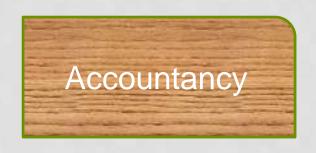


Lisna ThomasDepartment of Computer Application



INTRODUCTION

- ✓ Trial balance is a statement.
- Prepared with the help of ledger accounts.
- ✓ For checking arithmetical accuracy of the books.
- ✓ It helps in preparing financial statement.
- ✓ It prepared on particular date.

MEANING

Trial balance is a statement, prepared with the debit and credit balances of ledger accounts to test the arithmetical accuracy of the books.

CHARACTERISTICS OF TRIAL BALANCE

- It just a statement, not an account.
- It is a list of all ledger accounts.
- It is neither part of double entry system, nor does it appear in actual books of accounts. It is a just a working paper.
- It always prepared on particular date and not for a particular period.
- It is prepared to check arithmetical accuracy of the ledger accounts.
- It can be prepared at any time during the particular period such as at the end of every month, every quarter, every half year or every year.

OBJECTIVES OF TRIAL BALANCE

- To ascertain the arithmetical accuracy of the ledger accounts.
- To help in locating errors.
- To obtain a summary of the ledger accounts.
- To help in the preparation of final accounts.

FORMAT OF TRIAL BALANCE

Trial	balance of	
	as at	

Name of Accounts	L. F.	Dr. Balance ₹	Cr. Balance ₹
Total			

ILLUSTRATION

1. Prepare a trial balance from the following balances of Sh. Keshav Chand as at 31st march, 2016:-

Name of Accounts	₹	Name of accounts	₹
Opening stock	20,000	Sales return	10,000
Purchases	80,000	Rent	2,000
Purchases return	10,000	Salaries	5,000
Furniture	1,00,000	Drawing	8,000
Machinery	50,000	Capital	1,50,000
Debtors	30,000	Cash in hand	20,000
Sales	1,60,000	Creditors	2,000

Sol :- Trial Balance of Sh. Keshav Chand as at 31st March, 2016				
Name of Accounts	L.F.	Dr. Balance ₹	Cr. Balance ₹	
Opening stock		20,000		
Purchases		80,000		
Purchases return			10,000	
Furniture		1,00,000		
Machinery		50,000		
Debtors		30,000		
Sales			1,60,000	
Sales return		10,000		
Rent		2,000		
Salaries		5,000		
Drawing		8,000		
Capital			1,50,000	
Cash in hand		20,000		
Creditors			2,000	
Total		3,22,000	3,22,000	

2. From the following ledger balances prepare trial balance:-

Capital = ₹ 30,000

Rent Outstanding = ₹ 2,000

Amount due to Jyoti = ₹ 10,000

Amount due from Rahul = ₹20,000

Drawing = ₹ 5,000

Goodwill = ₹ 10,000

Purchases = ₹ 1,00,000

Sales = ₹ 1,50,000

Discount allowed = ₹ 1,000

Discount received =₹ 2,000

Land & Building = ₹ 50,000

Advertisement = ₹4,000

as at				
Name of Accounts	L.F	Dr. Balance ₹	Cr. Balance ₹	
Capital			30,000	
Rent outstanding		2,000		
Amount due to Jyoti			10,000	
Amount due from Rahul		20,000		
Drawing		5,000		
Goodwill		10,000		
Purchases		1,00,000		
Sales			1,50,000	

1,000

50,000

4,000

1,92,000

2,000

1,92,000

Trial Balance of

Sol.

Discount allowed

Discount received

Land & Building

Advertisement

Total

EXERCISE (DO IT YOURSELF)

1. From the following ledger balances prepare trial balance :-

Capital = ₹ 20,800

Creditors = ₹ 15,000

Goodwill = ₹ 12,000

Rent outstanding = ₹ 1,480

Interest received = ₹ 2,000

Discount received = ₹ 1,680

Debtors = ₹ 26,000

2. Prepare a trial balance from the following balances taken as at 31st march 2016:-

	₹		₹
Capital	2,50,000	Miscellaneous receipt	3,600
Drawings	24,000	Bad debts	7,100
Debtors	57,000	Bills receivables	5,000
Creditors	28,500	Loan from X	20,000
Land & Building	1,80,000	Interest on X's loan	3,000
Plant	1,20,000	Cash in hand	8,400
Stock 1-4-2015	22,800	Goodwill	10,000
Factory expenses	16,600		
Office expenses	7,700		
Purchases return	6,000		
Stationery	500		
Freight	2,500		
Purchases	2,15,300		

3,80,000

8,200

Sales

Miscellaneous expenses

3. The following is incorrect trial balance. Redraft it in a correct form :
Trial Balance of

for the year ending 31st march 2017

Sales

Sales return

Loan from Ram

Bill receivables

Interest on Ram's Loan

Name of Accounts	L. F.	Dr. Balance ₹	Cr. Balance ₹
Sundry Debtors		12,200	
Sundry Creditors			9,200
Opening stock		15,600	
Purchases		53,500	
Purchases return		2,100	
Cash in hand		11,000	
Machinery		40,200	
Goodwill			10,000

86,200

7,800

6,400

20,000

3,000

Continue....

Name of Accounts	L. F.	Dr. Balance ₹	Cr. Balance ₹
Capital		57,000	
Life Insurance Premium		5,600	
Carriage		1,600	
Advertisement		2,500	
Discount received		1,500	
Investment		8,000	
Interest on investment		800	
Total		1,77,000	1,77,000

