cash A/c	7,50,000	7,50,000
68	31-May	Cash A/c To Interest A/c (Being Interest received on bonds)	500	500
69	31-May	Investment A/c To Cash A/c To Bank A/c (being surplus cash invested in intercorporate markets)	704,85,140	87,05,000 617,80,140
70	31-May	Depreciation A/c To Provision for depreciation A/c (being depreciation provided @ 10% on all fixed assets)	4,66,667	4,66,667
71	31-May	Provision for bad and doubtful debt Expense a/c To Provision for bad and doubtful debt liability a/c (being provision created)	9,00,000	9,00,000
72	31-May	Profit and Loss A/c To provision for bad and doubtful debts a/c (being provision created for bad and doubtful debts)	9,00,000	9,00,000
73	31-May	Provision for taxation Expense a/c To Provision for taxation liability a/c (being provision created)	42,27,792	42,27,792
74	31-May	Profit and Loss A/c To provision for taxation expense A/c (being provision created for taxation @ 30%)	42,27,792	42,27,792

LEDGER ACCOUNTS FOR PERIOD 1

Dr			Loan A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
30.05.15	To bank	10,00,000	02.05.15	By Bank	600,00,000
31.05.15	To balance c/d	590,00,000			
		<u>600,00,000</u>			<u>600,00,000</u>

Dr			Bank A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
02.05.15	To Cash	10,00,000	16.05.15	By Administration expense	10,00,000
02.05.15	To Loan	600,00,000	30.05.15	By Loan	10,00,000
14.05.15	To Bills receivable	9,91,370	31.05.15	By salaries	45,00,000
18.05.15	To Bills receivable	29,77,810	31.05.15	By wages	15,00,000
27.05.15	To Bills receivable	29,74,110	31.05.15	By TCS	617,80,140
27.05.15	To Bills receivable	49,56,850	31.05.15	By balance c/d	60,00,000
30.05.15	To kidarena	28,80,000			
		<u>757,80,140</u>			<u>757,80,140</u>

Dr			Government Grant A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
31.05.15	To balance c/d	104,00,000	02.05.15	By Cash	104,00,000
		<u>104,00,000</u>			<u>104,00,000</u>

Dr			Factory A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
03.05.15	To Cash	275,00,000	31.05.15	By balance C/d	275,00,000
		<u>275,00,000</u>			<u>275,00,000</u>

Dr			Warehouse A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
03.05.15	To Cash	80,00,000	31.05.15	By balance C/d	80,00,000

	80,00,000	80,00,000
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Dr Machinery a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
04.05.15	To cash	75,00,000	31.05.15	By balance C/d	75,00,000
		75,00,000			75,00,000

Dr Furniture A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
04.05.15	To cash	50,00,000	31.05.15	By balance C/d	50,00,000
		50,00,000			50,00,000

Dr Truck A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
06.05.15	To Cash	40,00,000	31.05.15	By balance C/d	40,00,000
		40,00,000			40,00,000

Dr Water Purifier A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
09.05.15	To Cash	10,00,000	31.05.15	By balance C/d	10,00,000
		10,00,000			10,00,000

Dr Sundry tools and Equipment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
18.05.15	To Cash	30,00,000	31.05.15	By balance C/d	30,00,000
		30,00,000			30,00,000

Dr			Investment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
28.05.15	To Cash (BHEL)	10,00,000	31.05.15	By balance C/d	714,85,140			
31.05.15	To Cash (RELIANCE)	87,05,000						
31.05.15	To Bank (TCS)	617,80,140						
		714,85,140						714,85,140

Dr			Kidsarena A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
09.05.15	To Sales	30,00,000	15.05.15	By bills receivable	30,00,000			
15.05.15	To Sales	30,00,000	28.05.15	By bills receivable	50,00,000			
20.05.15	To Sales	15,00,000	30.05.15	By bank	28,80,000			
28.05.15	To Sales	50,00,000	30.05.15	By discount	1,20,000			
			31.05.15	By Balance C/d	15,00,000			
		125,00,000						125,00,000

Dr			Kidsworld a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
13.05.15	To Sales	10,00,000	13.05.15	By bills receivable	10,00,000			
		10,00,000						10,00,000

Dr			Happykids A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
17.05.15	To Sales	25,00,000	31.05.15	By balance C/d	25,00,000			
		25,00,000						25,00,000

Dr			Brainkid A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
22.05.15	To Sales	24,00,000	31.05.15	By balance C/d	24,00,000			
		24,00,000						24,00,000

Dr			Joykids A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			

22.05.15	To Sales	9,00,000	31.05.15	By balance C/d	9,00,000
		9,00,000			9,00,000

Dr			Kidsedu A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
23.05.15	To Sales	17,00,000	27.05.15	By bills receivable	30,00,000			
27.05.15	To Sales	30,00,000	31.05.15	By balance C/d	17,00,000			
		47,00,000			47,00,000			

Dr			Bills receivable A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
13.05.15	To Kidsworld	10,00,000	14.05.15	By bank	9,91,370			
15.05.15	To kidsarena	30,00,000	14.05.15	By Discounting charges	8,630			
27.05.15	To kidsedu	30,00,000	18.05.15	By bank	29,77,810			
28.05.15	To kidsarena	50,00,000	18.05.15	By Dicsounting charges	22,190			
			27.05.15	By bank	29,74,110			
			27.05.15	By Dicsounting charges	25,890			
			28.05.15	By bank	49,56,850			
			28.05.15	By Dicsounting charges	43,150			
		120,00,000			120,00,000			

Dr			Alibaba Plastics A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
21.05.15	To Bills payable	9,20,000	08.05.15	By purchases	15,00,000			
21.05.15	To Cash	14,40,000	21.05.15	By purchases	9,20,000			
21.05.15	To discount	60,000						
		24,20,000			24,20,000			

Dr			Asian Paints A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
09.05.15	To bills payable	5,00,000	09.05.15	By purchases	5,00,000			
23.05.15	To bills payable	5,75,000	23.05.15	By purchases	5,75,000			

		30.05.15 By paperking	5,05,000
	37,50,000		37,50,000

Dr			Creditor for Stationery A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
19.05.15	To Cash	5,00,000	14.05.15	By Stationery	5,00,000			
		5,00,000			5,00,000			

Dr			Purchases A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
08.05.15	To Alibaba	15,00,000	31.05.15	By Manufacturing A/c	100,00,000			
08.05.15	To Cash	15,00,000						
09.05.15	To Asian Paints	5,00,000						
09.05.15	To paperking	16,00,000						
10.05.15	To Cottonhub	10,00,000						
11.05.15	To Namesake	4,00,000						
21.05.15	To Alibaba	9,20,000						
23.05.15	To Asian Paints	5,75,000						
23.05.15	To Cash	10,00,000						
24.05.15	To Cottonhub	2,50,000						
30.05.15	To paperking	7,55,000						
		100,00,000						100,00,000

Dr			Sales A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Trading A/c	300,00,000	09.05.15	By Kidsarena	30,00,000			
			13.05.15	By Kidsworld	10,00,000			
			14.05.15	By cash	20,00,000			
			15.05.15	By Kidsarena	30,00,000			
			17.05.15	By cash	30,00,000			
			17.05.15	By happykids	25,00,000			
			20.05.15	By kidsarena	15,00,000			
			21.05.15	By Cash	10,00,000			
			22.05.15	By brainkid	24,00,000			
			22.05.15	By joykids	9,00,000			
			23.05.15	By kidsedu	17,00,000			
			27.05.15	By kidsedu	30,00,000			
			28.05.15	By kidsarena	50,00,000			

