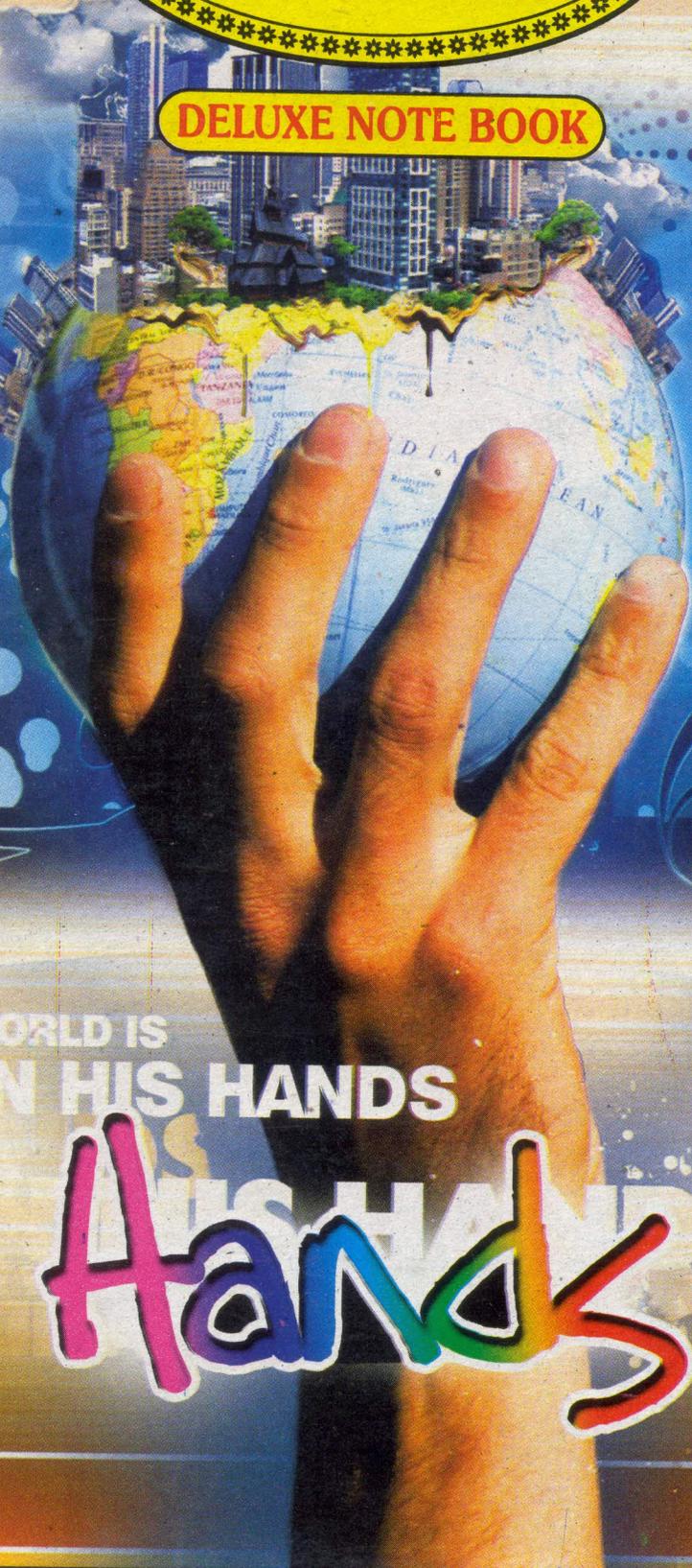


SRM

DELUXE NOTE BOOK



JIM MORRIS

LONG BOOK

THE WORLD IS
IN HIS HANDS

Hands

LONG BOOK

S.V.S

DEEPAK KRISHNAN.
ROLL NO: 106910.
PGCBM-17
CHENNAI- ANNA NAGAR.

COMPREHENSIVE ASSIGNMENT FOR
MANAGEMENT ACCOUNTING COURSE

PGCBM- BATCH 17, 2010.

20720

Neat
work

To,

Prof: RAM KUMAR KAKANI.

LEEBA SHIBU GEORGE,

SATELLITE OFFICE, XLRI JAMSHEDPUR,

SCHOOL OF BUSINESS & HUMAN RESOURCES,

CIRCUIT HOUSE AREA (EAST).

JAMSHEDPUR - 831001.

PHONE NO: 0657-3983274.

1

COMPREHENSIVE ASSIGNMENT FOR
MANAGEMENT ACCOUNTING COURSE / PG CBM 2010.

ROLL NO: 106910.

NAME: DEEPAK KRISHNAN.

PROBLEM:- You are launching into a business in the name and style of your choice. It has to be a manufacturing business. It means that your business would involve, buying materials, transforming it using plant and machinery and selling it.

- As anybody's dream or desire, I decided to venture into a business and not knowing what to do, consulted my friend who is a business consultant. After several rounds of discussion, analysis and several cups of coffee, with the best wishes of my family and friends, thought of starting a manufacturing business. Me with a bit of mechanical knowledge and experience, thought of sailing my boat in safe waters of manufacturing business.

- We started our discussion and business in style of "M/s. TECHNOCRAFTS", a proprietorship firm on 13-Oct-1975.

- We had a discussion with potential client "M/s. ABC LIMITED" and after several rounds of discussion and reviews, our project proposal was accepted and honoured.

Roll No: 10P10 NAME: DEEPA KRISHNA

Problem: You are launching into a business in the
name and style of your choice. It has to be a
manufacturing business. It means that your business
could involve buying materials, transforming it using
plant and machinery and selling it.

A anybody dreams or desire, I decided to venture
into a business and not knowing what to do.
Consulted my friend who is a business consultant.
After several rounds of discussion, analysis and
several cups of coffee with the best wishes of
my family and friends, thought of starting a
manufacturing business. Me with a bit of mechanical
knowledge and experience, thought of setting up a
small scale of manufacturing business.

- He started our discussion and business in style of
"ABC TECHNOLOGIES" a partnership firm on
15-01-1975.
- We had a discussion with potential client "M/s
ABC limited" and after several rounds of
discussion and review our final proposal
was accepted and processed.

So what's my business about..... let's find out.....

My business would be basically a manufacturing unit where in:

- a) We would purchase cut drill bits (High Speed Steel) from open market in various diameters.
- b) Convert the same into the dimension as confirmed by potential buyer per mechanical design.
- c) Polish the drill bits to convert the same to specialised cutting drill bits which are used for various purposes (eg: drill bits used in Hitachi m/c for boring).
- d) Process would involve, cutting the drill bits using specialised cutters in cutting machine, polishing the drill bits for use.
- e) Transport the finished goods from our factory to buyer.

DESIGN: The design - mechanical drawing for each dia of drill bit will be provided by the buyer.

MATERIALS: High Speed Steel drill bits will be purchased from open market and approved vendors. Client has the right to inspect material used at any point in time.

ORDER: Order will be placed by buyer against which material will be purchased for process.

INVENTORY: Inventory will be kept to a low or Nil stock, as raw material will be purchased basis the order received from clients. Left out scrap will be sold and owned by M/s. Technocrafts.

SELLING PRICE:-

DESCRIPTION OF GOODS	RATES/BIT	RATES/BIT	RATES/BIT
	OCT- NOV 05	DEC 05	JAN 06
1) 5mm - 15mm drill bit	29.00	30.45	31.97
2) 15.1mm - 20mm drill bit	39.00	40.95	43.00
3) 20.1mm - 30mm drill bit	47.00	49.35	51.82

COST PRICE:-

RATES:- DURING DIFFERENT PERIODS

DESCRIPTION OF GOODS	13.10.05 - 05.11.05	06.11.05 - 21.11.05	22.11.05 - 06.12.05	07.12.05 - 22.12.05	23.12.05 - 07.01.06
	1) 5mm - 15mm drill bit	8.00	8.40	8.82	9.26
2) 15.1mm - 20mm drill bit	13.00	13.65	14.33	15.05	15.80
3) 20.1mm - 30mm drill bit	16.00	16.80	17.64	18.52	19.45

RATES

DESCRIPTION OF GOODS	08.01.06	24.01.06
	23.01.06	08.02.06
1) 5mm - 15mm drill bit	10.21	10.72
2) 15.1mm - 20mm drill bit	16.59	17.42
3) 20.1mm - 30mm drill bit	20.42	21.44

RATES:

a) Selling Price: As part of the project proposal discussion plan, the selling price was frozen for first 3 months as part of contract (i) with potential clients like "M/s. ABC LIMITED; M/s. SKP TOOLS, M/s. INTEL LIMITED".

b) COST PRICE: We found one of the leading raw material dealer in market and also frozen the price as part of an agreement.

