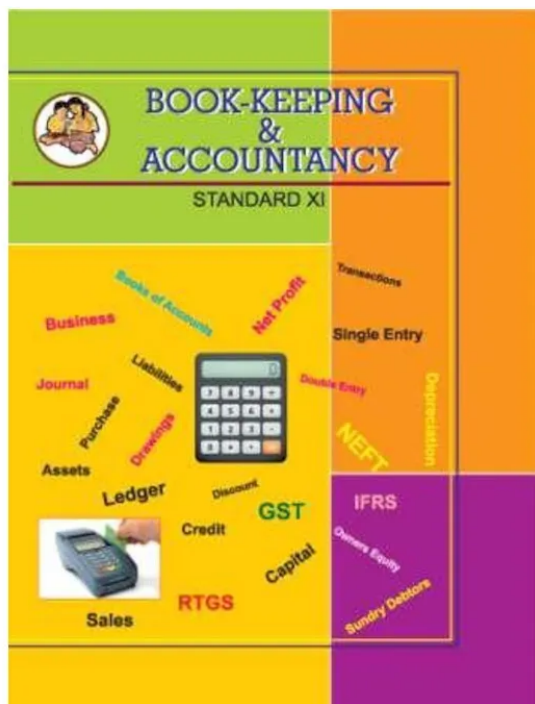


Maharashtra Board Solutions Class 11-Book Keeping and Accountancy: Chapter 10- Single Entry System

Class 11 - Chapter 10 Single Entry System



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Maharashtra Board Solutions Class 11-Book Keeping and Accountancy: Chapter 10- Single Entry System

Class 11: Book Keeping and Accountancy Chapter 10 solutions. Complete Class 11 Book Keeping and Accountancy Chapter 10 Notes.

Maharashtra Board Solutions Class 11-Book Keeping and Accountancy: Chapter 10- Single Entry System

Class 11: Book Keeping and Accountancy Chapter 10 solutions. Complete Class 11 Book Keeping and Accountancy Chapter 10 Notes.

1. Answer in One sentence only.

Question 1.

What do you mean by a Single Entry System?

Answer:

A system of bookkeeping in which an accountant or businessman records only one aspect of business transaction (either debit or credit and ignores the other aspect is called 'Single Entry System'.

Question 2.

What is a Statement of Affairs?

Answer:

A list of all assets and liabilities prepared under a single entry system to find out capital balance is called a statement of affairs.

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Question 3.

Which type of accounts are normally not kept under the Single Entry System?

Answer:

Under a single entry system, records of impersonal accounts i.e. real accounts and nominal accounts are not maintained.

Question 4.

Which statement is prepared under the Single Entry system to ascertain the capital balances?

Answer:

A statement of Affairs is prepared under a single entry system to ascertain capital balances.

Question 5.

How Opening Capital is calculated under the Single Entry System?

Answer:

Under a single entry system, opening capital is ascertained by preparing the opening statement of affairs.

Question 6.

Which types of accounts are maintained under the Single Entry System?

Answer:

Under a single entry system, all personal accounts and cash accounts are maintained.

Question 7.

Can a Trial Balance be prepared under a Single Entry System?

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Answer:

A trial balance cannot be prepared under a single entry system.

Question 8.

Which type of organizations generally follow the Single Entry System?

Answer:

Organizations having small sizes of business such as sole trading concerns and partnership firms follow a single entry system.

2. Write a word, term, or phrase which can substitute each of the following statements.

Question 1.

A statement that is similar to the Balance Sheet.

Answer:

Statement of Affairs

Question 2.

The system of Accounting is normally suitable for small business organizations.

Answer:

Single Entry System

Question 3.

A statement similar to the Balance Sheet is prepared to find out the amount of opening capital.

Answer:

Opening Statement of Affairs

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Question 4.

An excess of assets over liabilities.

Answer:

Capital

Question 5.

Excess of closing capital over opening capital of proprietor under Single Entry System.

Answer:

Profit

Question 6.

Name of the method of accounting suitable to firms having limited transactions.

Answer:

Single Entry System

Question 7.

A System of accounting that is unscientific.

Answer:

Single Entry System

Question 8.

Further capital introduced by the proprietor in the business concern over and above his existing capital.

Answer:

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Additional Capital

3. Select the most appropriate answer from the alternatives given below and rewrite the sentence.

Question 1.

