

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Short Questions for NCERT Accountancy Solutions Class 11 Chapter 11

1. State the meaning of incomplete records?

Accounting records prepared without following the double entry book keeping system strictly are called as incomplete records. In this type of recording mechanism some of the transactions are recorded either by making one entry or no entry. In this way it impacts assets, liabilities, revenue and expenses and hence are known as incomplete records

2. What are the possible reasons for keeping incomplete records?

Incomplete records are kept due to the following reasons:

- Businesspersons lack a requisite accounting knowledge and are more inclined to follow this method.
- Recording transactions using single entry system tends to be less time consuming and requires less maintenance
- It is cost effective way of keeping records as it doesn't require a specialist
- It gives the owner flexibility to record those transactions which are more important for business

3. Distinguish between statement of affairs and balance sheet.

Basis of Difference	Statement of Affairs	Balance Sheet
Meaning	It is a statement that shows the assets, liabilities and capital of a business entity on basis of single entry system of bookkeeping	It is a statement showing assets, liabilities and capital of a business entity prepared on the basis of double entry system of bookkeeping
Reliability	As the data is based on estimates, it is not reliable.	It is more reliable as it based on a tested method of data entry
Accounting Method	Incomplete records forms the basis of its preparation	Prepared from double entry book keeping
Accuracy	Very Less	Accurate to a large extent

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

4. What practical difficulties are encountered by a trader due to incompleteness of accounting records?

Following difficulties are faced by trader due to incompleteness of accounting records:

1. It is not possible to determine accuracy of accounts and correctly prepare trial balance as the records are not as per the double entry system.
2. It is difficult to make tax authorities believe, the reliability of the income that is computed.
3. Determining and evaluating financial results of a business will not be possible
4. True profit or loss cannot be determined as all transactions are not recorded.
5. Profitability, liquidity and solvency of a business cannot be determined. Hence, investors will be doubtful about investment.
6. Encourages fraud as there is no arithmetical accuracy in the records.

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Long Questions for NCERT Accountancy Solutions Class 11 Chapter 11

1. What is meant by a 'statement of affairs'? How can the profit or loss of a trader be ascertained with the help of a statement of affairs?

It is a statement that shows assets and liabilities, that is prepared at the beginning and end of one accounting period. Assets and liabilities are shown in two sides similar to a balance sheet. However, the basic difference between statement of affairs and balance sheet is that, the former is prepared from incomplete records while the latter is prepared from ledger entries. Capital is said to be the difference between the totals of assets and liabilities.

Capital will be shown at the beginning and end of accounting period when a statement of affairs is prepared. Using this information, a statement of profit and loss is prepared to find out the profit or loss. Adjustments needs to be made for withdrawals by owner and for fresh capital introduced by owners during the period.

A business earns profit if the net results of calculation is positive and is said to make a loss if the results are negative. Thus, profit and loss of owners can be determined using this process.

2. Is it possible to prepare the profit and loss account and the balance sheet from the incomplete book of accounts kept by a trader? Do you agree? Explain.

It is possible to prepare profit and loss account and balance sheet from incomplete book of accounts by a process known as conversion method. In this method, the incomplete records gets converted to double entry records. It is easy to convert some of the incomplete entries such as debtors, creditors, cash payments, cash sales and cash receipts as they are easily available. However, there will be some transactions for which details are not available. Still such details can be found using logic. Here are some transactions that are necessary for creating complete record.

1. Opening capital

2. Credit Purchases

3. Credit sales

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

4. Bills Payable accepted

5. Opening Capital

6. Payment to creditors

In some cases payment received from debtors and amount paid to creditors, for such cases it is essential to prepare debtor or creditor account to determine the values first. The final accounts can be prepared after these accounts are prepared.

3. Explain how the following may be ascertained from incomplete records:

(a) Opening capital and closing capital

(b) Credit sales and credit purchases

(c) Payments to creditors and collection from debtors (d) Closing balance of cash.

1. Opening capital and closing capital: By preparing the opening statement of affairs at the start of the accounting period the opening capital value can be determined, while by preparing a closing statement of affairs, the value of closing capital can be determined.

Statement of Affairs as on....

Liabilities	Amount □	Assets	Amount □
Bills Payable	—	Land and Building	—
Creditors	—	Plant and Machinery	—
Outstanding expenses	—	Furniture	—
Opening Capital (Balancing Figure)*	—	Stock	—
		Debtors	—
		Bank	—
		Cash	—
		Prepaid Expenses	—
		Opening Capital (Balancing Figure)*	—

* When total of liabilities are more than total of assets, capital is shown in assets side and represents debit balance.

When the total of assets' balance exceeds total of liabilities' balance, capital is shown in the liabilities side.

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

2. Credit Sales and Credit Purchases: Credit sales are found to be missing from incomplete records. For evaluating it, there is need of preparing total debtors account. The total sales return, if there is any, must be deducted from the total debtors account. The credit sales is given by the balancing figure.

Similarly, to evaluate credit purchases, preparing total creditor account is necessary. Total purchase returns should be deducted from total creditors account. The balancing figure represents the credit purchase.

