

Solutions to RAC-DS2/Set-2

1. (c) 3 : 1
2. (c) (A) is correct but (R) is incorrect.
3. (c) ₹ 4,800; ₹ 2,700; ₹ 2,100 respectively

OR

- (b) ₹ 5,600
4. (a) ₹ 20,000

OR

- (b) Sahil's Capital A/c will be debited by ₹ 6,000 and Ajay's Capital A/c will be credited by ₹ 6,000.
5. (d) Debit Profit and Loss Appropriation A/c and credit Partner's Capital A/c
 6. (c) Irredeemable Debentures

OR

- (c) Credited to Capital Reserve A/c
7. (b) Both (A) and (R) are correct but (R) is not the correct explanation of (A).
 8. (a) ₹ 15,000

OR

- (d) ₹ 3,000
9. (a) ₹ 1,70,000
 10. (c)

Z's Current A/c	Dr.	34,000
To X's Current A/c		17,000
To Y's Current A/c		17,000

11. (c) ₹ 3,000
12. (a) 120 days, allotment of shares
13. (c) Debit Debenture Suspense A/c ₹ 2,00,000 and Credit Debentures A/c ₹ 2,00,000
14. (a) ₹ 10,00,000
15. (d) Debit Revaluation A/c ₹ 35,000

OR

- (b) Reconstitution of Partnership Firm
16. (d) No journal entry

17.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	PandL Suspense A/c Dr. To X's Capital A/c (Being share of profit credited to X's capital A/c)		49,000	49,000

Working Notes:

Last year's adjusted profit = ₹ 3,25,000 – ₹ 60,000 + ₹ 15,000 = ₹ 2,80,000

X's share of profit till his death = ₹ 2,80,000 × $\frac{7}{12}$ × $\frac{3}{10}$ = ₹ 49,000

18.

In the books of Z Ltd.**Journal**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(a)	Bank A/c Dr. To Debenture Application and Allotment A/c (Being debenture application and allotment money received)		16,50,000	16,50,000
	Debenture Application and Allotment A/c Dr. To 9% Debentures A/c To Securities Premium A/c To Bank A/c (Being debentures issued)		16,50,000	10,00,000 1,00,000 5,50,000
(b)	Securities Premium A/c Dr. Statement of Profit and Loss Dr. To Loss on Issue of Debentures A/c (Being loss on issue of debentures written off first by securities premium then by statement of profit and loss)		1,60,000 40,000	2,00,000

OR**In the books of Mathew Ltd.****Journal**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(a)	Bank A/c Dr. To Debenture Application and Allotment A/c (Being application money received for 5,000 debentures of ₹ 100 each at a premium of 5%)		5,25,000	5,25,000
	Debenture Application and Allotment A/c Dr. Loss on Issue of Debentures A/c Dr. To 12% Debentures A/c To Securities Premium A/c To Premium on Redemption of Debentures A/c (Being 5,000; 12% Debentures of ₹ 100 each issued at 5% premium redeemable at 5% premium)		5,25,000 25,000	5,00,000 25,000 25,000

(b)	Underwriting Commission A/c To Underwriters' A/c (Being commission due to underwriters)	Dr.		48,000	48,000
	Underwriters' A/c Discount on Issue of Debentures A/c To Cash A/c To 12% Debentures A/c (Being cash paid and 400, 12% Debentures of ₹ 100 each issued at a discount of 10%)	Dr. Dr.		48,000 4,000	12,000 40,000

19.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Sona's Capital A/c To Bina's Capital A/c To Piya's Capital A/c (Being rectify entry passed for missing interest on drawings)	Dr.	1,620	1,260 360

Working Notes:

$$\text{Interest on Drawings of Piya} = ₹ 3,000 \times 12 \times \frac{6}{100} = ₹ 2,160$$

$$\text{Interest on Drawings of Bina} = ₹ 4,000 \times 12 \times \frac{6}{100} = ₹ 2,880$$

(As per annum suffix is not given, time period is ignored.)

