

**National Institute of Open Schooling (NIOS)
Senior Secondary
Worksheet-17**

L-17 FINANCIAL STATEMENTS: I

1. Mr. Saurabh is a businessman and his firm deals with a large number of transactions businesses. He wants to prepare the trading account in order to determine their gross profit/loss. Suggest him the steps to be followed while preparing a Trading Account.
2. “Balance sheet is a statement which shows the financial position of a business organisation on a particular date which is generally the last date of the accounting period” Explain this statement while elaborating the needs of preparing a balance sheet.
3. Deepak is a bit confused between the wasting Assets and Fictitious Assets. Explain to him the difference between the two with the help of an example.
4. Saurabh could not understand the classifications of liabilities. Explain to him the different types of liabilities with the help of suitable examples.
5. From the following information of M/s Krishna & Sons. for the year ending 31st March, 2020. Prepare Trading A/c and Profit and Loss A/c for the year ended 31st March, 2020.

Stock 1.4.2019 6,800	Sales 92,000
Purchases - cash 32,000	Return Inward 1,000
Purchases - credit 20,000	Interest on Investment 1,600
Freight Inward 1,500	Discount Received 2,100
Wages 5,500	Closing stock (31.3.2020) 7,700
Carriage on Sales 700	
Telephone Charges 1,700	
Electricity Expenses 1,650	
Office Rent Paid 6,000	
Salaries 10,000	
Depreciation 1,600	

6. Mr Akshit wants to prepare the profit and loss account. Suggest him the various steps that he needs to follow for the preparation of the profit and loss account.
7. Liquidity means convertibility of assets into cash. In the light of this statement explain the concept of liquidity order in the context of preparation of balance sheet. Also, prepare the specimen of the balance sheet prepared in order of liquidity.

8. From the following balances extracted from the books of Gurmeet on 31st March, 2021, prepare his Trading and Profit and Loss Accounts and Balance Sheet :

Trial Balance

Opening Stock	10,600	Repairs to Plant	260
Wages and Salaries	2,200	Cash in Hand and at Bank	200
Commission on Purchases	200	Debtors	4,000
Freight	600	Income-Tax	550
Purchases less	15,650	Returns Drawings	550
Sales less Returns	34,500	Capital	7,000
Trade Expenses	200	Bills Payable	800
Bills Receivable	600	Loan	1000
Rent	200	Discount on Purchases	600
Plant	3,000	Creditors	5,330
Bad Debts	300		

Information: Stock at the end was Rs. 2,500.

9. How do we list the assets in 'permanency order' in a Balance Sheet?

10. Discuss the classification of assets along with the example of each type of assets.