[**Ans.** Total of Trial Balance ₹15,69,000]

Q. 2. From the following balances, taken from the books of M/s Dwarka Prashad & Sons as at 31st March 2023, prepare a Trial Balance in proper form :—

Name of Accounts	₹	*Name of Accounts*	₹
Cash in Hand	4,500	Machinery	24,000
Bank Overdraft	8,000	Land & Buildings	50,000
Opening Stock	20,000	Debtors	18,400
Purchases	80,000	Creditors	8,500
Purchases Returns	2,000	Bills Receivable	2,850
Sales	1,30,000	Bills Payable	1,650
Sales Returns	5,000	Capital	60,000
Travelling Expenses	1,800	Drawings	6,000
Discount Allowed	600	Rent	3,700
Discount Received	1,500	Salaries	3,600
		Loan (Cr.)	10,000
		Interest on Loan	1,200

[**Ans.** Total of Trial Balance ₹2,21,650.]

Hints : (1) Loan (Cr.) is a liability. Hence, it will be written on the credit side.

(2) Interest on Loan is an expense. Hence, it will be recorded on the debit side.

Q. 3 (A). Prepare a Trial Balance from the following balances as at 31st March 2023 :—

	₹		₹
Stock on 1-4-2022	28,800	Returns Inwards	7,500
Purchases	82,000	Returns Outwards	5,600
Sales	1,60,000	Carriage Inwards	1,640
Wages	16,160	Carriage Outwards	3,200

Salaries	6,400	Furniture	12,000
Repair Charges	500	Motor Car	80,000
Commission Received	800	Cash in Hand	4,700
Sundry Debtors	24,200	Bank Overdraft	25,400
Sundry Creditors	7,300	Investments	20,000
Capital	90,000	Interest on Investments	2,400
Drawings	4,400		

[**Ans.** Total of Trial balance ₹2,91,500.]

Hints :— (I) As investments are assets, it will be shown on the debit side.

(II) As 'Interest on Investment' is an item of income, it will be shown on the credit side.

Q. 3 (B). Prepare a Trial Balance from the following balances taken as at 31st March 2023 :—

	₹		₹
Capital	2,50,000	Purchases	2,15,300
Drawings	24,000	Sales	3,80,000
Debtors	57,000	Miscellaneous Expenses	8,200
Creditors	28,500	Miscellaneous Receipts	3,600
Land & Building	1,80,000	Bad Debts	7,100
Plant	1,20,000	Bills Receivable	5,000
Stock on 1-4-2022	22,800	Loan from *X*	20,000
Factory Expenses	16,600	Interest on *X*'s Loan	3,000
Office Expenses	7,700	Cash in hand	8,400
Purchases Return	6,000	Goodwill	10,000
Stationery	500		
Freight	2,500		

[**Ans.** Total of Trial Balance ₹6,88,100.]

Hints : (1) As loan from *X* is a liability, it will be written on the credit side.

(2) As interest on *X*'s loan is an item of expense, it will be written on the debit side.

(3) As Goodwill is an asset, it will be written on the debit side.

Q. 4. Following balances were extracted from the books of Ravinder Associates as at 31st March, 2023 :

	₹		₹
Sundry Debtors	4,10,000	Stock (April 1, 2022)	2,30,000
Sundry Creditors	80,000	Premises	12,00,000
Rent and Taxes	48,000	Fixtures & Fittings	3,10,000
Purchases	34,00,000	Bad Debts written off	8,000
Sales	56,00,000	Rent received from sub-let of part of premises	30,000
Trade Expenses	12,000	Loan from Mukul	1,50,000
Returns Outwards	80,000	Interest on Mukul's Loan	15,000
Returns Inwards	1,20,000	Drawings	40,000
Expenses	4,000		

Motor Vehicles	6,50,000	Cash in hand	75,000
Electricity	25,000	Stock on 31st March, 2023 (not adjusted)	3,80,000

You are required to prepare the trial balance treating the difference as his capital.

[**Ans.** Trial Balance Total ₹65,47,000; Capital ₹6,07,000.]

Hint : Closing stock will not be shown in Trial Balance.

Q. 5. From the following ledger balances prepare trial balance :

Capital ₹20,800, Rent outstanding ₹1,420, Amount due to Param, ₹15,000, Drawing ₹2,800, Goodwill ₹12,000, Interest received ₹2,000, Discount received ₹1,580, Amount due from Deepan ₹26,000.

