

Answer on Question #62885 - Economics - Accounting

Journal Entry of following transaction is required:

1. Zee On 1 January 2012, purchased a plant for PKR 2,000,000 cash
2. On 1 January 2013, Zee replaced the old plant at 90% book value with a new plant for PKR 3,000,000

Answer:

Journal Entry

Data	Particulars	Dr. Amount (Rs)	Cr. Amount (Rs)
2012 Jan. 1	Plant Assets To Cash	2,000,000	2,000,000
2013 Jan. 1	Plant Assets To Revaluation Surplus (3,000,000 - 2,000,000)	1,000,000	1,000,000

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