



INDIAN SCHOOL AL WADI AL KABIR

Class: XI	Department: Commerce
Worksheet: 1	Topic: Accounting Equation

1. Prepare accounting equation:

- a. Gayathri started business with cash ₹25,000
- b. Purchased goods on credit for ₹8,000
- c. Purchased goods and paid ₹5,000
- d. Sold goods costing ₹10,000 for ₹12,000.
- e. Cash withdrawn for domestic use ₹3,000

2. Prepare an Accounting Equation and Balance Sheet on the following basis:

- (i) Ajeet started business with cash ₹ 20,000 and Machinery 80,000
- (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.
- (vi) Machinery is depreciated @10% p.a.

3. Prepare an Accounting Equation on the basis of the following transactions:

- (i) Started business with cash ₹ 70,000; Stock ₹ 20,000; Furniture: ₹ 50,000 and Bank overdraft ₹ 20,000
- (ii) Credit purchase of goods ₹ 18,000.
- (iii) Payment made to creditors in full settlement ₹ 17,500.
- (iv) Purchase of machinery for cash ₹ 20,000.
- (v) Depreciation on machinery ₹ 2,000.
- (vi) Bank overdraft is repaid.

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

- (i) Commenced business with cash ₹ 60,000; Bank Balance ₹ 40,000, Payables ₹ 10,000.
- (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.

5. Raghunath had the following transactions in an accounting year:

- (i) Commenced business with cash ₹ 50,000; Land & Building ₹ 1,00,000; Bank Loan ₹ 20,000
- (ii) Paid into bank ₹ 10,000.

- (iii) Purchased goods for cash ₹ 20,000 and credit ₹ 30,000.
 - (iv) Sold goods for cash ₹ 40,000 costing ₹ 30,000.
 - (v) Rent paid ₹ 500, still outstanding 100
 - (vi) Rent received in advance from sublet ₹ 300.
 - (vii) Bought furniture ₹ 5,000 on credit.
 - (viii) Bought refrigerator for personal use ₹ 5,000.
 - (ix) Purchased motorcycle for cash ₹ 20,000.
 - (x) Land & Building is depreciated by ₹ 10,000.
 - (xi) Half of the loan is repaid along with interest of 1,000.
- Create an Accounting Equation to show the effect of the above.

6. Show an Accounting Equation for the following transactions:

- (i) D. Mahapatra commenced business with cash ₹ 50,000 and ₹ 1,00,000 by cheque; goods ₹ 60,000; machinery ₹ 1,00,000 and furniture ₹ 50,000.
- (ii) 1/3rd of above goods sold at a profit of 10% on cost and half of the payment is received in cash.
- (iii) Depreciation on machinery provided @ 10%.
- (iv) Cash withdrawn for personal use ₹ 10,000.
- (v) Interest on drawings charged @ 5%.
- (vi) Goods Sold to Gupta for ₹ 10,000 and received a Bill Receivable for the same amount for 3 months.
- (vii) Received ₹ 10,000 from Gupta against the Bills Receivable on its maturity.

7. Prove that the Accounting Equation is satisfied in all the following transactions of Rajaram.

- 1. Started business with Cash ₹ 1,20,000, Trade Payables ₹ 30,000; plant & Machinery ₹ 1,50,000.
- 2. Purchased a typewriter for Cash for ₹ 8,000 for office use.
- 3. Opened a bank A/c with ₹ 12,000.
- 3. Purchased goods for ₹ 50,000, paid ₹ 45,000 by cash and balance by cheque.
- 4. Purchased goods for ₹ 40,000 on Sudhir
- 5. Goods costing ₹ 60,000 sold for ₹ 80,000 on Amir.
- 6. Paid for Rent ₹ 1,500 and for salaries ₹ 2,000.
- 7. Received ₹ 800 for Commission by cheque.
- 8. Withdrew for domestic use ₹ 5,000 in cash.

8. Prepare Accounting Equation:

- (a) Commenced business with cash ₹ 50,000 and cheque ₹ 30,000.
- (b) Purchased a building from Rohan ₹ 60,000 and paid the amount by taking a loan from the bank.
- © Purchased goods from Rakesh ₹ 15,000.
- (d) Took goods for personal use Rs. 2,000.
- (e) Paid interest on loan Rs. 4,000 and instalment of ₹ 36,000.
- (f) Paid Rakesh ₹ 14,000 in full settlement after receiving the discount.
- (g) Goods sold Costing ₹ 8,000 at a profit of ₹ 2,000 and received ₹ 4,000 from Avinash and the balance to be received after 3 months.
- (h) Accrued commission ₹ 1,000.

9. Prepare accounting equation:

- (i) Sachin started business with cash ₹ 1,00,000 and obtained a loan from bank ₹ 40,000.
- (ii) Purchased furniture from M/s Samrat Furnitures ₹ 35,000.
- (iii) Purchased goods for ₹ 20,000, received invoice from the supplier.
- (iii) He sold his personal scooter for ₹ 25,000 and introduced the amount into business.
- (iv) Paid Mahesh ₹ 15,000.
- (v) Sold goods costing ₹ 12,000 at a profit of 20%.
- (vi) Goods costing ₹ 500, (Market Value ₹ 600) was destroyed due to fire at godown.
- (vii) Furniture depreciated @ 10%.
- (viii) Bank loan to an extent of ₹ 20,000 was repaid.

10. Show accounting equation for the following transactions:

- (i) Shyam started a business with capital of ₹ 1,00,000. This consisted of Furniture of ₹ 25,000, Machinery ₹ 50,000 and balance by cash.
- (ii) He opened a bank A/c by depositing ₹ 10,000.
- (iii) Paid rent for the office building ₹ 2,000.
- (iv) Purchased goods ₹ 5,000 by cash and ₹ 15,000 on credit.
- (v) Interest on capital ₹ 1,000.
- (vi) Paid salary to staff ₹ 4,000 by cheque.
- (vii) Invested in shares (personal) ₹ 5,000
- (viii) Sold goods (CP- ₹ 14,000) for ₹ 16,000, received ₹ 10,000 by cash and balance by cheque.
- (ix) A part of the furniture, valued ₹ 6,000 was sold for ₹ 4,000.