The capital balances are ascertained by preparing _____

- (a) Statement of Affairs
- (b) Cash Account
- (c) Drawings Accounts
- (d) Debtors Accounts

Answer:

- (a) Statement of Affairs

Question 2.

Under Single Entry System, Opening Capital = Opening Assets less

-
- (a) Opening Liabilities
 - (b) Closing Liabilities
 - (c) Debtors Account
 - (d) Creditors Account

Answer:

- (a) Opening Liabilities

Question 3.

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Additional Capital introduced during the year is _____ from closing capital in order to find out the correct profit.

- (a) Added
- (b) Deducted
- (c) Divided
- (d) Ignored

Answer:

- (b) Deducted

Question 4.

Single Entry System may be useful for _____

- (a) Sole traders
- (b) Company
- (c) Government
- (d) None of these

Answer:

- (a) Sole traders

Question 5.

In order to find out the correct profit, drawings is _____ from closing capital.

- (a) Multiplies
- (b) Divided
- (c) Deducted

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(d) Added

Answer:

(d) Added

Question 6.

The difference between assets and liabilities is called _____

(a) Capital

(b) Drawings

(c) Income

(d) Expenses

Answer:

(a) Capital

Question 7.

When Closing Capital is greater than the Opening Capital, the difference is

(a) Profit

(b) Loss

(c) Assets

(d) Liabilities

Answer:

(a) Profit

Question 8.

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Opening Capital is ₹ 30,000; Closing Capital is ₹ 60,000; Withdrawals are ₹ 5,000; and further capital brought in is ₹ 3,000; Profit is

(a) ₹ 45,000

(b) ₹ 35,000

(c) ₹ 32,000

(d) ₹ 22,000

Answer:

(c) ₹ 32,000

4. State True or False with reasons:

Question 1.

The double Entry System of Book-keeping is a scientific method of books of accounts.

Answer:

This statement is True.

In the double-entry system of book-keeping, there are two-fold effects. Both the effects are recorded simultaneously with an equal amount. This system also follows principles and rules of debit and credit. Due to this, there are very fewer chances of mistakes. So double entry system of Book-Keeping is a scientific method of the book of accounts.

Question 2.

Preparation of Trial Balance is not possible under the Single Entry System.

Answer:

This statement is True.

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Under the single entry system, only cash and personal accounts of debtors and creditors are open. So it is not possible to prepare. Trail balance under single entry system as it has incomplete information of Accounting.

Question 3.

Statement of Affairs and Balance Sheet are one and the same.

Answer:

This statement is False.

There is a difference between a statement of Affairs and the Balance sheet. Statement of Affair shows estimated values of assets and liabilities.

Question 4.

The single Entry System is not useful for large organizations.

Answer:

This statement is True.

Under the Single Entry System, only the cash book and personal account of Debtor and Ciygditor are maintained. Real and Nominal accounts are not maintained. It has no proper set of rules to be followed. It is useful for small organisations and not for a large organisations.

Question 5.

Only Cash and Personal accounts are maintained under the Single Entry System.

Answer:

This statement is True.

The single Entry System is an ancient and unscientific method of recording business transactions. This system maintains minimum accounts so it is easy for traders to write books of accounts. This system does not follow any accounting rules. To know the cash

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collections and amount payable or receivable only cash and personal accounts are maintained under a single entry system.

5. Do you agree with the following statements?

Question 1.

Further capital introduced during the year increases profit.

Answer:

Disagree

Question 2.

Interest in Drawings decreases the amount of profit under the Single Entry System.

Answer:

Disagree

Question 3.

Real and Nominal accounts are not maintained under the Single Entry System.

Answer:

Agree

Question 4.

The single Entry System is based on certain rules and principles.

Answer:

Disagree

Question 5.

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Statement of Profit is just like Profit and Loss Account.

Answer:

Disagree

6. Fill in the Blanks.

Question 1.

Statement of Affairs is just like _____

Answer:

Balance Sheet

Question 2.

Under Single Entry System, Profit = Closing Capital Less

Answer:

Opening Capital

Question 3.

In order to find out the correct profit, drawings are _____ to the closing capital.

Answer:

Added

Question 4.

In _____ Book Keeping System, in every business transactions we find two effects.

Answer:

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Double Entry System

Question 5.

