



**INDIAN SCHOOL DARSAIT**  
**DEPARTMENT OF COMMERCE**



Sub.: Accountancy	DEPRECIATION	Date of Worksheet:17/10/2017
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Class and Div. XI C & D		Roll Number:

**I. STRAIGHT LINE METHOD**

1. On 1<sup>st</sup> April 2002, Anuj Limited purchased Machinery worth Rs.4,00,000. Additions are made on 1<sup>st</sup> July 2002 and 1<sup>st</sup> Jan. 2003 respectively Rs.2,00,000 and Rs.1,00,000. On 31<sup>st</sup> March 2004, company sold the first Machinery purchased on 1<sup>st</sup> April 2002 for Rs.1,20,000 and installed another Machinery on the same day at a cost of Rs.3,00,000. The company provided depreciation @10% p.a under Straight-line method and accounts were closed on 31<sup>st</sup> December every year. Prepare necessary ledger accounts for the first four years When depreciation is credited to provision for depreciation account.
2. On 1<sup>st</sup> July 2003, Babu Limited purchased Plant and Machinery worth Rs.1,00,000. Additions are made on 1<sup>st</sup> April 2004 and 1<sup>st</sup> October 2004 respectively Rs.80,000 and Rs.30,000. On 30<sup>th</sup> June 2005, company sold Part of the first Machinery Costing Rs.40,000 purchased on 1<sup>st</sup> July 2003 for Rs.17,000 and Installed another Machinery on the same day at a cost of Rs.60,000. On 31<sup>st</sup> March 2006, company sold the second Machinery purchased on 1<sup>st</sup> April 2004 at a loss of Rs. 10,000. The company provided depreciation @10% p.a under Straight line method and accounts were closed on 31<sup>st</sup> December every year. Prepare necessary ledger accounts for the first four years When Depreciation is credited to Provision for depreciation account.
3. On 1<sup>st</sup> October 2003, Deena Limited purchased Plant and Machinery worth Rs.1,50,000. Additions are made on 1<sup>st</sup> Jan 2004, 1<sup>st</sup> April 2004 and 1<sup>st</sup> October 2004 respectively Rs.1,00,000, 80,000 and Rs.50,000. On 30<sup>th</sup> Sep 2005, company sold the first Machinery purchased on 1<sup>st</sup> Oct 2003 for Rs.77,000 and Installed another Machinery on the same day at a cost of Rs.1,20,000. On 31<sup>st</sup> March 2006, company sold the second Machinery purchased on 1<sup>st</sup> Jan 2004 at a profit of Rs. 20,000. The

company provided depreciation @10% p.a under Straight line method and accounts were closed on 31<sup>st</sup> March every year. Prepare necessary ledger accounts for the first four years When Depreciation is credited to Provision for depreciation account.

4. On 1<sup>st</sup> Jan 2002, Kinjal Limited purchased Plant and Machinery worth Rs.6,00,000. Additions are made on 1<sup>st</sup> July 2002 and 1<sup>st</sup> July 2003 respectively Rs.3,00,000 and Rs.5,00,000. On 30<sup>th</sup> Sep 2003, company sold Part of the Second Machinery Costing Rs.1,00,000 purchased on 1<sup>st</sup> Jan 2003 for Rs.66,000 and Installed another Machinery on the same day at a cost of Rs1,20,000. On 30<sup>th</sup> June 2004, company sold the first Machinery purchased on 1<sup>st</sup> Jan 2002 at a loss of Rs. 12,000. The company provided depreciation @10% p.a under Straight-line method and accounts were closed on 30<sup>th</sup> June every year. Prepare Plant and Machinery Account and Provision for depreciation account for the first four years and Machinery disposal account.

5. Following balances appear in the books of Akkai Ltd

Jan 1 2005	Plant and Machinery A/c(Cost)	Rs.8,00,000
	Provision for depreciation A/c	Rs.3,60,000

On 1<sup>st</sup> January 2005, they decided to sell a machine for Rs.1,20,000. This Machine was purchased on 1<sup>st</sup> July 2001for Rs.3,00,000.You are required to prepare Plant & Machinery account and Provision for depreciation account for the year ending 31<sup>st</sup> December 2005, assuming the firm has been charging depreciation @10%p.a on original cost.

6. Following balances appear in the books of Sony Ltd.

Jan 1 2005	Plant and Machinery A/c (Book Value)	Rs. 10,00,000
	Provision for depreciation A/c	Rs .6,00,000

On 1<sup>st</sup> July 2005, they sold Machinery Costing Rs.2,00,000 for Rs.98,000 . This Machine was purchased on 1<sup>st</sup> January 2001.You are required to prepare Plant & Machinery account and Provision for depreciation account for the year ending 31<sup>st</sup> December 2005, assuming the firm has been charging depreciation @10%p.a on original cost.

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