

NCERT SOLUTIONS

CLASS - 11th



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Class : 11th

Subject : Accountancy

Chapter : 3

Chapter Name : Recording of Transaction-1

Q1 State the three fundamental steps in the accounting process.

Answer. The fundamental steps in the accounting process are:

- Identification of financial transactions from the vouchers (source documents).
- Recording the transactions in book of original entry i.e., journal.
- Classifying the transactions into individual account i.e., ledger.
- Preparation of financial statement in the form of Trading and Profit and Loss Account and Balance Sheet.
- Communicating the financial statements to the different users.

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Q2 Why is the evidence provided by the sources documents important to accounting?

Answer. A document that provides the evidence of the transactions is called the source document or voucher. When there is no documentation of certain transactions, vouchers are prepared to present the necessary details. The vouchers are arranged chronologically for recordings in the books of accounts. Source documents are preserved till the audit of the accounts and tax assessments are completed. A sources document records the name and signature of the authorized person mentioned in it and other relevant information that may be used in future.

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Q3 Should a transaction be first recorded in a journal or ledger? Why?

Answer. Accounting transactions are first recorded in the journal, it provides complete record of each transaction in one place i.e., the debit and credit aspect of a transaction in the same place. Journal provides a complete and useful description of the event's effect on the organization. This is why journal is called as the Book of Original Entry. The individual transactions recorded in the journal are then transferred to individual accounts.

Ledger account is known as the Principal Book of entry. It contains different accounts with transactions relating to that account is recorded. Ledger records the transactions in analytical order, unlike journal where transactions are recorded in chronological order.

Therefore, a transaction should be first recorded in the journal and then posted into ledger accounts.

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Q4 Are debits or credits listed first in journal entries? Are debits and credits indented?

Answer. The journal has different debit and credit amount columns, as per the rule of double entry system. The journal records the transaction in journal format which is different from normal way of recording transactions. In the journal, the debit amount column is listed before the credit amount column. These are recorded in the journal before recording in the ledger.

Indentation is leaving some space before writing any word. In journal, in the 'Particulars' column, debited account is written first and the credited account is written in the next line after leaving some space, which is indentation. Therefore, credits are indented.

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Q5 Why are some accounting systems called double accounting systems?

Answer. In double accounting system or double entry accounting, every transaction has dual aspect or dual effect and is recorded in atleast two accounts. Every transaction involves give and take aspect. In this the total amount debited must be equal to the total amount credited.

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Q6 Give a specimen of an account.

Answer.

Dr. _____ Account				Cr.			
Date	Particulars	L.F.	Amount	Date	Particulars	L.F.	Amount

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Q7 Why are the rules of debit and credit same for liability and capital?

Answer. Businesses acquire funds from internal as well as from external sources. The business entity concept states that the amount borrowed from the external sources as well as internal sources like capital invested by the proprietor, is termed as liability to the business. The concept treats the business and the business owner separately. Capital is treated as liability to the business because it has to be repaid by the business to the owner. The capital introduced is credited the same way liabilities incurred is credited. When liability is paid back it is debited similarly drawings from the capital and net loss is also debited. Therefore, the rules of debit and credit are same for liability and capital.

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Q8 What is the purpose of posting J.F numbers that are entered in the journal at the time entries are posted to the accounts?

Answer. J.F number is the number entered in the ledger while posting entries into their accounts. This helps in determining whether the transactions are correctly posted in the accounts. It helps in locating the entries of accounts in journal. It also ensures that all the transactions are posted or not.

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Q9 What entry (debit or credit) would you make to : (a) increase revenue (b) decrease in expense (c) record drawings (d) record the fresh capital introduced by the owner.

Answer.

- (a) Increase revenue – increase in revenue is credited as it increases the profit eventually increasing the capital. Since capital has a credit balance, any increase in capital is credited, therefore, increase in revenue will be credited.
- (b) Decrease in expense – Decrease in expense leads to increase in net profit leading to increase in capital. Expenses have debit balances, so, increase in expense is debited and decrease in capital is credited.
- (c) Record drawings – drawings lead to decrease in capital. Since capital has a credit balance, any increase in capital is credited while any decrease in capital debited. Therefore drawings are debited.
- (d) Record of fresh capital introduced by the owner – Introduction of fresh capital leads to increase in the capital present. Since capital has credit balance, increase in capital is credited.

