

PROBLEMS ADJUSTED TRIAL BALANCE (1)

Problem # 18.1: An inexperienced book-keeper has drawn up an Incorrect and Unadjusted Trial Balance, You are required to Correct Trial Balance, Pass Adjusting Entries and then prepare Adjusted Trial Balance.

Wasim Mubarik (Pvt.) Ltd.

Incorrect, Unadjusted Trial Balance

As on 31st December, 2016

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Debit	Credit
1	Purchases Return		13,000	
2	Machinery		34,000	
3	Salaries			17200
4	Creditors			33,000
5	Cash in hand		40,000	
6	Carriage Inward		6,000	
7	Rent Received			3,000
8	Discount Allowed			2,000
9	Purchases		100,000	
10	Bill Payable			20,000
11	Debtors		15,000	
12	Carriage Outward			5,000
13	Owner Equity		53,200	
14	Building			18,000
15	Sales Return		3,000	
16	Discount Received			14,000
17	Insurance Expenses		6,000	
18	Sales			130,000
19	Furniture			20,000
20	Suspense Account			8,000
Total			Rs. 270,200	Rs. 270,200

Adjustments:

1. Salary Payable on December 31, 2016 is Rs. 1,500
2. Depreciation on Furniture charged to 10% by cost method
3. Inventory on hand on December is Rs. 60,000
4. Rs. 30,000 of Sales Account is unearned

Solution 1: Unadjusted Trial Balance*Wasim Mubarik (Pvt.) Ltd.*

Unadjusted Trial Balance

As on 31st December, 2016

S. No	Heads of Accounts	Ref	Amount (Rs.)	
			Debit	Credit
1	Purchases Return			
2	Machinery			
3	Salaries			
4	Creditors			
5	Cash in hand			
6	Carriage Inward			
7	Rent Received			
8	Discount Allowed			
9	Purchases			
10	Bill Payable			
11	Debtors			
12	Carriage Outward			
13	Owner Equity			
14	Building			
15	Sales Return			
16	Discount Received			
17	Insurance Expenses			
18	Sales			
19	Furniture			
Total			Rs. 266,200	Rs. 266,200

Solution 2: Adjusted Entries**General Journal**

Date	Account Title and Explanations	Ref	Amount (Rs)	
			Debit	Credit
2016				
Dec 31				
	31			