Total Debtors Account

Dr.			Cr.		
Particulars	J.F.	Amount □	Particulars	J.F.	Amount □
Balance b/d		—	Cash (Cash Received)		—
Bills Receivable		—	Bank (Cheque Received)		—
(Bill Dishonoured)			Discount Allow ed		—
Bank (Cheque Dishonoured)		—	Bad Debts		—
Credit Sales (Balancing Figure)		—	Sales Returns		—
			Bills Receivable		—
			(Bill Received)		—
			Balance c/d		—

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Total Creditors Account

Dr.			Cr.		
Particulars	J.F.	Amount <input type="checkbox"/>	Particulars	J.F.	Amount <input type="checkbox"/>
Cash Paid		–	Balance b/d		–
Bank (Cheque Issued)		–	Bank (Cheque Dishonoured)		–
Bills Payable (Bills Accepted)		–	Bills Payable (Bills Dishonoured)		–
Discount Received		–	Credit Purchases		–
Purchases Returns		–	(Balancing Figure)		–
Balance c/d		–			

3. Payment to creditors and collection from debtors: For determining payment to creditors preparing total creditors account is required, by deducting total purchase returns, the balancing figure provides the payment to creditors while for determining collection from debtors, preparing total debtors account is necessary, by deducting total sales returns, the balancing figure provides the collection from debtors.

4. Closing balance of cash: To evaluate closing balance of cash, preparing cash book summary is necessary. Cash book summary includes all receipts from debit and all payments done during that period in credit part, the balancing figure provides the balance of cash. Total creditor or total debtor accounts are required if amount paid to creditors or received from debtors are not present.

Numerical Questions for NCERT Accountancy Solutions Class 11 Chapter 11

1. Following information is given below prepare the statement of profit or loss:

☐

Capital at the end of the year	5,00,000
Capital in the beginning of the year	7,50,000
Drawings made during the period	3,75,000
Additional Capital introduced	50,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

The solution is as follows:

Statement of Profit and Loss

Particulars	Amount ₹
Capital at the end of the year	5,00,000
Add: Drawings made during the year	3,75,000
Less: Capital in the beginning of the year	(7,50,000)
Less: Additional capital introduced	(50,000)
Profit during the year	75,000

2. Manveer started his business on April 01, 2016 with a capital of ₹ 4, 50,000. On March 31, 2017 his position was as under:

	₹
Cash	99,000
Bills receivable	75,000
Plant	48,000
Land and Building	1,80,000
Furniture	50,000

He owned ₹ 45,000 from his friend Susheel on that date. He withdrew ₹ 8,000 per month for his household purposes. Ascertain his profit or loss for this year ended March 31, 2017.

The solution is as follows:

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Books of Manveer

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Loan from Susheel	45,000	Cash	99,000
		Bills Receivable	75,000
		Plant	48,000
Closing Capital (Balancing Figure)	4,07,000	Land and Building	1,80,000
		Furniture	50,000
	4,52,000		4,52,000

Statement of Profit and Loss as on March 31, 2017

Particulars	₹
Capital on March 31, 2017	4,07,000
Add: Drawings made during the year (₹ 8,000 × 12)	96,000
Less: Capital on April 01, 2016	(4,50,000)
Profit during the year 2017	53,000

3. From the information given below ascertain the profit for the year:

	₹
Capital at the beginning of the year	70,000
Additional capital introduced during the year	17,500
Stock	59,500
Sundry debtors	25,900
Business premises	8,600
Machinery	2,100
Sundry creditors	33,400
Drawings made during the year	26,400

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

The solution is as follows:

Statement of Affairs

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	33,400	Stock	59,500
Capital (Balancing figure)	62,700	Sundry Debtors	25,900
		Business Premises	8,600
		Machinery	2,100
	96,100		96,100

Statement of Profit and Loss

Particulars	Amount ₹
Capital at the end of the year	62,700
Add: Drawings made during the year	26,400
Less: Capital of the beginning of the year	(70,000)
Less: Additional capital introduced during the year	(17,500)
Profit during the year	1,600

4. From the following information, calculate capital at the beginning:

Capital at the end of the year	4,00,000
Drawings made during the year	60,000
Fresh capital introduced during the year	1,00,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Profit of the current year

80,000

The solution is as follows:

$$\begin{aligned}
 \text{Capital in the beginning} &= \text{Capital at the end} + \text{Drawings} - (\text{Fresh Capital Introduced} + \text{Profit}) \\
 &= 4,00,000 + 60,000 - (1,00,000 + 80,000) \\
 &= \text{₹ } 2,80,000
 \end{aligned}$$

5. Following information is given below: calculate the closing capital

	April.01, 2016	March.31, 2017
	₹	₹
Creditors	5,000	30,000
Bills payable	10,000	—
Loan	—	50,000
Bills receivable	30,000	50,000
Stock	5,000	30,000
Cash	2,000	20,000

Calculation of profit or loss and ascertainment of statement of affairs at the end of the year (Opening Balance is given)

The solution is as follows:

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	5,000	Bills Receivable	30,000
Bills Payable	10,000	Stock	5,000
Capital (Balancing figure)	22,000	Cash	2000
	37,000		37,000

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
-------------	-------------	--------	-------------

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Creditors	30,000	Bills Receivable	50,000
Loan	50,000	Stock	30,000
Capital (Balancing figure)	20,000	Cash	20,000
	1,00,000		1,00,000

Capital on March 31, 2017 (Closing) is ₹ 20,000

Statement of Profit and Loss

Particulars	Amount ₹
Capital on March 31, 2017	20,000
Less: Capital on April 01, 2016	(22,000)
Loss during the year 2017	(2,000)

6. Mrs. Anu started firm with a capital of ₹ 4, 00,000 on 1st October 2016. She borrowed from her friends a sum of ₹ 1, 00,000 @ 10% per annum (interest paid) for business and brought a further amount to capital ₹ 75,000 on March. 31, 2017, her position was:

	₹
Cash	30,000
Stock	4,70,000
Debtors	3,50,000
Creditors	3,00,000

He withdrew ₹ 8,000 per month for the year. Calculate profit or loss for the year and show your working clearly.