The difference between Assets and Liabilities is called _____

Answer:

Capital

Question 6.

Single Entry System is more popular for _____

Answer:

Sole Trader

Question 7.

Additional Capital introduced during the year is _____ from Closing Capital in order to find out the correct profit.

Answer:

Deducted

Question 8.

Single Entry System is Suitable for _____ business.

Answer:

Small

7. Find the odd one:

Question 1.

Interest on Drawings, Outstanding Expenses, Undervaluation of Assets, Prepaid Expenses.

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Answer:

Outstanding Expenses

Question 2.

Interest on Capital, Interest on Loan, Overvaluation of Liabilities, Depreciation on Assets.

Answer:

Overvaluation of Liabilities

Question 3.

Creditors, Bills Payable, Bank Overdraft, Stock in Trade.

Answer:

Stock in Trade

8. Complete the following table:

Question 1.

Closing Capital		Opening Capital		Profit
₹ 10,000	-	₹ 5,000	=	

Answer:

₹ 5,000

Question 2.

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Opening Assets		Opening Liabilities		Opening Capital
	-	₹ 20,000	=	₹ 10,000

Answer:

₹ 30,000

Question 3.

Closing Assets		Closing Liabilities		Closing Capital
₹ 10,000	-	₹ 5,000	=	

Answer:

₹ 5,000

Question 4.

Closing Capital	+	Drawings	=	Adjusted Closing Capital	-	Opening Capital	=	Profit
	+	₹ 15,000	=	₹ 40,000	-	₹ 20,000	=	

Answer:

₹ 25,000, ₹ 20,000

Question 5.

Cash in Hand	+	Cash at Bank	=	Sundry Debtors	-	Bills Payable	=	Capital
₹ 10,000	+	₹ 5,000	=	₹ 8,000	-	₹ 4,000	=	

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Answer:

₹ 19,000

9. Complete the following table. Put Proper mark in Box.

Question 1.

When the closing capital is given

	Add	Less
1) Drawings		
2) Prepaid Expenses		
3) Overvaluation of Liabilities		
4) Undervaluation of Liabilities		
5) Interest on Drawings		
6) Opening Capital		
7) Undervaluation of Assets		
8) Interest on Capital		
9) Depreciation of Assets		
10) Bad debts		

Answer:

1. Add
2. Add
3. Add
4. Less
5. Add
6. Less
7. Add
8. Less
9. Less

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10. Less

Practical Problems

Question 1.

Mr. Poonawala keeps his books under the Single Entry System and gives the following information.

Capital as of 31.3.2017 – ₹ 60,000

Capital as on 31.3.2018 – ₹ 1,00,000

Drawings made during the year ₹ 2,000

Additional capital introduced during the year ₹ 12,000

Calculate Profit or Loss during the year.

Solution:

In the books of Mr. Poonawala

Statement of Profit or Loss for the year ended 31st March 2018

Particulars	Amt. (₹)	Amt. (₹)
Capital as on 31 st March, 2018		1,00,000
Add : Drawings during the year		2,000
		1,02,000
Less : Additional capital introduced during the year		12,000
Adjusted closing capital		90,000
Less : Capital as on 31 st March, 2017		60,000
Profit during the year		30,000

Question 2.

Sujit a small trader provides you with the following details of his business.

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Particulars	1.4.2017 (₹)	31.3.2018 (₹)
Cash in Hand	2,000	7,000
Debtors	40,000	60,000
Creditors	50,000	80,000
10% Govt. Bonds	—	9,000
Bank Overdraft	70,000	30,000
Motor Van	50,000	70,000
Furniture	15,000	15,000
Stock	70,000	90,000
Bills Receivable	70,000	90,000

Additional information:

1. Sujit withdraws ₹ 5,000 for his personal use, on 1st Oct. 2017.
2. He had also withdrawn ₹ 30,000 for rent of his residential flat.
3. Depreciation Furniture by 10% p.a. and writes off ₹ 1,000 from Motor Van.
4. Charge interest on Drawings ₹ 3,000.
5. 10% Govt. Bonds were purchased on 1st Oct. 2017.
6. Allow interest on capital at 10% p.a.
7. ₹ 1,000 is written off as bad debts and provides 5% p.a. R.D.D. on Debtors.

Prepare Opening Statement of Affairs, Closing Statement of Affairs, and Statement of Profit or Loss for the year ending 31st March 2018.