	300,00,000	300,00,000
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Dr	Sundry Debtors	Cr
Debtors		Amount
Kidsarena		15,00,000
Happykids		25,00,000
joykids		9,00,000
kidsedu		17,00,000
brainkid		24,00,000
		90,00,000

Dr	Sundry Creditors	Cr
creditors		
Paperking		18,50,000
		18,50,000

Dr		Depreciation A/c			Cr
Date	Particulars	Amount	Date	Particulars	Amount
31.05.15	To Provsion for Depreciation	4,66,667	31.05.15	By Manufacturing A/c	3,66,667
				By P/L A/c	1,00,000

Dr		Provision for depreciation A/c				Cr
Date	Particulars	Amount	Date	Particulars	Amount	
31.05.15	To balance c/d	4,66,667	31.05.15	By depreciation	4,66,667	

		4,66,667	4,66,667

Dr			Provision for bad and doubtful debts expenses A/c			Cr
Date	Particulars	Amount	Date	Particulars	Amount	
31.05.15	To PBDD liability	9,00,000	31.05.15	By P/L a/c	9,00,000	
		9,00,000			9,00,000	

Fixed Assets	
Factory	275,00,000
Truck	40,00,000
Warehouse	80,00,000
Machinery	75,00,000
Furniture	50,00,000
Water purifier	10,00,000
Tools and equipment	30,00,000
	560,00,000

Dr			Provision for taxation Expense A/c			Cr
Date	Particulars	Amount	Date	Particulars	Amount	
31.05.15	To provision for tax liability	42,27,792	31.05.15	By P/L a/c	42,27,792	
		42,27,792			42,27,792	

Dr			Provision for taxation LiabilityA/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To balance c/d	42,27,792	31.05.15	BY Provision for tax expense	42,27,792			

		42,27,792	42,27,792

Dr			Provision for bad and doubtful debts liability A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
31.05.15	To balance C/d	9,00,000	31.05.15	By PBDD expenses	9,00,000		
		9,00,000					9,00,000

Dr			Municipality fees A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
01.05.15	To Cash	5,94,000	31.05.15	By P/L A/c	5,94,000		
		5,94,000					5,94,000

Dr			Registration fees A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
06.05.15	To Cash	20,000	31.05.15	By P/L A/c	20,000		
		20,000					20,000

Dr			Electricity Expenses A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
07.05.15	To Cash	5,000	31.05.15	By Manufacturing	7,55,000		

30.05.15 To Cash		7,50,000	A/c	
		7,55,000		7,55,000

Dr			Office Rent A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
07.05.15	To Cash	1,00,000	31.05.15	By P/L A/c	1,00,000		
		1,00,000			1,00,000		

Dr			Advance Office Rent A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
07.05.15	To Cash	1,00,000	31.05.15	By balance c/d	1,00,000		
		1,00,000			1,00,000		

Dr			Water Expenses A/c			Cr	
Date	Particulars	Amount	Date	Particulars	Amount		
10.05.15	To Cash	1,00,000	31.05.15	By Manufacturing A/c	1,52,500		
27.05.15	To Cash	52,500					
		1,52,500			1,52,500		

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
30.05.15	To bank	15,00,000	31.05.15	By P/L A/c	15,00,000
		15,00,000			15,00,000

Dr		Stationery A/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
14.05.15	To creditor for stationery	5,00,000	31.05.15	By P/L A/c	5,00,000
		5,00,000			5,00,000

Dr			Administration expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
16.05.15	To bank	10,00,000	31.05.15	By P/L A/c	10,00,000			
		10,00,000			10,00,000			

Dr

Discount A/c

Cr

Date	Particulars	Amount	Date	Particulars	Amount
30.05.15	To kidsarena	1,20,000	18.05.15	By Namesake	16,000
			21.05.15	By Alibaba	60,000
			22.05.15	By bills payable	20,000
			31.05.15	By P/L a/c	24,000
		<u>1,20,000</u>			<u>1,20,000</u>

Dr Discounting Charges A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
14.05.15	To bills receivable	8,630	31.05.15	By P/L a/c	99,860
18.05.15	To bills receivable	22,190			
27.05.15	To bills receivable	25,890			
28.05.15	To bills receivable	43,150			
		<u>99,860</u>			<u>99,860</u>

Dr Transportation expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
20.05.15	To Cash	40,000	31.05.15	By P/L A/c	40,000
		<u>40,000</u>			<u>40,000</u>

Dr Interest A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
30.05.15	To cash	5,00,000	31.05.15	By Cash	500
			31.05.15	By P/L A/c	4,99,500

5,00,000

5,00,000

FINANCIAL STATEMENTS FOR PERIOD 1

With Closing Trial Balance

Dr			Manufacturing A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To purchases	100,00,000	31.05.15	By Trading A/c	100,00,000			
	To wages	15,00,000		By Closing Stock				
	To electricity	7,55,000		Raw Material	15,00,000			
	To water expenses	1,52,500		W.I.P	12,74,167			
	To depreciation	3,66,667						
		127,74,167			127,74,167			

Dr			Trading A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Manufacturing A/c	100,00,000	31.05.15	By Sales	300,00,000			
	To P/L A/c (Gross Profit)	225,00,000		By Closing Stock	25,00,000			
		325,00,000			325,00,000			

Dr

Profit & Loss A/c

Cr

Date	Particulars	Amount	Date	Particulars	Amount
31.05.15	To Municipality fees	5,94,000	31.05.15	By Trading A/c (gross profit)	225,00,000
	To Registration fees	20,000			
	To office Rent	1,00,000			
	To Salaries	45,30,000			
	To Administration Expenses	10,00,000			
	To discount	24,000			
	To discounting charges	99,860			
	To transportation	40,000			
	To Interest	4,99,500			
	To Stationery	5,00,000			
	To depreciation	1,00,000			
	To Provision for bad and doubtful debts	9,00,000			
	To provision for taxation	42,27,792			
	To Net Profit	98,64,848			
		225,00,000			225,00,000

Balance Sheet

Assets	Amount (Rs.)	Equity and Liabilities	Amount(Rs.)
<u>Non Current Assets</u>		<u>Owner's Equity</u>	
Fixed Assets	560,00,000	Capital	594,00,000
Less Provision for depreciation	4,66,667	Net Profit	98,64,848
	555,33,333		692,64,848
<u>Current Assets</u>		Government Grant	104,00,000
Investments	714,85,140	Loan	590,00,000
Closing Stock:			
Raw Materials	15,00,000		
WIP	12,74,167		
Finished Goods	25,00,000	<u>Provisions and Current Liabilities</u>	
Sundry Debtors	90,00,000	Provision for taxation	42,27,792
Less: Provision for bad debt	9,00,000		
	81,00,000	Sundry Creditors	18,50,000
Bank	60,00,000	Bills Payable	32,50,000
Cash	15,00,000		
Advance Rent	1,00,000		
	1479,92,640		1479,92,640

