

Rewanchal Software Limited: Preparing Balance Sheet

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List of Transactions for Rewanchal Software Ltd. (RSL)

- ❑ On March 1, Rewanchal & others invest Rs. 50,000 in cash in RSL.
- ❑ On March 2, Rewanchal took a loan of Rs. 20,000 from Venu for RSL.
- ❑ On March 3, RSL purchased for cash two computers, each costing Rs. 29,000.
- ❑ On March 4, RSL purchased supplies for floppy disks and stationary for Rs. 6,000 on credit.
- ❑ On March 19, RSL completes its maiden sale of software to a retail store and receives a price of Rs. 12,000.
- ❑ On March 21, RSL pays Rs. 2,000 to its creditors for supplies.
- ❑ On March 29, RSL pays salaries to its employees, amounting to Rs. 4,000 and as office rent Rs. 1,200.
- ❑ On March 30, RSL delivers a software package for a shoe shop. The customer agrees to pay the price of Rs. 8,000 a week later.
- ❑ On March 31, Rewanchal withdraws Rs. 3,500 for his personal use.

Required

- Prepare the Balance Sheet of Rewanchal Software Limited (after every transaction)?
- Hint: Use the Balance Sheet Equation
- What can you say about the financial position of the firm?

Balance Sheet as on 31st March

Assets	Amount
Current Assets	
Cash	13300
Receivables	8000
Supplies	6000
Current Asset Total	27300
Fixed Assets	
Computer etc.	58000
Fixed Asset Total	58000
Total Assets	85300

Liabilities & Owners's Eq.	Amount
Liabilities	
Sundry Creditors	4000
Loan from Venu	20000
Liabilities Total	24000
Owner's Equity	
Capital Invested	50000
Profit Retained	11300
Owner's Eq. Total	61300
Liabilities & Owner's Eq.	85300

Balance Sheet (after considering depreciation & stock of remaining supplies)

Rewanchal Software Ltd.			
as on 31 March			
Assets	Amount (Rs)	Liabilities & Owner's Eq.	Amount (Rs)
Current Assets		Liabilities	
Cash	13300	Sundry Creditors	4000
Receivables	8000	Loan from Venu	20000
Supplies	3700	Liabilities Total	24000
Current Asset Total	25000		
Fixed Asset		Owner's Equity	
Computer, Gross	58000	Capital Invested	50000
Less, Dep.	1700	Profit Retained	7300
Computer, Net	56300	Owner's Equity Total	57300
Fixed Asset Total	56300		
Total Assets	81300	Total Lia. & Owner's Eq.	81300

Thank You