Solution:

In the books of Sujit

Opening and closing statement of Affairs as on _____

Liabilities	01.04.2017 (₹)	31.3.2018 (₹)	Assets	01.04.2017 (₹)	31.3.2018 (₹)
Creditors	50,000	80,000	Cash in hand	2,000	7,000
Bank Overdraft	70,000	30,000	Debtors	40,000	60,000
Capital (Balancing figure)	1,27,000	2,31,000	10% Govt. Bonds	—	9,000
			Motor van	50,000	70,000
			Furniture	15,000	15,000
			Stock	70,000	90,000
			Bills Receivable	70,000	90,000
	2,47,000	3,41,000		2,47,000	3,41,000

Statement of Profit or Loss for the year ended 31st March 2018

Particulars	Amt. (₹)	Amt. (₹)
Capital as on 31 st March, 2018		2,31,000
Add : Drawings – Cash	5,000	
– Rent for Residential flat	30,000	35,000
Adjusted closing capital		2,66,000
Less : Capital as on 1st April, 2017		1,27,000
Profit before adjustments		1,39,000
Add: Incomes and gains during the year		
(1) Interest on drawings	3,000	
(2) Interest on Govt. Bonds (6 months)	450	3,450
		1,42,450
Less: Expenses and losses during the year		
(1) Interest on capital	12,700	
(2) Depreciation on furniture	1,500	
(3) Depreciation on motor van	1,000	
(4) Bad debts	1,000	
(5) R.D.D. @ 5% on debtors	2,950	19,150
Net profit earned during the year		1,23,300

Question 3.

Anjali keeps her books by the Single Entry System. Her position on 1.4.2016 was as follows.

Cash at Bank ₹ 4,000, Cash in Hand ₹ 1,000, Stock ₹ 6,000; Sundry Debtors ₹ 8,400, Plant and Machinery ₹ 7,500, Bill Receivable ₹ 2,600, Creditors ₹ 3500; Bills Payable ₹ 4,000

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On 31.3.2017 her position was as follows; cash at Bank ₹ 3,900, Cash in Hand ₹ 2,000. Stock ₹ 9000, Sundry Debtors, ₹ 7,500; Plant and Machinery ₹ 7,500; Bills Payable ₹ 2,200, Bills Receivable ₹ 3,400; Creditors ₹ 1,500.

During the year Anjali introduced further Capital of ₹ 1,500 and she spent ₹ 700 per month for her personal use.

Depreciation Plant and Machinery by 5% p.a. and create Reserve for Doubtful debts @ 5% p.a. on the debtor. Prepare Opening and Closing Statement of Affairs and Statement of Profit or Loss for the year ended 31.3.2017.

Solution:

In the books of Anjali

Opening and closing statement of Affairs as on _____

Liabilities	01.04.2016 (₹)	31.3.2017 (₹)	Assets	01.04.2016 (₹)	31.3.2017 (₹)
Creditors	3,500	1,500	Cash at Bank	4,000	3,900
Bills Payable	4,000	2,200	Cash in Hand	1,000	2,000
Capital (Balancing figure)	22,000	29,600	Stock	6,000	9,000
			Sundry Debtors	8,400	7,500
			Plant and Machinery	7,500	7,500
			Bills Receivable	2,600	3,400
	29,500	33,300		29,500	33,300

Statement of Profit or Loss for the year ended 31st March 2017

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the year (31.03.2017)		29,600
Add : Drawings during the year (₹ 700 × 12)		8,400
		38,000
Less : Additional capital introduced during the year		1,500
Adjusted closing capital		36,500
Less : Capital at the beginning of the year (01.04.16)		22,000
Profit before adjustments		14,500
Less: Expenses and losses during the year		
(1) Depreciation on plant and machinery	375	
(2) R.D.D. @ 5% on debtors	375	750
Net profit earned during the year		13,750

Question 4.

Mr. Vijay is dealing in the business of fruits. He maintains an accounting record with a single entry. The following figures are taken from his record.