Trial Balance

Particulars	Debit Amount	Credit Amount
Capital		594,00,000
Government Grant		104,00,000
Loan		590,00,000
Provision for taxation		42,27,792
Sundry Creditors		18,50,000
Bills Payable		32,50,000
Fixed Assets	560,00,000	
Sales		300,00,000
Investments	714,85,140	
Sundry Debtors	90,00,000	
Provision for bad debt (provision)		9,00,000
Bank	60,00,000	
Cash	15,00,000	
Advance Rent	1,00,000	
Municipality fees	5,94,000	
Registration fees	20,000	
office Rent	1,00,000	
Salaries	45,30,000	
Administartion Expenses	10,00,000	
discount	24,000	
discounting charges	99,860	

transporation	40,000	
Interest	4,99,500	
Stationery	5,00,000	
depreciation	1,00,000	
Provision for bad and doubtful debts	9,00,000	
provision for taxation expense	42,27,792	
purchases	100,00,000	
Wages	15,00,000	
electricity	7,55,000	
water expenses	1,52,500	
depreciation	3,66,667	
provision for depreciation		4,66,667
Total	169494459	1694,94,459

COMPLIANCE STATEMENT FOR PERIOD 1: MAY

Conditions fulfilled and complied with:

- 1 **Date of commencement** has been taken to be 01.05.2015 (Proprietor's date of birth in May)

2. Capital to be Contributed

33 (Roll

No.)

Multiplied with 18(day of birth)

594 lakhs

- 3 Long term loan = 60000000
Atleast equal to capital (i.e. 54000000)
Less than 2 times the capital

- 4 **Government grant has been calculated 20% Of lower of starting Assets and Capital Contribution**
Contribution 59400000
Starting Assets 52000000
Thus, Government Grant = 20% of Starting Assets = 20% *52000000 = 10400000

5.

Series 3 is applicable for the fixed asset criteria - 36-40% of long term funds available

Starting Assets 5200000
 Long term funds (capital + government grant + Loan) 129800000
 % 40%

- 6 **For depreciation, the assets are assumed to have a life of 10 years, hence 10% depreciation per annum is charged, on wdv basis.**

Additionally no scrap value has been considered for the assets.

All the assets are clubbed together and a Blanket rate of 10% p.a. has been charged.

Alternatively, different rates could have been taken for different assets.

Fixed Assets = 56000000
 Depreciation = $56000000 \times 10\% / 12 = 4666667$

- 7 **Total Sales = 30000000**

Cash Sales = 1/5 of Total = 6000000

Credit Sales = 4/5 of Total = 24000000

Bills Receivables = 1/2 of credit Sales = 12000000

Credit period = 21 days

20% of receivables are delayed by 32 days

bills receivables are discounted with bank

14-May	Bank A/c	991370	
	Discounting Charges A/c	8630	
	To Bills Receivable A/c		1000000
	(being bills receivable discounted with bank)		

Cash discount @ 4% has been allowed if payment is made on time

30-May	Bank A/c	2880000	
	Discount allowed A/c	120000	
	To Kidsarena a/c		3000000

Penalty is charged @ 2% per month if payment is delayed. The same has been shown in next period.

Also, trade discount if any has not been shown in the books. Only cash discount has been shown..

- 8 Total purchases 10000000
 Credit 7500000 (3/4)
 Cash 2500000 (1/4)
 Bills Payable 3750000 (1/2 of credit)

credit period allowed by creditors is 2 weeks

Illustration :

	<u>Bills Payable</u>	
21-May	Alibaba A/c	920000
	To Bills Payable A/c	920000
	(being bills payable issued to Alibaba)	

Illustration: Discount

Alibaba A/c	1500000	
To Cash A/c		1440000
To discount Received A/c		60000
(being payment made to Alibaba, net of discount 4%)		

- 9 **Interest and loan is repayable over 5 years**

Loan repayment 60000000
 Yearly 12000000
 Monthly 1000000

- 10 **Sales units** 300000 in period 1
 330000 in period 2
 363000 in period 3

This shows an increase of 10% in volume

Rate : 100 in period 1
 105 in period 2
 110.25 in period 3

Thus 5 % increase.

- 11 **Purchase price to increase by 5% every 15 days of calendar month**

May 1 - 15 Plastic Strips 100
 Paint 5
 Paper 10
 Cotton 20

May 15-31 Plastic Strips 100.5
 Paint 5.25
 Paper 10.5
 Cotton 21

- 12 **Municipal Rates have been paid @ 1% of owner's equity**

Municipal rates paid = 540000

- 13 **Wages have been assumed to include both wages and salaries**

Condition: wages should be within 10-30% of Sales
 wages and salaries = 6000000
 Sales
 Thus, 20%.

- 14 **Inventory has been valued at average method of valuation.**

- 15 **Provision for bad debts have been created @ 10% of Closing debtors balance**

31-May	Profit and Loss A/c	900000
	To provision for bad and doubtful debts a/c	900000
	(being provision created for bad and doubtful debts)	

- Daily Cash expenses to be maintained has been calculated using cash expenses excluding
 16 purchase of fixed assets
 on an average, 5 days of cash expenses has to be maintained.

KAKANI.NET

TRANSACTIONS FOR PERIOD 2: JUNE

01-Jun	Paid Municipality (@ 1% of Owner's Equity at the start of the month)	6,92,648
01-Jun	Sold investments for cash	500,00,000
01-Jun	Purchased a Machine for factory	20,00,000
02-Jun	Paid Paperking for purchases made last month	16,10,667
02-Jun	Took a warehouse on rent, for high level of stock, advance for the 1st month paid	1,00,000
03-Jun	Paid Cottonhub for purchases made last month	10,06,667
04-Jun	Bought Vodafone prepaid connections for office staff	1,00,000
04-Jun	Buy new machine for factory - part of expansion plans, on credit	10,00,000
04-Jun	Sold 32000 toys to M/s Kids edu @ Rs. 105/toy on credit, bills receivable received	33,60,000
04-Jun	Paid Alibaba for purchases made on 21-05-2015	8,83,200
05-Jun	Discounted Bill with Bank	33,31,003
06-Jun	Damage of the west wing of office due to fire. Loss of furniture and Computers	20,00,000
06-Jun	Payment of Security Guard's salaries	10,000
06-Jun	Paid Asian Paints for purchases made last month	5,52,000
06-Jun	Purchased new Computers for the Office	5,00,000
07-Jun	Purchased new Furniture for Office on credit	10,00,000
07-Jun	Received Cash from Happykids for sales last month(net of discount)	24,00,000
08-Jun	Purchased Paper @ Rs. 11.03per sheet. 119956 sheets, On Cash	13,22,500
08-Jun	Paid Cottonhub for purchases made last month on 24-05-2015	2,50,167
08-Jun	Sold 66000 toys to M/s Kirtitoys @ Rs. 105/toy for Cash	69,30,000
09-Jun	Purchased 96122 kgs of cotton @ Rs. 22.05/kg from M/s Cottonhub on credit, issued Bills payable	21,19,500
11-Jun	Paid municipality for consumption of 100,000 litres of water @ Rs. 1.1/litre	1,10,000
11-Jun	Purchased 6,45,238 customized Scholar Toddler name tags from M/s Namesake @ Rs. 1.05/tag for cash	6,77,500
13-Jun	Purchase of new truck for cash	10,00,000
13-Jun	Sold 32000 toys to M/s Kidsarena @ Rs. 105/toy on credit	33,60,000
14-Jun	Painting of office, expenses incurred	1,00,000
14-Jun	Purchase of 21592 Plastic strips @ 110.25 per strip on credit from Alibaba Plastics, issued bills payable	23,80,500
15-Jun	Paid Paperking for purchases made last month	7,56,007
15-Jun	Received Cash from M/s Joy kids, delayed payment	9,01,800
16-Jun	Paid for machinery bought on 04-06-2015	10,00,000
18-Jun	Purchased 215960 bolts @ Rs. 11.58/bolt from M/s Nut and Bolt on Credit	25,00,000
18-Jun	Sold 52800 toys to M/s Kidsworld @ Rs. 105/toy on credit	55,44,000
19-Jun	Received Cash from kidarena, for goods sold on 13 june (net of discount)	3225600
20-Jun	Advance Salary paid to newly hired CFO	1,50,000
20-Jun	Repairs to Machines	65,000
21-Jun	Sold 47,200 toys to M/s WholesalerOne @ Rs. 105/toy on credit	49,56,000
21-Jun	Purchased 345535 litres of paint @ Rs. 5.79/litre from Asian Paints on credit	20,00,000