TRANSACTIONS FOR THE PERIOD: 13-10-19x5 to 30-11-19x5.

SL. NO.	DATE	TRANSACTIONS
1.	13.10.19x5.	Capital investment into my business - Rs. 748370/-
2.	13.10.19x5.	Opens a bank account with SBI bank and an initial deposit of Rs. 6,00,000/- deposited
3.	13.10.19x5.	Account opening charges of Rs. 1000/- in bank.
4.	13.10.19x5.	Registered my firm in SSI Small Scale Industries unit and applied for licence - Rs. 1000/-
5.	15.10.19x5.	Consultant fees paid, for Rs. 25000/- for helping in registration, legal formalities.

Sl. NO:	DATE	TRANSACTIONS.
6.	17.10.19x5	<p>Bank loan sanctioned for Rs. 10,00,000/- @ 10% pa interest, Principal to be repaid within 5 yrs. Loan against collateral of my property. + Bank charges 5000/-</p> <p>loan used for purchase of plant and machinery as mentioned below.</p>
		<p>a) Cutting machines - 2 Nos :- 6,50,000/- b) Polishing machines - 2 Nos :- 2,00,000/- c) Grinding machines - 2 Nos :- 1,50,000/-</p>
7.	17.10.19x5	<p>Advance paid for a factory building - Rs. 1,00,000/- and rent @ Rs. 10,000/- per month.</p>
8.	17.10.19x5	<p>As a safety measure, paid a sum of Rs. 2,00,000/- towards investment in govt bonds from bank.</p>
9.	18.10.19x5.	<p>Furnitures was purchased in total for Rs. 10,000/- to setup infrastructure.</p>
		<p>a) Chairs: 4 Nos: 2000. b) Table: 1 No: 3000. c) Fans: 3 Nos: 2700. d) Inspection table: 1 No: 2300.</p>
10)	19.10.19x5	<p>While the machinery was being delivered, went ahead and hired/recruited man power for the business.</p>

a) 2 Machine operators who were experienced in the field @ Rs. 9000/- Per month Salary.

b) 1 Supervisor who is equally experienced in the field @ Rs. 12000/- per month who will do quality and inspection work.

c) 1 Helper for cleaning, Counting the drill bits & Stacking @ Rs. 5000/- per month.

d) Transport Van on hire basis on a monthly basis for purchase of raw material and delivery of finished goods @ Rs. 15000/- month.

11) 20.10.19x5:- First lot of Raw material - drill bits were purchased from m/s. Tool Traders for Rs. 45000/- by paying Cheque to m/s. Tools Traders.

12) 21.10.19x5:- m/s. Kiosk Machinery Limited arranged for the delivery of machinery to the factory premises. Machinery was setup and trial run was conducted by m/s. Kiosk Machinery Limited.

13) 21.10.19x5: Tea, Coffee and lunch expenses with officials of m/s. Kiosk Machinery & ABC Limited - Rs. 900/-

14) 21.10.19x5: Installation Charges of machinery Paid Rs. 10000/- in ~~cash~~ Cheque to m/s. Kiosk machinery limited.

15) 22.10.19x5: Production was started by operators and drill bits were cut, Polished according to size and design mentioned by m/s. ABC Limited.

Sl. No.	Date	Transactions
16.	22.10.19x5.	Consumables like Grinding wheel, Cutters, Coolant oil & Cotton waste Purchased by Cash - Rs. 6626/-
17.	22.10.19x5.	Stationery expenses and printing charges - Delivery challans and Invoice - Rs. 5600/- by cash.
18.	24.10.19x5.	Advance paid to employees - Rs. 2000/-
19.	30.10.19x5.	Delivery of finished goods - Hss Cut and polished drill bits to M/s ABC Limited.
20.	01.11.19x5.	Invoice raised on m/s. ABC Limited for Rs. 149500/- - Credit period of 21 days.

Description of Goods	Quantity Sold	Rate/bit	Invoice value
1) 5mm - 15mm drill bits	3000.	29.00	87000-
2) 15.1mm - 20mm drill bit	1000.	39.00	39000-
3) 20.1mm - 30mm drill bit	500.	47.00.	23500-
Total -			149500-

21.	01.11.19x5	Raw materials purchased from m/s. Tools Traders for next order from m/s. ABC Limited as mentioned below. Cost of Raw materials purchased - Rs. 90,200/- with 25 days credit.
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Description of Raw Material	Quantity Purchased	Rate 20/10/09 - 05/11/09.	Total Cost
1) 5mm - 15mm drill bit	5500.	8.00.	44000-
2) 15.1mm - 20mm drill bit	2200.	13.00.	28600-
3) 20.1mm - 30mm drill bit	1100.	16.00.	17600-
Total -			90,200-

Sl. NO.	Date	Transactions.
22.	03.11.15.	Salaries paid to Employees - Rs. 17500/- for fortnight - cash.
23.	03.11.15.	Transport charges - Van hire paid for fortnight - Rs. 7500/- - Cash.
24.	03.11.15.	Recovery of advance from Employees - Rs. 2000/-
25.	05.11.15.	Rent paid for factory building for fortnight (Oct 15) - Rs. 5000/- by cash.
26.	05.11.15.	PF + ESI paid to Government for Oct 09 - Rs. 1000/- by cash.
27.	07.11.15.	Electricity charges paid for Oct-09 - Rs. 5602/-
28.	07.11.15.	Water charges paid for Oct-09 - Rs. 1000/- by cash.
29.	10.11.15.	Interest for the loan taken - Rs. 8333/-
30.	10.11.15.	Principal EMI for the loan taken - Rs. 16666/-
31.	12.11.15.	Miscellaneous expense - Rs. 1000/-
32.	12.11.15.	Travelling expenses paid to Supervisor for going to Client office for inspection - Rs. 200/-
33.	14.11.15.	Mobile phone bill paid for Oct-09 - Rs. 2321/-
34.	16.11.15.	Consumables like Cotton waste, Cutters, Polishing, Grinding wheel and Coolant oil purchased - Rs. 5323/-
35.	21.11.15.	Payment received from M/s. ABC Limited - Rs. 149500/-
36.	23.11.15.	Sale of scrap. - Rs. 800/- (50 kgs @ Rs. 16/kg)

Sl. No.	Date	Transactions.
37.	26.11.55	Payment to Supplier - M/s. Tools Trades Rs. 90,200/-
38.	26.11.55	Advance paid to Employees. Rs. 4000/-
39.	30.11.55.	Supply of finished goods to M/s ABC Limited for the month and invoice raised - Rs. 2,97,000/-

Description of Goods.	Quantity Sold.	Rates.	Invoice amount (Rs)
1) 5mm - 15mm drill bit	5500.	29.00.	159500-
2) 15-1mm - 20mm drill bit	2200.	39.00	85800-
3) 20-1mm - 30mm drill bit	1100.	47.00.	51700-
Total			Rs. 297000

40. 30.11.55. With drawal for personal expenses
Rs. 15000/-

41. 30.11.55. Depreciation expense Considered.

<u>Asset</u>	<u>Value.</u>	<u>Dep. Value.</u> (straight-line method).
Plant + Machinery.	10,00,000.	Rs. 5556/-

Furniture	1,00,000	Rs. 417/-
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JOURNAL ENTRIES FOR THE PERIOD: 13.10.19x5 - 30.11.19x5

S.No.	DATE	TRANSACTIONS:	DEBIT	CREDIT
1.	13.10.19x5.	Cash a/c To Capital a/c (Being capital amount invested in business).	74,8310-	74,8310-
2.	13.10.19x5	Bank a/c To Cash a/c (Being cash deposited in SBI bank).	6,00,000-	6,00,000-
3.	13.10.19x5.	Bank Charge-S A/c To Cash a/c (Being bank charges for account opening)	1,000-	1,000-
4.	13.10.19x5	Registration/licence a/c To Cash a/c (Being charges paid to SBI for firm licence).	1,000-	1,000-
5.	15.10.19x5	Consultant charges A/c To Cash a/c (Being charges paid to consultant for business)	25,000-	25,000-
6.	17.10.19x5	Plant + Machinery A/c To loan A/c (Being loan amount approved by SBI bank to m/s. Kosh machinery for purchase of machine)	10,00,000-	10,00,000-
7.	17.10.19x5	Bank Charges A/c To bank a/c (Being charges for processing loan amount).	5,000-	5,000-
8.	17.10.19x5.	Deposit for factory bldg A/c To Bank A/c (Being deposit - for 10 mths for Building taken on hire @ R.10000/mth)	1,00,000-	1,00,000-

