

## VERTICAL REVENUE STATEMENT AND VERTICAL BALANCE SHEET

**Q.1 The accountant of a company submits the following financial statements for 2011.  
Trading and Profit & Loss A/c for the Year Ended 31<sup>st</sup> December 2011**

Particulars	Rs.	Particulars	Rs.
To Opening Stock	35,000	By Sales	8,30,000
To Purchase	7,50,000	By Closing Stock	80,000
To Gross Profit	1,25,000		
	<b>9,10,000</b>		<b>9,10,000</b>
To Depreciation	18,000	By Gross Profit	1,25,000
To Other Expenses	37,000	By Interest	5,000
To Tax Provision	20,000		
To Proposed Dividend	8,000		
To Net Profit	47,000		
	<b>1,30,000</b>		<b>1,30,000</b>

**Rearrange the above in vertical form.**

**Q.2 From the following Profit & Loss A/c of Dam Ltd, Prepare a Vertical Revenue Statm.**

**Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2008**

Particulars	Rs.	Particulars	Rs.
To Opening Stock	4,00,000	By Sales	20,00,000
To Purchases	12,00,000	By Closing Stock	6,00,000
To Wages	2,50,000		
To Factory Overheads	2,50,000		
To Gross Profit c/d	5,00,000		
	<b>26,00,000</b>		<b>26,00,000</b>
To Administrative Exp	75,000	By Gross Profit b/d	5,00,000
To Selling & Distribution Exp	50,000	By Dividend	30,000
To Depreciation	65,000		
To Interest on Debentures	20,000		
To Net Profit c/f	3,20,000		
	<b>5,30,000</b>		<b>5,30,000</b>
To Preference Dividend	15,000	By Balance b/d	2,00,000
To Provision for Tax	1,05,000	By Net Profit b/d	3,20,000
To Surplus to balance Sheet	4,00,000		
	<b>5,20,000</b>		<b>5,20,000</b>

**Q.3 Profit & Loss A/c of KK Ltd. For the Year ended 31<sup>st</sup> March, 2010.**

Particulars	Rs.	Particulars	Rs.
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To Opening Stock	76,250	By Sales	
To Purchases	3,15,250	5,10,000	5,00,000
To Wages	7,000	Less: Returns	98,500
To Staff Salaries	20,000	<u>10,000</u>	
To Sales Salaries	15,300	By Closing Stock	1,500
To Interest	1,200	By Interest on Debentures	6,100
To Office rent	2,700	By Dividend on Shares	3,900
To Printing & Stationery	2,500	By Profit on sale of shares	
To Carriage outward	4,700		
To Discount	2,400		
To Depreciation	9,300		
To Insurance	1,000		
To Motor Bill	350		
To Salesmen's Travelling Expense	2,000		
	3,400		
To Baddebts	750		
To Telephone exp.	2,000		
To Legal Charges	4,400		
To Directors fees	48,000		
To Income Tax	3,500		
To Loss on sale of Bonds			
To Provision for Claim for damages	4,000		
To Net Profit	84,000		
	<b>6,10,000</b>		<b>6,10,000</b>

Convert the above P&L in to Vertical form for analysis.

**Q.4 Following is the Balance sheet of ABC Ltd as on 31<sup>st</sup> March, 2009**

Liabilities	Rs.	Assets	Rs.
Share Capital	3,00,000	Goodwill	40,000
Share Premium	10,000	Land	1,60,000
General Reserve	1,20,000	Plant	88,000
Profit & Loss A/c	34,000	Furniture	6,000
11% Debentures	1,00,000	Trade Investment	1,60,000
Bank Loan	70,000	Accounts receivable	1,40,000
Bank Overdraft	40,000	Inventories	1,20,000
Sundry Creditors	1,20,000	Prepaid expenses	10,000
Provision for taxation	20,000	Cash at Bank	80,000
		Preliminary Expenses	10,000
	<b>8,14,000</b>		<b>8,14,000</b>

**Prepare the above Balance sheet in to Vertical form for showing the following:**

- i) Fixed Assets      ii) Intangible Assets      iii) Quick Assets      iv) Working Capital

**Q.5 Given Below is the balance Sheet of SHG Ltd. Rearrange in Vertical Form.**

**Balance Sheet as on 31<sup>st</sup> March, 2011**

Liabilities	Rs.	Assets	Rs.
Share Capital	10,00,000	Patents	3,75,000
Capital Reserve	1,500	Vehicles	1,29,000
General Reserve	1,20,410	Computers	1,50,000
Leasehold Redemption fund	42,500	Plant	2,34,395
Profit & Loss A/c	18,777	Fixtures	8,575
5% Bonds	1,57,500	3% Govt. promissory notes	71,400
Sundry Creditors	73,900	Debtors	2,03,942
Proposed Dividend	75,000	Cash & bank	1,20,230
Provision for Taxation	25,000	Stock	1,96,770
		Preliminary expenses	1,550
		Advance tax	23,725
	<b>15,14,587</b>		<b>15,14,587</b>

