BASIC ACCOUNTING TERMS

WORKSHEET

Q. Kashish commenced business of trading electronic goods with capital of ₹15,00,000. Out of the capital, he paid ₹10,00,000 for purchase of electronic goods. He further spent ₹ 2,00,000 on furnishing the shop and Rs.35,000 for purchase of computer and printer. ₹10,000 is yet to be paid to the supplier of computer.

He sold goods costing ₹5,00,000 for ₹7,00,000 in cash and goods costing ₹2,50,000 for ₹3,10,000 on credit. Goods sole=d on credit for ₹25,000 were returned being defective. These goods (costing ₹20,000) were returned to the supplier. Looking into the response, he decided to trade in home appliances and also further invested ₹5,00,000.

He purchased electronic goods and home appliances for ₹8,00,000 out of which purchases of ₹2,00,000 were on credit.

Due to mishandling, 2 LED TVs costing ₹50,000 were destroyed. Kashish received an insurance claim of ₹30, 000 against the TVs destroyed.

A customer purchased goods costing ₹2,25,000 for ₹3,00,000 and was allowed Trade discount of ₹15,000. He was further allowed discount of ₹5,000 for payment within agreed time.

He paid salary to Vidhi of ₹55,000; ₹5,000 were yet to be paid. He insured the goods and paid insurance premium of ₹10,000. Out of this, ₹5,000 are for the next year. Kashish withdrew ₹30,000 during the year fir his personal use.

You are required to answer the following questions on the basis of the above:

i. What is the amount of capital invested by Kashish?
ii. What is the amount invested by Kashish in fixed assets?
iii. What is amount of total purchases?
iv. What is the amount of total liabilities?
v. What is the amount of current liabilities?
vi. What is the amount of prepaid expenses?
vii. What is the amount of outstanding the expenses?
viii. What is the amount due from debtors?
ix. What is the amount due to creditors?
x. What is the value of closing stock?
xi. What is the value of net purchases?
xii. What is the amount of trade discount allowed?
xiii. Has Ms. Kashish allowed Cash discount? If yes, what is the amount?
xiv. What is the amount of Drawings?
xv. What is the amount of Sales Return?
xvi. What is the amount of Purchase Return?
xvii. What is the income earned by Kashish?
xviii. How much profit is earned by Kashish?