22-Jun	Investment of surplus cash in SAIL @ 6%	15,00,000
22-Jun	Received Cash from M/s Brainkid, delayed payment.	24,24,000
23-Jun	Paid Cottonhub for purchase of cotton on 9 june 2015	21,19,500
24-Jun	Paid to M/s Nuts and Bolts (net of discount)	24,00,000
25-Jun	Repairs to Computer	5,00,000
26-Jun	Cash paid for office supplies	7,50,000
26-Jun	Sold 100000 toys to M/s funkidworld @ Rs. 105/toy on credit, received Bills Receivable	105,00,000
26-Jun	Discounted Bill with Bank	104,09,384
26-Jun	Purchased 43192 kgs of cotton @ Rs. 23.15/kg from M/s Cottonhub for cash	10,00,000
27-Jun	Received Cash from M/s Kidsarena for goods sold on 20th May, delayed payment and bad debt	14,39,250
27-Jun	Paid Wages to 100 workers @ Rs. 30,000/month	30,00,000
27-Jun	Paid Salaries to 20 employees @ Rs. 50,000/month	10,00,000
28-Jun	Paid Alibaba for purchase of goods on 14 june	23,80,500
28-Jun	Monthly Loan Principal Repayment	10,00,000
28-Jun	Monthly Loan Interest Payment	4,91,667
29-Jun	Paid For electricity and other administration expenses	7,50,000
30-Jun	Interest Received from BHEL, TCS AND RELIANCE @ 6%	1,49,926
30-Jun	Investments in inter corporate market	402,94,887

LEDGER ACCOUNTS FOR PERIOD 2 : JUNE

30.06.15	To balance c/d	594,00,000	01.06.15	By balance c/d	594,00,000
		594,00,000			594,00,000

Dr			Loan A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
28.06.15	To bank	10,00,000	01.06.15	By balance b/d	590,00,000
30.06.15	To balance c/d	580,00,000			
		590,00,000			590,00,000

Dr			Bank A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
01.06.15	To balance b/d	60,00,000	02.06.15	By paperking	16,10,667
05.06.15	To Bills receivable	33,31,003	28.06.15	By Loan	10,00,000
26.06.15	By Bills Receivable	104,09,384	30.06.15	By Balance c/d	171,29,720
		197,40,387			197,40,387

Dr			Government Grant A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
30.06.15	To balance c/d	104,00,000	01.06.15	By balance b/d	104,00,000
		104,00,000			104,00,000

Dr			Factory A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
01.06.15	To balance B/d	275,00,000	30.06.15	By balance C/d	275,00,000

	275,00,000		275,00,000

Dr			Warehouse A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	80,00,000	30.06.15	By balance C/d	80,00,000			
		80,00,000			80,00,000			

Dr			Machinery a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	75,00,000	30.06.15	By balance C/d	105,00,000			
01.06.15	By Cash	20,00,000						
04.06.15	To Creditor for machinery	10,00,000						
		105,00,000			105,00,000			

Dr			Furniture A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	50,00,000	06.06.15	By loss due to fire	20,00,000			
07.06.15	To Creditor for furniture	10,00,000	30.06.15	By balance C/d	40,00,000			
		60,00,000			60,00,000			

Dr			Truck A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	40,00,000	30.06.15	By balance C/d	50,00,000			
13.06.15	To Cash	10,00,000						
		50,00,000			50,00,000			

Dr			Water Purifier A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	10,00,000	30.06.15	By balance C/d	10,00,000			
		10,00,000			10,00,000			

Dr			Sundry tools and Equipment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	30,00,000	30.06.15	By balance C/d	30,00,000			
		30,00,000			30,00,000			

Dr			Investment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	714,85,140	01.06.15	By cash(TCS)	500,00,000			
22.06.15	To Cash	15,00,000	30.06.15	By balance c/d	632,80,027			
30.06.15	To Cash	402,94,887			1132,80,027			
		1132,80,027						

Dr			Computer A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
07.06.15	To Cash	5,00,000	30.06.15	By balance C/d	5,00,000			
		5,00,000			5,00,000			

Dr			Kidsarena A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	15,00,000	19.06.15	By Cash	32,25,600			
13.06.15	To Sales	33,60,000	19.06.15	By discount	1,34,400			
27.06.15	To penalty	14,250	27.06.15	By Cash	14,39,250			
			27.06.15	By bad debt	75,000			
		48,74,250			48,74,250			

Dr			Kidsworld a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
18.06.15	To sales	55,44,000	30.06.15	By balance C/d	55,44,000			
		55,44,000			55,44,000			

Dr			Happykids A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	25,00,000	07.06.15	By cash	24,00,000			
			07.06.15	By discount	1,00,000			
		25,00,000			24,00,000			

Dr			Brainkid A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	2400000	22.06.15	By Cash	24,24,000			
22.06.15	To penalty	24000						
		24,00,000			24,24,000			

Dr			Joykids A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	9,00,000	15.06.15	By Cash	9,01,800			
15.06.15	To penalty	1,800						
		9,00,000			9,01,800			

Dr			Kidsedu A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.06.15	To balance B/d	17,00,000	04.06.15	By bills receivable	33,60,000			
04.06.15	To Sales	33,60,000	30.06.15	By balance C/d	17,00,000			
		50,60,000			50,60,000			

Dr			Wholesaler1A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
21.06.15	To Sales	49,56,000	30.06.15	By balance C/d	49,56,000			
		49,56,000			49,56,000			

Dr			Funkidworld a/c			Cr		
Date		Particulars	Amount	Date		Particulars	Amount	
26.06.15		To Sales	105,00,000	26.06.15		By bills receivable	105,00,000	
			105,00,000				105,00,000	

Dr			Alibaba Plastics A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
14.06.15	To bills Payable	23,80,500	14.06.15	By purchases	23,80,500			
		23,80,500			23,80,500			

Dr		Asian Paints A/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount

30.06.15	To balance C/d	20,00,000	21.06.15	By purchases	20,00,000
		20,00,000			20,00,000

Dr			Paperking A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
02.06.15	To Bank	16,10,667	01.06.15	By balance b/d	18,50,000			
15.06.15	To Cash	2,50,000	02.06.15	BY penalty	10,667			
		18,60,667			18,60,667			