[**Ans.** Total of Trial Balance ₹40,800]

Q. 6. The following trial balance has been prepared by an inexperienced accountant. Redraft it in a correct form :—

Name of Accounts	*Balance Dr.*	*Balance Cr.*
	₹	₹
Land and Building	1,20,000	
Plant and Machinery	92,000	
Wages	18,200	
Discount Allowed		1,620
Discount Received	730	
Purchases	1,26,000	
Sales		2,40,000
Return Inwards		6,500
Return Outwards	3,370	
Opening Stock	15,000	
Debtors	30,000	
Creditors		20,000
Carriage on Sales		3,280
Carriage on Purchase	2,800	
Insurance	1,500	
General Expenses	6,100	
Cash in Hand	2,400	
Bank Overdraft	12,100	
Capital		1,54,000
Drawings		4,800
Total	4,30,200	4,30,200

[**Ans.** Total of Trial Balance ₹4,30,200.]

Q. 7. Following is the Trial Balance as at 31st March, 2015 :

Heads of Account	*L.F.*	*Debit*	*Credit*
		₹	₹
Capital			3,20,000

Fixed Assets		1,80,000	
Drawings		60,000	
Debtors		2,40,000	
Creditors			1,80,000
Purchases		7,10,000	
Sales			10,50,000
Bank Balance		45,000	
Cash in Hand		30,000	
Salary		1,65,000	
Rent		1,20,000	
		15,50,000	15,50,000

Having prepared the Trial Balance, it was discovered that following transactions remained unrecorded :

(i) Goods were sold on credit amounting to ₹40,000.

(ii) Paid to creditors ₹22,000 by cheque.

(iii) Goods worth ₹7,000 were returned to a supplier.

(iv) Paid salary ₹15,000 by cheque.

Required :

(i) Pass Journal entries for the above mentioned transactions and post them into Ledger.

(ii) Redraft the Trial Balance. *(Delhi 2019)*

[**Ans.** Total of Trial Balance ₹15,68,000.]

Q. 8. The following is the Trial Balance prepared by an inexperienced accountant. Redraft it in a correct form and give necessary notes :—

TRIAL BALANCE

for the year ending 31st March 2025

Particulars	*Amount*	*Particulars*	*Amount*
	₹		₹
Cash in Hand	5,200	Bank Overdraft	16,400
Plant & Machinery	75,000	Capital	50,000
Typewriter	6,400	Goodwill	8,000
Stock (1-4-2024)	13,100	Sundry Creditors	8,200
Purchases	84,100	Sales	1,60,000
Carriage Inwards	2,800	Return Inwards	2,400
Carriage Outwards	1,600	Drawings	2,120
Sundry Debtors	18,300	Investments	4,000
Bills Payable	12,000		
Rent Paid	9,600		
Wages	16,500		
Advertisement	4,500		
Discount Received	3,200		
	2,52,300		2,51,120

[**Ans.** Dr. Balance of Corrected Trial Balance ₹2,53,620;
Cr. Balance of Corrected Trial Balance ₹2,49,800.

Therefore, in order to reconcile the Trial Balance ₹3,820 will be written on Cr. side as '**Suspense Account**'.]

Q. 9. A book-keeper extracted the following Trial Balance as at 31st March, 2025:

Name of Accounts	*Balance Dr.*	*Balance Cr.*
	₹	₹
Stock on 1.4.2024	2,50,000	
Purchases	6,50,000	
Sales		10,00,000
Motor Vans	3,80,000	
Debtors and Creditors	1,50,000	94,000
Premises		3,00,000
Shop fittings		20,000
Interest on Bank Overdraft		16,000
Purchase Returns	10,000	
Sales Returns		20,000
Lighting and heating	18,000	
Capital		5,00,000
Discount Received	2,000	
Repairs	2,500	
Electricity		6,500
Bank Overdraft	2,00,000	
Stock on 31.3.2025	3,30,000	
Rent from subletting		15,000
Bills Receivable		8,000
Suspense Account (difference in books)		13,000
Total	19,92,500	19,92,500

You are required to redraft the trial balance correctly.

[**Ans.** Total of Trial Balance ₹18,21,000]

Hint : Closing stock will not appear in Trial Balance.

HIGHER ORDER THINKING SKILLS (HOTS) QUESTIONS

1. What is the reason for agreement of a Trial Balance?
2. What will be the effect on Trial Balance if a purchase return of ₹5,000 has been wrongly posted to the debit of Sales Return Account but correctly entered in the Customer's Account?
3. If the credit side of Trial Balance falls short by ₹1,000, what will be its treatment?