

Welcome to ICT Lecture

Delivered By

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Subject: Financial Account

Chapter: Final Account of Co-operative Society

From the following information prepare Trading Account, Profit & Loss Account of Rajlaxmi Co-operative Society Ltd. for the year ended 31st March 2019 and Balance Sheet as on that date:

Trial Balance
As on 31st March 2019

Particulars	Amount	Particulars	Amount
Purchase	5,42,000	Return Outwards	2,000
Fixed Assets	85,040	Sales	5,48,700
Furniture	22,000	Secured Loan	52,000
Return Inwards	8,000	Commission	36,700
Fixtures and Fittings	35,000	Bills Payable	76,420
Carriage Inwards	1,000	Statutory Reserve	40,400
Octroi	1,640	Share Capital	48,000
Salaries	36,740	Depreciation Fund	5,780
Interest	9,180		
Cash in Hand	1,760		

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Particulars	Amount	Particulars	Amount
Office Rent	8,000		
Insurance Premium	2,000		
Opening Stock	56,040		
Travelling Expenses	1,600		
	<u>8,10,000</u>		<u>8,10,000</u>

Adjustment:

- I. Closing Stock Rs.1,60,000
- II. Prepaid insurance premium Rs. 480
- III. Depreciation on Furniture 10%,on Fixture & Fitting 15%
- IV. Make provision for statutory reserve as per MSCS Act.
- V. Make provision for dividend @ 9%
- VI. Provide Rs.10,000 for Dividend Equalisation Fund

Solution :

In the book of Rajlaxmi Co-operative Society Ltd.
Trading Account

For the year ended 31st March 2019

Dr.)

(Cr.

Particulars	Amount	Particulars	Amount
To Opening Stock	56,040	By Sale 5,48,700	
		Less: Return <u>8,000</u>	5,40,700
To Purchase 5,42,000		By Closing Stock	1,60,000
Less: Return <u>2,000</u>	5,40,000		
To Carriage Inwards	1,000		
To Octroi	1,640		
To Gross Profit	1,02,020		
	<u>7,00,700</u>		<u>7,00,700</u>

Profit and Loss Account
For the year ended 31st March 2019

Dr.)

(Cr.

Particulars	Amount	Particulars	Amount
To Salaries	36,740	By Gross Profit b/d	1,02,020
To Office Rent	8,000	By Commission	36,700
To Travelling Expenses	1,600		
To Interest	9,180		
To Insurance Premium 2,000			
Less: Prepaid <u>480</u>	1,520		
To Depreciation:			
Furniture 2,200			
Fixture and			
Fittings <u>5,250</u>	7,450		
To Net Profit c/d	74,230		
	<u>1,38,720</u>		<u>1,38,720</u>

Profit & Loss Appropriation Account

Particulars	Amount	Particulars	Amount
To Provision for Statutory Reserve (25% of Net Profit)	18,558	By Net Profit for Current Year	74,230
To Provision for Dividend (9% on Share Capital)	4,320		
To Provision for Dividend Equalization Fund	10,000		
To Balance c/d	41,352		
	<u>74,230</u>		<u>74,230</u>

Balance Sheet
As on 31st March 2019

Liabilities	Amount	Assets	Amount
1. Share Capital	48,000	1. Cash in hand	1,760
2. Reserve & Funds:		2. Investment	-----
• Depreciation fund 5,780			
Add: Provision <u>7,450</u>	13,230		
• Statutory Reserve 40,400			
Add: Provision <u>18,558</u>	58,958		
Dividend Equalization Fund	10,000		
3. Staff Provident Fund	-----	3. Staff Provident Fund Investment	-----
4. Secured Loans	52,000	4. Loans and Advances	-----
5. Unsecured Loans:		5. Loans Due	-----
Bills Payable	76,420		
6. Deposits	-----	6. Current Asset: Closing Stock	1,60,000

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Liabilities	Amount	Assets	Amount
7. Other Liabilities & Provisions: Provision for Dividend	4,320	7. Fixed Assets: Fixture and Fitting Furniture Other Fixed Assets	35,000 22,000 85,040
8. Profit & Loss A/c	41,352	8. Miscellaneous Expenses and Losses: Prepaid Insurance	480
		9. Other Items	-----
	<u>3,04,280</u>		<u>3,04,280</u>

Working Notes

Calculation of Depreciation

➤ Furniture 22,000

Rate of Depreciation 10%

$$22,000 \times 10\% = 2,200$$

➤ Fixtures and Fitting 35,000

Rate of Depreciation 15%

$$35,000 \times 15\% = 5,250$$

Calculation of Dividend

Share Capital 48,000

Rate of Dividend 9%

$$48,000 \times 9\% = 4,320$$

Calculation of Provision for Statutory Reserve

Net Profit 74,230

Rate of Statutory Reserve as per MSCS act 25%

$$74,230 \times 25\% = 18,558$$

Thank you.....

Everyone.....