Dr			Cottonhub A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
09.06.15	To Bills Payable	21,19,500	09.06.15	By purchases	21,19,500			
		21,19,500			21,19,500			

Dr			Bills Payable A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
03.06.15	To Cash	10,06,667	01.06.15	By balance b/d	32,50,000			
04.06.15	To Cash	8,83,200	03.06.15	BY penalty	6,667			
04.06.15	To discount	36,800	08.06.15	BY penalty	167			
06.06.15	To Cash	5,52,000	09.06.15	By Cottonhub	21,19,500			

Dr		Creditor for MachineryA/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
16.06.15	To Cash	10,00,000	04.06.15	By Machinery	10,00,000
		10,00,000			10,00,000

Dr			Nut and Bolt A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
24.06.15	To Cash	24,00,000	18.06.15	By purchases	25,00,000
24.06.15	To discount	1,00,000			
		24,00,000			25,00,000

Dr			Purchases A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
08.06.15	To cash	13,22,500	30.06.15	By Manufacturing A/c	120,00,000
09.06.15	To Cottonhub	21,19,500			
11.06.15	To Cash	6,77,500			
14.06.15	To Alibaba	23,80,500			
18.06.15	To Nut and bolt	25,00,000			
21.06.15	To Asian Paints	20,00,000			
26.06.15	To Cash	10,00,000			

	120,00,000	120,00,000

Dr			Sales A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
30.06.15	To Trading A/c	346,50,000	04.06.15	By kidsedu	33,60,000			
			08.06.15	BY cash	69,30,000			
			13.06.15	By Kidsarena	33,60,000			
			18.06.15	By kidsworld	55,44,000			
			21.06.15	By wholesaler1	49,56,000			
			26.06.15	BY funkidworld	105,00,000			
		346,50,000			346,50,000			

Dr	Sundry Debtors	Cr
Debtors		Amount
Kidsworld		55,44,000
kidsedu		17,00,000
wholsaler1		49,56,000
		122,00,000

Dr		Sundry Creditors		Cr	
creditors					
Asian Paints				20,00,000	
				20,00,000	

Dr			Depreciation A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
30.06.15	To Provision for Depreciation	4,91,944	30.06.15	By Manufacturing A/c	3,88,611			
				By P/L A/c	1,03,333			

		4,91,944	4,91,944

Dr			Provision for depreciation A/c			Cr
Date	Particulars	Amount	Date	Particulars	Amount	
30.06.15	To balance c/d	9,58,611	01.06.15	By Balance b/d	4,66,667	
				By depreciation	4,91,944	
		9,58,611			9,58,611	

Dr			Provision for bad and doubtful debts A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
27.06.15	To bad debt	75,000	01.06.15	By balance b/d	9,00,000			
30.06.15	To balance c/d	12,20,000	30.06.15	By P/L A/c	3,95,000			
							</	

Fixed Assets

Factory		275,00,000
Truck		50,00,000
Warehouse		80,00,000
Machinery		105,00,000
Furniture		40,00,000
Water purifier		10,00,000
Tools and equipment		30,00,000
Computer		500000
		595,00,000

Dr			Provision for taxation A/c			Cr
Date	Particulars	Amount	Date	Particulars	Amount	
30.06.15	To balance c/d	80,27,174	01.06.15	By balance C/d	42,27,792	
			30.06.15	By P/L a/c	37,99,382	

		80,27,174	80,27,174

Dr			Bad Debt A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
27.06.15	Kids arena	75,000	27.06.15	By provision for bad debt	75,000
		75,000			75,000

Dr			Vodafone Connections A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
04.06.15	To Cash	1,00,000	30.06.15	By P/L A/c	1,00,000
		1,00,000			1,00,000

Dr			Electricity Expenses A/c		Cr
Date	Particulars	Amount	Date	Particulars	Amount
29.06.15	To Cash	7,50,000	30.06.15	By Manufacturing A/c	7,50,000
		7,50,000			7,50,000

Dr Warehouse Rent A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
02.06.15	To Cash	1,00,000	30.06.15	By P/L A/c	1,00,000
		1,00,000			1,00,000

Dr Advance Office Rent A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.06.15	To balance b/d	1,00,000	30.06.15	By balance c/d	1,00,000
		1,00,000			1,00,000

Dr Water Expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
11.06.15	To Cash	1,10,000	30.06.15	By Manufacturing A/c	1,10,000
		1,10,000			1,10,000

Dr Salaries a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
06.06.15	To Cash	10,000	30.06.15	By P/L A/c	11,60,000
20.06.15	To Cash	1,50,000			
27.06.15	To Cash	10,00,000			
		11,60,000			11,60,000

Dr			Repairs a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
06.06.15	To Cash	65,000	30.06.15	By P/L A/c	5,65,000			
25.06.15	To Cash	5,00,000						
		5,65,000			5,65,000			

Dr		Interest payable a/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
30.06.15	To balance c/d	4,91,667	30.06.15	By interest	4,91,667
		4,91,667			4,91,667

Dr			Manufacturing A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Opening Stock		31.05.15	By Trading A/c	150,00,000			
	Raw Material	15,00,000		By Closing Stock				
	W.I.P	12,74,167		Raw Material	20,00,000			
	To purchases	120,00,000		W.I.P	20,22,778			
	To wages	30,00,000						
	To electricity	7,50,000						
	To water expenses	1,10,000						
	To depreciation	3,88,611						
		190,22,778			190,22,778			

Dr			Trading A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Opening Stock	25,00,000	31.05.15	By Sales	346,50,000			
	To Manufacturing A/c	150,00,000		By Closing Stock	20,00,000			
	To P/L A/c (Gross Profit)	191,50,000						
		366,50,000			366,50,000			

Dr			Profit & Loss A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Municipality fees	6,92,648	31.05.15	By Trading A/c (gross profit)	191,50,000			
	To painting expenses	1,00,000		By penalty	16,542			
	To warehouse rent	1,00,000						
	To Loss of furniture	20,00,000						
	To Vodafone Connections	1,00,000						
	To Salaries	11,60,000						
	To Administration Expenses	7,50,000						
	To discount	74,600						
	To discounting charges	1,19,613						
	To Interest	3,41,741						
	To Repairs	5,65,000						
	To Depreciaton	1,03,333						
	To PBDD	3,95,000						
	To provision for taxation	37,99,382						
	To Net Profit	88,65,225						
		191,66,542			191,66,542			

Balance Sheet

Assets	Amount (Rs.)	Equity and Liabilities	Amount(Rs.)
<u>Non Current Assets</u>		<u>Owner's Equity</u>	
Fixed Assets	595,00,000	Capital	594,00,000
Less Provision for depreciation	9,58,611	Net Profit	187,30,073
	585,41,389		781,30,073
<u>Current Assets</u>		Government Grant	104,00,000
Investments	632,80,027	Loan	580,00,000
Closing Stock:			
Raw Materials	20,00,000		
WIP	20,22,778		
Finished Goods	20,00,000	<u>Provisions and Current Liabilites</u>	
Sundry Debtors	122,00,000		
Less: Provision for bad debt	12,20,000	Provision for taxation	80,27,174
	109,80,000	Interest payable	4,91,667