**Q.6 Balance Sheet of NM Ltd. As on 31<sup>st</sup> March, 2011.**

Liabilities	Rs.	Assets	Rs.
Share Capital	6,50,000	Patent Rights	30,000
Capital Reserve	2,500	Land	1,34,000
General reserve	1,20,410	Building	1,50,000
Leasehold Redemption fund	42,500	Plant	2,34,395
P & L A/c	33,777	Computers	13,575

5 % Debentures	1,57,500	3% G.P. Notes investment	71,400
Sundry Creditors	73,900	Inventory	1,96,770
Proposed Dividend	75,000	Debtors	2,03,942
Short Term Loans	25,000	Bank Balance	1,21,280
		Advance Tax	23,675
		Miscellaneous Expense.	1,550
	<b>11,80,587</b>		<b>11,80,587</b>

**Rearrange the above balance sheet in a form suitable for analysis and give the following:**

- (i) Current assets      ii) Quick Assets      iii) Proprietary Ratio      iv) Working Capital
- v) Debt-Equity ratio

**Q.7 Following is the Balance Sheet of Preksha Ltd. as on 31<sup>st</sup> March, 2011.**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
Share Capital	1,50,000	Goodwill	20,000
Securities Premium Account	8,000	Machinery	80,000
General reserve	60,000	Premises (at cost less depreciation)	44,000
Capital Reserve	17,000	Furniture(at cost less depreciation)	6,000
6% Govt. Loan	50,000	Govt. Bonds	80,000
Bank Loan (long term)	35,000	Debtors	70,000
Bank Overdraft	1,10,000	Stock	60,000
Sundry Creditors	60,000	Cash at Bank	40,000
Provision for Taxation	10,000	Prepaid Expenses	95,000
			5,000

	<b>5,00,000</b>	Preliminary Expenses	<b>5,00,000</b>
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**Convert the above Balance sheet in to Vertical form and find:**

- i) Current Assets      ii) Shareholders fund      iii) Net Worth      iv) Working Capital

**Q.8 The following is the Balance Sheet of Gold Ltd. As at 31.3.2006**

You are required to prepare vertical balance sheet to show the following separately:

- (i) Total Funds Employed      (ii) Proprietor's Fund (iii) Equity Shareholder's funds;  
 (iv) Current Assets      (v) Current Liabilities (vi) Working Capital (vii) Liquid Assets  
 (viii) Quick Liabilities      (ix) Fictitious Assets (x) Non-quick current assets

Liabilities	Rs.	Assets	Rs.
Preference Share Capital	36,000	Land	25,000
Ordinary Share Capital	87,000	Plant & Machinery	3,01,000
Securities Premium	40,000	Vehicles	58,000
General Reserve	40,000	Investment (pension fund)	3,000
Profit & Loss A/c	20,000	Debtors	21,000
Depreciation Reserve:		Stock	42,000
Plant & Machinery	1,82,000	Bills Receivable	26,000
Vehicles	24,000	Prepaid Expenses	2,000
Long term loans	6,000	Bank	7,000
Bank Overdraft	10,000	Cash	1,000
Creditors	15,000	Preliminary Expenses	9,000
Unpaid Taxes	38,000	Capital WIP	10,000
Dividends (unclaimed)	4,000		
Pension fund	3,000		
	<b>5,05,000</b>		<b>5,05,000</b>

Q.9) Manufacturing, Trading and Profit & Loss A/c of B Ltd for the year ended 31<sup>st</sup> March, 2011

Particulars	Rs.	Particulars	Rs.
<b>To Opening Stock:</b>		By Closing Stock:	
Raw Materials 50,000	75,000	Raw Materials 2,000	20,000
Work in progress <u>25,000</u>	70,000	Work in progress <u>18,000</u>	2,00,000
To Purchase of Raw Material	40,000	By Cost of Production c/d	
To Wages	20,000	(Balancing figure)	
To Carriage	10,000		
To Stores Consumed	5,000		
To Haulage	<b>2,20,000</b>		<b>2,20,000</b>
	2,00,000		
To Cost of Production b/d	40,000	By Sales 6,00,000	5,30,000
To Opening Stock of Finished goods		Less: Returns <u>70,000</u>	29,000
To Purchases of:		By Closing Stock	
Finished goods 1,50,000	1,20,000	(Finished goods)	
Less: Returns <u>30,000</u>	1,99,000		
	<b>5,59,000</b>		<b>5,59,000</b>
To Gross Profit c/d	21,000		1,99,000
	14,000		5,000
To Salaries	5,000	By Gross Profit b/f	18,000
To Rent & rates	1,000	By Interest on Investment	
To Printing	2,000	By Profit on Sale of Fixed Assets	
To Postage & Telegram	4,500		
To Selling Expenses	6,000		