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Q10 If a transaction has the effect of decreasing an asset, is the decrease recorded as a debit or as a credit? If the transaction has the effect of decreasing a liability, is the decrease recorded as a debit or a credit?

Answer. If a transaction has the effect of decreasing an asset, it is recorded as debit. Since assets have debit balance, any increase in asset is debited while any decrease in asset is credited. Therefore, decrease in asset will be recorded as debit.

If a transaction has the effect of decreasing a liability, it is recorded as debit. Liabilities have credit balance, increase in liability is credited whereas decrease in liability is debited. Therefore, decrease in liability is debited.

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Q1 Describe the events recorded in accounting systems and the importance of source documents in those systems.

Answer. Numerous transactions take place in an organization on everyday basis and it is beyond human capacity to memorise all the transactions, this is why source documents are used in the accounting system. These are the evidence of business transactions that can be used in future and in court of law as well. These ensure that the recordings are not biased.

Events that are supported by source documents are :

Credit sale of goods supported by sale invoice/bill.

Credit purchase of goods supported by purchase invoice/bill.

Cash sales and cash purchases supported by cash memo.

Goods returned by customers supported by credit note and goods returned to customers supported by credit note.

The cash account is debited because introduction of new capital in the firm increase the cash balance, capital account is credited because it has credit balance and it is the amount owed by the owner and has to be returned.

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Q3 Describe how accounts are used to record information about the effects of transactions?

Answer. Transactions are first recorded in the book of original entry (journal) chronologically. The conclusion for an account cannot be drawn through a single entry. Accounts are prepared to know the position of the business at regular intervals.
For example, Goods worth Rs. 1,00,000 sold to Mr. X on July 15 and received payment on July 30 Rs. 95,000.

The journal entry recorded will be:

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
July15	X's A/c Dr. To Sales A/c (Being goods sold to Mr. X on credit)	24 15	1,00,000	1,00,000
July 30	Cash A/c Dr. To X's A/c (Being cash received from Mr. X)	17 24	95,000	95,000

Steps for posting journals into ledger accounts :

- Step 1 – Locating the account in ledger i.e., Mr. X's Account.
- Step 2 – Date is entered in the date column of the debit side of X's A/c
- Step 3 – In the 'particulars' column of the debit side of X's A/c, the name of the corresponding account is mentioned i.e., 'sales'.
- Step 4 – The page number of the ledger is entered in the Journal Folio (J.F.) column of X's A/c
- Step 5 – the amount is entered in the 'Amount' column.
- Step 6 – similar steps are to be followed to post the entries on the credit side of X's A/c.
- Step 7 – after all the transactions are posted in the ledger, both sides are totaled and the difference is written in the shorter side as 'balance c/d'.
- Step 8 – The total is written on both sides .

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Q4 What is a journal? Give a specimen of journal showing at least five entries.

Answer. Journal is the book of original entry. Journal records the transactions as they take place in chronological order. After recording in the journal, the transactions are posted in respective accounts. Transactions are recorded after determining the particular account to be debited or credited.

Proforma of journal
In the books of

Date	Particulars	L.F.	Debit (Rs.)	Credit(Rs.)

- Date records the date on which transaction takes place.
- Particulars records the details of the transactions like, name of parties involved and name of related accounts.
- Ledger folio (L.F.) records the page number of the ledger account when entry is posted.
- Debit amount records the debit amount
- Credit amount records the amount to be credited.

Example :

1. Started business with cash Rs. 2,00,000 on Jan 01.
2. Opened bank account Rs. 50,000 on Jan 05.
3. Purchased goods for cash worth Rs. 70,000 on Jan 12.
4. Sold goods for cash Rs. 90,000 on Jan 15.
5. Sold goods on credit to Mr. A Rs. 15,000 on Jan 20.

In the books of
Journal

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
Jan 01	Cash A/c To Capital A/c (Being business started with cash)	Dr.	2,00,000	2,00,000
Jan 05	Bank A/c To Cash A/c (Being Bank account opened)	Dr.	50,000	50,000
Jan 12	Purchases A/c To Cash A/c (Being Goods purchased for cash)	Dr.	70,000	70,000
Jan 15	Cash A/c To Sales A/c (Being goods sold for cash)	Dr.	90,000	90,000
Jan 20	A's A/c To Sales A/c (Being goods sold to Mr. A on credit)	Dr.	15,000	15,000
	TOTAL		4,25,000	4,25,000

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Q5 Differentiate between source documents and vouchers.