Sl. No.	DATE	TRANSACTIONS.	DEBIT	CREDIT.
9.	17.10.19x5.	Fixed Deposit A/c To Bank A/c. (Being fixed deposit invested in SBI bank)	2,00,000-	2,00,000-
10.	18.10.19x5.	Furniture A/c. To Cash A/c. (Being cost of furniture purchased from m/s.oyal furniture)	10,000-	10,000-
11.	20.10.19x5	Purchase A/c To Bank A/c (Being cost of Raw material purchased from Tools Trades on cheque)	45,000-	45,000-
12.	21.10.19x5	Food Expenses A/c. To Cash A/c. (Being Tea, coffee, lunch expenses with officials)	900-	900-
13.	21.10.19x5	Installation charges A/c. To Bank A/c (Being Installation charges paid to m/s. kosek machinery)	10,000-	10,000-
14.	22.10.19x5	Consumables A/c. To Cash a/c. (Being cost of consumables purchased - Oil, wheel etc)	6626-	6626-
15.	22.10.19x5.	Stationery expenses a/c To Cash a/c (Being cost of printing DC's, Invoice, Stationery)	5600-	5600-
16.	27.10.19x5.	Advances - Employees a/c To Cash a/c (Being advance paid to employees).	2000-	2000-

Sl. No.	DATE.	TRANSACTIONS:	DEBIT	CREDIT
17.	01.11.19x5.	M/s. ABC limited A/c. To Sales A/c. (Being invoice raised to M/s. ABC limited for supply of finished goods).	149500-	149500-
18.	01.11.19x5	Purchases A/c. To Tools Traders A/c. (Being cost of raw materials purchased on credit).	90200-	90,200-
19.	01.11.19x5.	Tools Traders A/c. To Bills payable A/c. (Being cost of raw materials purchased on credit).	90,200-	90,200-
20.	03.11.19x5	Salaries a/c. To Cash a/c. (Being salaries paid to employees - oct x5)	17,500-	17,500-
21.	03.11.19x5	Freight Expenses a/c. To Cash a/c. (Being To + fro freight expenses for oct x5)	7,500-	7500-
22.	03.11.19x5	Cash A/c. To Advances a/c. (Being advance recovered from employees).	2,000-	2,000-
23.	05.11.19x5.	Rent A/c. To Cash a/c. (Being Rent paid for factory building for oct x5).	5,000-	5,000-
24.	05.11.19x5	PF + ESI A/c. To Cash A/c. (Being PF + ESI amount paid to govt for oct x5).	1,000-	1,000-

Sl. No.	DATE	TRANSACTIONS	DEBIT	CREDIT
25.	07.11.19x5	Electricity a/c. To Bank a/c (Being electricity a/c for Oct-19x5)	5602-	5602-
26.	07.11.19x5	Water Charges a/c. To Cash a/c (Being water charges for Oct-19x5)	1000-	1000-
27.	12.11.19x5	Miscellaneous Exp a/c To Cash a/c (Being charges paid to EB for repair work)	1000-	1000-
28.	12.11.19x5	Travelling Expense A/c. To Cash a/c (Being cost of travelling exp to client office + bk)	200-	200-
29.	14.11.19x5	Telephone Expense a/c To Cash a/c (Being mobile phone bill for Oct-19x5)	2321-	2321-
30.	16.11.19x5	Consumables a/c. To Cash a/c (Being cost of consumables purchased)	5323-	5323-
31.	18.11.19x5	Interest paid a/c. To Bank a/c (Being interest paid on loan 19/10/19x5 - 18/11/19x5)	8333-	8333-
32.	18.11.19x5	Loan a/c. To Bank a/c (Being Emi paid for loan taken from SBI Bank)	16666-	16666-

Sl. No.	DATE	TRANSACTIONS	DEBIT	CREDIT
33.	21.11.19x5.	Bank a/c To ABC limited. (Being Payment Received from ABC limited)	149500-	149500-
34.	23.11.19x5.	Cash a/c To Scrap a/c (Being Scrap sold - 50kg @ Rs. 16/kg.)	800-	800-
35.	26.11.19x5.	Bills Payable a/c To Bank a/c (Being payment to Tools Trades for raw materials purchased)	90,200-	90,200-
36.	26.11.19x5.	Advances - Employees a/c To Cash a/c (Being advance paid to Employees)	4000-	4000-
37.	30.11.19x5.	ABC limited a/c To Sales a/c (Being Invoice raised for supply of finished goods)	297,000-	297,000-
38.	30.11.19x5.	Dividends A/c To Cash a/c (Being money withdrawn for personal expenses)	15,000-	15,000-
39.	30.11.19x5.	Depreciation Expense a/c To Acc. Depreciation a/c (Being depreciation charged for Nov.-09)	5,972-	5,972-

TRADING ACCOUNTS FOR PERIOD 13.10.1945 TO 30.11.1945

Debit	Capital A/c.		Credit
Balance	748370.	By cash a/c	748370.
Total.	748370.	Total.	748370.

Cash a/c.			
Capital	748370.	Bank charges	1000.
Advance.	2000.	Bank a/c	600000.
Scrap Sale.	800.	licence charges	1000.
		Consultant.	25000.
		Furniture.	10000.
		Food Expenses.	900.
		Consumables.	6626.
		Stationary	5600.
		Advance a/c	2000.
		Salaries	17500.
		Freight Exp.	7500.
		Rent a/c.	5000.
		PF + ESI a/c	1000.
		Water charges	1000.
		Miscellaneous.	1000.
		Travelling Exp.	200.
		Telephone Exp.	2321.
		Consumables	5323.
		advance a/c	4000.
		Dividends.	15000.
		Balance.	38400.

Total.	751170.	Total.	751170.
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Bank Charges A/c

Cash a/c.	1000.	Balance.	6000-
Bank a/c.	5000.		
Total:	6000.	Total.	6000-

Bank A/c

Cash a/c.	600000.	Bank charges	5000.
ABC.	149500.	Deposit	1,00,000
		Fixed deposit	2,00,000.
		Purchases	45,000.
		Installation	10,000.
		Electricity	5602.
		Loan a/c	16666.
		Interest a/c	8333
		Purchase a/c	90200.
		Balance	268699.
Total:-	749500.	Total:	749500-

LICENCE CHARGES A/c

Cash a/c.	1000-	Balance	1000-
Total	1000-	Total	1000-

CONSULTANT CHARGES A/c

Cash a/c	25000-	Balance	25000-
Total.	25000-	Total	25000-

Plant & Machinery A/c

Loan a/c	10,00,000-	Balance	10,00,000-
Total.	10,00,000-	Total	10,00,000-

LOAN A/c

Bank A/c.	16,666-	Machinery:-	10,00,000-
Balance:	9,83,334-	Total :-	10,00,000-
Total:	10,00,000-		

Deposits A/c - Factory Building

Bank :	1,00,000.	Balance:	1,00,000-
Total :-	1,00,000.	Total:	1,00,000-

Fixed Deposits A/c

Bank :-	2,00,000-	Balance:	2,00,000-
Total:-	2,00,000-	Total :-	2,00,000-

FURNITURE A/c

Cash : 10,000.-
Total : 10,000.-

Balance : 10,000.-
Total : 10,000.-

PURCHASES A/c

Bank: 45,000.
Tools Traders: 90,200.
Total : 135,200.

Balance: 135200.-
Total : 135200.-

TOOLS TRADERS A/c:

Bills payable: 90,200.
Total : 90,200.

Purchases: 90,200.-
Total : 90,200.-

BILLS PAYABLE A/c

Bank a/c : 90,200.
Total : 90,200.

Tools Traders: 90,200.-
Total : 90,200.-

FOOD EXPENSES A/c

Cash : 900.
Total : 900.-

Balance: 900.
Total : 900.

INSTALLATION CHARGES A/c

Bank :- 10,000.
Total : 10,000.

Balance : 10,000.-
Total : 10,000.-

CONSUMABLES A/c

Cash : 6626.
Cash : 5323.
Total : 11,949.

Balance :- 11,949.
Total : 11,949.

STATIONARY EXPENSES A/c

Cash : 5600.
Total : 5600.

Balance: 5600.
Total : 5600.

Advances A/c.

Cash : 2000.-
Cash : 4000.-
Total : 6000.

Cash: 2000.
Balance: 4000.
Total : 6000.

SUNDRY DEBTORS A/c

Sales A/c	149500.	Bank A/c	149500.
Sales A/c	149500. 297000	Balance:	297000.
Total:	446500.	Total:	446500.

Sales A/c		ABC limited:	
Balance:	446500.	ABC limited:	297000.
Total:	446500.	Total:	446500.