Table of Adjustment

Particulars	Piya (₹)	Bina (₹)	Sona (₹)	Total (₹)
Amount to be debited for interest on drawings	(2,160)	—	(2,880)	(5,040)
Amount to be credited	2,520	1,260	1,260	5,040
	Cr. 360	Cr. 1,260	Dr. 1,620	—

OR

In the books of Anirudh And Yogesh

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i) (a)	Interest on Capital A/c To Anirudh's Current A/c To Yogesh's Current A/c (Being interest on capital allowed)	Dr.	25,000	15,000 10,000
(b)	Profit and Loss Appropriation A/c To Interest on Capital A/c (Being interest on capital transferred to Profit and Loss Appropriation A/c)	Dr.	25,000	25,000

(ii) (a)	Anirudh's Current A/c	Dr.	4,000	
	Yogesh's Current A/c	Dr.	5,000	
	To Interest on Drawings A/c (Being interest on drawings charged)			9,000
(b)	Interest on Drawings A/c	Dr.	9,000	
	To Profit and Loss Appropriation A/c (Being interest on drawings transferred to Profit and Loss Appropriation A/c)			9,000
(iii)	Profit and Loss Appropriation A/c	Dr.	20,000	
	To General Reserve A/c (Being a part of profit transferred to general reserve)			20,000

20. (a) Ratio of Profit to Sales = $\frac{\text{₹ } 1,60,000}{\text{₹ } 4,00,000} \times 100 = 40\%$

Profit up to the date of death = $\text{₹ } 75,000 \times \frac{40}{100} = \text{₹ } 30,000$

Shrenik's Share of Profit = $\text{₹ } 30,000 \times \frac{1}{6} = \text{₹ } 5,000$

Alternative:

Shrenik's Share of Profit = $\frac{\text{₹ } 1,60,000}{\text{₹ } 4,00,000} \times \text{₹ } 75,000 \times \frac{1}{6} = \text{₹ } 5,000$

(b) **Journal**

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
	Profit and Loss Suspense A/c	Dr.	5,000	
	To Shrenik's Current A/c (Being Shrenik's share in profit transferred to his current account)			5,000

21. **Balance Sheet of Commerce Hub Ltd.**

Particulars	Note No.	Amount (₹)
Shareholders' Funds		
Share Capital	1	28,70,000

Notes to Accounts:

Note No.	Particulars	Amount (₹)
1	Share Capital	
	Authorised Share Capital	
	4,50,000 Equity Shares of ₹ 10 each	45,00,000
	Issued Capital	
	3,70,000 Equity Shares of ₹ 10 each	37,00,000
	Subscribed Capital	
	Subscribed but not fully paid-up	
	3,59,000 Equity Shares of ₹ 10 each ₹ 8 called up	28,72,000
	(3,60,000 – 7,000 (Forfeited) + 6,000 (Reissued))	
	<i>Less:</i> Calls-in-Arrears (4,000 shares of Ravi @ ₹ 2)	(8,000)
<i>Add:</i> Share Forfeited (1,000 shares of Pranavi @ ₹ 6)	6,000	
		28,70,000

22.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(a)	Lalit's Capital A/c	Dr.	32,000	
	Bank / Cash A/c	Dr.	52,000	
	To Realisation A/c			84,000
	(Being part of stock taken over by Lalit and remaining sold at profit)			
(b)	Realisation A/c	Dr.	22,000	
	To Cash/Bank A/c			22,000
	(Being Pulkit's Sister's loan paid off)			
(c)	Lalit's Capital A/c	Dr.	12,000	
	Pulkit's Capital A/c	Dr.	8,000	
	To Realisation A/c			20,000
	(Being 100 shares taken by partners)			
(d)	Bank A/c	Dr.	76,000	
	To Realisation A/c			76,000
	(Being ₹ 76,000 received from debtor which was written off)			

23. **Dr.** **Revaluation Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery	4,000	By Building	10,000
To Profit distributed to:			
G	3,600		
D	2,400		
	6,000		
	10,000		10,000