Answer.

Source documents	Vouchers
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It refers to the documents in writing, and contains all the details of the transactions.	Source document which is considered as evidence of a transaction is voucher .
These are used for preparing accounting vouchers.	These are used for analyzing transactions.
These are the basis for preparing accounting vouchers that help in recording.	These are the basis for recording transactions.
It is prepared as and when the transaction takes place.	It can be prepared at the time of the transaction taking place or later on.
These can be used as evidence in the court of law.	These can be used for assessing the authenticity of the transactions.
These are prepared by the parties involved in the transaction, or who is authorized to prepare or approve the documents.	It is prepared by authorized personnel or accountants.
Example – cash memo, invoice and pay-in slip, etc.	Example –cash memo, debit note, credit note, cash vouchers , transfer vouchers, etc.

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Q6 Accounting equation remains intact under all circumstances. Justify the statement with the help of an example.

Answer. Accounting equation signifies that the assets of a business are always equal to the total of its liabilities and capital. The equation reads as follows : $A = L + C$, here, A – Assets, L – Liabilities, C- capital. Accounting equation depicts the fundamental relationship among the components of the balance sheet.

In any circumstance the given equation cannot be changed. For example,

Business started with cash Rs. 50,000. The entry passed will be :

Cash A/c

Dr. 50,000

To Capital A/c

50,000

Assets	=	Liabilities	+	Capital
Cash 50,000				50,000

Cash invested in the business increases the cash balance and the capital of the firm.

Goods purchased on credit Rs. 10,000.

Assets		=	Liabilities	+	Capital
Cash 50,000	Stock 10,000	=	Creditors 10,000	+	50,000

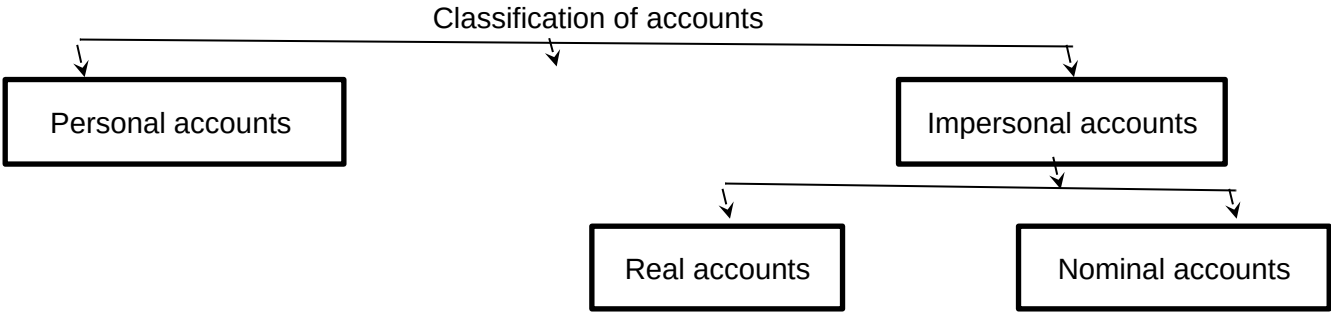
Increase in an asset leads to simultaneous increase in liability.

The above examples prove that in any circumstance the accounting equation remains intact.

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Q7 Explain the double entry mechanism with an illustrative example.

Answer. Every transaction has a give and take aspect i.e., every transaction affects and is recorded in at least two accounts. The total amount debited must be equal to the total amount credited. In double entry accounting the accounts are classified as given :



Personal account includes all the individual persons, firms, companies, etc. for example- Mr. X, M/s. XYZ and Co.

Rule of double entry for personal accounts – debit the receiver and credit the giver.

Example , received cash from Mr. Y

Cash A/c Dr.
 To Mr. Y

Impersonal account includes non-living things. It is further classified into real and nominal accounts.

Real account – it includes all the assets tangible and intangible.

Rule of double entry for real accounts- debit what comes in, credit what goes out.

Example, Purchased machinery for cash

Machinery A/c Dr.
 To Cash A/c

Nominal account – it includes all the expenses, losses, incomes and gains.

Rule of double entry for nominal accounts – debit all expenses and losses, credit all incomes and gains.