The solution is as follows:

Books of Mrs. Anu

Statement of Affairs as on March 31, 2017

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Liabilities	Amount <input type="checkbox"/>	Assets	Amount <input type="checkbox"/>
Creditors	3,00,000	Cash	30,000
10% Loan from Friends	1,00,000	Stock	4,70,000
Capital (Balancing figure)	4,50,000	Debtors	3,50,000
	8,50,000		8,50,000

Statement of Profit and Loss as on March 31, 2017

Particulars	Amount <input type="checkbox"/>
Capital on March 31, 2017	4,50,000
Add: Drawings during the year (8,000 × 6 months)	48,000
Less: Capital on October 01, 2016	(4,00,000)
Less: Additional capital introduced	(75,000)
Mrs. Anu earned profit during the year 2017	23,000

7. Mr. Arnav does not keep proper records of his business he provided following information, you are required to prepare a statement showing the profit or loss for the year.

Capital at the beginning of the year	15,00,000
Bills receivable	60,000
Cash in hand	80,000
Furniture	9,00,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Building	10,00,000
Creditors	6,00,000
Stock in trade	2,00,000
Further capital introduced	3,20,000
Drawings made during the period	80,000
Ascertainment of statement of affairs at the beginning and at the end of the year and calculation of profit or loss.	

The solution is as follows:

Books of Mr. Arnav

Statement of Affairs at the end of year

Liabilities	Amount □	Assets	Amount □
Creditors	6,00,000	Bills Receivable	60,000
Capital (Balance figure)	16,40,000	Cash in Hand	80,000
		Furniture	9,00,000
		Building	10,00,000
		Stock in Trade	2,00,000
	22,40,000		22,40,000

Statement of Profit and Loss

Particulars	Amount □
Capital at the end of the year	16,40,000
Add: Drawings during the year	80,000
Less: Capital at the beginning of the year	(15,00,000)
Less: Further capital introduced	(3,20,000)
Loss during the year	1,00,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

8. Mr. Akshat keeps his books on incomplete records following information is given below:

	April 01, 2016 ₹	March 31, 2017 ₹
Cash in hand	1,000	1,500
Cash at bank	15,000	10,000
Stock	1,00,000	95,000
Debtors	42,500	70,000
Business premises	75,000	1,35,000
Furniture	9,000	7,500
Creditors	66,000	87,000
Bills payable	44,000	58,000

During the year he withdrew ₹ 45,000 and introduced ₹ 25,000 as further capital in the business compute the profit or loss of the business.

The solution is as follows:

Books of Mr. Akshat

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	66,000	Cash in Hand	1,000
Bills Payable	44,000	Cash at Bank	15,000
Capital (Balancing figure)	1,32,500	Stock	1,00,000
		Debtors	42,500

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

		Business Premises	75,000
		Furniture	9,000
	2,42,500		2,42,500

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	87,000	Cash in Hand	1,500
Bills Payable	58,000	Cash at Bank	10,000
Capital (Balancing figure)	1,74,000	Stock	95,000
		Debtors	70,000
		Business Premises	1,35,000
		Furniture	7,500
	3,19,000		3,19,000

Statement of Profit and Loss as on March 31, 2017

Particulars	Amount ₹
Capital on March 31, 2017	1,74,000
Add: Drawings made during the year	45,000
Less: Capital on April 01, 2016	(1,32,500)
Less: Additional capital introduced	(25,000)
Profit earned by Mr. Akshat during the year 2016–2017	61,500

9. Gopal does not keep proper books of account. Following information is given below:

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

	April. 01, 2016	March. 31, 2017
	₹	₹
Cash in hand	18,000	12,000
Cash at bank	1,500	2,000
Stock in trade	80,000	90,000
Sundry debtors	36,000	60,000
Sundry creditors	60,000	40,000
Loan	10,000	8,000
Office equipment	25,000	30,000
Land and Building	30,000	20,000
Furniture	10,000	10,000

During the year he introduced ₹ 20,000 and withdrew ₹ 12,000 from the business. Prepare the statement of profit or loss on the basis of given information

The solution is as follows:

Books of Gopal

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	60,000	Cash in hand	18,000
Loan	10,000	Cash at bank	1,500
		Stock in trade	80,000
		Sundry Debtors	36,000
		Office Equipments	25,000
Capital (Balancing figure)	1,30,500	Land and Buildings	30,000
		Furniture	10,000
	2,00,500		2,00,500

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	40,000	Cash in Hand	12,000
Loan	8,000	Cash at Bank	2,000
		Stock in Trade	90,000
		Sundry Debtors	60,000
		Office Equipments	30,000
Capital (Balancing figure)	1,76,000	Land and Buildings	20,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

		Furniture	10,000
	2,24,000		2,24,000

Statement of Profit and Loss as on March 31, 2017

Particulars	Amount ₹
Capital on March 31, 2017	1,76,000
Add: Drawing made during 2017	12,000
Less: Capital on April 01, 2016	(1,30,500)
Less: Additional capital introduced	(20,000)
Profit during the year	37,500

The profit earned is ₹37,500.

