

Differences between capital expenditure and deferred revenue expenditure

Basis	Capital Expenditure	Deferred revenue expenditure
Nature	It is the nature of fixed assets.	It is the nature of fictitious assets.
Benefit	It gives benefit over a number of years.	It gives benefit for one or few years.
Earning	It helps in increasing earning capacity of the business.	It helps in maintaining earning capacity of the business.
Conversion into Cash	It can be converted into cash as per the requirement.	It cannot be converted into cash.
Depreciation	Depreciation is charged on capital expenditure.	Such expenditure is spread over a period.

CHAPTER-19

SINGLE ENTRY SYSTEM

(Numericals)

Home Work Problems

MW-1

Opening Statement of affairs as on 1st Baisakh, 2077

Liabilities	Amount	Assets	Amount
Bills payable	12,000	Plant and machinery	120,000
Bank loan	20,000	Cash in hand	15,000
Opening capital	124,000	Accounts receivable	11,000
		Stock	20,000
	166,000		166,000

HW-2

Closing Statement of affairs

As on 31st Chaitra 2076

Liabilities	Amount	Assets	Amount
Creditors	12,000	Fixed assets	60,000
Notes payable	35,000	Cash	15,000
Closing Capital	41,000	Goodwill	13,000
	88,000		88,000

HW-3

Opening Statement of affairs

As on 1st Baisakh, 2076

Liabilities	Amount	Assets	Amount
Accounts payable	28,000	Cash at bank	45,000
Salary payable	22,000	Business premises	130,000
Opening Capital	155,000	Stock in trade	80,000
	205,000		205,000

Closing Statement of affairs

As on 31st Chaitra, 2076

Liabilities	Amount	Assets	Amount
Account payable	0	Cash at bank	20,000
Salary payable	25,000	Business premises	180,000
Closing Capital	290,000	Stock in trade	55,000
		Account receivable	50,000
	315,000		315,000

HW-4

Closing Statement of Affairs

As on 31st December,

Liabilities	Amount	Assets	Amount
Creditors	10,000	Premises	50,000
Rent payable	5,000	Bills receivable	15,000
Closing capital	145,500	Less: Bad debt (500)	
		Stock	15,000
		Plant and machinery	43,600
		Less: depreciation (1,000)	
		Bank debt	25,000
		Less: Bad debt (500)	
		Cash	20,000
	160,500		160,500

HW-5

Closing Statement of Affairs

As on 31st December, 2019

Particulars Liabilities	Amount	Assets	Amount
Notes payable	50,000	Book debt 50,000	15,000
Closing capital	269,000	Less: Depreciation bad debt 2000	
		Investment	44,000
		Add: Interest	
		Land and building	192,000
		Add: Appreciation (2,000)	
		Plant and machinery	10,000
		Less: Appreciation (4,000)	
		Cash and bank	44,000
		Furniture & fixture	10,000
	319,000		319,000

HW-6

Statement of Profit & Loss

Particulars	Amount	Amount
Closing Capital	38,000	
Add: Drawing	4,000	
Less: Additional capital	(6,000)	
Adjusted Capital		36,000
Less: Opening capital		(20,000)
Net Profit		16,000

HW-7

Statement of Profit and Loss

Particulars	Amount	Amount
Closing Capital	140,500	
Add: drawing	17,500 7,500	
Less: Additional capital	(60,000)	
Adjusted Capital		88,000 90,000
Less: Opening Capital		(100,000)
Net Loss		2,000

HW-8

Statement of Profit and Loss

Particulars	Amount	Amount
Closing Capital	250,000	
Add: drawing	18,000	
Less: Additional capital	(50,000)	
Adjusted Capital		218,000
Less: Opening Capital		(140,000)
Add: Gain on sale of old computer		5,000
Less: Salary due		(5,000)
Less: Bad debt		(3,000)
Net Profit		75,000

11W-9

Closing Statement of Affairs

As on 31st December, 2019

Liabilities	Amount	Assets	Amount
Bank loan	30,000	Prepaid Rent ^{40,000} _{Less: Expired 5,000}	35,000
Bills Payable	20,000	Cash	60,000
Closing Capital	294,000	Book debts	30,000
		Vehicle ^{40,000} _{Less: Depreciation (6,000)}	34,000
		Land and building	140,000 110
		Machinery ^{50,000} _{Less: Depreciation (5,000)}	45,000
	344,000		344,000

Statement of Profit and Loss

Particulars	Amount	Amount
Closing capital	294,000	
Add: drawing	40,000	
Less: Additional capital	(20,000)	
Adjusted Capital		314,000
Less: Opening Capital		(200,000)
Net Profit		114,000

HW-10

Closing Statement of Affairs

As on 31st December

Liabilities	Amount	Assets	Amount
Loan	20,000	Cash	4,000
Closing Capital	99,250	Land	40,000
		Debtors 26,000	25,000
		Less: Bad debt (1,000)	
		Plant and machinery 22,250	29,250
		Less: Depreciation (3,000)	
		Stock in trade	12,000
		Furniture 10,000	9,000
		Less: Depreciation (1,000)	
	119,250		119,250

Statement of Profit and Loss

Particulars	Amount	Amount
Closing Capital	99,250	
Add: Drawing	12,000	
Less: Adj. Additional Capital	(20,000)	
Adjusted Capital		91,250
Less: Opening Capital		(60,000)
Net Profit		31,250

HW-11

Opening Closing Statement of Affairs

As on 1st Baisakh, 2076

Liabilities	Amount	Liabilities Assets	Amount
Bank overdraft	3,000	Plant & Machinery	14,000
Opening Capital	109,000	Closing stock	5,000
		Debtors	42,000
	112,000		112,000

Closing Statement of Affairs

As on 31st Chaitra, 2076

Liabilities	Amount	Assets	Amount
Bank overdraft	10,000	Plant & Machinery	25,000
Closing Capital	162,600	Closing stock	61,000
		Debtors 68,000 Less: Bad debt (3,400)	64,600
		Government bond 20,000 Add: Interest 2,000	22,000
	172,600		172,600

Statement of Profit and Loss

Particulars	Amount	Amount
Closing Capital	162,600	
Add: Drawing	12,000	
Less: Additional Capital	(10,000)	
Adjusted Capital		164,600
Less: Opening Capital		(109,000)
Net Profit		55,600