# Fundamentals of Financial Accounting

Qno1:																							
	1.							General Journal						01	T - 4								
Case no	1;							General Journal				General Ledger											
	Co	omputation for E	Estimated	l Bad De	ebts		Date	Account Titles & Explanation	Post. Ref.	Debit	Credit			Bad Debts	Expens	e			Bal	ance Sheet-P	artial		
Estimate	d bad del	bts are 10% of ye	ear end ac	ccounts 1	receivable		Year 1	(Adjustment)				Year 1	Adj	10,000						As on year 1	1		
Estimate	d allowan	ice for bad debts	(Rs.100,	000 x 10	/100)	10,000		Bad Debts Expense		10,000									ASSETS		E(	QUITIES	
		Bad Debts Ex	pense			10,000		Allowance for Bad Debts			10,000								<b>Current Assets</b>				
								(To record estimated bad debts)										Account	ts Receivable	100,000			
																		Less: A	llowance for Bad Debts	(10,000)			
																		Ne	t Realizable Value	90,000			
													Al	lowance fo	r Bad De	ebts							
															Year 1	Adj	10,000						

# Fundamentals of Financial Accounting

01.																	
Qno1:							O1 T1				0	1 7					
Case no 2:							General Journal			1	Geno	eral Ledger	'				
C	omputatio	on for Es	stimated	Bad Debts		Date	Account Titles & Explanation	Post. Ref.	Debit	Credit	Allowanc	e for Bad D	Debts		Ва	lance Sheet-Partial	
Estimated bad del	bts are 10	% of year	r end acc	counts receivable		Year 2	(Adjustment)					Year 2	Balance	10,000		As on year 2	
Estimated allowan	ice for bac	d debts ( l	Rs.150,0	000 x 10/100)	15,000		Bad Debts Expense		5,000			2	Adj	5,000	ASSETS		EQUITIES
Less: Credit b	ad	justment		debts before	(10,000)		Allowance for Bad Debts			5,000					Current Assets		
	Bad Do	ebts Expe	ense		5,000		(To record estimated bad debts)					Balance	15,000		Accounts Receivable	150,000	
															Less: Allowance for bad debts	(15,000)	
															Net Realizable Value	135,000	
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# Fundamentals of Financial Accounting

Qno1:																
Case no 3:			General Journal					General	Ledger							
Computation for Estimated Bad Debts		Date	Account Titles & Explanation	Post. Ref.	Debit	Credit	Al	lowance fo	or Bad Debts					Balance Sheet-P	'artial	
Estimated bad debts are 10% of year end accounts receivable		Year 3					Year 3 Accounts Receivable	15,000	Year 3	Balance	15,000			As on year 3	3	
Estimated allowance for bad debts (Rs.200,000 x 10/100)	20,000		Allowance for Bad Debts		15,000					Adj	20,000		ASSETS		EQUITIES	
Bad Debts Expense	20,000		Accounts Receivable (Wrote off worthless customers'			15,000							Current Ass			
			account)						Balance	20,000		_	unts Receivable	200,000		
												Less	: Allowance for bad de	ots (20,000)		
			(Adjustment)										Net Realizable Value	180,000	i	
			Bad Debts Expense		20,000										i	
			Allowance for Bad Debts			20,000									i	
			(To record estimated bad debts)													
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# Fundamentals of Financial Accounting

Qno1:															
Case no 4:			General Journal						General	Ledger					
Computation for Estimated Bad Debts	Computation for Estimated Bad Debts  Date Account Titles & Explanation Post. Ref. Debit Ref. Debit Allowance for Bad Debts  Balance Sheet-Part										al				
stimated bad debts are 10% of year end accounts receivable		Year 4					Year 4	Accounts Receivable	15,000	Year 4	Balance	20,000		As on year 4	
stimated allowance for bad debts (Rs.300,000 X 10/100)	30,000	Allowance for Bad Debts			15,000						Adj	25,000	ASSETS		EQUITIES
Less: Credit balance in allowance for bad debts before adjustment	Credit balance in allowance for bad debts before					15,000							Current Assets		
Bad Debts Expense	25,000		(Wrote off worthless customers' account)							Balance	30,000		Accounts Receivable	300,000	
													Less: Allowance for bad debts	(30,000)	
			(Adjustment)										Net Realizable Value	270,000	
			Bad Debts Expense		25,000										
			Allowance for Bad Debts			25,000									
			(To record estimated bad debts)												