10. Mr. Muneesh maintains his books of accounts from incomplete records. His books provide the information:

	April. 01, 2016 ₹	March. 31, 2017 ₹
Cash	1,200	1,600
Bills receivable	—	2,400
Debtors	16,800	27,200
Stock	22,400	24,400
Investment	—	8,000
Furniture	7,500	8,000
Creditors	14,000	15,200

He withdrew ₹300 per month for personal expenses. He sold his investment of ₹16,000 at 2% premium and introduced that amount into business.

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	14,000	Cash	1,200
		Debtors	16,800
		Stock	22,400
		Furniture	7,500
Capital (Balancing figure)	33,900		
	47,900		47,900

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	15,200	Cash	1,600
		Bills Receivable	2,400
		Debtors	27,200
		Stock	24,400
Capital (Balancing figure)	56,400	Investment	8,000
		Furniture	8,000
	71,600		71,600

Statement of Profit and Loss as on March 31, 2017

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Particulars	Amount ₹
Capital on March 31, 2017	56,400
Add: Drawing made during the year (₹ 300 × 12)	3,600
Less: Capital on April 01, 2016	(33,900)
Less: Additional Capital Introduced	(16,320)
Profit earned during the year 2017	9,780

Working Note:

$$\begin{aligned} \text{Additional Capital Introduced} &= 16,000 \times \frac{102}{100} \\ &= 16,320 \end{aligned}$$

11. Mr. Girdhari Lal does not keep full double entry records. His balance as on April 01, 2016 is as.

Liabilities	Amount ₹	Assets	Amount ₹
Sundry creditors	35,000	Cash in hand	5,000
Bills payable	15,000	Cash at bank	20,000
Capital	40,000	Sundry debtors	18,000
		Stock	22,000
		Furniture	8,000
		Plant	17,000
	90,000		90,000

His position at the end of the year is:

	₹
Cash in hand	7,000
Stock	8,600
Debtors	23,800
Furniture	15,000
Plant	20,350
Bills payable	20,200

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Creditors

15,000

He withdrew ₹ 500 per month out of which to spent ₹ 1,500 for business purpose. Prepare the statement of profit or loss.

The solution is as follows:

Books of Mr. Girdhari Lal

Statement of Affairs as on April 31, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Bills Payable	20,200	Cash in Hand	7,000
Creditors	15,000	Stock	8,600
Capital (Balancing figure)	39,550	Debtors	23,800
		Furniture	15,000
		Plant	20,350
	74,750		74,750

Statement of Profit and Loss

Particulars	Amount ₹
Capital at the end of the year	39,550
Add: Drawings (₹ 500 × 12 months)	6,000
Less: Capital at the beginning of the year 2016	(40,000)
Less: Additional capital introduced	(1,500)
Profit earned during the year 2017	4,050

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

12. Mr. Ashok does not keep his books properly. Following information is available from his books.

	April. 01, 2016	March. 31, 2017
	₹	₹
Sundry creditors	45,000	93,000
Loan from wife	66,000	57,000
Sundry debtors	22,500	—
Land and Building	89,600	90,000
Cash in hand	7,500	8,700
Bank overdraft	25,000	—
Furniture	1,300	1,300
Stock	34,000	25,000

During the year Mr. Ashok sold his private car for ₹ 50,000 and invested this amount into the business. He withdrew from the business ₹ 1,500 per month up to October 31, 2016 and thereafter ₹ 4,500 per month as drawings. You are required to prepare the statement of profit or loss and statement of affair as on March 31, 2017.

The solution is as follows:

Books of Mr. Ashok

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	45,000	Sundry Debtors	22,500
Loan from Wife	66,000	Land and Building	89,600
Bank Overdraft	25,000	Cash in Hand	7,500
Capital (Balancing figure)	18,900	Furniture	1,300
		Stock	34,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

	1,54,900		1,54,900

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Sundry Creditors	93,000	Land and Building	90,000
Loan from Wife	57,000	Cash in Hand	8,700
		Furniture	1,300
		Stock	25,000
		Capital (Balancing figure)	25,000
	1,50,000		1,50,000

Statement of Profit and Loss

Particulars	Amount ₹
Capital on March 31, 2017	(25,000)
Add: Drawings (₹ 1,500 × 7 months) + (4,500 × 5 months)	33,000
Less: Capital on April 01, 2016	(18,900)
Less: Additional capital introduced (sale of car)	(50,000)
Loss during the year 2017	(60,900)

The loss during the year 2017 is ₹ 60,900

13. Krishna Kulkarni has not kept proper books of accounts prepare the statement of profit or loss for the year ending December 31, 2011 from the following information:

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

	April. 01, 2016	March. 31, 2017
	₹	₹
Cash in hand	10,000	36,000
Debtors	20,000	80,000
Creditors	10,000	46,000
Bills receivable	20,000	24,000
Bills payable	4,000	42,000
Car	—	80,000
Stock	40,000	30,000
Furniture	8,000	48,000
Investment	40,000	50,000
Bank balance	1,00,000	90,000

The following adjustments were made:

- (a) Krishna withdrew cash ₹ 5,000 per month for private use.
- (b) Depreciation @ 5% on car and furniture @10%.
- (c) Outstanding Rent ₹ 6,000.
- (d) Fresh Capital introduced during the year ₹ 30,000.