Dr. **Partners' Capital Accounts** **Cr.**

Particulars	G (₹)	D (₹)	H (₹)	Particulars	G (₹)	D (₹)	H (₹)
To Cash A/c	19,200	16,800	—	By Balance b/d	96,000	68,000	—
To Balance c/d	1,08,000	72,000	60,000	By General Reserve A/c	9,600	6,400	—
				By Cash A/c	—	—	60,000
				By Premium for Goodwill A/c	18,000	12,000	—
				By Revaluation A/c	3,600	2,400	—
	1,27,200	88,800	60,000		1,27,200	88,800	60,000

Balance Sheet of G, D and H

as at April 1, 2023

Liabilities	Amount (₹)	Assets	Amount (₹)
Creditors	20,000	Building	1,00,000
Capitals:		Machinery	36,000
G	1,08,000	Cash	74,000
D	72,000	(20,000 + 60,000 + 30,000 – 19,200 – 16,800)	
H	60,000	Debtors	18,000
	2,40,000	Stock	20,000
		Furniture	12,000
	2,60,000		2,60,000

OR

Dr. **Revaluation Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Stock A/c	16,000	By Loss transferred to:	
To Claim for Workmen		Santa	33,600
Compensation A/c	40,000	Banta	22,400
	56,000		56,000

Dr.

Partners' Capital Accounts

Cr.

Particulars	Santa (₹)	Banta (₹)	Panta (₹)	Particulars	Santa (₹)	Banta (₹)	Panta (₹)
To Revaluation A/c (Loss)	33,600	22,400	–	By Balance b/d	1,60,000	1,40,000	–
To Balance c/d	1,93,400	1,75,600	–	By General Reserve A/c	27,000	18,000	–
				By Premium for Goodwill A/c	40,000	40,000	–
	2,27,000	1,98,000	–		2,27,000	1,98,000	–
To Balance c/d	1,93,400	1,75,600	92,250	By Balance b/d	1,93,400	1,75,600	–
				By Cash/Bank A/c	–	–	92,250
	1,93,400	1,75,600	92,250		1,93,400	1,75,600	92,250

Working Note:

$$\begin{aligned} \text{Amount brought by Panta} &= (\text{₹ } 1,93,400 + \text{₹ } 1,75,600) \times \frac{5}{4} \times \frac{1}{5} \\ &= \text{₹ } 3,69,000 \times \frac{5}{4} \times \frac{1}{5} = \text{₹ } 92,250 \end{aligned}$$

24.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/c To Equity Share Application A/c (Being application money received)	Dr.	10,80,000	10,80,000
(ii)	Equity Share Application A/c To Equity Share Capital A/c To Securities Premium A/c To Equity Share Allotment A/c To Bank A/c (Being application money transferred)	Dr.	10,80,000	8,00,000 1,60,000 60,000 60,000
(iii)	Equity Share Allotment A/c To Equity Share Capital A/c To Securities Premium A/c (Being allotment money due)	Dr.	4,80,000	3,20,000 1,60,000
(iv)	Bank A/c To Equity Share Allotment A/c (Being allotment money received)	Dr.	4,11,600	4,11,600

(v)	Equity Share First Call A/c	Dr.	6,40,000	
	To Equity Share Capital A/c			4,80,000
	To Securities Premium A/c			1,60,000
	(Being first call money due)			
(vi)	Bank A/c	Dr.	6,27,200	
	To Equity Share First Call A/c			6,27,200
	(Being first call money received)			
(vii)	Equity Share Capital A/c	Dr.	32,000	
	Securities Premium A/c	Dr.	6,400	
	To Equity Share Allotment A/c			8,400
	To Equity Share First Call A/c			12,800
	To Equity Share Forfeiture A/c			17,200
	(Being 200 shares forfeited)			
(viii)	Bank A/c	Dr.	43,000	
	To Equity Share Capital A/c			16,000
	To Securities Premium A/c			27,000
	(Being 1,600 shares reissued)			
(ix)	Equity Share Forfeiture A/c	Dr.	8,600	
	To Capital Reserve A/c			8,600
	(Being profit on reissue transferred to capital reserve)			

