

(2) Cash transaction for the year ended 31-3-12

	Rs.
Bills Payable paid	60,000
Drawing of Manan	20,000
Payment of creditors	1,50,000
Salaries paid	30,000
Wages paid	20,000
Office expenses paid	10,000
Received from Bills Receivable	1,20,000
Fire Insurance premium paid	10,000
Total amount received from debtor (including bad debt from Rs.12,500)	3,12,500

(3) Other additional information:

	Rs.
Credit sales	4,00,000
Credit purchase	3,00,000
Discount received	10,000
Discount allowed	8,750
Purchase return	10,000
Sales return	20,000
Bills receivable received	1,00,000
Bills payable accepted	80,000

(4) Adjustments :

- (1) Interest on opening capital is payable of 10% to Manan.
- (2) Provide depreciation on Land and Building at 12% and Plant at 7.5%
- (3) Make provision for bad debts on debtors at 10%

OR

- (A) Describe : Limitations of Single Entry System.
- (B) What is single entry system? State it's characteristics.

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-----Best of Luck-----