

**ILLUSTRATION 1.**

Prepare a Trading Account for the year ended 31st December 1993 from the following balances :

	Rs.		Rs.
Opening Stock	40,000	Purchases Return	12,000
Purchases	2,00,000	Sales Return	20,000
Sales	5,00,000	Carriage on Purchase	8,000
Freight and Octroi	6,500	Carriage on sales ✓	10,000
Wages	30,000	Factory Rent	12,000
Factory Lighting	10,800	Office Rent	7,500
Coal, Gas and Water	2,200	Import Duty	32,000

Closing Stock is valued at Rs. 60,000.