Salaries A/c		Total	
Cash:	17500.	Balance:	17,500.-
Total:	17500.	Total:	17,500.-

FREIGHT EXPENSES A/c		Total	
Cash:	7500.	Balance:	7500.-
Total:	7500.	Total:	7500.-

Rent A/c		Total	
Cash:	5000.	Balance:	5000.-
Total:	5000.	Total:	5000.-

PF + GST A/c		Balance	
Cash:	1000.	Balance:	1000.-
Total:	1000.	Total:	1000.-

Electricity a/c		Total	
Bank:	5602.	Balance:	5602.-
Total:	5602.	Total:	5602.-

Water Charges A/c		Total	
Cash:	1000.	Balance:	1000.-
Total:	1000.	Total:	1000.-

Miscellaneous A/c		Total	
Cash:	1000.	Balances:	1000.
Total:	1000.	Total:	1000.

Travelling Expense A/c		Total	
Cash:	200.	Balance:	200.
Total:	200.	Total:	200.

TELEPHONE A/c

Cash:	2321	Balance:	2321
Total:	2321	Total:	2321

Interest Paid A/c

Bank:	8333	Balance:	8333
Total:	8333	Total:	8333

Scrap a/c

Balance:	800	Cash:	800
Total:	800	Total:	800

Dividend a/c

Cash:	15000	Balance:	15000
Total:	15000	Total:	15000

Depreciation a/c

Acc. Dep:	5972	Balance:	5972
Total:	5972	Total:	5972

Acc. Depreciation a/c

Balance:	5972	Depreciation:	5972
Total:	5972	Total:	5972

Electricity a/c

Bank:	5000	Balance:	5000
Total:	5000	Total:	5000

Motor Charges A/c

Cash:	1000	Balance:	1000
Total:	1000	Total:	1000

Miscellaneous A/c

Cash:	1000	Balance:	1000
Total:	1000	Total:	1000

Travelling Expenses A/c

Cash:	200	Balance:	200
Total:	200	Total:	200

WORK SHEET ENTRIES FOR THE PERIOD: 13.10.19x5 - 30.11.19x5.

LEDGER NAME:	ORG. TRIAL BAL		ADJUSTMENTS		ADJ. TRIAL BAL		INCOME SUMMARY		BALANCE SHEET	
	DR	CR.	DR	CR.	DR	CR.	DR	CR.	DR/ASSET	CR./L+OE.
Cash a/c :	38400				38400				38400	
Bank a/c :	268699				268699				268699	
Accts Receivable:	297000.				297000.				297000	
Advance:	4000				4000				4000.	
Deposits Fac :	100000				100000				100,000	
Fixed deposit:	200000				200000				200000	
Supplies :	135200				135200				135200	
Supplies Consumed			135200			135200				135200
Plant + Mac :	10,00,000				10,00,000				10,00,000.	
Furniture :	19,000				10,000				10,000	
Acc. Depreciation:			5972			5972.				5972.
Loans :										983334
Provision (Income Tax) :										10800.
Capital :										748370.
SALES :										748370.
Salaries :	17500.				17500.			17500.		
Bank charges:	6000.				6000			6000.		
licence :	1000.				1000.			1000.		
Consultant:	25000				25000			25000.		
Food Exp :	900				900			900.		
Installation:	10000.				10,000.			10,000.		

WORKSHEET ENTRIES FOR PERIOD 13.10.1945 - 30.11.1945

LEDGER NAME	ORIGINAL TRIAL BAL		ADJUSTMENTS		ADJ. TRIAL BAL.		INCOME SUMMARY CR.	BALANCE SHEET ASSET.	BALANCE SHEET LT OF.
	DR.	CR.	DR.	CR.	DR.	CR.			
Consumables.	11949.				11949.				
Freight	7500.				7500.				
Stationary	5600.				5600.				
Rent	5000.				5000.				
PF + ES	1000.				1000.				
Electricity	5602.				5602.				
Miscellaneous	1000.				1000.				
Telephone	2321.				2321.				
Travelling	200.				200.				
Water charges	1000.				1000.				
Dividend	15000.				15000.				
Interest & p	8333.				8333.				
Supplies Cons			135200.				135200.		
Depreciation			5972.				5972.		
Income tax							10800.		
Balance RE :-							169623.		169623.
Total :-	2178204	2178204	11172	11172	2319376	2319376	1146500	2053299	2053299

Handwritten notes and scribbles at the bottom of the page, including a date '20.11.1945' and other illegible markings.

BALANCE SHEET PERIOD: 13.10.19X5 - 30.11.19X5.

AS OF 30.11.19X5.

<u>ASSETS.</u>	<u>LIABILITIES + OWNERS EQUITY.</u>
<p><u>Current Asseli.</u></p> <p>a) Cash : 38400.</p> <p>b) Bank : 268699.</p> <p>c) Acc. Rec : 297000.</p> <p>d) Deposits : 100000</p> <p>e) Fixed dep: 200000</p> <p>f) Advances: 4000.</p> <p>g) Inventory: 0.</p> <hr/> <p>Current Asseli: 908099.</p>	<p><u>Liabilities</u></p> <p>a) Payables: 0.</p> <p>b) Provision: 10,800.</p> <p>c) Loan : 983,334.</p> <hr/> <p>Liabilities Total: 994134.</p>
<p><u>Fixed Assets:</u></p> <p>b) Furniture :- 10,000.</p> <p>d) Plant + Mac: 10,00,000.</p> <p>J) Less: Acc. Dep: 5972.</p> <hr/> <p>Fixed Asset Total: 10,04,028.</p>	<p><u>Owners Equity:</u></p> <p>d) Capital :- 748370.</p> <p>e) Retained Earn: 169623.</p> <hr/> <p>Owners Equity Tot: 917993.</p>
<p>Total Assets : 19,12,127.</p>	<p>Total Liat + OE : 19,12,127.</p>

PROFIT & LOSS ACCOUNT : PERIOD: 13.10.19X5 - 30.11.19X5.

1) Cost of Goods Sold: 135200.	Sales :- 446500.
2) Salaries : 17500.	
3) Rent Exp : 5000	
4) Bank Charges : 6000.	
5) Stationary Exp : 5600.	
6) Licence Exp : 1000.	
7) Consultaul Exp : 25000.	
8) Food Exp : 900.	
9) Installation Exp : 10,000	
10) Consumables : 11949.	
11) Freight Exp : 7500.	
12) PF + ESI : 1000.	
13) Electricity : 5602.	
14) Telephone Exp : 2321.	
15) Travelling Exp : 200.	
16) Water Charges : 1000.	
17) Miscellaneous : 1000.	
18) OPERATING PROFIT: 209728.	
19) Depreciation : 5972.	
20) Interest Exp : 8333.	
21) PROFIT BEFORE TAX: 195423.	
	Operating Profit: 209728.

PROFIT BEFORE TAX: 195423.

INTEREST

OPERATING PROFIT: 209728

Income Tax : 10,800.

NET PROFIT AFTER TAX: 184623.

PROFIT BEFORE TAX: 195423.
INTEREST.

Dividends : 15000.

PROFIT AFTER TAX: 184623.

RETAINED EARNINGS : 169623.

COMPLIANCE TO CONDITIONS:-

1. Date of Commencement of business is to be your date of birth.

* Date of Birth: 13.10.1975

and business has been started on the day.

2.1. Capital to be contributed will depend on the last three digits of your smsid as listed below:

* Roll no: 106910.

910 : All others : Your register number multiplied by 7.

My capital is $106910 \times 7 = \text{Rs. } 748370/-$

2.2. Long term loans equal to maximum of 2 times the capital is available at the rate of 10% p.a. Long term loan has to be at least equal to capital.

* Capital Invested: Rs. ~~748370~~ 748370/-

Long term loan: Rs. 10,00,000/-

More than capital invested in business.

3. Every Student will have at least 20% of his total assets invested in fixed assets. Depreciation on monthly basis is to be Computed using the Straight line method of depreciation. Life of asset can vary between 5-10 yrs of different assets.

* Total assets :- 19,12,127. 25

Fixed assets :- 10,04,028. \Rightarrow 52.5%.

* Depreciation calculated at straight line method on monthly basis. Monthly depreciation charged @ Rs. 5972/- month.

A. Credit Sales can be Seven times Cash Sales.

* Cash Sales during 1st month: Nil.

Credit Sales during 1st month: 149500/-

5. Credit purchase can be Eight times Cash purchase.

* Cash purchase = Rs. 56949 \times 8 \Rightarrow Rs. 455592/-

Credit purchases = Rs. 90200.

Credit purchases less than 8 times Cash purchase.

