

Trial balance

A **trial balance** is a schedule (list) of balances of ledger accounts including the cash account and the bank account as on a particular date.

Pro-forma of Trial balance

<i>Trial Balance as on ...</i>				
<i>Sl. No.</i>	<i>Account</i>	<i>L.F. No.</i>	<i>Debit balance Rs.</i>	<i>Credit balance Rs.</i>

Rules for Trial Balance:

1. Assets Accounts — Debit balances.
2. Liabilities Accounts — Credit balances.
3. Capital Accounts — Credit balances.
4. Drawings Accounts — Debit balances.
5. Expenses and Losses Accounts — Debit balances.
6. Incomes and Gains Accounts — Credit balances.

From the following ledger balances, prepare a Trial Balance as on 31st December, 2014:

Land and Building Rs.7,11,000; Capital Rs.9,00,000; Creditors Rs.1,12,500; Closing stock Rs.1,85,220; Carriage outward Rs.16,650; Import duty Rs.10,800; Carriage inward Rs.7,200; Purchases Rs.5,48,280; Return inward Rs.21,600; Sales Rs.9,23,400; Debtors Rs.1,86,030; Return outward Rs.11,070; Export duty Rs.7,200; Wages and Salaries Rs.3,20,500; Bills

Receivable Rs.1,35,000; Bills Payable Rs.72,000; Discount Allowed Rs.6,840; Tax paid Rs.64,170; Commission received Rs.7,830; Cash in hand Rs.3,420; Bank overdraft Rs.99,000; Interest paid Rs.9,900; Rent received Rs.72,000; Opening stock Rs.1,49,210.

Solution

Trial Balance as at 31st December, 2014

		Dr.	Cr.			Dr.	Cr.
Ledger Balances	L.F.	₹	₹	Ledger Balances	L.F.	₹	₹
Land and Building		7,11,000	—	Wages and Salaries		3,20,500	—
Capital		—	9,00,000	Bills Receivable		1,35,000	—
Creditors			1,12,500	Bills Payable		—	72,000
Carriage Outward		16,650	—	Discount Allowed		6,840	—
Import Duty		10,800	—	Tax paid		64,170	—
Carriage Inward		7,200	—	Commission Received		—	7,830
Purchases		5,48,280	—	Cash in hand		3,420	—
Return Inward		21,600	—	Bank Overdraft		—	99,000
Sales		—	9,23,400	Interest paid		9,900	—
Debtors		1,86,030	—	Rent Received		—	72,000
Return Outward		—	11,070	Opening Stock		1,49,210	—
Export Duty		7,200	—			21,97,800	21,97,800



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