# Fundamentals of Financial Accounting

Qno1:														
Case no 5:		General Journal	<u> </u>				General	l Ledger						
Computation for Estimated Bad Debts		Date Account Titles & Explanation	Post. Ref.	Debit	Credit	Al	lowance fo	or Bad Debts		Balance Sheet-Partial				
Estimated bad debts are 10% of year end accounts receivable		Year 5				Year 5 Accounts Receivable	35,000	Year 5	Balance 30,000		As on year 5			
Estimated allowance for bad debts (Rs.100,000 x 10/100)	10,000	Allowance for Bad Debts		35,000					Adj 15,000	ASSETS		EQUITIES		
Add: Debit balance in allowance for bad debts before adjustment	Accounts Receivable			35,000					Current Assets					
Bad Debts Expense	15,000	(Wrote off worthless customers' account)						Balance	10,000	Accounts Receivable	100,000			
										Less: Allowance for bad debts	(10,000)			
		(Adjustment)								Net Realizable Value	90,000			
		Bad Debts Expense		15,000										
		Allowance for Bad Debts			15,000									
		(To record estimated bad debts)												

# Fundamentals of Financial Accounting

Qno1:												
Case no 6:	General Journal					General Ledger						
Computation for Estimated Bad Debts	Date Account Titles & Explanation	Post. Ref. Debit	Credit		Allow	vance for Bad D	ebts			Bal	ance Sheet-Pa	urtial
Estimated bad debts are 10% of year end accounts receivable	Year 6			Year 6	Accounts Receivable	2,000 Year 6	Balance	10,000			As on year 6	
Estimated allowance for bad debts (Rs.80,000 x 10/100) 8,000	Allowance for Bad Debts	2,000								ASSETS		EQUITIES
Less: Credit balance in allowance for bad debts before adjustment (8,000)	Accounts Receivable		2,000							Current Assets		
	(Wrote off worthless customers'											
No Entry	account)					Balanc	8,000		Account	s Receivable	80,000	
									Less: All	lowance for bad debts	(8,000)	
	(Adjustment)								N	et Realizable Value	72,000	
	No Entry											

# Fundamentals of Financial Accounting

Qno1:																	
Case no 🖟:			General Journal				General Ledger										
Computation for Estimated Bad Debts			Account Titles & Explanation	Post. Ref.	Debit	Credit	Allowance for Bad Debts						Balance Sheet-Partial				
Estimated bad debts are 10% of year end accounts receivable	Year 7	ear 7				Year 7	Accounts Receivable	1,000	Year 7	Balacne 8,00	0			As on year 7			
Estimated allowance for bad debts (Rs.50,000 x 10/100)	5,000		Allowance for Bad Debts		1,000			Capital	2,000					ASSETS		EQUITIES	
Less: Credit balance in allowance for bad debts before adjustment	(7,000)		Accounts Receivable			1,000								Current Assets			
anjuotatori	(2,000)		(Wrote off worthless customers' account)			1,000				Balance	5,000		Account	s Receivable	50,000		
			,										Less: Al	owance for bad debts	(5,000)		
			(Adjustment)										N	et Realizable Value	45,000		
			Allowance for Bad Debts		2,000												
			Capital			2,000											
			(To decrease allowance for bad debts)														

# Fundamentals of Financial Accounting

1	If advan	ice from cus	tomer is in	cluded in	the cash coll	ection:	
	Entry						
	Account	ts Receivabl	e			30,000	
		Advance fr	om Custon	ner			30,000
	(To reco	ord advance	from custo	mer)			
2	If advan	ice from cus	stomer is no	ot include	ed in the cash	collection:	
	Entry						
	Cash					30,000	
		Advance fr	om Custon	ner			30,000
	(To reco	ord advance	from custo	mer)			

# Fundamentals of Financial Accounting