Bank	171,29,720	Sundry Creditors	20,00,000
Cash	20,00,000	Bills Payable	5,000
Advance Rent	1,00,000	Creditor for furniture	10,00,000
	1580,53,914		1580,53,914

Trial Balance

Particulars	Debit Amount	Credit Amount
Capital		594,00,000
Reserves and Surplus		98,64,848
Government Grant		104,00,000
Loan		580,00,000
Provision for taxation		80,27,174
Sundry Creditors		20,00,000
Bills Payable		5,000
Fixed Assets	595,00,000	
Sales		346,50,000
Investments	632,80,027	
Sundry Debtors	122,00,000	
Provision for bad debt (provision)		12,20,000
Bank	171,29,720	
Cash	20,00,000	

Advance Rent	1,00,000	
Municipality fees	6,92,648	
Warehouse rent	1,00,000	
Vodafone Connections	1,00,000	
Salaries	11,60,000	
Administration Expenses	7,50,000	
discount	74,600	
discounting charges	1,19,613	
transporation		
Interest	3,41,741	
Interest payable		4,91,667
Opening Stock		
Raw Material	15,00,000	
WIP	12,74,167	
Finished Goods	25,00,000	
Provision for bad and doubtful debts	3,95,000	
provision for taxation expense	37,99,382	
Penalty		16,542
Wages	30,00,000	
Electricity	7,50,000	
water expenses	1,10,000	
Purchases	120,00,000	
Painting expenses	1,00,000	
Repairs	5,65,000	
loss of furniture	20,00,000	
Depreciation	4,91,944	
provision for depreciation		9,58,611
Creditor for furniture		10,00,000
Total	1860,33,842	1860,33,842

COMPLIANCE STATEMENT FOR PERIOD 2: JUNE

Conditions fulfilled and complied with:

1, Most of the conditions have been fulfilled in the similar manner as shown in the compliance report for May

2. Depreciation Calculation by WDV METHOD

Gross opening 560,00,000

	4,66,667
opening depreciation	
Net opening assets	555,33,333
Less lost due to fire	-20,00,000
Add purchases of furniture	10,00,000
Computer purchased	5,00,000
Machinery	30,00,000
Truck	10,00,000
Net Assets	590,33,333
	5903333.3

Depreciation	491944.4417
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3 Proportionate depreciation has been charged to Manufacturing and Profit/Loss A/c dp

4. Penalty

penalty charged @ 2% for delayed payment and the same can be seen in transaction held on 22 june with brainkid

5. Sales Criteria

Total Sales	3465000
Cash Sales	693000
Credit Sales	2772000
Bills Receivables	1386000

6. Selling price and units

Also selling price per unit has increased to 105 from 100 (5% increase)

Volume has increased by 10%, from 300000 units to 330000 units

7. Purchases

Total purchases	12000000
Credit	9000000
Cash	3000000
Bills Payable	4500000

8. Provision for bad debts has been created @10 % of the Closing Debtors

Provision = 1220000

Debtors = 12200000

9. Bad debts have been adjusted directly against the provision for bad debt a/c

10. Wages have been between 10-30% of Sales

11. Loan repayment done 1000000

12. Daily Cash expenses to be maintained has been calculated using cash expenses excluding purchase of assets

TRANSACTIONS FOR PERIOD 3 : JULY

01-Jul	Paid Municipality @ 1% of Owner's Equity at the start of the month	5,94,000
01-Jul	Purchased Machinery	5,00,000
01-Jul	Investments sold	500,00,00
02-Jul	Purchased land for cash	100,00,00
02-Jul	Paid municipality for consumption of 1,20,000 litres of water @ Rs. 1.2/litre	14,40,000
02-Jul	Sold goods to kidsarena @ Rs. 110.25, 45200 pieces, bills receivable received	49,83,300
02-Jul	Discounted the bill with bank	49,40,293
03-Jul	Purchased Paper from paperking @ Rs 12.155 per sheet. 125133 sheets, on credit	15,21,000
03-Jul	Administration expenses	10,00,000
04-Jul	Paid salaries and wages for the month(200000+3000000)	50,00,000
05-Jul	Sold goods to m/s kidsedu @Rs. 110.25,36300 pieces, for cash	40,02,075
06-Jul	Paid Asian paints for goods purchased on June 21	20,01,333
07-Jul	Purchased 328735 litres of paint @ Rs. 6.077/litre from Asian paints on credit bills payable	19,97,900
08-Jul	Purchased 14280 kgs of cotton @ Rs. 24.31/kg from M/s Cottonhub on credit,	3,47,150
09-Jul	Purchased 1645405 customized Scholar Toddler name tags from M/s Namesake @ 1.21/tag	20,00,000
09-Jul	Paid Paperking	14,60,160
10-Jul	Sold goods to kidsworld @ Rs. 110.25, 80000 pieces, on credit	88,20,000
10-Jul	Donated to Jharkhand Rural Research Program	1,00,000
11-Jul	Sold goods to happykid @Rs. 110.25, 65200 pieces on credit	71,88,300
11-Jul	Purchased plastic strips on credit from alibaba @ Rs.121.55, bills payable	36,27,100
12-Jul	Sold goods to m/s joykids @Rs. 110.25,36300 pieces, for cash	40,02,075
12-Jul	Purchased new computer	1,00,000
12-Jul	Received Cash from M/s Wholesaler 1 (net of discount)	47,57,760
14-Jul	Purchased 308513 bolts @ Rs. 12.155/bolt from M/s Nut and Bolt Cash	3750000
15-Jul	Received Cash from Kids edu, for goods sold on 23 May, delayed payment and a bad debt	15,60,600
15-Jul	Sold machinery	15,00,000
16-Jul	Administration expenses	100000
16-Jul	Hired PWC to Audit Quarterly Books. Advance cash payment	50,000
17-Jul	Sold Goods to M/s brainkid @Rs. 110.25, 100000 pieces. Bills receivable received	11025000
17-Jul	Bills discounted with the bank	109,34,42
19-Jul	Quarterly servicing of 2 older machines	3,00,000
19-Jul	Paid Asian Paints	19,17,984
20-Jul	Buy a new copy machine for the office paid by cash	50,000
20-Jul	Received Cash from M/s kidsworld (net of penalty)	5551080
23-Jul	Purchased cotton from M/s Cottonhub , @ Rs.25.52/kg, 68827 kgs on Credit	17,56,850
24-Jul	Transportation charges for truck (Diesel + tax)	20,00,000
25-Jul	Pay municipality for consumption of water	1,20,000
25-Jul	Paid salaries	50,00,000

26-Jul	Monthly Loan Principal Repayment	10,00,000
26-Jul	Monthly Loan Interest Payment	4,83,333
27-Jul	Paid For electricity and other administration expenses	7,50,000
29-Jul	Interest Received from Investments	6,64,001
31-Jul	Surplus Cash Invested	382,91,91

KAKANINET

LEDGER ACCOUNTS FOR PERIOD 3 : JULY

07.15	To machinery	15,00,000	04.07.15	By wages
07.15	To kidsworld	55,51,080	06.07.15	By Asian Paints
07.15	To kidsarena	14,39,250	09.07.15	By cash
07.15	To interest	6,64,001	10.07.15	By donations
			12.07.15	By Computer
			14.07.15	By Cash purchases
			16.07.15	By administration expenses
			16.07.15	By consulting expenses
			19.07.15	By repairs
			20.07.15	By machinery
			24.07.15	By transportation
			25.07.15	By water expenses
			25.07.15	By Salaries
			26.07.15	By Loan
			26.07.15	By interest
			27.07.15	By electricity expenses
			31.07.15	By Investments
			31.07.15	By Balance C/d
		754,76,841		
Capital A/c				