Particulars	31.3.2017 (₹)	31.3.2018 (₹)
Building	50,000	60,000
Furniture	30,000	30,000
Plant and Machinery	20,000	40,000
Sundry Debtors	30,000	50,000
Stock	15,000	25,000
Cash Balance	10,000	20,000
Bills Receivable	5,000	10,000
Sundry Creditors	30,000	15,000
Bank Overdraft	8,000	—
Bank Balance	—	12,000

Additional information:

1. Mr. Vijay introduced ₹ 7,000 as fresh capital.
2. He spent ₹ 40,000 from his business for his daughter's marriage.
3. Depreciate Building by ₹ 6,000.
4. Create a 5% reserve for doubtful debts on Sundry Debtor.

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Prepare:

1. Opening Statement of Affairs.
2. Closing Statement of Affairs
3. Statement of Profit or Loss for the year ended 31.3.2018.

Solution:

In the books of Mr. Vijay

Opening and closing statement of Affairs as on _____

Liabilities	01.04.2017 (₹)	31.03.2018 (₹)	Assets	01.04.2017 (₹)	31.03.2018 (₹)
Sundry creditors	30,000	15,000	Building	50,000	60,000
Bank overdraft	8,000	—	Furniture	30,000	30,000
Capital (Balancing figure)	1,22,000	2,32,000	Plant and Machinery	20,000	40,000
			Sundry Debtors	30,000	50,000
			Stock	15,000	25,000
			Cash Balance	10,000	20,000
			Bills Receivable	5,000	10,000
			Bank Balance	—	12,000
	1,60,000	2,47,000		1,60,000	2,47,000

Statement of Profit or Loss for the year ended 31st March 2018

Particulars	Amt. (₹)	Amt. (₹)
Closing capital as on 31 st March, 2018		2,32,000
Add: Drawings – amount spent for daughter's marriage		40,000
		2,72,000
Less : Additional capital introduced during the year		7,000
Adjusted closing capital		2,65,000
Less : Opening capital as on 1 April, 2017		1,22,000
Profit before adjustments		1,43,000
Less: Expenses and losses during the year		
(1) Depreciation on building	6,000	
(2) R.D.D. @ 5% on debtors	2,500	8,500
Net profit earned during the year		1,34,500

Question 5.

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Miss. Fiza keeps her books on the Single Entry System and disclosed the following information about her business.

Particulars	1.4.2017 (₹)	31.3.2018 (₹)
Debtors	25,000	45,000
Investments	—	40,000
Plant and Machinery	10,000	10,000
Creditors	30,000	33,000
Stock	32,000	35,000
Cash at Bank	16,000	50,000
Bills Payable	5,000	8,000

Additional information:

1. Miss. Fiza transferred ₹ 2,000 per month during the first half-year and ₹ 1000 per month for the second half-year from a business account to her personal account.
2. She sold her private asset for ₹ 40,000 and brought the proceeds into her business.
3. She also took goods worth ₹ 12,000 for private use.
4. Plant and Machinery is to be depreciated by 10% p.a.
5. Provide R.D.D. on debtors at 5% p.a.

Prepare:

1. Opening Statement of Affairs
2. Closing Statement of Affairs
3. Statement of Profit or Loss for the year ended 31.3.2018

Solution:

In the books miss Fiza

Opening and closing statement of Affairs as on _____

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Liabilities	01.04.2017 (₹)	31.3.2018 (₹)	Assets	01.04.2017 (₹)	31.3.2018 (₹)
Creditors	30,000	33,000	Debtors	25,000	45,000
Bills Payable	5,000	8,000	Investments	—	40,000
Capital (Balancing figure)	48,000	1,39,000	Plant and Machinery	10,000	10,000
			Stock	32,000	35,000
			Cash at Bank	16,000	50,000
	83,000	1,80,000		83,000	1,80,000

Statement of Profit or Loss for the year ended 31st March 2018

Particulars	Amt. (₹)	Amt. (₹)
Closing capital as on 31 st March, 2018		1,39,000
Add: Drawings during the year – Cash	18,000	
– Goods	12,000	30,000
		1,69,000
Less: Additional capital introduced during the year		40,000
Adjusted closing capital		1,29,000
Less: Opening capital as on 1 April, 2017		48,000
Profit before adjustments		81,000
Less: Expenses and losses during the year		
(1) Depreciation on Plant and Machinery	1,000	
(2) R.D.D. @ 5% on debtors	2,250	3,250
Net profit earned during the year		77,750

Question 6.

Miss. Sanika keeps her books on the Single Entry System. The statement of affairs is given on 31st March 2018.

