



INDIAN SCHOOLAL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet no: 1	Topic: Accounting Equation

1. Prepare an Accounting Equation.

(i) Ajeet started business with cash ₹ 20,000.

(ii) He purchased furniture for ₹ 2,000.

(iii) He paid rent of ₹ 200.

(iv) He purchases goods on credit ₹ 3,000.

(v) He sold goods (cost price ₹ 2,000) for ₹ 5,000 on cash.

2. Show the accounting equation on the basis of the following transaction:

(a). Udit started business with: (i) Cash Rs 5,00,000 (ii) Goods Rs 10,000

(b) Purchased building for cash Rs 2, 00,000

(c) Purchased goods Rs 50,000

(d) Sold goods (Cost Rs 25,000) Rs 36, 000

(e) Paid insurance premium Rs 3,000

(f) Cash withdrawn for personal use Rs 20,000

3. Prepare accounting equation on the basis of the following:

(a) Harsha started business with cash Rs 2,00,000

(b) Purchased goods from Naman for cash Rs 40,000

(c) Sold goods to Bhanu costing Rs10,000/- for Rs 12,000

(d) Bought furniture on credit Rs 7,000

4. Mohit has the following transactions, prepare accounting equation:

(a) Business started with cash Rs 1,75,000

(b) Purchased goods from Rohit Rs 50,000

(c) Sales goods on credit to Manish (Costing Rs 17,500) Rs 20,000

(d) Purchased furniture for office use Rs10,000

- (e) Cash paid to Rohit in full settlement Rs 48,500
- (f) Cash received from Manish Rs 20,000
- (g) Rent paid Rs 1,000
- (h) Cash withdrew for personal use Rs 2000

5. Rohit has the following transactions: prepare accounting equation:

- (a) Commenced business with cash Rs 1,50,000
- (b) Purchased machinery on credit Rs 40,000
- (c) Purchased goods for cash Rs 20,000
- (d) Purchased car for personal use Rs 80,000
- (e) Paid to creditors in full settlement Rs 38,000
- (f) Sold goods for cash costing Rs 5,000 for Rs 4,500
- (g) Paid rent in advance Rs 1,000
- (h) Commission received in advance Rs 2,000

6. Use accounting equation to show the effect of the following transactions of M/s Royal Traders:

- (a) Started business with cash Rs 1,20,000
- (b) Purchased goods for cash Rs 10,000
- (c) Rent received in advance Rs 5,000
- (d) Salary outstanding Rs 2,000
- (e) Prepaid Insurance Rs 1,000
- (f) Received interest Rs 700
- (g) Sold goods for cash (Costing Rs 5,000) Rs 7,000
- (h) Goods destroyed by fire Rs 500

7. Prepare accounting equation from the following:

- (i) Harish started business with cash ₹ 18,000
- (ii) Purchased goods for Cash ₹ 5,000 and on credit ₹ 2,000
- (iii) Sold goods for cash ₹ 4,000 (costing ₹ 2,400)
- (iv) Rent paid ₹ 1,000 and rent outstanding ₹ 200
- (v) Started business with cash ₹ 70,000.
- (vi) Credit purchase of goods ₹ 18,000.
- (vii) Payment made to creditors in full settlement ₹ 17,500.
- (viii) Purchase of machinery for cash ₹ 20,000.
- (ix) Depreciation on machinery ₹ 2,000.

8. Prove that the Accounting Equation is satisfied in all the following transactions of Suresh.

- (i) Commenced business with cash ₹ 60,000.
- (ii) Paid rent in advance ₹ 500.
- (iii) Purchased goods for cash ₹ 30,000 and credit ₹ 20,000.
- (iv) Sold goods for cash ₹ 30,000 costing ₹ 20,000.
- (v) Paid salary ₹ 500 and salary outstanding being ₹ 100.
- (vi) Bought motorcycle for personal use ₹ 5,000.

9. Prepare an Accounting Equation from the following:

- (i) Started business with cash ₹ 50,000 and goods ₹ 30,000.
- (ii) Purchased goods for cash ₹ 30,000 and on credit from Karan ₹ 20,000.
- (iii) Goods costing ₹ 40,000 were sold for ₹ 55,000.
- (iv) Withdrew cash for personal use ₹ 10,000.
- (v) Rent outstanding ₹ 2,000.

(vi) Borrowed loan from bank ₹ 20,000.

(vii) Paid interest on loan @ 10% p.a. for 6 months.

10. Analyze the effect of each transaction on assets and liabilities and show that the both sides of Accounting Equation ($A = L + C$) remains equal :

(i) Introduced Rs 8,00,000 as cash and Rs 50,000 by stock.

(ii) Purchased plant for Rs 3,00,000 by paying Rs 15,000 in cash and balance at a later date.

(iii) Deposited Rs 6,00,000 into the bank.

(iv) Purchased office furniture for Rs 1,00,000 and made payment by cheque.

(v) Purchased goods worth Rs 80,000 for cash and for Rs 35,000 in credit.

(vi) Goods amounting to Rs 45,000 was sold for Rs 60,000 on cash basis.

(vii) Goods costing to Rs 80,000 was sold for Rs 1,25,000 on credit.

(viii) Cheque issued to the supplier of goods worth Rs 35,000.

(ix) Cheque received from customer amounting to Rs 75,000.

(x) Withdrawn by owner for personal use Rs 25,000.