Working Notes:

$$\text{Shares Applied by Aditya} = \frac{1,70,000}{1,60,000} \times 3,200 = 3,400$$

Amount unpaid by Aditya on Allotment:

Particulars	Amount (₹)
Application money received (3,400 × ₹ 6)	20,400
Less: Transferred to Share Capital (3,200 × ₹ 6)	(19,200)
Excess money received on Application	1,200
Allotment money due	9,600
Less: Adjustment of excess money	(1,200)
Allotment amount unpaid by Aditya	8,400

OR

(a)

In the Books of Avon Ltd.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Share Capital A/c Dr.		7,000	
	To Share First Call A/c			2,000
	To Share Forfeiture A/c			5,000
	(Being 1,000 shares forfeited)			
(ii)	Bank A/c Dr.		2,400	
	Share Forfeiture A/c Dr.		1,800	
	To Share Capital A/c			4,200
	(Being 600 shares reissued @ ₹ 4 each)			
(iii)	Share Forfeiture A/c Dr.		1,200	
	To Capital Reserve A/c			1,200
	(Being profit on 600 reissued shares transferred to capital reserve)			

Working Note:

As Profit on 1,000 shares = ₹ 5,000

	(₹)
Therefore, profit on 600 shares $\left(\frac{5,000}{1,000} \times 600\right)$	3,000
Less: Loss on reissue	1,800
Transfer to Capital Reserve	1,200

(b)

In the Books of Bird Ltd.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Share Capital A/c Dr.		7,000	
	Securities Premium A/c Dr.		2,000	
	To Share Allotment A/c			4,000
	To Share First Call A/c			2,000
	To Share Forfeiture A/c			3,000
	(Being forfeiture of 1,000 shares)			
(ii)	Bank A/c Dr.		5,100	
	Share Forfeiture A/c Dr.		900	
	To Share Capital A/c			6,000
	(Being reissue of 600 shares @ ₹ 8.5 each)			

(iii)	Share Forfeiture A/c	Dr.		900	
	To Capital Reserve A/c				900
	(Being profit on 600 reissued shares transferred to capital reserve)				

Working Notes:

As Profit on 1,000 shares = ₹ 3,000

	(₹)
Therefore, profit on 600 shares $\left(\frac{3,000}{1,000} \times 600\right)$	1,800
Less: Transfer to Capital Reserve	900
Loss on Reissue	900

25. Dr. Revaluation Account Cr.

Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery	4,000	By Patents	4,000
To Profit distributed to:		By Buildings	20,000
P	10,000		
R	6,000		
S	4,000		
	20,000		
	24,000		24,000

Dr. S's Capital Account Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2023			2023		
Oct. 1	To S's Executor's A/c	55,500	Apr. 1	By Balance b/d	30,000
			Oct. 1	By Reserve A/c	4,000
			Oct. 1	By P's Capital A/c	7,500
			Oct. 1	By R's Capital A/c	4,500
			Oct. 1	By Revaluation A/c	4,000
			Oct. 1	By Profit and Loss	
				Suspense A/c	4,000
			Oct. 1	By Interest on Capital A/c	1,500
		55,500			55,500

Dr.			S's Executors' Account			Cr.		
Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)			
2023			2022					
Oct. 1	To Bank A/c	15,500	Oct. 1	By S's Capital A/c	55,500			
Oct. 1	To Bal c/d	40,000						
		55,500			55,500			

Working Notes:

$$\text{Average Profit} = \frac{(\text{₹ } 30,000 + \text{₹ } 26,000 + \text{₹ } 24,000 + \text{₹ } 30,000 + \text{₹ } 40,000)}{5} = \text{₹ } 30,000$$

$$\text{Goodwill} = \text{₹ } 30,000 \times 2 = \text{₹ } 60,000$$

$$\text{S's Share of Goodwill} = \text{₹ } 60,000 \times \frac{2}{10} = \text{₹ } 12,000$$

$$\text{S's Share of Profit for 6 months} = \text{₹ } 40,000 \times \frac{6}{12} \times \frac{2}{12} = \text{₹ } 4,000$$

$$\text{Interest on S's Capital} = \text{₹ } 30,000 \times \frac{10}{100} \times \frac{6}{12} = \text{₹ } 1,500$$

26. (a)

In the books of Dravid Ltd.

