

(7)

NSG

Marks

Goods purchased were entirely sold upto 31st January, 2009, for Rs. 10,00,000. All the sale proceeds were collected except Rs. 60,000 as on 31st March, 2009. Goods sold were replaced at a cost of Rs. 7,20,000 at the rate of Rs. 240 per unit. Creditors outstanding as on 31.3.2009 was Rs. 40,000.

The replaced goods remained entirely in stock on 31.3.09. The replacement cost as at 31.3.09 was considered to be Rs. 280 per unit. Replacement cost of equipments was Rs. 20,00,000 as at 31.3.09, considering depreciation on straight line basis.

Prepare Profit and Loss account and Balance Sheet on replacement cost (entry value) basis.

NSG