Capital A/c

Loan A/c

Dr		Warehouse A/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	80,00,000	30.07.15	By balance C/d	80,00,000

	80,00,000	80,00,000
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Dr Machinery a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	105,00,000	15.07.15	By Cash	15,00,000
01.07.15	To Cash	5,00,000	31.07.15	BY balance C/d	95,50,000
20.07.15	To Cash	50,000			
		110,50,000			110,50,000

Dr Furniture A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	40,00,000	30.07.15	By balance C/d	40,00,000
		40,00,000			40,00,000

Dr Truck A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	50,00,000	30.07.15	By balance C/d	50,00,000
		50,00,000			50,00,000

Dr Water Purifier A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	10,00,000	30.07.15	By balance C/d	10,00,000
		10,00,000			10,00,000

Dr Sundry tools and Equipment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	30,00,000	31.07.15	By balance C/d	30,00,000

	30,00,000		30,00,000

Dr			Investment A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.07.15	To balance B/d	632,80,027	31.07.15	By cash(TCS)	500,00,000			
31.05.15	To Cash	382,91,915	31.07.15	By balance C/d	515,71,942			
		1015,71,942			1015,71,942			

Dr			Computer A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.07.15	To balance C/d	5,00,000	31.07.15	By balance C/d	6,00,000			
12.07.15	To Cash	1,00,000						
		6,00,000			6,00,000			

Dr			Land A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
02.07.15	To Cash	100,00,000	30.07.15	By balance C/d	100,00,000			
		100,00,000			100,00,000			

Dr			Kidsarena A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
02.07.15	To Sales	49,83,300	02.07.15	By bills receivable	49,83,300			
		49,83,300			49,83,300			

Dr			Kidsworld a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.07.15	To balance b/d	55,44,000	20.07.15	By Cash	55,51,080			
10.07.15	To Sales	88,20,000	31.07.15	BY balance c/d	88,20,000			

20.07.15	To penalty	7,080		
		143,71,080		143,71,080

Dr Happykids A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
11.07.15	To sales	71,88,300	31.07.15	BY balance c/d	71,88,300
		71,88,300			71,88,300

Dr Brainkid A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
17.07.15	To Sales	110,25,000	17.07.15	By Bills Receivable	110,25,000
		110,25,000			110,25,000

Dr Kidsedu A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance B/d	17,00,000	15.05.15	By Cash	15,60,600
15.05.15	To penalty	30,600	15.05.15	By bad debt	1,70,000
		17,30,600			17,30,600

Dr Bills receivable A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
02.07.15	To kidsarena	49,83,300	02.07.15	By bank	49,40,293
17.06.15	To brainkid	110,25,000	02.07.15	By Discounting charges	43,007
			17.06.15	By bank	109,34,420
			17.06.15	By Dicsounting charges	90,580

		160,08,300	160,08,300

Dr			Wholesaler1A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.07.15	To Balance B/d	49,56,000	14.07.15	By cash	47,57,760			
				By discount	1,98,240			
		49,56,000			49,56,000			

Dr			Alibaba Plastics A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
11.07.15	To Bills Payable	36,27,100	11.07.15	By purchases	36,27,100			
		36,27,100			36,27,100			

Dr			Asian Paints A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
06.07.15	To Cash	20,01,333	01.07.15	By balance C/d	20,00,000			
07.07.15	To Bills payable	19,97,900	06.07.15	By penalty	1,333			
			07.07.15	By purchases	19,97,900			
		39,99,233			39,99,233			

Dr			Paperking A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
09.07.15	To Cash	14,60,160	03.07.15	By purchases	15,21,000			
09.07.15	To discount	60,840						

		15,21,000	15,21,000

Dr			Cottonhub A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.07.15	To Balance C/d	21,04,000	08.07.15	By purchases	3,47,150			
			23.07.15	By purchases	17,56,850			
		21,04,000			21,04,000			

Dr			Namesake A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.07.15	To Balance C/d	20,00,000	9.07.15	By purchases	20,00,000			
		20,00,000			20,00,000			

Dr			Bills Payable A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.07.15	To balance c/d	56,30,000	01.07.15	By balance b/d	5,000			
			07.07.15	By Asian Paints	19,97,900			
			11.07.15	By Alibaba	36,27,100			
		56,30,000			56,30,000			

Dr			Creditor for Furniture A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.07.15	To balance c/d	10,00,000	01.07.15	By balance b/d	10,00,000			

	10,00,000		10,00,000

Dr			Purchases A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
03.07.15	To paperking	15,21,000	30.07.15	By Manufacturing A/c	150,00,000			
07.07.15	To Asian Paints	19,97,900						
08.07.15	To Cottonhub	3,47,150						
9.07.15	To Namesake	20,00,000						
11.07.15	To alibaba	36,27,100						
14.07.15	To Cash	37,50,000						
23.07.15	To Cottonhub	17,56,850						
		150,00,000						150,00,000

Dr			Sales A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
30.07.15	To Trading A/c	400,20,750	02.07.15	By Kidsarena	49,83,300			
			08.07.15	By Cash	40,02,075			
			10.07.15	By kidsworld	88,20,000			
			11.07.15	By happykid	71,88,300			
			12.07.15	By Cash	40,02,075			
			17.06.15	By brainkid	110,25,000			
		400,20,750						400,20,750

Dr	Sundry Debtors	Cr
Debtors		Amount
Kidsworld		88,20,000

happykids	71,88,300
	160,08,300

Dr	Sundry Creditors	Cr
Creditors		
Cottonhub		21,04,000
Namesake		20,00,000
		41,04,000

Dr		Depreciation A/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
30.07.15	To Provson for Depreciation	5,64,164	30.07.15	By Manufacturing A/c	4,87,694
				By P/L A/c	76,470
		5,64,164			5,64,164

Dr		Provision for depreciation A/c		Cr	
Date	Particulars	Amount	Date	Particulars	Amount
01.07.15	To balance c/d	15,14,442	30.07.15	Balance B/d	9,50,278
				By depreciation	5,64,164
		15,14,442			15,14,442

Dr		Provision for bad and doubtful debts A/c				Cr
Date	Particulars	Amount	Date	Particulars	Amount	
15.07.15	To bad debt	1,70,000	01.07.15	By Balance b/d	12,20,000	

31.07.15	Balance c/d	16,00,830	By P/L A/c	5,50,830
		<u>17,70,830</u>		<u>17,70,830</u>

Fixed Assets

Factory	275,00,000
Truck	50,00,000
Warehouse	80,00,000
Machinery	95,50,000
Furniture	40,00,000
Water purifier	10,00,000
Land	100,00,000
Tools and equipment	30,00,000
Computer	6,00,000
	<u>686,50,000</u>

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
31.07.15	To balance c/d	122,80,627	01.07.15	By balance C/d	80,27,174
			01.07.15	By P/L A/c	42,53,453
		<u>122,80,627</u>			<u>122,80,627</u>

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
31.07.15	To Cash	7,50,000	31.07.15	By Manufacturing A/c	7,50,000
		<u>7,50,000</u>			<u>7,50,000</u>