Liabilities	Amt (₹)	Assets	Amt (₹)
Creditors	12,000	Plant and Machinery	17,000
Bills Payable	8,500	Debtors	19,500
Capital Balance	38,500	Stock	9,000
		Cash in Hand	7,500
		Bills Receivable	6,000
	59,000		59,000

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On 31st March 2018 their Assets and Liabilities were as follows:

Plant and Machinery ₹ 42,000, Stock ₹ 38,000, Cash in Hand ₹ 10,000, Creditors ₹ 7,000, Debtors ₹ 25,000, Bills Payable ₹ 6,000

Drawings during the year were ₹ 5,500, Plant and Machinery were found Overvalued by 5% p.a. and Stock was found Undervalued by 20% p.a., R.D.D. was to be created at 10% p.a. on Debtors, Interest on Capital was allowed at 10% p.a.

Prepare:

1. Closing Statement of Affairs.
2. Statement of Profit or Loss for the year ended 31st March 2018.

Solution:

In the books of miss Sanika

Closing statement of Affairs as on 31.03.2018

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Creditors	7,000	Plant and Machinery	42,000
Bills Payable	6,000	Stock	38,000
Capital	1,02,000	Cash in Hand	10,000
(Balancing figure)		Debtors	25,000
	1,15,000		1,15,000

Statement of Profit or Loss for the year ended 31st March 2018.

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the year (31.03.2018)		1,02,000
Add: Drawings during the year		5,500
Adjusted closing capital		1,07,500
Less : Capital at the beginning of the year (01.04.17)		38,500
Profit before adjustments		69,000
Add: Income and gains during the year		
(1) Stock undervalued by 20%		9,500
		78,500
Less: Expenses and losses during the year		
(1) Plant and machinery overvalued by 5%	2,000	
(2) R.D.D. @ 10% on debtors	2,500	
(3) Interest on capital @ 10%.	3,850	8,350
Net profit earned during the year		70,150

Question 7.

Mr. Suhas commenced his business with the Capital of ₹ 1,50,000 on 1st April 2017. His financial position was as follows as on 31st March 2018, Cash ₹ 20,000, Stock ₹ 15,000, Debtors ₹ 30,000, Premises ₹ 90,000, Vehicles ₹ 45,000, Creditors ₹ 18,500, Bills Payable ₹ 10,000.

Additional information:

1. He brought additional capital ₹ 10,000 on 30th Sept. 2017, Interest on capital is to be provided at 5% p.a.
2. He withdrew ₹ 15,000 for personal use on which interest is to be charged at 5% p.a.
3. Write off Bad debts ₹ 500.

Prepare:

1. Closing Statement of Affairs
2. Statement of Profit or Loss for the year ended 31.3.2018.

Solution:

In the books of Mr. Suhas

<https://www.indcareer.com/schools/maharashtra-board-solutions-class-11-book-keeping-and-accountancy-chapter-10-single-entry-system/>

Closing statement of Affairs as on 31.3.2018

Liabilities	Amt. (₹)	Assets	Amt. (₹)
Creditors	18,500	Cash	20,000
Bills Payable	10,000	Stock	15,000
Capital (Balancing figure)	1,71,500	Debtors	30,000
		Premises	90,000
		Vehicles	45,000
	2,00,000		2,00,000

Statement of Profit or Loss for the year ended 31st March 2018.

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the year (31.03.2018)		1,71,500
Add: Drawings during the year		15,000
		1,86,500
Less : Additional capital introduced during the year		10,000
Adjusted closing capital		1,76,500
Less: Capital at the beginning of the year (01.04.17)		1,50,000
Add: Income and gains during the year		26,500
(1) Interest on drawings @ 5% (6 months)		375
		26,875
Less: Expenses and losses during the year		
(1) Interest on capital @ 5%		
(Opening capital = 7,500, Additional capital = 250)	7,750	
(2) Bad debts	500	8,250
Net profit earned during the year		18,625

Question 8.

Ganesh keeps his books by the Single Entry Method. Following are the details of his business:

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Particulars	1.4.2016 (₹)	31.3.2017 (₹)
Cash in Hand	15,000	22,000
Cash at Bank	30,000	45,000
Stock	8,000	13,000
Furniture	20,000	20,000
Plant and Machinery	90,000	1,10,000
Building	50,000	50,000
Debtors	27,000	38,000
Creditors	8,000	10,000

During the year he has withdrawn ₹ 25,000 for his private purpose and goods of ₹ 3,000 for household use. On 1st Oct. 2016. He sold his household furniture for ₹ 4,000 and deposited the same amount in a business Bank Account.

