

Closing entries-Trading Account

Closing entries for amounts which are transferred to the Debit side of the Trading Account are:

Trading Account	Dr.
Opening Stock Account	
Purchases Account	
Return Inwards Account	
Warehouse wages Account	
Carriage inwards Account	
Duty on imports	

Closing entries for those account which are transferred to the Credit side of the Trading Account

Sales Account	Dr.
Return outwards Account	Dr.
Closing Stock Account	Dr.
Trading Account	

Closing Entry if there is a Gross Profit

Trading Account	Dr.
Profit and loss Account	

Gross Profit is transferred to the Credit side of Profit and Loss Account

Closing Entry if there is Gross Loss

Profit and Loss Account	Dr.
Trading Account	

Gross Loss is transferred to the Debit side of Profit and Loss Account

Closing Entries – Profit and Loss Account

Closing entries for various account (expenses and Losses) transferred to the Debit side of the Profit and Loss Account

Profit and Loss Account	Dr.
Salaries Account	
Stationery Account	
Office Rent Account	

Any other expense or loss account will be credited in the same manner.

Closing entries for Incomes and Gains will be transferred to the Credit Side of the Profit and Loss Account

Interest received Account	Dr.
Commission received Account	Dr.
Rent received Account	Dr.
Profit and Loss Account	

Any other Income or Gain will be debited in the same manner

Closing entries if there is Net Profit (Net Profit is transferred to the Credit side of Capital Account)

Profit and Loss Account	Dr.
Capital Account	

Closing entries if there is Net Loss (Net Loss is transferred to the Debit side Capital Account)

Capital Account	Dr.
Profit and Loss Account	