6. Cash balance at end of month is to be maximum of 7 days + minimum of 3 days Cash expenses.

* Cash balance at end of month: 38400.

* Cash expenses during month: 111970

Cash expenses during /day : 3732/- approx.

Complying to 3 days minimum balance. $3732 \times 3 = 11197$ /-

7. Sales volume will increase by 10% over previous month.

Sales price will increase by 5% over previous month

+ purchase price will be 5% increase every 15 days, all reckoned on a calendar month basis

* The same has been demonstrated in page 4, except volume which is demonstrated in last page.

8. All other costs remain stable over the period:

* Yes, implied to the condition.

9. If the date of commencement of business is not the first of a month, then the first accounting period will be longer than a month closing the period at the end of next Complete Calendar month:

* Start date of business: 13.10.1975. Month closing: 30.11.1975

10. At least 1 transaction per day for 10 days in a month.

* Yes, implied to the condition.

Sl. NO: DATE TRANSACTIONS:

1 01.12.x5. Purchase of Raw Material from m/s. Tool TRADERS on credit for 25 days for materials - Rs. 119334.60/-

Description of Goods.	Quantity	Cost:	Total.
5mm - 15mm.	6600.	8.82.	58212.00.
15.1mm - 20mm.	2640.	14.33	37837.80
20.1mm - 30mm	1320	17.64	23284.80.

2. 02.12.x5. Purchase of Consumables - Rs. 8352/- by Cash. Cutters, Grinding wheel, Polish, oil.

3. 01.12.x5. Withdrawal of money from bank for expenses Rs. 1,00,000/-

4. 02.12.x5 Service check done for machinery - Rs. 2000/- paid by cash.

5. 03.12.x5. Telephone bill for Nov x5 : Rs. 3322/- by Cash

6. 04.12.x5 Rent paid for factory building : Rs. 10000/- by Cheque.

7. 05.12.x5. Travelling expenses paid Rs. 230/- to Supervisor for going to client office and back.

8. 05.12.x5. Salaries paid to employees - Rs. 35000/- by cash.

9. 05.12.x5. Advance recovered from Employees: Rs. 4000/-

10. 05.12.x5. Freight Expenses paid to Van driver: Rs. 15000/-

↳ Visit to prospective client - Skp Tools for order.

11. 07.12.x5. Electricity bill paid for Nov x5 - 8923/- by cash.

12. 07.12.x5. PF & ESI paid to govt for Nov x5 - 8200/- by cash.

13. 08.12.x5. Miscellaneous expense paid to Factory Inspector Rs. 1500/- by cash.

14. 09.12.x5. On receipt of order from m/s. Skp Tools, purchased Raw material from Tools Traders for Rs. 44684.33 by Cheque.

Description of Goods	Quantity	Cost:	Total
5mm - 15mm drills.	2000.	9.26.	18522.00.
15.1mm - 20mm drills.	1000.	15.05.	15049.13.
20.1mm - 30mm drills.	600.	18.52.	11113.20.

15. 09.12.25. Consumables purchased for Rs. 1352/- by cash. (Oil, Cutters, Grinding wheel).
16. 12.12.25. Printing Expenses - Company Profile for marketing Presentation. Rs. 6600/- in cash.
17. 14.12.25. Recruitment of another machine operator for rotating shift @ Rs. 9000/- month + 1 diploma holder for visiting prospective client for orders @ Rs. 15000/- per month.
18. 16.12.25. Sale of finished goods to m/s. Step Tools for the order placed and payment done by cheque - Rs. 131460/-

Description of Goods	Quantity	Rates-Decrs.	Total
5mm - 15mm drill.	2000.	30.45.	60900.
15.1mm - 20mm drill.	1000.	40.95	40950.
20.1mm - 30mm drill.	600.	49.35.	29610.

19. 17.12.25. Deposited payment cheque of Rs. 131460/- to Bank.
20. 18.12.25. Interest paid for loan taken: Rs. 8333/-
21. 18.12.25. Emi paid for loan taken: Rs. 16666/-
22. 19.12.25. Miscellaneous Expense - Donation: Rs. 5000/-
23. 21.12.25. Visit to prospective client: m/s. Intel Limited for discussion and order placement: lunch: Rs. 1000/-
24. 22.12.25. Changed the Van driver contract from Rs. 15000/- per month to Rs. 800/- per trip basis.
25. 23.12.25. Advances paid to Employees Rs. 6000/-
26. 25.12.25. Order received from m/s. Intel limited for 6000 drill bits - payment on credit: 21 days.

Description of Goods	Quantity
5mm - 15mm drill.	3000.
15.1mm - 20mm drill	2000.
20.1mm - 30mm drill	1000.

27. 25.12.25. Payment to m/s. Tools Traders Rs. 119334.60/- by cheque.

28. 26.12.15 Raw material purchased from M/s. Tools Traders on credit - 21 days for Rs. 80223.11/- for m/s. Intel Order.

Description of Goods	Quantity	Cost.	Total.
5mm - 15mm drill.	3000.	9.72	29172.15
15.1mm - 20mm drill.	2000.	15.80	31603.16.
20.1mm - 30mm drill.	1000.	19.45	19448.10.

29. 26.12.15 Freight Expenses for purchase of raw material from Tools Traders to factory - Rs. 800/-

30. 28.12.15 Delivery of finished goods to m/s. ABC Limited

Description of Goods	Quantity	Rates.	Total.
5mm - 15mm drill.	6600.	30.45	200970
15.1mm - 20mm drill	2640	40.95	108108.
20.1mm - 30mm drill.	1320.	49.35	65112.

31. 28.12.15 Freight expenses for delivery of finished goods from factory to ABC limited: Rs. 800/-

32. 29.12.15 Invoice raised on the above sales made to m/s. ABC Limited for Rs. 374220/- Credit-21 days

33. 31.12.15 Withdrawal of money for personal expenses Rs. 15000/-

34. 31.12.15 Depreciation expense of fixed assets
 plant & machinery: 994444 15 yrs 5556
 Furniture : 9583 2yr 417

JOURNAL ENTRIES: PERIOD: 01.12.15 - 31.12.15

Sl. No.	DATE	TRANSACTIONS	DEBIT	CREDIT.
1.	01.12.15	Purchase a/c To Tools Traders (Being Cost of Raw materials purchased from m/s. Tools Traders)	119334.60.	119334.60.

Sl. No.	DATE	TRANSACTIONS.	DEBIT	CREDIT.
2.	01.12.25.	Tools Traders A/c To Bills payable a/c.	119334.60	119334.60.
		(Being cost of raw materials purchased from Mr. Tools Traders on 25 days credit)		
3.	01.12.25.	Consumables a/c To Cash a/c.	8352.00.	8352.00.
		(Being cost of oil, cutters, Grinding Wheel purchased)		
4.	01.12.25.	Cash a/c To Bank a/c.	1,00,000.00.	1,00,000.00.
		(Being cash withdrawal for factory expenses)		
5.	02.12.25.	Repairs to P.M. a/c To Cash a/c.	2,000.00.	2,000.00.
		(Being service check done on the machines)		
6.	03.12.25.	Telephone Expenses a/c To Cash a/c.	3322.00.	3322.00.
		(Being mobile phone bill for Nov 25)		
7.	04.12.25.	Rent a/c To Bank a/c.	10,000.00.	10,000.00.
		(Being rent paid for Nov 25 - factory building)		
8.	05.12.25.	Travelling Expense a/c To Cash a/c.	230.00.	230.00.
		(Being cost of travelling expenses paid to supervisor to visit client office)		
9.	05.12.25.	Salaries a/c To Cash a/c.	35000.00	35000.00
		(Being salaries paid to employees - Nov 25)		
10.	05.12.25.	Cash a/c To Advance a/c.	4000.00.	4000.00.
		(Being advance recovered from employees)		
11.	05.12.25.	Freight Expenses a/c To Cash a/c.	15,000.00.	15,000.00.
		(Being monthly van hire charges - Nov 25)		

Sl.No:	Date.	Transaction.	Debit	Credit	30
12.	07.12.25.	PF + ESI A/c. To Cash a/c. (Being the PF + ESI amount for Nov x 5)	8200.00.	8200.00.	
13.	07.12.25.	Electricity Exp a/c. To Cash a/c. (Being Electricity exp - Nov x 5)	8923.00.	8923.00	
14.	07.12.25.	Water charges a/c. To Cash a/c. (Being water charges - Nov x 5)	1000.00.	1000.00.	
15.	08.12.25.	Miscellaneous Exp a/c. To cash a/c (Being charges paid to factory inspector for inspection).	1500.00.	1500.00.	
16.	09.12.25.	Purchase a/c. To Bank a/c. (Being raw materials purchased by Cheque from Tools Traders).	44684.33	44684.33.	
17.	09.12.25.	Consumables a/c. To Cash a/c (Being cost of Consumables purchased)	1352.00	1352.00.	
18.	12.12.25.	Printing Expense a/c. To Cash a/c. (Being cost of printing - Company profile for marketing presentation)	6600.00.	6600.00.	
19.	16.12.25.	M/s. Skp Tools a/c. Sales a/c. (Being invoice raised to M/s. Skp Tools for supply of finished goods)	131460.00	131460.00.	
20.	18.12.25.	Bank a/c M/s. Skp Tools a/c. (Being payment received from M/s. Skp Tools)	131460.00	131460.00.	
21.	18.12.25	Interest paid a/c. To Bank a/c. (Being Interest for period 19/11/25 - 18.12.25).	8333.00	8333.00	
22.	18.12.25.	Loan a/c. To Bank a/c (Being Emi paid for Nov x 5)	16666.00	16666.00.	