Provide Depreciation on Plant and Machinery at 10% p.a. (assuming additions were made on 1st Oct. 2016) and Furniture at 5%.

Prepare:

1. Opening Statement of Affairs
2. Closing Statement of Affairs
3. Statement of Profit or Loss for the year ended 31.3.2017.

Solution:

In the books of Ganesh

Opening and Closing statement of Affairs as on _____

<https://www.indcareer.com/schools/maharashtra-board-solutions-class-11-book-keeping-and-accountancy-chapter-10-single-entry-system/>

Liabilities	01.04.2016 (₹)	31.3.2017 (₹)	Assets	01.04.2016 (₹)	31.3.2017 (₹)
Creditors	8,000	10,000	Cash in Hand	15,000	22,000
Capital (Balancing figure)	2,32,000	2,88,000	Cash at Bank	30,000	45,000
			Stock	8,000	13,000
			Furniture	20,000	20,000
			Plant and Machinery	90,000	1,10,000
			Building	50,000	50,000
			Debtors	27,000	38,000
	2,40,000	2,98,000		2,40,000	2,98,000

Statement of Profit or Loss for the year ended 31st March 2017

Particulars	Amt. (₹)	Amt. (₹)
Capital at the end of the year (31.03.2017)		2,88,000
Add: Drawings during the year – Cash	25,000	
– Goods	3,000	28,000
		3,16,000
Less : Additional capital introduced during the year		4,000
Adjusted closing capital		3,12,000
Less : Capital at the beginning of the year (01.04.16)		2,32,000
Profit before adjustments		80,000
Less: Expenses and losses during the year		
(1) Depreciation on machinery @ 10%		
– 90,000 @10% for 12 months	9,000	
– 20,000 @10% for 6 months	1,000	
(2) Depreciation on furniture @ 5%	1,000	11,000
Net profit earned during the year		69,000

Question 9.

Peter keeps his books on the Single Entry System. From the following particulars, Prepare Opening and Closing Statement of Affairs and Statement of Profit or Loss for the year ending 31st March 2018.

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Particulars	31.3.2017 (₹)	31.3.2018 (₹)
Bank Balance	46,000	38,000
Cash Balance	8,500	15,000
Sundry Debtors	80,000	1,30,000
Stock	70,000	1,00,000
Furniture	18,000	18,000
Sundry Creditors	40,000	45,000
Bills Payable	15,000	30,000

Additional Information:

1. Peter has withdrawn ₹ 15,000 from the business for his personal use.
2. He has introduced additional capital of ₹ 10,000 in the business on 1st January 2018.
3. Depreciate furniture @ 10% p.a.
4. Maintain reserve for doubtful debts @ 5% on Sundry Debtors.
5. Closing Stock is overvalued by 25% in the books.

Solution:

In the books of Peter

Opening and closing statement of Affairs as on _____

Liabilities	01.04.2017 (₹)	31.3.2018 (₹)	Assets	01.04.2017 (₹)	31.3.2018 (₹)
Sundry Debtors	40,000	45,000	Bank Balance	46,000	38,000
Bills Payable	15,000	30,000	Cash Balance	8,500	15,000
Capital (Balancing figure)	1,67,500	2,26,000	Sundry Debtors	80,000	1,30,000
			Stock	70,000	1,00,000
			Furniture	18,000	18,000
	2,22,500	3,01,000		2,22,500	3,01,000

Statement of Profit or Loss for the year ended 31st March 2018

Particulars	Amt. (₹)	Amt. (₹)
Closing capital as on 31.03.2018		2,26,000
Add: Drawings during the year		15,000
		2,41,000
Less : Additional capital introduced during the year		10,000
Adjusted closing capital		2,31,000
Less : Opening capital as on 1 April, 2017		1,67,500
Profit before adjustments		63,500
Less: Expenses and losses during the year		
(1) Depreciation on furniture @ 10%	1,800	
(2) R.D.D. @ 5% on debtors	6,500	
(3) Overvaluation of closing stock by 25%	20,000	28,300
Net profit earned during the year		35,200

Question 10.