The solution is as follows:

Books of Krishna Kulkarni

Statement of Affairs as on April 01, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	10,000	Cash in Hand	10,000
Bills Payable	4,000	Debtors	20,000
		Bills Receivable	20,000
		Stock	40,000
		Furniture	8,000
		Investment	40,000
Capital (Balancing figure)	2,24,000	Cast at Bank	1,00,000
	2,38,000		2,38,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Statement of Affairs as on March 31, 2017

Liabilities	Amount ₹	Assets	Amount ₹
Creditors	46,000	Cash in Hand	36,000
Bills Payable	42,000	Debtors	80,000
Outstanding Expenses	6,000	Bills Receivable	24,000
		Car	80,000
		Less: Depreciation 5%	(4,000)
		Stock	30,000
		Furniture	48,000
		Less: Depreciation 10%	4,800
Capital (Balancing figure)	3,35,200	Investment	50,000
		Cast at Bank	90,000
	4,29,200		4,29,200

Statement of Profit and Loss

Particulars	Amount ₹
Capital on March 31, 2017	3,35,200
Add: Drawings made during the year (₹ 5,000 × 12 months)	60,000
Less: Capital on April 01, 2016	(2,24,000)
Less: Fresh capital introduced during the year	(30,000)
Profit earned during the year 2017	1,41,200

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

14. M/s Saniya Sports Equipment does not keep proper records. From the following information find out profit or loss and also prepare balance sheet for the year ended March 31, 2017

	April. 31, 2016	March. 31, 2017
	₹	₹
Cash in hand	6,000	24,000
Bank overdraft	30,000	—
Stock	50,000	80,000
Sundry creditors	26,000	40,000
Sundry debtors	60,000	1,40,000
Bills payable	6,000	12,000
Furniture	40,000	60,000
Bills receivable	8,000	28,000
Machinery	50,000	1,00,000
Investment	30,000	80,000

Drawing ₹ 10,000 p.m. for personal use, fresh capital introduced during the year ₹ 2,00,000. A bad debt of ₹ 2,000 and a provision of 5% is to be made on debtors outstanding salary ₹ 2,400, prepaid insurance ₹ 700, depreciation charged on furniture and machine @ 10% p.a.

The solution is as follows:

Statement of Affairs as on April 31, 2016

Liabilities	Amount ₹	Assets	Amount ₹
Bank Overdraft	30,000	Cash in Hand	6,000
Sundry Creditors	26,000	Stock	50,000
Bills Payable	6,000	Sundry Debtors	60,000
		Furniture	40,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Capital (Balancing figure)	1,82,000	Bills Receivable	8,000
		Machinery	50,000
		Investment	30,000
	2,44,000		2,44,000

Statement of Affairs as on March. 31, 2017

Liabilities	Amount	Assets	Amount
Sundry Creditors	40,000	Cash in Hand	24,000
Bills Payable	12,000	Stock	80,000
Outstanding Salary	2,400	Sundry Debtors	1,40,000
		Less: Bad-debt	2,000
			1,38,000
		Less: 5% Provision	(6,900)
			1,31,100
		Furniture	60,000
		Less: Depreciation	(6,000)
			54,000
Capital (Balancing figure)	4,33,400	Bills Receivable	28,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

		Machinery	1,00,000	
		Less: Depreciation	(10,000)	90,000
		Investment		80,000
		Prepaid Insurance		700
	4,87,800			4,87,800

Statement of Profit and Loss

Particulars	Amount ₹
Capital on March 31, 2017	4,33,400
Add: Drawings made during the year (₹ 10,000 × 12)	1,20,000
Less: Capital on April 31, 2016	(1,82,000)
Less: Fresh capital introduced during the year	(2,00,000)
Profit earned during the year 2017	1,71,400

Profit earned during year 2017 is ₹ 1, 71,400

15. From the following information calculate the amount to be paid to creditors:

	₹
Sundry creditors as on March 31, 2017	1,80,425
Discount received	26,000
Discount allowed	24,000
Return outwards	37,200
Return inward	32,200
Bills accepted	1,99,000
Bills endorsed to creditors	26,000
Creditors as on April 01, 2016	2,09,050

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Total purchases **8,97,000**

Cash purchases **1,40,000**

The solution is as follows:

Creditors Account

Dr.			Cr.
Particulars	Amount	Particulars	Amount
	₹		₹
Discount Received	26,000	By Balance b/d	1,80,425
Return Outwards	37,200	Purchases – credit	
Bills accepted	1,99,000	(8,97,000 – 1,40,000)	7,57,000
B/R (endorsed to creditors)	26,000		
Balance c/d	2,09,050		
 Cash/Bank (Balancing figure)	 4,40,175		
	9,37,425		9,37,425

Amount paid to Creditors is ₹ 4,40,175.

16. Find out the credit purchases from the following:

	₹
Balance of creditors April 01, 2016	45,000
Balance of creditors March 31, 2017	36,000
Cash paid to creditors	1,80,000
Cheque issued to creditors	60,000
Cash purchases	75,000
Discount received from creditors	5,400
Discount allowed	5,000
Bills payable given to creditors	12,750
 Return outwards	 7,500
 Bills payable dishonoured	 3,000
 Bills receivable endorsed to creditors	 4,500

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Bills receivable endorsed to creditors dishonoured	1,800
Return inwards	3,700

Creditors Account

Dr.