Sl. No.	Date	Transaction	Debit	Credit
23.	19.12.15.	Miscellaneous Exp. To cash a/c. (Being donation to orphanages)	5000.00	5000.00
24.	21.12.15.	Bank a/c. To ABC limited. (Being payment received from ABC Ltd)	297000.00	297000.00
25.	21.12.15.	Food Expenses a/c. To Cash a/c. (Being lunch Expenses with Intel officials)	1000.00	1000.00
26.	22.12.15.	Freight Expenses a/c. To cash a/c. (Being full & final Settlement for van driver)	11000.00	11,000.00
27.	23.12.15	Advances- Employees a/c. To cash a/c. (Being advance paid to Employees)	6000.00	6000.00
28.	25.12.15.	Bills payable a/c. To Bank a/c. (Being payment to Tools Traders for purchase of raw materials).	119334.60	119334.60
29.	26.12.15.	Purchase a/c. To Tools Traders a/c.	80223.41	80223.41
30.	26.12.15.	Tools Traders a/c. To Bills payable a/c. (Being cost of raw material purchased on Credit from Tools Traders - Intel order).	80223.41	80223.41
31.	26.12.15.	Freight Expense a/c. To cash a/c. (Being Cost of van trip for purchase of raw material).	800.00	800.00
32.	29.12.15.	ABC limited a/c. To Sales a/c. (Being invoice raised on ABC limited for material supplied).	374220.00	374220.00

Sl.No:	Date	Transaction.	Debit	Credit.
33.	29.12.15.	Freight Expenses To Cash a/c (Being freight expenses for delivery of finished goods to ABC limited)	800.00	800.00
34.	30.12.15.	Cash a/c To Scrap a/c (Being Sale of Scrap to dealer @ Rs. 16kg for 20 kgs).	3200.00	3200.00
35.	31.12.15.	Dividends a/c. To cash a/c (Being money withdrawn for personal expenses).	15000.00	15000.00
36.	31.12.15.	Depreciation a/c. To Acc. dep a/c (Being depreciation for month of Dec 15)	5972.00	5972.00

BALANCE SHEET AS OF 31 DEC 15.

<u>ASSETS.</u>		<u>LIABILITIES & OWNERS EQUITY</u>	
<u>Current Assets.</u> a) cash : 12521.00 b) Bank : 398141.00 c) Acc. Receivable : 374220.00 d) Deposits : 100000.00 e) Fixed deposit : 200000.00 f) Advances : 6000.00 g) Inventory : 0.00		<u>Liabilities:</u> Payables : 80223.00 Loan : 966668.00 Provision: 11880.00	
Current Assets : 1090882.00		Liabilities Total: 1058771.00	
<u>FIXED ASSETS:</u> Furniture : 9583.00 Plant & mac : 994444.00 Less: Acc. Dep : 5972.00		<u>OWNERS EQUITY:</u> Capital Inv : 7148310.00 Retained Eav: 287796.00	
Fixed Assets :- 998055.00		Owners Equity: 1030166.00	
Total Assets : 2088937.00		Total L + OE : 2088,937.00	

WORKSHEET ENTRIES FOR THE PERIOD: 01.12.X5 - 31.12.X5.

LEDGER NAME	Original Trial Bal		Adjustments		Adj Trial Bal		Income Summary		Balance Sheet	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Assets	Liabilities
1) Cash a/c	12521.		12521.				115143		12521	
2) Bank a/c	398141.		398141.				11880		398141	
3) Acc. Receivable:	374220.		374220.				514493		374220.	
4) Advances :	6000		6000.				6900		6000	
5) Deposits a/c:	100000.		100000.				5000		100000	
6) Fixed dep a/c:	200000.		200000.				2447		200000	
7) Supplies	244243		244243.						244243	
8) Supplies Cons :				244243.		244243				244243.
9) Plant & Mac:	994444.		994444.						994444.	
10) FURNITURES :	9583.		9583.						9583.	
11) Acc. Depre :				5972.		5972.				5972.
12) Sundry Creditors:		80223				80223.				80223.
13) Loan		966668				966668.				966668.
14) Provision (IT):		748370				748370				748370.
15) Capital		169623.				169623.				169623.
16) Retained Eas:		505680				505680				505680.
17) Sales		35000				35000.				35000
18) Salaries Exp:	1000.		1000.			1000.				1000.
19) Food Exp:	9704.		9704.			9704.				9704.
20) Consumables:										

WORK SHEET FOR THE PERIOD: 01.12.15 - 31.12.15.

LEDGER NAME:	ORIGINAL TRIAL BAL.		ADJUSTMENTS		ADJ. TRIAL BAL.		INCOME SUMMARY		BALANCE SHEET	
	Dr.	Cr.	DR	CR.	.DR.	CR.	DR	CR	ASSETS	LIAB
21) Freight Exp:	15601.				15601.		15601.			
22) Rent Exp:	10000.				10000.		10000.			
23) PF & Est Exp:	8200.				8200.		8200.			
24) Electricity:	8923.				8923.		8923.			
25) Miscellaneous:	6500.				6500.		6500.			
26) Telephone Exp:	3322.				3322.		3322.			
27) Travelling Exp:	230.				230.		230.			
28) Water Exp:	1000.				1000.		1000.			
29) Dividends:	15000.				15000.		15000.			
30) Interest Exp:	8333.				8333.		8333.			
31) Depreciation:			5972.		5972.		5972.			
32) Repairs to Prem:				2000.	2000.		2000.			
33) Printing Exp:				6600.	6600.		6600.			
34) Supplies Cons:				244243.	244243.		244243.			
35) Income Tax:							11880.			
36) Balance Re:							112173.			
37) Total	247056H.	247056H.	25021H.	25021H.	2720778.	2720778.	505680.	505680.	2339152.	2339152.

PROFIT + LOSS STATEMENT. PERIOD: 01.12.15 - 31.12.15.
(all figures in Rs)

- 1) Cost of Good Sold: 244243.
- 2) Salaries Exp : 35000.
- 3) Rent Exp : 10,000
- 4) Food Exp : 1000.
- 5) Consumables Exp : 9704.
- 6) Freight Exp : 15600.
- 7) PF + ESI Exp : 8200.
- 8) Electricity Exp : 8923.
- 9) Telephone Exp : 3322.
- 10) Travelling Exp : 230.
- 11) Water charges : 1000.
- 12) Miscellaneous : 6500.
- 13) Printing Exp : 6600.
- 14) Repair to plant: 2000.
- 15) OPERATING PROFIT: 153358.
- 16) Depreciation Exp : 5972.
- 17) Interest Exp : 8333.
- 18) PROFIT BEFORE ^{INTEREST} TAX: 139053.
- 19) Income Tax Prov:- 11880.
- 20) NET PROFIT AFTER TAX: 127123.
- 21) Dividends : 15000
- 22) RETAINED EARNINGS: 112173.

Sales: 505680.

OPERATING profit : 153358.

profit before ^{Interest} Tax : 139053.

profit after Tax : 127123.

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TRANSACTIONS FOR PERIOD: 01.01.x6 - 31.01.x6.

Sl. No: Date Transactions:

1. 01.01.x6. Purchase of Raw materials from m/s. Tools Traders on credit for below materials against ABC limited order. Cost: Rs. 144723.04/-

Description of Goods.	Quantity	Rate	Total.
5mm - 15mm.	7260.	9.72.	70596.60.
15.1mm - 20mm.	2904.	15.80.	45887.79.
20.1mm - 30mm.	1452.	19.45.	28238.64.

2. 01.01.x6. Freight Expenses for shifting of raw materials from Tools Traders - factory: Rs. 800/-

3. 01.01.x6. purchase of Consumables for processing above - Rs. 9628/- (Oil, cutter, Grinding wheel).