Suresh keeps his books by the Single Entry System. His position on 1.4.2017 was as follows.

Cash at Bank ₹ 4,000, Cash in Hand ₹ 3,000; Stock ₹ 8,000; Sundry Debtors ₹ 9,000; Plant & Machinery ₹ 10,000; Bills Receivable ₹ 3000; Creditors ₹ 1500; Bills Payable ₹ 2000.

On 31st March 2018, his position was as follows:

Cash at bank ₹ 6,400; Cash in Hand ₹ 1,800; Stock ₹ 10000; Sundry and Debtors ₹ 8,000; Plant & Machinery ₹ 10,000; Bills Payable ₹ 4,000; Bills Receivable ₹ 5,200; Creditors ₹ 2,000 During the year Suresh introduced further capital of ₹ 3,000 and his

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drawings were ₹ 700 per months. Depreciate Plant & Machinery by 5% and create a reserve for bad doubtful debts @ 5%.

Prepare:

1. Opening Statement of Affairs
2. Closing Statement of Affairs
3. Statement of Profit or Loss for the year ended 31.3.2018.

Solution:

In the books of Suresh

Opening and closing statement of Affairs as on _____

Liabilities	01.04.2017 (₹)	31.3.2018 (₹)	Assets	01.04.2017 (₹)	31.3.2018 (₹)
Creditors	1,500	2,000	Cash at Bank	4,000	6,400
Bills Payable	2,000	4,000	Cash in hand	3,000	1,800
Capital(Balancing figure)	33,500	35,400	Stock	8,000	10,000
			Sundry Debtors	9,000	8,000
			Plant and Machinery	10,000	10,000
			Bills Receivable	3,000	5,200
	37,000	41,400		37,000	41,400

Statement of Profit or Loss for the year ended 31st March 2018

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Particulars	Amt. (₹)	Amt. (₹)
Closing capital as on 31.03.2018		35,400
Add: Drawings during the year (₹700×12)		8,400
		43,800
Less : Additional capital introduced during the year		3,000
Adjusted closing capital		40,800
Less : Opening capital as on 1.04.2017		33,500
Profit before adjustments		7,300
Less: Expenses and losses during the year		
(1) Depreciation on plant and machinery @ 5%	500	
(2) R.D.D. @ 5% on debtors	400	900
Net profit earned during the year		6,400



Maharashtra Board Solutions

Class 11 Book Keeping and Accountancy

- Chapter 1- Introduction to Book Keeping and Accountancy
- Chapter 2- Meaning and Fundamentals of Double Entry Book-Keeping
- Chapter 3- Journal
- Chapter 4- Ledger
- Chapter 5- Subsidiary Books
- Chapter 6- Bank Reconciliation Statement
- Chapter 7- Depreciation
- Chapter 8- Rectification of Errors
- Chapter 9- Final Accounts of a Proprietary Concern
- Chapter 10- Single Entry System

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The Maharashtra State Board of Secondary and Higher Secondary Education or MSBSHSE (Marathi: महाराष्ट्र राज्य माध्यमिक आणि उच्च माध्यमिक शिक्षण मंडळ), is an **autonomous and statutory body established in 1965**. The board was amended in the year 1977 under the provisions of the Maharashtra Act No. 41 of 1965.

The Maharashtra State Board of Secondary & Higher Secondary Education (MSBSHSE), Pune is an independent body of the Maharashtra Government. There are more than 1.4 million students that appear in the examination every year. The Maha State Board conducts the board examination twice a year. This board conducts the examination for SSC and HSC.

The Maharashtra government established the Maharashtra State Bureau of Textbook Production and Curriculum Research, also commonly referred to as Ebalbharati, in 1967 to take up the responsibility of providing quality textbooks to students from all classes studying under the Maharashtra State Board. MSBHSE prepares and updates the curriculum to provide holistic development for students. It is designed to tackle the difficulty in understanding the concepts with simple language with simple illustrations. Every year around 10 lakh students are enrolled in schools that are affiliated with the Maharashtra State Board.

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FAQs

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How many state boards are there in Maharashtra?

The Maharashtra State Board of Secondary & Higher Secondary Education, conducts the HSC and SSC Examinations in the state of Maharashtra through its nine Divisional Boards located at Pune, Mumbai, Aurangabad, Nasik, Kolhapur, Amravati, Latur, Nagpur and Ratnagiri.

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