To Insurance	7,000		
To Interest on Overdraft	19,000		
To Bank Charges	12,000		
To Advertisement	6,000		
To Interest on Bonds	8,000		
To Provision for Doubtful Debts			
To Loss by fire			
<b>To Depreciation on:</b>			
Fixtures	47,000		
5,000	20,000		
Factory Equipments	49,500		
12,000			
Vehicle	<b>2,22,000</b>		
<u>30,000</u>	37,500		16,777
To Provision for Taxation	10,000		49,500
To Net Profit after Tax c/d	18,777		
		By Balance b/d	
To Dividends	<b>66,277</b>	By Net Profit b/d	<b>66,277</b>
To General reserve			
To Balance c/f			

**Balance Sheet as on 31<sup>st</sup> March 2011**

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
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Share Capital	10,00,000	Patents	3,75,000
Capital Reserve	1,500	Vehicles	1,29,000
General Reserve	1,20,410	Computers	1,50,000
Leasehold Redemption fund	42,500	Plant	2,34,395
Profit & Loss A/c	18,777	Fixtures	8,575
5% Bonds	1,57,500	3% Govt. Promissory Notes	71,400
Sundry Creditors	73,900	Debtors	2,03,942
Proposed dividend	75,000	Cash & Bank	1,20,230
Provision for Taxation	25,000	Stock	1,96,770
		Preliminary Expenses	1,550
		Advance Tax	23,725
	15,14,587		15,14,587

**Convert it in to Vertical Form.**

Q.10 Trial Balance as on 31<sup>st</sup> March, 2003 is furnished to you of M/s Pandey Ltd.

Particulars	Debit (Rs.)	Credit (Rs.)



Debtors Account	5,00,000	20,000
Creditors Account	12,000	4,80,000
Cash & Bank Balance	38,000	-
Building & Provision for Depreciation	1,20,000	40,000
Machinery & Provision for Depreciation	6,00,000	2,80,000
Vehicles & Provision for Depreciation	50,000	30,000
Stock of Finished goods (on 1-4-2002)	30,000	-
Cost of Production	20,92,500	-
Sales	-	25,00,000
Office Expenses	20,000	-
Selling & Distribution Expenses	3,10,000	-
Prepaid & Outstanding Expenses	8,000	15,000
Advance Tax Paid	1,50,000	-
Provision for Income Tax (on 1-4-2002)	-	1,40,000
Investments (at cost)	8,40,000	
Profit on Sale of Investments	-	15,000
Dividend Received	-	30,000
Interim Dividend	50,000	-
Equity Share Capital (Rs. 10 each)	-	8,00,000
Reserve on 1-4-2002	-	5,00,000
Profit & Loss A/c on 1-4-2002	-	63,000
Closing stock of Material & Work-in-progress	92,500	-
	49,13,000	49,13,000

On 31<sup>st</sup> March, 2003 stock of finished goods was Rs. 50,000. Provide for Income Tax at 30% of Profits and proposed dividend at Re. One per share.

Prepare Final Accounts in Suitable form for Analysis.

Q.11 From the following Trial Balance of Jyoti Ltd. As on 31<sup>st</sup> March, 2006 prepare vertical Revenue statement for the year ended 31<sup>st</sup> March, 2006 and vertical Balance Sheet as on that date after making the necessary adjustments.

<b>Particulars</b>	<b>Debit (Rs.)</b>	<b>Credit (Rs.)</b>
Equity Share Capital		11,00,000
Plant & Machinery	12,00,000	
Sales		37,00,000
Purchases	17,00,000	
Sundry Debtors	9,00,000	
Sundry Creditors		8,50,000
Wages	3,50,000	
Opening Stock	1,20,000	
Salaries	1,80,000	
Advertisement	75,000	
Telephone Charges	35,000	
Furniture	2,00,000	
Investment (Long Term)	5,00,000	
Interest received		40,000
Loss on sale of Furniture	20,000	
Commission	60,000	
Profit & Loss A/c		1,20,000
Interim Dividend	50,000	
General Reserve		1,00,000
Cash at bank	3,20,000	
Bills Receivable	2,00,000	
	59,10,000	59,10,000

Adjustments:

- (i) Stock on 31<sup>st</sup> March, 2006 was valued at Rs. 3,00,000
- (ii) Make Provision of Rs. 3,00,000 for Income tax
- (iii) Depreciate Plant & Machinery @20% and Furniture @10%.