Example, commission received

Cash A/c Dr.
 To Commission A/c

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Q1 Prepare accounting equation on the basis of the following:

- (a) Harsha started business with cash Rs 2,00,000
- (b) Purchased goods from Naman for cash Rs 40,000
- (c) Sold goods to Bhanu costing Rs 10,000/- Rs 12,000
- (d) Bought furniture on credit Rs 7,000

Answer.

S. No.	Narration	Assets				Liabil	
		Cash	Debtors	Stock	Furniture	Capital	
1.	Increase in cash Increase in capital	200000				200000	
	Total	200000				200000	
2.	Increase in stock Increase in creditors			40000			
	Total	200000		40000		200000	
3.	Decrease in Stock Increase in debtors Increase in capital		12000	(10000)		2000	
	Total	200000	12000	30000		202000	
4.	Increase in furniture Increase in creditors				7000		
	Total	200000	12000	30000	7000	202000	

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Q2 Prepare accounting equation from the following:

(a)	Kunal started business with cash	2,50,000
(b)	He purchased furniture for cash	35,000
(c)	He paid commission	2,000
(d)	He purchases goods on credit	40,000
(e)	He sold goods (costing Rs 20,000) for cash	26,000

Answer.

S. No.	Narration	Assets			Liabilities	
		Cash	Stock	Furniture	Capital	Creditors
1.	Increase in cash Increase in capital	250000			250000	
	Total	250000			250000	
2.	Increase in furniture Decrease in cash	(35000)		35000		
	Total	215000		35000	250000	
3.	Decrease in capital Decrease in cash	(2000)			(2000)	
	Total	213000		35000	248000	
4.	Increase in Stock Increase in creditors		40000			40000
	Total	213000	40000	35000	248000	40000
5.	Decrease in Stock Increase in cash Increase in capital	26000	(20000)		6000	
	Total	239000	20000	35000	254000	40000

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Q3 Mohit has the following transactions, prepare accounting equation.

(a)	Business started with cash	1,75,000
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(b)	Purchased goods from Rohit	50,000
(c)	Sales goods on credit to Manish (Costing Rs 17,500)	20,000
(d)	Purchased furniture for office use	10,000
(e)	Cash paid to Rohit in full settlement	48,500
(f)	Cash received from Manish	20,000
(g)	Rent paid	1,000
(h)	Cash withdrawn for personal use	3,000

Answer.

S. No.	Narration	Assets				Capital
		Cash	Stock	Furniture	Debtors	
1.	Increase in cash Increase in capital	175000				175000
	Total	175000				175000
2.	Increase in Stock Increase in Creditors		50000			
	Total	175000	50000			175000
3.	Decrease in Stock Increase in Debtors Increase in capital		(17500)		20000	2500
	Total	175000	37500		20000	177500
4.	Increase in Furniture Decrease in cash	(10000)		10000		
	Total	165000	37500	10000	20000	177500

5.	Decrease in cash Decrease in creditors Increase in capital	(48500)				1500
	Total	116500	37500	10000	20000	179000
6	Increase in cash Decrease in debtors	20000			(20000)	
	Total	136500	37500	10000	-	179000
7	Decrease in cash Decrease in capital	(1000)				(1000)
	Total	135500	37500	10000		178000
8	Decrease in cash Decrease in capital	(3000)				(3000)
	Total	132500	37500	10000	-	175000

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Q4 Rohit has the following transactions:

(a)	Commenced business with cash	1,50,000
(b)	Purchased machinery on credit	40,000
(c)	Purchased goods for cash	20,000
(d)	Purchased car for personal use	80,000
(e)	Paid to creditors in full settlement	38,000
(f)	Sold goods for cash costing Rs 5,000	4,500
(g)	Paid rent	1,000
(h)	Commission received in advance	2,000

Prepare the Accounting Equation to show the effect of the above transactions on the assets, liabilities and capital.

Answer.