4. 01.01.x6. Withdrawal of Cash of Rs. 15000/- from bank for factory expenses.

5. 02.01.x6. Delivery of finished goods to m/s. Intel limited, Invoice Raised: Rs. 233730/- on 21 days Credit.

Description of Goods	Quantity	Rate	Total:
5mm - 15mm drill.	3000.	31.97	95918.-
15.1mm - 20mm drill.	2000.	43.00	85995.-
20.1mm - 30mm drill.	1000.	51.82	51818.-

6. 04.01.x6. Telephone bill paid for Dec 25: Rs. 4282/- by cash.

7. 04.01.x6. Rent paid for factory by cheque - Rs. 10,000/-

8. 05.01.x6. Salaries paid to Employees: 47000/-

9. 05.01.x6. Advance recovered from Employees: 6000/-

10. 07.01.x6. Electricity bill for Dec 25 :- 10201/- by cash.

11. 07.01.x6. PF + ESI amount - paid for Dec 25 :- 11280/-

12. 07.01.x6. On receipt of order from M/s. Skp Tools, purchased raw materials from M/s. Tools Traders for Rs. 28321.30

Description of Goods.	Quantity	Cost	Total.
5mm - 15mm drills.	1500.	9.72	14586.08.
15.1mm - 20mm drills.	500.	15.80	7900.79.
20.1mm - 30mm drills.	300.	19.45	5834.43.

13. 07.01.x6. Freight Expenses for above shifting of raw materials from Tools Traders to Factory - Rs. 800/-

14. 07.01.x6. Consumables purchased for processing the above order for Rs. 1522/- by cash.

15. 11.01.x6. Registration charges with Indian Manufacturers Association - Rs. 10000/- by cash.

16. 13.01.x6. Expenses towards Marketing / Participation cost in IMA Exhibition - Rs. 30000/- by cheque.

17. 15.01.x6. Sales of finished goods to M/s. Skp Tools for the order placed for Rs. 85002.75/- by cheque.

Description of Goods.	Quantity	Rate	Total.
5mm - 15mm.	1500.	31.97	47958.75
15.1mm - 20mm.	500	43.00	21498.75.
20.1mm - 30mm.	300.	51.82.	15545.25.

18. 15.01.x6. Freight charges for delivery of finished goods to M/s. Skp Tools: Rs. 800/-.

19. 15.01.x6. Order received from M/s. Intel limited for another 6000 drill bits and purchased from M/s. Tools Traders on credit - 25 days - Rs. 88446.31/-

Description of Goods.	Quantity	Cost	Total.
5mm - 15mm drill.	3000.	10.72.	32162.30
15.1mm - 20mm drill	2000.	17.42	34842.49
20.1mm - 30mm drill	1000.	21.44.	21441.53.

20. 16.01.x6. Freight charges for shifting of raw material from Tools Traders to Factory: Rs. 800/-.

21. 23.01.x6. Payment received for Rs. 233730/- from M/s. Intel by cheque.
22. 23.01.x6. Payment received for Rs. 374220/- from M/s. ABC Limited by cheque.
23. 25.01.x6. Advance paid to Employees: Rs. 6000/-
24. 25.01.x6. Delivery of finished goods to M/s. ABC Limited - Invoice Raised for Rs. 392931/- Credit for 21 days.

Description of Goods	Quantity	Rate	Total.
5mm - 15mm drills	6600	31.97	211018.50
15.1mm - 20mm drills	2640	43.00	113513.40
20.1mm - 30mm drills	1320	51.82	68399.10

25. 25.01.x6. Freight Expenses for shifting of finished goods to M/s. ABC Limited. Rs. 800/-

26. 27.01.x6. Delivery of finished goods to M/s. Intel - Invoice raised for Rs. 233730/- Credit of 21 days.

Description of Goods	Quantity	Rate	Total.
5mm - 15mm drill	3000	31.97	95917.50
15.1mm - 20mm drill	2000	43.00	85995.00
20.1mm - 30mm drill	1000	51.82	51817.50

27. 27.01.x6. Freight Expenses for shifting of finished goods to M/s. Intel - Rs. 800/-

28. 28.01.x6. Withdrawal of Cash for personal Expense - Rs. 15000/-

29. 30.01.x6. Depreciation expense: 5972/-

Plm: 988,888 15yrs 555b.

Furniture: 9,166 2yrs 417-

JOURNAL ENTRIES: 01-01.X6 - 31-10.X6.

Sl. No:	Date:	Transaction.	Debit	Credit.
1.	01-01.X6.	Purchase a/c To Tools Traders	144723.00	144723-
2.	01-01.X6.	Tools Traders a/c. To Bills payable a/c.	144723-	144723-
3.	01-01.X6.	Freight Exp. a/c To Cash a/c.	800-	800-
4.	01-01.X6.	Consumables a/c. To cash a/c.	9628-	9628-
5.	01-01.X6.	Cash a/c. To Bank a/c.	150,000-	150,000-
6.	02-01.X6.	Intel limited. To Sales a/c	233730-	233730-
7.	04-01.X6.	Telephone Exp. a/c. To cash a/c.	4282-	4282-
8.	04-01.X6.	Rent Exp. a/c. To Bank a/c	10,000-	10,000-
9.	05-01.X6.	Salaries a/c To cash a/c	47000-	47,000-
10.	05-01.X6.	cash a/c. To Advances a/c.	6000-	6000-
11.	07-01.X6.	Electricity Exp a/c. To cash a/c.	10201-	10201-
12.	07-01.X6.	PF + esi a/c. To cash a/c	11280-	11280-
13.	07-01.X6.	purchase a/c. To Tools Traders.	2832130.	28321.30-
14.	07-01.X6.	Tools Traders a/c. To Bank a/c.	28321.30.	28321.30-

Sl. No:	Date	Transactions.	Debit	Credit	40
15.	07.01.x6.	Freight Exp a/c. To cash a/c.	800-	800-	
16.	07.01.x6.	Consumables a/c. To cash a/c.	1522-	1522-	
17.	11.01.x6.	Licence a/c. To cash a/c.	10,000-	10,000-	
18.	13.01.x6.	Marketing Exp a/c. To Bank a/c.	30,000-	30,000-	
19.	15.01.x6	M/s. Skp Tools. Sales a/c.	85002.75	85002.75-	
20.	15.01.x6	Bank a/c. M/s. Skp Tools.	85002.75	85002.75-	
21.	15.01.x6.	Freight Exp a/c To cash a/c.	800-	800-	
22.	16.01.x6.	Bills payable a/c To Bank a/c.	80223.41.	80223.41.	
23.	16.01.x6.	purchase a/c To Tools Traders a/c.	88446.31.	88446.31.	
24.	16.01.x6.	Tools Traders a/c To Bills Payable a/c.	88446.31	88446.31.	
25.	16.01.x6.	Freight expenses a/c To cash a/c.	800-	800-	
26.	18.01.x6.	Interest paid a/c. To Bank a/c.	8333-	8333-	
27.	18.01.x6	Loan a/c. To Bank a/c.	16666-	16666-	
28.	23.01.x6.	Bank a/c To Intel limited:	233730-	233730-	
29.	23.01.x6.	Bank a/c. To ABC limited	374220-	374220-	

Sl. No.	Date	Transactions.	Debit	Credit
30.	25.01.xb.	Advances a/c To Cash a/c.	6000-	6000-
31.	25.01.xb.	ABC Limited a/c To Sales a/c.	392931-	392931-
32.	25.01.xb.	Freight Exp. a/c To Cash a/c.	800-	800-
33.	27.01.xb.	M/s. Intel limited. To Sales a/c.	233730-	233730-
34.	27.01.xb.	Freight Expense a/c. To Cash a/c.	800-	800-
35.	28.01.xb.	Bank a/c. To Intel limited.	233730-	233730-
36.	28.01.xb.	Dividends a/c To Cash a/c.	15000-	15000-
37.	30.01.xb.	Depreciation Exp. Acc. Dep. a/c	5972-	5972-

Advances a/c
 Cash a/c
 ABC Limited a/c
 Sales a/c
 Freight Exp. a/c
 Intel limited a/c
 Freight Expense a/c
 Bank a/c
 Intel limited a/c
 Dividends a/c
 Cash a/c
 Depreciation Exp. a/c
 Acc. Dep. a/c

WORKSHEET ENTRIES FOR PERIOD: 01.01.16 - 31.01.16.