Cr.

Particulars	Amount ₹	Particulars	Amount ₹
Cash	1,80,000	Balance b/d	45,000
Bank	60,000	B/P (dishonoured)	3,000
Discount Received	5,400	B/R (dishonoured)	1,800
B/P (accepted)	12,750	Purchases – credit	
Return Outwards	7,500	(Balancing figure)	2,56,350
B/R (endorsed to creditors)	4,500		
Balance c/d	36,000		
	3,06,150		3,06,150

Therefore the Credit Purchases are amounting to ₹ 2, 56,350

17. From the following information calculate total purchases.

	₹
Creditors April. 01, 2016	30,000
Creditors March. 31, 2017	20,000
Opening balance of Bills payable	25,000
Closing balance of Bills payable	35,000
Cash paid to creditors	1,51,000
Bills discharged	44,500

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Cash purchases	1,29,000
Return outwards	6,000

Creditors Account

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
	□		□
Cash	1,51,000	Balance b/d	30,000
Return Outwards	6,000	Purchases – credit	2,01,500
Bills Payable (accepted)	54,500	(Balancing figure)	
Balance c/d	20,000		
	2,31,500		2,31,500

Bills Payable Account

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
	□		□
Cash (Bills discharged)	44,500	Balance b/d	25,000
		Creditors – (Bills Payable accepted) (Balancing figure)	54,500
Balance c/d	35,000		
	79,500		79,500

Total Purchases = Cash Purchases + Credit Purchases (as per Creditors Account)

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

$$= 1,29,000 + 2,01,500$$

$$= \text{₹ } 3,30,500$$

18. The following information is given

Opening creditors	60,000
Cash paid to creditors	30,000
Closing creditors	36,000
Returns Inward	13,000
Bill matured	27,000
Bill dishonoured	8,000
Purchases return	12,000
Discount allowed	5,000

Calculate credit purchases during the year

The solution is as follows:

Creditors Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Cash	30,000	Balance b/d	60,000
Purchases Return	12,000	B/P (dishonoured)	8,000
B/P (accepted) (see note)	27,000	By Purchases – credit	37,000
Balance c/d	36,000	(Balancing figure)	
	1,05,000		1,05,000

Note: The return inwards and discount allowed belong to the Debtors account. So, it is not considered in the creditors account.

19. From the following, calculate the amount of bills accepted during the year.

Bills payable as on April 01, 2016 1, 80,000

Bills payable as on March 31, 2017 2, 20,000

Bills payable dishonoured during the year 28,000

Bills payable honoured during the year 50,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

The solution is as follows:

Bills Payable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Creditors (dishonoured)	28,000	Balance b/d	1,80,000
Cash/Bank	50,000	Creditors (acceptance)	1,18,000
Balance c/d	2,20,000	(Balancing figure)	
	2,98,000		2,98,000

20. Find out the amount of bills matured during the year on the basis of information given below;

Bills payable dishonoured	37,000
Closing balance of Bills payable	85,000
Opening balance of Bills payable	70,000
Bills payable accepted	90,000
Cheque dishonoured	23,000

The solution is as follows:

Bills Payable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Creditors (Bill dishonoured)	37,000	Balance b/d	70,000
Cash/Bank (Balancing figure)	38,000	Creditors - acceptance	90,000
Balance c/d	85,000	(Balancing figure)	

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

	1,60,000		1,60,000

Therefore the Bill Payable matured during the year is ₹ 38,000.

21. Prepare the bills payable account from the following and find out missing figure if any:

	□
Bills accepted	1,05,000
Discount received	17,000
Purchases returns	9,000
Return inwards	12,000
Cash paid to accounts payable	50,000
Bills receivable endorsed to creditor	45,000
Bills dishonoured	17,000
Bad debts	14,000
Balance of accounts payable (closing)	85,000
Credit purchases	2,15,000

The solution is as follows:

Bills Payable Account

Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Creditors (Bills dishonoured)	17,000	Creditors (acceptance)	1,05,000
Cash/Bank (Balancing figure)	88,000		
	1,05,000		1,05,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Account Payable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Discount Received	17,000	Purchases – Credit	2,15,000
Purchases Return	9,000	B/P (dishonoured)	17,000
Cash	50,000		
B/R (endorsed)	45,000	Balance b/d	79,000
B/P (acceptance)	1,05,000	(Balancing figure)	
Balance c/d	85,000		
	3,11,000		3,11,000

Bills payable discharged is ₹ 88,000 and the opening balance of creditors is ₹ 79,000.

22. Calculate the amount of bills receivable during the year.

	₹
Opening balance of bills receivable	75,000
Bill dishonoured	25,000
Bills collected (honoured)	1,30,000
Bills receivable endorsed to creditors	15,000
Closing balance of bills receivable	65,000

The solution is as follows:

Bills Receivable Account

Dr. Cr.

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d	75,000	Debtors (B/R dishonoured)	25,000
		Cash/Bank (honoured)	1,30,000
		Creditors (endorsed)	15,000
Debtors (B/R received)	1,60,000	Balance c/d	65,000
(Balancing figure)			
	2,35,000		2,35,000

Therefore, the Bills receivable received from Debtors ₹ 1, 60,000.

