Name:prof.B.Amutha Mary Jensi.

 Department of Commerce

**Business Accounting**

**Unit-3**

**Self balancing ledgers and sectional balancing:**

**Sum:**

prepare the sales ledger adjustment A/c from the following information relating to the year ended 31.12.91.

|  |  |
| --- | --- |
|  RsOpening balance of debtors 40,000Sales(for cash of Rs.10,000) 90,000Cash received from debtors 80,000Discount allowed to debtors 500Bills receivable received from 3,000 debtors sales returns 8,000  |  RsBills receivable dishonored 500Bad debts 1,000Transfer to purchase ledger 2,000Reserve for doubtful debts 1,500Bad debts of last year received 1,000 |

**Solution:**

In the general ledger sales ledger adjustment A/c

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1991 |  | Rs | 1991 |  | Rs |
| Jan1Dec 31 | To balance b/dTo general ledger:Adjustment A/c(D.L):sales | 40,00050080,000 | Dec31 | By general ledger:Adjustment A/c(D.L):cashDiscount allowedB/R(received)Sales returnsBad debtsTransferBy balance c/d | 80,0005003,0008,0001,0002,00026,000 |
| 1,20,500 | 1,20,500 |

**Unit -4**

**Fire insurance claims for loss of stock and profits:**

**Sum:**

 Calculate insurance claim from the following facts assuming that the insurers met their liability under the policy on average basis.

A traders stock valued at Rs.40,000 was totally destroyed. The stock in the godown was insured for Rs.30,000 subject to average clause.The balance of stock,left after fire, appeared in the books at Rs.24,000.

**Solution:**

Amount of claim=Amount of policy x Actual loss of stock

 Stock on the date of fire

 **=**30,000 x40,000=Rs.18,750.

 64,000

**Accounting for sale or return:**

**Sum:**

Amar sells goods to his approved customers on sale or return basis at a profit of 20% on sales,treating as actual sales.On 15th Dec,goods casting Rs.1,000 were to Usha traders. No confirmation has been received from Usha traders until 31st dec.

Give the necessary jounal entries in the books of Amar.

**Solution:**

Books of Amar

Journal entries

|  |  |  |  |
| --- | --- | --- | --- |
| Date | particular | DrRs | CrRs |
| Dec 15Dec 31(a)(b) | Usha traders A/C DrTo sales A/C(Being goods sold on approval)Sales A/C DrTo usha traders A/CStock with customers A/C DrTo trading A/C(Being cost of goods with customer,not yet approved) | 1,2501,2501,000 | 1,2501,2501,000 |

**Unit-5**

**Insolvency Accounts:**

**Sum:**

 What are the preferential creditors in the following liabilities of insolvent Bhupesh according to presidency Towns Insolvency Act and provincial Insolvency Act?

 Rs

 3months salary for10clerks 3,600

One month wages of 12labourers 1,600

Sales tax 400

3 months rent of landlord 1,000

Income tax 1,400

Wages of four servants 1,400

Salaries 1,000

Municipal tax 400

Wages 6,000

**Solution:**

|  |  |
| --- | --- |
| Liabilities | Preferential |
| Amount Rs | particulars | Under provincial insolvency actRs | Under presidency towns insolvency act.Rs |
| 3,600 1,600 4006001,0001,4004006,0001,000 | Salary of 10 clerksWages of 12 labuorers’Sales taxRent to landlord for 3 monthsIncome taxWages of 4 servantsMunicipal taxWagessalaries |  200 240 400 Nil 1,000 80 400 6,000 1,000 |  3,000 1,200 400 200 1,000 400 400 6,000 1,000 |
| 16,000 |  |  9,320 | 13,6000 |

Rs.16,000-Rs9,320=Rs.6680 list A:Rs.16,000-Rs.13,600=Rs.2,400 list A