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Subject:-Specialised Accounting

Chapter

Prior and Post to Incorporation



**Online Classes are
available**

Problem 11

Maruti Private Ltd. was incorporated on July 1, 2012, to take over the running business of Mr. William with effect from April, 2012. The following Profit and Loss Account for the year ended 31st March, 2013 was drawn up :

Particulars	Note No.	₹
I. Revenue from Operations :	1	1,19,000
Other Income	2	500
II. Total Revenue		1,19,500
III. Expenses :		
Employee Benefits Expenses	3	28,000
Depreciation		2,800
Other Expenses	4	30,660
		61,460
IV. Net Profit (II – III)		58,040

Notes to Accounts :

Particulars	₹
1. Revenue from Operations :	1,19,000
Gross Profit	
2. Other Income :	500
Bad-debt Realised	
3. Employee Benefits Expenses :	28,000
Salaries	
4. Other Expenses :	5,250
Commission	10,500
Advertisement	9,000
Managing Director's Remuneration	600
Insurance	700
Preliminary Expenses	3,010
Rent and Taxes	350
Discount	1,250
Bad Debts	30,660

The following details are available :

- The average monthly turnover from July 2012, onwards was double than that of the previous months.
- Rent for the first three months was paid @ ₹ 200 p.m. and thereafter at a rate increased by ₹ 50 p.m.