23. Calculate the amount of bills receivable dishonoured from the following information.

	₹
Opening balance of bills receivable	1,20,000
Bills collected (honoured)	1,85,000
Bills receivable endorsed	22,800
Closing balance of bills receivable	50,700
Bills receivable received	1,50,000

The solution is as follows:

Bills Receivable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d	1,20,000	Cash/Bank (honoured)	1,85,000
		Creditors (endorsed)	22,800
		Balance c/d	50,700
Debtors (B/R received)	1,50,000	Debtors (dishonoured)	11,500
(Balancing figure)		(Balancing figure)	
	2,70,000		2,70,000

So the Bills Receivable dishonoured is ₹ 11,500.

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

24. From the details given below, find out the credit sales and total sales.

Opening debtors	45,000
Closing debtors	56,000
Discount allowed	2,500
Sales returns	8,500
Irrecoverable amount	4,000
Bills receivables received	12,000
Bills receivable dishonoured	3,000
Cheque dishonoured	7,700
Cash sales	80,000
Cash received from debtors	2,30,000
Cheque received from debtors	25,000

The solution is as follows:

Debtors Account

Dr.	Amount	Cr.	Amount
Particulars	□	Particulars	□
Balance b/d	45,000	Discount Allowed	2,500
B/R (dishonoured)	3,000	Sales Returns	8,500
Bank (cheque dishonoured)	7,700	Bad-debts (irrecoverable amount)	4,000
Sales – Credit	2,82,300	B/R (received)	12,000
(Balancing figure)		Cash	2,30,000
		Bank	25,000
		Balance c/d	56,000
	3,38,000		3,38,000

Credit sales is □ 2, 82,300

Total Sales = Cash Sales + Credit Sales
 = 80,000 + 2,82,300
 = □ 3,62,300

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

25. From the following information, prepare the bills receivable account and total debtors account for the year ended March 31, 2017.

Opening balance of debtors	1,80,000
Opening balance of bills receivable	55,000
Cash sales made during the year	95,000
Credit sales made during the year	14,50,000
Return inwards	78,000
Cash received from debtors	10,25,000
Discount allowed to debtors	55,000
Bills receivable endorsed to creditors	60,000
Cash received (bills matured)	80,500
Irrecoverable amount	10,000
Closing balance of bills receivable on March. 31, 2017	75,500

The solution is as follows:

Debtors Account

Dr.	Amount	Cr.	Amount
Particulars	□	Particulars	□
Balance b/d	1,80,000	Return Inwards	78,000
Sales—Credit	14,50,000	Discount Allowed	55,000
		Cash	10,25,000
		Bad debt (irrecoverable amount)	10,000
		B/R (received)	1,61,000
		Balance c/d	3,01,000
		(Balancing figure)	
	16,30,000		16,30,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

--	--	--

Bills Receivable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d	55,000	Cash (Bills matured)	80,500
		Creditors (endorsed)	60,000
		Balance c/d	75,500
Debtors (received)	1,61,000		
(Balancing figure)			
	2,16,000		2,16,000

The missing figure in the bills receivable account—B/R received from debtors' is ₹ 1, 61,000 and the missing figure in the debtors account—closing balance is ₹ 3, 01,000.

26. Prepare the suitable accounts and find out the missing figure if any.

	₹
Opening balance of debtors	14,00,000
Opening balance of bills receivable	7,00,000
Closing balance of bills receivable	3,50,000
Cheque dishonoured	27,000
Cash received from debtors	10,75,000
Cheque received and deposited in the bank	8,25,000
Discount allowed	37,500
Irrecoverable amount	17,500
Returns inwards	28,000
Bills receivable received from customers	1,05,000
Bills receivable matured	2,80,000
Bills discounted	65,000
Bills endorsed to creditors	70,000

The solution is as follows:

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Debtors Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d	14,00,000	Cash	10,75,000
Bank (cheque dishonoured)	27,000	Bank	8,25,000
B/R (dishonoured)	40,000	Discount Allowed	37,500
		Bad debt (irrecoverable amount)	17,500
		Return Inwards	28,000
Sales—Credit (Balancing figure)	6,21,000	B/R (received)	1,05,000
	20,88,000		20,88,000

Bills Receivable Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d	7,00,000	Cash (B/R matured)	2,80,000
		Bank (Bill endorsed)	65,000
		Creditors (endorsed)	70,000
Debtors (B/R received)	1,05,000	Balance c/d	3,50,000
		Debtors (dishonoured)	40,000
		(Balancing figure)	
	8,05,000		8,05,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

As per solution, the missing figure in the bills receivable account is B/R dishonoured of ₹ 40,000. The missing figure in the debtors account is the credit sales of ₹ 6, 21,000.

27. From the following information ascertain the opening balance of sundry debtors and closing balance of sundry creditors

Opening stock	30,000
Closing stock	25,000
Opening creditors	50,000
Closing debtors	75,000
Discount allowed by creditors	1,500
Discount allowed to customers	2,500
Cash paid to creditors	1,35,000
Bills payable accepted during the period	30,000
Bills receivable received during the period	75,000
Cash received from customers	2,20,000
Bills receivable dishonoured	3,500
Purchases	2,95,000

The rate of gross profit is 25% on selling price and out of the total sales

₹ 85,000 was for cash sales.

$$(Hint: Total sales = 4,00,000 = 3,00,000 \times 100 \times \frac{100}{75})$$

The solution is as follows:

Sundry Debtors Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Balance b/d (Balancing figure)	54,000	Discount Allowed	2,500
B/R (dishonoured)	3,500	B/R (received)	75,000
		Cash	2,20,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Sales—Credit	3,15,000	Balance c/d	75,000
	3,72,500		3,72,500

Sundry Creditors Account

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
Discount Received	1,500	Balance b/d	50,000
Cash	1,35,000	Purchases – credit	2,95,000
B/P (accepted)	30,000		
Balance c/d (Balancing figure)	1,78,500		
	3,45,000		3,45,000

Opening balance of debtors is ₹ 54,000 and the closing balance of creditors is ₹ 1,78,500.

