

**8210561032**

**SUB-MANAGEMENT ACCOUNTING  
CLASS-B.COM PART-3**

**Chapter**

**Fund Flow Statement**



### Problem 3

A machine costing ₹ 30,000 (accumulated depreciation ₹ 18,000) is sold for ₹ 7,500. Opening and closing balances of machines are ₹ 7,35,000 and ₹ 7,95,000 respectively. Opening and closing balance of provision for depreciation are ₹ 1,95,000 and ₹ 2,55,000 respectively.

Find out the purchases of assets.

### Solution

Dr. **1. Provision for Depreciation on Machine Account** Cr.

Particulars	₹	Particulars	₹
To Machinery A/c		By Balance b/d	1,95,000
(Dep. on Machinery sold)	18,000	By Adjusted P/L A/c (Bal. Fig.)	78,000
Balance c/d	2,55,000		
₹	2,73,000	₹	2,73,000

Dr. **2. Machinery Account** Cr.

Particulars	₹	Particulars	₹
To Balance b/d (Gross)	7,35,000	By Provision for Dep. A/c (on sold)	18,000
To Cash Purchases (Bal. Fig.)	90,000	By Cash (Sold)	7,500
		By Adjusted P/L A/c (Loss on sold)	4,500
		By Balance c/d (Gross)	7,95,000
₹	8,25,000	₹	8,25,000