LEDGER NAME.	ORIGINAL TRIAL BAL		ADJUSTMENTS		ADJ. TRIAL BAL.		INCOME SUMMARY		BALANCE SHEET	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Asset	HOE
Cash a/c.	54808				54808				54808	
Bank a/c.	1029601				1029601				1029601	
Accs Receiv	626661				626661				626661	
Advances a/c	6000				6000				6000	
Deposits a/c	100000				100000				100000	
Fixed dep a/c	200000				200000				200000	
Supplies a/c	233169				233169				233169	
Supplies Cons;			233169			233169				233169
Plant + mac	988888				988888				988888	
Furnitures	9166				9166				9166	
Acc. Depr a/c				5972		5972				5972
Sundry Creditors		485178				485178				485178
Loan a/c		950002				950002				950002
Provision (IT)										27710
Capital		748370				748370				748370
Retained Ear		281796				281796				281796
Sales		945394 945394				945394		945394		945394 945394

Salaries Exp:	47000.	47000.	47000.	47000.	515497.
Licence Exp:	10000.	10000.	10000.	10000.	
Consumables:	11150.	11150.	11150.	11150.	
Freight Exp:	4800.	4800.	4800.	4800.	
Rent Exp:	10000.	10000.	10000.	10000.	
PF + ESI :	11280.	11280.	11280.	11280.	
Electricity:	10201.	10201.	10201.	10201.	
Telephone :	4282.	4282.	4282.	4282.	
Coater charges:	1000.	1000.	1000.	1000.	
Dividends :	15000.	15000.	15000.	15000.	
Interest Exp:	8333.	8333.	8333.	8333.	
Depreciation:			5972.	5972.	
Marketing :	30000.	30000.	30000.	30000.	
Supplies Cons:		233169.	233169.	233169.	
Income Tax:				27710.	
Balance RE:					515497.
Total :	3411339	3411339	239111	3650480	945394
			239111	3248293	3248293

Balance Sheet as of 31.01.16.

ASSETS.

LIABILITIES + OE.

Current Assets:

Liabilities.

- 1) Cash : 54808.
- 2) Bank : 1029601.
- 3) Acc. Rec : 626661.
- 4) Deposits : 100000.
- 5) Investments : 200000.
- 6) Advance : 6000.
- 7) Inventory : 0.

- payables: 485778
- Loan : 950002.
- Provision: 27710.

Current Assets: 2017070

Liabilities Total: 1463490

Fixed Assets:

Owner Equity:

- 8) Furniture: 9166.
- 9) Plant + Mac: 988888
- 10) Less: Acc. Dep: 5972.

- Capital Inv :- 718370
- Profit Retained: 797292

Fixed Assets:- 992082.

Owner Equity Total: 1545662.

Total Assets: 30,09,152.

Total Liabilities: 30,09,152.
+ OE.

(All figures in Re.)

- 1) Cost of Goods Sold: 233169.
- 2) Salaries Exp : 47000.
- 3) Rent Exp : 10000
- 4) Licence Exp : 10000.
- 5) Consumable Exp : 11150.
- 6) Freight Exp : 4800.
- 7) Electricity Exp :- 10201.
- 8) PF & ESI Exp : 11280.
- 9) Telephone Exp :- 4282.
- 10) cooler Exp :- 1000.
- 11) Marketing Exp : 30000.
- 12) OPERATING PROFIT :- 572512.
- 13) Depreciation Exp : 5972.
- 14) Interest Exp : 8333.
- 15) PROFIT BEFORE ^{INTEREST}TAX : 558207.
- 16) Income Tax Provision: 27710.
- 17) NET PROFIT AFTER TAX: 530497.
- 18) Dividends a/c : 15000
- 19) RETAINED EARNINGS: 515497.

Sales:- 945394.

operating profit: 572512.

Profit Before ^{INTEREST}Tax: 558207.

Profit after tax :- 530497.

COMPLIANCE STATEMENT TO CONDITIONS -

DECX5 & JANX6 MONTHS:

1) Date of Commencement of business is to be your date of birth:

* Date of Birth: 13.10.1975

and business has been started on the day.

2) Capital to be contributed will depend on the last three digits of your SMSID as listed below:

* Roll no: 106910.

910: All others: Your register no: multiplied by 7.

My capital is $106910 \times 7 = \text{Rs. } 748370/-$.

2.2) Long term loans equal to maximum of 2 times the capital is available @ 10% p.a rate. Long term loan has to be atleast equal to capital.

* Capital invested: Rs. 748370/-

Long term loan: Rs. 10,00,000/-

More than the capital amount invested in business.

3) Every student will have atleast 20% of his total assets invested in fixed assets. Depreciation on monthly basis is to be computed using straight line method of depreciation.

	Decx5	Janx6.
* Total assets:	2088937.	30,09,152.
Fixed assets:	998055	9,92,082.
% :	(47%)	(32.96%)

Depreciation calculated on monthly basis using SLM for plant & machinery & furnitures. Monthly depreciation being charged - Rs. 5972/-.

4) Credit Sales can be seven times Cash Sales.

* Cash Sales during Decx5 :- 131460.

Credit Sales during Decx5 :- 374220.

Cash Sales during Janx6 :- 85002.75.

Credit Sales during Janx6 :- 626661.00

5) Credit purchase can be eight times cash purchase.

* Cash purchase during Decx5: 44684.33

Credit purchase during Decx5: 199558.01

Cash purchase during Janx6: 28321.30

Credit purchase during Janx6: 233169.31

6) Cash balance at the end of month is to be maximum of 7 days + minimum of 3 days Cash expenses.

* Cash balance at end of Decx5: 12521.

Cash expenses during month :- 131079.

Cash expense approx /day :- $4369 \times 3 = 13107.90$
 $\times 7 = 30585.10$

* Cash balance at end of Janx6: 54808

Cash expenses during month :- 119713.

Cash expense approx /day :- $3990 \times 3 = 11971.30$
 $\times 7 = 27933.03$

7) Sales Volume will increase by 10% over previous month

Sales price will increase by 5% over previous month

+ purchase price will be 5% increase every 15 days, all reckoned on a calendar month basis.

* Please refer to page 4 of the assignment for the sales price and purchase price structure. The conditions have been adhered to.

* The Sales Volume has also been factored to adhere to 10% increase over previous month.

Novas :- Only 1 client - ABC limited :- 13,300.

Decx5 y: 3 clients - ABC limited :- 10,560
~~Janx6~~ Skip Tools :- 3,600 } 20,160
Intel limited :- 6000

Janx6 :- 3 clients:- ABC limited :- 11,616 } 19,916
Skip Tools :- 2300
Intel limited :- 6000

PTO

8) All other costs remain stable during the period.

* Yes, implied to the condition.

9) If the date of commencement of business is not the first of a month, then the first accounting period will be longer than a month closing the period at the end of next complete calendar month.

* Start date of business: 13.10.1975.

1st Month closing period: 13.10.19x5 - 30.11.19x5.

2nd Month closing period: 01.12.19x5 - 31.12.19x5.

3rd Month closing period: 01.01.19x6 - 31.01.19x6

10). Atleast 1 transaction/day for 10 days in a month.

* Period 13.10.19x5 - 30.11.19x5: 39 transactions.

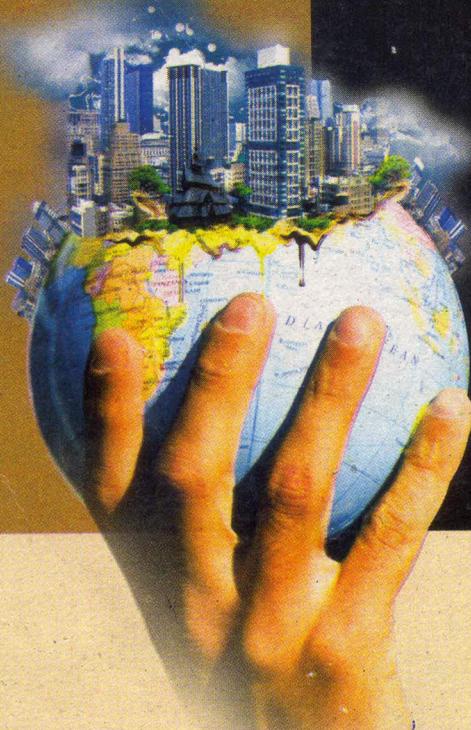
Period 01.12.19x5 - 31.12.19x5 :- 36 transactions

Period 01.01.19x6 - 31.01.19x6 :- 31 transactions.

PAGES WITH COVER	60	64	72	96	120	160	176	192
MAX. RETAIL PRICE Rs.	10.00	13.00	16.00	20.00	24.00	28.00	30.00	32.00

THE WORLD IS IN HIS HANDS

LONG BOOK



S.V.S