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
31.07.15	To balance c/d	1,00,000	01.07.15	By balance b/d	1,00,000

		1,00,000	1,00,000

Dr			Water Expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
02.07.15	To Cash	14,40,000	31.07.15	By Manufacturing A/c	15,60,000			
25.07.15	To Cash	1,20,000						
		15,60,000			15,60,000			

Dr			Salaries a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
04.07.15	To Cash	20,00,000	30.07.15	By P/L A/c	70,00,000			
31.7.15	To Cash	50,00,000						
		70,00,000			70,00,000			

Dr			Wages a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
04.07.15	To Cash	30,00,000	30.07.15	By Manufacturing	30,00,000			
		30,00,000			30,00,000			

Dr			Administration expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
03.07.15	To Cash	10,00,000	30.07.15	By P/L A/c	11,00,000			
16.07.15	To Cash	1,00,000						
		11,00,000			11,00,000			

Dr			Penalty A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
06.07.15	Asian paints	1,333	15.05.15	By kidsedu	30,600			
31.07.15	To P/L A/c	36,347	20.07.15	By kidsworld	7,080			
		37,680			37,680			

Dr			Consulting Expenses A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
16.07.15	To Cash	50,000	31.07.15	By P/I Ac	50,000			
		50,000			50,000			

Dr			Repairs a/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
19.07.15	To Cash	3,00,000	31.07.15	By P/L A/c	3,00,000			
		3,00,000			3,00,000			

Dr			Municipality fees A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
01.07.15	To Cash	7,81,300	31.07.15	By P/L A/c	7,81,300			

	7,81,300	7,81,300

Dr			Donations			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
10.07.15	To Cash	1,00,000	30.07.15	By P/L a/c	1,00,000			
		1,00,000			1,00,000			

FINANCIAL STATEMENTS FOR PERIOD 3

With Closing Trial Balance

Dr			Manufacturing A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Opening Stock		31.05.15	By Trading A/c	150,00,000			
	Raw Material	20,00,000		By Closing Stock				
	WIP	20,22,778		Raw Material	40,00,000			
	To purchases	150,00,000		W.I.P	58,20,472			
	To wages	30,00,000						
	To electricity	7,50,000						
	To water expenses	15,60,000						
	To depreciation	4,87,694						
		248,20,472			248,20,472			

Dr			Trading A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Opening Stock	20,00,000	31.05.15	By Sales	400,20,750			
	To Manufacturing A/c	150,00,000		By Closing Stock	30,00,000			
	To P/L A/c (Gross Profit)	260,20,750						
		430,20,750			430,20,750			

Dr			Profit & Loss A/c			Cr		
Date	Particulars	Amount	Date	Particulars	Amount			
31.05.15	To Municipality fees	7,81,300	31.05.15	By Trading A/c	260,20,750			
	To donations	1,00,000		(gross profit)				
	To Consulting fee	50,000		By penalty	36,347			
	To transportation	20,00,000		By interest	1,80,668			
	To Salaries	70,00,000						
	To Administration Expenses	11,00,000						
	To discount	1,37,400						
	To discounting charges	1,33,587						
	To Repairs	3,00,000						
	To Depreciaton	76,470						
	To PBDD	5,50,830						
	To provision for taxation	42,53,453						
	To Net Profit	141,78,178						
		262,37,765			262,37,765			

Balance Sheet

Assets	Note	Amount (Rs.)	Equity and Liabilities	Note	Amount(Rs.)
<u>Non Current Assets</u>			<u>Owner's Equity</u>		
Fixed Assets		686,50,000	Capital		540,00,000
Less Provision for depreciation		15,14,442	Net Profit		187,30,073
		671,35,558			727,30,073
<u>Current Assets</u>			Government Grant		104,00,000
Investments		515,71,942	Loan		570,00,000
Closing Stock:					
Raw Materials		40,00,000			
WIP		58,20,472			
Finished Goods		30,00,000	<u>Provisions and Current Liabilites</u>		
Sundry Debtors		160,08,300	Provision for taxation		122,80,627
Less: Provision for bad debt		16,00,830	Interest payable		4,91,667
		144,07,470	Sundry Creditors		83,95,280
Bank		330,04,433	Bills Payable		56,30,000
Cash		30,00,000	Creditor for furniture		10,00,000
Advance Rent		1,00,000	Other payables		41,87,503
		1820,39,875			1820,39,875

Trial Balance

Particulars	Debit Amount	Credit Amount
Capital		594,00,000
Reserves and Surplus		187,30,073
Government Grant		104,00,000
Loan		570,00,000
Provision for taxation		122,80,627
Sundry Creditors		83,95,280
Bills Payable		56,30,000
Fixed Assets	686,50,000	
Sales		400,20,750
Investments	515,71,942	
Sundry Debtors	160,08,300	
Provision for bad debt (provision)		16,00,830
Bank	330,04,433	
Cash	30,00,000	
Advance Rent	1,00,000	
Municipality fees	7,81,300	
donations	1,00,000	
Consulting fee	50,000	
transportation	20,00,000	
Salaries	70,00,000	
Administration Expenses	11,00,000	
discount	1,37,400	
discounting charges	1,33,587	

Repairs	3,00,000	
PBDD	5,50,830	
Raw Material	20,00,000	
WIP	20,22,778	
Finished Goods	20,00,000	
Provision for bad and doubtful debts	5,50,830	
provision for taxation expense	42,53,453	
penalty		36,347
Interest		1,80,668
Wages	30,00,000	
Electricity	7,50,000	
Water expenses	15,60,000	
Depreciation	5,64,164	
provision for depreciation		15,14,442
Creditor for furniture		10,00,000
Purchases	150,00,000	
Total	2161,89,017	2161,89,017

COMPLIANCE STATEMENT FOR PERIOD 3: JULY

Conditions fulfilled and complied with:

1, Most of the conditions have been fulfilled in the similar manner as shown in the compliance report for jUNE

2. Depreciation Calculation by WDV METHOD in the same way as done in period 2

	560,00,000
Gross opening	
opening depreciation	4,66,667
	555,33,333
Net opening assets	
Less lost due to fire	-20,00,000
	10,00,000
Add purchases of furniture	
Computer purchased	5,00,000
	30,00,000
Machinery	

Truck	10,00,000
Net Assets	590,33,333
	5903333.3

Depreciation	491944.4417
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3 Proportionate depreciation has been charged to Manufacturing and Profit/Loss A/c .

4. Sales Criteria

Total Sales	40020750
Cash Sales	8004150 (1/5)
Credit Sales	32016600 (4/5)
Bills Receivables	16008300 (1/2)

5. Selling price and units

Also selling price per unit has increased to 110.25 from 105 (5% increase)

Volume has increased by 10%, from 330000 units to 363000 units

7. Purchases

Total purchases	15000000
Credit	11250000(3/4)
Cash	2500000(1/4)
Bills Payable	5625000(1/2 credit purchases)

8. Provision for bad debts has been created @10 % of the Closing Debtors

Provision = 1600830
Debtors = 16008300

9. Bad debts have been adjusted directly against the provision for bad debt a/c

10. Wages have been between 10-30% of Sales

11. Loan repayment done 1000000

12. Daily Cash expenses to be maintained has been calculated using cash expenses excluding purchase of assets

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THANK YOU!