Working Notes:

Total Sales = Cash Sales + Credit Sales

Total Sales = Cost of Goods Sold + Gross Profit

Cost of Goods Sold = Opening Stock + Purchases – Closing Stock
= 30,000 + 2,95,000 – 25,000
= ₹ 3,00,000

Let us assume the sales to be 100%

Sales = Cost of Goods sold + Gross Profit

Then 100% = Cost of Goods sold + 25%

Cost of Goods Sold = 100% - 25% = 75%

Gross Profit Cost of Goods Sold
= _____ × % of Gross Profit

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

% of Cost of Goods Sold

$$= \frac{3,00,000}{75} \times 25$$

$$= 1,00,000$$

Sales = Cost of Goods Sold + Gross Profit

$$= 3,00,000 + 1,00,000$$

$$= \text{₹ } 4,00,000$$

Total Sales = Cash Sales + Credit Sales

$$\text{Or, } 4,00,000 = 85,000 + \text{Credit Sales}$$

$$\text{Or, Credit Sales} = 4,00,000 - 85,000$$

$$= \text{₹ } 3,15,000$$

Note: It is assumed that all purchases are made on credit.

28. Mrs. Bhavana keeps his books by Single Entry System. You are required to prepare final accounts of her business for the year ended March 31, 2017. Her records relating to cash receipts and cash payments for the above period showed the following particulars:

Summary of Cash

Dr.			Cr.
Receipts	Amount	Payments	Amount
Opening balance of cash	12,000	Paid to creditors	53,000
Further capital	20,000	Business expenses	12,000
Received from debtors	1,20,000	Wage paid	30,000
		Bhavana's drawings	15,000
		Balance at bank on	35,000
		March. 31,2017	
		Cash in hand	7,000
	1,52,000		1,52,000

The following information is also available:

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

	April. 01, 2016	March. 31, 2017
	□	□
Debtors	55,000	85,000
Creditors	22,000	29,000
Stock	35,000	70,000
Plant	10,00,000	1,00,000
Machinery	50,000	50,000
Land and Building	2,50,000	2,50,000
Investment	20,000	20,000

All her sales and purchases were on credit. Provide depreciation on plant and building by 10% and machinery by 5%, make a provision for bad debts by 5%.

The solution is as follows:

Books of Mrs. Bhavana

Debtors Account

Dr.	Amount		Amount	Cr.
Particulars	□	Particulars	□	
Balance b/d	55,000	Cash	1,20,000	
Sales—Credit	1,50,000	Balance c/d	85,000	
	2,05,000		2,05,000	

Creditors Account

Dr.	Amount		Amount	Cr.
Particulars	□	Particulars	□	
Cash	53,000	Balance b/d	22,000	
Balance c/d	29,000	Purchases—Credit	60,000	

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

	82,000		82,000

Statement of Affairs as on April.01, 2016

Particulars	Amount ₹	Particulars	Amount ₹
Creditors	22,000	Debtors	55,000
Capital—Opening (Balancing figure)	5,00,000	Stock	35,000
		Plant	1,00,000
		Machinery	50,000
		Land and Building	2,50,000
		Investment	20,000
		Cash	12,000
	5,22,000		5,22,000

Plant of ₹ 1, 00,000 has been taken in to the statement of affairs on April 01, 2016, instead of ₹ 10, 00,000.

Trading Account as on March 31, 2017

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Opening Stock	35,000	Sales	1,50,000

NCERT Solution for Class 11 Accountancy Chapter 11 - Accounts From Incomplete Records

Purchases	60,000	Closing Stock	70,000
Wages	30,000		
Profit and Loss (Gross Profit) (Balancing figure)	95,000		
	2,20,000		2,20,000

Profit and Loss Account

Dr.		Cr.	
Particulars	Amount □	Particulars	Amount □
Business Expenses	12,000	Trading (Gross profit)	95,000
Depreciation on Plant	10,000		
Depreciation on Building	25,000		
Depreciation Machines	2,500		
Provision for Doubtful Debt	4,250		
Net Profit (Balancing figure)	41,250		
	95,000		95,000

NCERT Solution for Class 11 Accountancy Chapter 11

- Accounts From Incomplete Records

Balance Sheet as on March 31, 2017

Liabilities	Amount □	Assets	Amount □
Creditors	29,000	Debtors 85,000	
		Less: 5% Provision for Bad-debt (4,250)	
Capital—Opening 5,00,000		Stock 80,750	
Add: Net Profit 41,250			70,000
Add: Further Capital 20,000		Plant 1,00,000	
5,61,250		Less: 10% Depreciation (10,000)	90,000
Less: Drawings (15,000)	5,46,250	Machinery 50,000	
		Less: 10% Depreciation (2,500)	47,500
		Land and Building 2,50,000	
		Less: 10% Depreciation (25,000)	2,25,000
		Investment	20,000
		Cash in Hand	7,000
		Cash at Bank	35,000
	5,75,250		5,75,250