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Bank A/c Dr. To Debenture Application and Allotment A/c (Being application amount received on 3,600 debentures)		3,38,400	3,38,400
(ii)	Debenture Application and Allotment A/c Dr. Discount on Issue of Debentures A/c Dr. To 11% Debentures A/c To Bank A/c (Being application money adjusted)		3,38,400 18,000	3,00,000 56,400

(b) Dr.

Loss on Issue of 12% Debentures Account

Cr.

Date	Particulars	Amount (₹)	Date	Particulars	Amount (₹)
2023			2024		
Apr. 1	To Premium on Redemption of Debentures A/c	42,000	Mar. 31	By Statement of Profit and Loss	42,000
		42,000			42,000

(c)

Journal

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Sundry Assets A/c Dr. To Sundry Liabilities A/c To XYZ Ltd. To Capital Reserve A/c (Being purchase of business from XYZ Ltd.)		1,60,000	15,000 1,35,000 10,000
(ii)	XYZ Ltd. Dr. Loss on Issue of Debentures A/c Dr. To 10% Debentures A/c To Premium on Redemption of Debentures A/c (Being 1,500 10% debentures of ₹ 10 each issued)		1,35,000 22,500	1,50,000 7,500

27. (b) External Analysis

OR

(a) Intra-firm Analysis

28. (a) 75%

29. (c) Statement I is correct and Statement II is incorrect.

OR

(c) A-(ii), B-(iv), C-(i), D-(iii)

30. (d) (ii) and (iii)

31.

Sr. No.	Items	Major Head	Sub-Head
(i)	Provision for Tax	Current Liabilities	Short-term Provision
(ii)	Live Stock	Non-current Assets	Property, Plant and Equipment and Intangible Assets (Property, Plant and Equipment)
(iii)	Capital Advances	Non-current Assets	Long-term Loans and Advances
(iv)	Commission received in Advance	Current Liabilities	Other Current Liabilities
(v)	Advance recoverable in cash within the operating cycle	Current Assets	Short-term Loans and Advances
(vi)	Outstanding Rent	Current Liabilities	Other Current Liabilities

32. (a)

$$\text{Current Ratio} = 3.5 : 1$$

$$\text{Quick Ratio} = 2 : 1$$

$$\text{Let Current Liabilities} = x, \text{ Current Assets} = 3.5x \text{ and Quick Assets} = 2x$$

$$\text{Inventory} = \text{Current Assets} - \text{Quick Assets}$$

$$₹ 24,000 = 3.5x - 2x$$

$$\text{₹ } 24,000 = 1.5x$$

$$x = \text{₹ } 16,000$$

∴ Current Liabilities = ₹ 16,000

and Current Assets = $3.5x = 3.5 \times \text{₹ } 16,000 = \text{₹ } 56,000$

(b) Revenue from Operations = ₹ 4,00,000

Gross Loss = 10% of ₹ 4,00,000 = ₹ 40,000

Cost of Revenue from Operations = Revenue from Operations + Gross Loss

= ₹ 4,00,000 + ₹ 40,000

= ₹ 4,40,000

Inventory Turnover Ratio = Cost of Goods Sold / Average Inventory

= ₹ 4,40,000 / ₹ 55,000

= 8 times

33.

Comparative Statement of Profit and Loss

for the year ended 31st March 2022 and 2023

Particulars (A)	2021-22 (₹)	2022-23 (₹)	Absolute Change (₹)	% Change
	A	B	C = B - A	D = C/A × 100
I. Revenue from Operations	2,00,000	3,00,000	1,00,000	50
II. Expenses:				
(a) Cost of Revenue from Operations	1,20,000	2,10,000	90,000	75
(b) Employee Benefit Expenses	4,000	7,000	3,000	75
Total Expenses	1,24,000	2,17,000	93,000	75
III. Profit before Tax (I - II)	76,000	83,000	7,000	9.21
IV. Tax @ 30%	22,800	24,900	2,100	9.21
V. Profit after Tax (III - IV)	53,200	58,100	4,900	9.21

Note: Purchase of Stock-in-Trade is a part of Cost of Revenue from Operations.

