

**Profit / Loss to be transferred from Profit & Loss A/c to Profit & Loss appropriation A/c**



**Profit / Loss to be transferred from  
Profit & Loss A/c **to** Profit & Loss appropriation A/c should be  
**after** all charges and **before** all appropriations**

**Check this video**

**Select whether below items are Charge or Appropriation**

|    |                            | <b>Charge against profit</b> | <b>Appropriation of profit</b> |
|----|----------------------------|------------------------------|--------------------------------|
| 1  | Interest on Partner's loan |                              |                                |
| 2  | Interest on bank loan      |                              |                                |
| 3  | Interest on Capital        |                              |                                |
| 4  | Creation of Reserve        |                              |                                |
| 5  | Partner's commission       |                              |                                |
| 6  | Manager's commission       |                              |                                |
| 7  | Partner's salary           |                              |                                |
| 8  | Employees salary           |                              |                                |
| 9  | Rent to landlord           |                              |                                |
| 10 | Partner's rent             |                              |                                |

**Calculate the amount of Profit / Loss to be transferred from Profit & Loss A/c to Profit & Loss appropriation A/c**

|   |                                                                                                                                                  |                      |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| 1 | Profit given is Rs.1,00,000 after Interest on Partner's loan of Rs. 5,000 and before interest on Capital Rs.2,000                                | Profit: Rs.<br>_____ |
| 2 | Profit given is Rs.1,00,000 before Interest on Partner's loan of Rs. 5,000 and after interest on Capital Rs.2,000                                | Profit: Rs.<br>_____ |
| 3 | Profit given is Rs.1,00,000 before Interest on Partner's loan of Rs. 5,000 and interest on Capital Rs.2,000 and after partner's rent Rs. 3,000   | Profit: Rs.<br>_____ |
| 4 | Profit given is Rs.1,00,000 before interest on Capital Rs.2,000 and after partner's commission Rs. 4,000                                         | Profit: Rs.<br>_____ |
| 5 | Loss incurred is Rs.1,00,000 before Interest on Partner's loan of Rs. 5,000 and after interest on Capital Rs.2,000                               | Loss: Rs.<br>_____   |
| 6 | Loss incurred is Rs.1,00,000 after Interest on Partner's loan of Rs. 5,000 and partner's rent Rs.3,000 but before manager's commission Rs.10,000 | Loss: Rs.<br>_____   |