OR
Common-Size Statement of Profit and Loss
for the year ended 2022 and 2023

Particulars	Absolute Amounts		Percentage of Revenue from	
	(₹)		Operations Total (%)	
	2021-22 (₹)	2022-23 (₹)	2021-22	2022-23
I. Revenue from Operations	2,60,000	2,00,000	100	100
II. Expenses				
(a) Cost of Material consumed	1,68,000	1,60,000	64.6	80
(b) Other Expenses	18,000	24,000	6.92	12
Total Expenses	1,86,000	1,84,000	71.54	92
III. Profit before Tax (I-II)	74,000	16,000	28.46	8
Income Tax @ 50%	37,000	8,000	14.23	4
IV. Profit after Tax (III-IV)	37,000	8,000	14.23	4

34.

Cash Flow Statement

for the year ended 31st March 2023

Particulars	Amount (₹)	Amount (₹)
I. Cash Flow From Operating Activities		
Net Profit before Tax and Extraordinary Items		1,63,000
<i>Add:</i> Non-Cash and Non-operating Expenses:		
Depreciation	90,000	
Loss on Sale of Machine	8,000	98,000
Operating Profit before working capital changes		2,61,000
<i>Add:</i> Decrease in Current Assets and Increase in Current Liabilities		
Inventories		22,000
		2,83,000
<i>Less:</i> Increase in Current Assets and Decrease in Current Liabilities		
Trade Receivables	(3,000)	
Trade Payables	(68,000)	(71,000)
Cash generated from Operating Activities		2,12,000
<i>Less:</i> Income Tax paid		(16,000)
Cash Flow from Operating Activities		1,96,000

II. Cash Flow From Investing Activities		
Sale of Machinery		2,000
Purchase of Machinery		(3,50,000)
Purchase of Patents		(20,000)
Cash used in Investing Activities		(3,68,000)
III. Cash Flow From Financing Activities		
Proceeds from issue of Share Capital		1,00,000
Proceeds from Long-term Borrowings		75,000
Increase in Bank Overdraft		2,000
Cash flow from Financing Activities		1,77,000
IV. Net Increase In Cash and Cash Equivalents (I + II + III)		5,000
V. Cash and Cash Equivalent In The Beginning of The Year		
Current Investments	5,000	
Cash and Cash Equivalents	12,000	17,000
VI. Cash and Cash Equivalent at the end of the year		
Current Investments	8,000	
Cash and Cash Equivalents	14,000	22,000

Working Notes:

	(₹)
Surplus (Balance in the Statement of Profit and Loss (closing))	2,50,000
<i>Less:</i> Surplus (Balance in the Statement of Profit and Loss (beginning))	1,10,000
Net Profit	<u>1,40,000</u>
<i>Add:</i> Provision for Tax	<u>23,000</u>
Net Profit before Tax and Extraordinary Items	<u>1,63,000</u>

Dr.		Machinery Account		Cr.	
Particulars	Amount (₹)	Particulars	Amount (₹)		
To Balance b/d	17,00,000	By Bank A/c (Sale)	2,000		
To Bank A/c (purchase)	3,50,000	By Statement of Profit and Loss (Loss)	8,000		
		By Depreciation A/c	40,000		
		By Balance c/d	20,00,000		
	<u>20,50,000</u>		<u>20,50,000</u>		

Dr. **Accumulated Depreciation Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Machinery A/c	40,000	By Balance b/d	90,000
To Balance c/d	1,40,000	By Statement of Profit and Loss	90,000
	1,80,000		1,80,000

Dr. **Provision for Tax Account** **Cr.**

Particulars	Amount (₹)	Particulars	Amount (₹)
To Bank A/c (Tax Paid)	16,000	By Balance b/d	11,000
To Balance c/d	18,000	By Statement of Profit and Loss	23,000
	34,000		34,000