S. No.	Narration	Assets			Liabilities	
		Cash	Stock	Machinery	Capital	Creditors
1.	Increase in cash Increase in capital	150000			150000	
	Total	150000			150000	
2.	Increase in Machinery Increase in Creditors			40000		40000
	Total	150000		40000	150000	40000
3.	Increase in Stock Decrease in cash	(20000)	20000			
	Total	130000	20000	40000	150000	40000
4.	Decrease in cash Decrease in capital	(80000)			(80000)	
	Total	50000	20000	40000	70000	40000
5.	Decrease in cash Decrease in creditors Increase in capital	(38000)			2000	(40000)
	Total	12000	20000	40000	72000	-
6	Increase in cash Decrease in stock Decrease in capital	4500	(5000)		(500)	
	Total	16500	15000	40000	71500	
7	Decrease in cash Decrease in capital	(1000)			(1000)	

	Total	15500	15000	40000	70500	-
8	Increase in cash Increase in unclaimed liability	2000				
	Total	17500	15000	40000	70500	

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Q5 Use accounting equation to show the effect of the following transactions of M/s Royal Traders:

		Rs
(a)	Started business with cash	1,20,000
(b)	Purchased goods for cash	10,000
(c)	Rent received	5,000
(d)	Salary outstanding	2,000
(e)	Prepaid Insurance	1,000
(f)	Received interest	700
(g)	Sold goods for cash (costing Rs 5,000)	7,000
(h)	Goods destroyed by fire	500

Answer.

S. No.	Narration	Assets			Liabilities	
		Cash	Stock	Prepaid expenses	Capital	Outstanding expenses
1.	Increase in cash Increase in capital	120000			120000	
	Total	120000			120000	
2.	Increase in Stock Decrease in cash	(10000)	10000			

	Total	110000	10000		120000	
3.	Increase in capital Increase in cash	5000			5000	
	Total	115000	10000		125000	
4.	Increase in o/s salary Decrease in capital				(2000)	2000
	Total	115000	10000		123000	2000
5.	Increase in prepaid insurance Decrease in cash	(1000)		1000		
	Total	114000	10000	1000	123000	2000
6	Increase in cash Increase in capital	700			700	
	Total	114700	10000	1000	123700	2000
7	Decrease in Stock Increase in cash Increase in capital	7000	(5000)		2000	
	Total	121700	5000	1000	125700	2000
8	Decrease in Stock Decrease in Capital		(500)		(500)	
	Total	121700	4500	1000	125200	2000

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Q6 Show the accounting equation on the basis of the following transaction:

(a)	Udit started business with:		Rs
	(i)	Cash	5,00,000

	(ii)	Goods	1,00,000
(b)		Purchased building for cash	2,00,000
(c)		Purchased goods from Himani	50,000
(d)		Sold goods to Ashu (Cost Rs 25,000)	36,000
(e)		Paid insurance premium	3,000
(f)		Rent outstanding	5,000
(g)		Depreciation on building	8,000
(h)		Cash withdrawn for personal use	20,000
(i)		Rent received in advance	5,000
(j)		Cash paid to Himani on account	20,000
(k)		Cash received from Ashu	30,000

Answer.

S. No	Narration	Assets				Liabilities		
		Cash	Stock	Building	Debtors	Capital	Creditors	Outstanding expenses
1.	Increase in cash Increase in goods Increase in capital	500000	100000			600000		
	Total	500000	100000			600000		
2.	Increase in building Decrease in cash	(200000)		200000				
	Total	300000	100000	200000		600000		
3.	Increase in stock Increase in creditors		50000				50000	
	Total	300000	150000	200000		600000	50000	

4.	Decrease in stock Increase in debtors Increase in capital		(25000)		36000	11000		
	Total	300000	125000	200000	36000	611000	50000	
5.	Decrease in capital Decrease in cash	(3000)				(3000)		
	Total	297000	125000	200000	36000	608000	50000	
6	Increase in outstanding expenses Decrease in capital					(5000)		5000
	Total	297000	125000	200000	36000	603000	50000	5000
7	Decrease in building Decrease in capital			(8000)		(8000)		
	Total	297000	125000	192000	36000	595000	50000	5000
8	Decrease in cash Decrease in Capital	(20000)				(20000)		
	Total	277000	125000	192000	36000	575000	50000	5000
9	Increase in unclaimed income Increase in cash	5000						
	Total	282000	125000	192000	36000	575000	50000	5000
10	Decrease in cash Decrease in creditors	(20000)					(20000)	
	Total	262000	125000	192000	36000	575000	30000	5000
11	Increase in cash Decrease in debtors	30000			(30000)			

	Total	292000	125000	192000	6000	575000	30000	5000
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Q7 Show the effect of the following transactions on Assets, Liabilities and Capital through accounting equation:

		Rs
(a)	Started business with cash	1,20,000
(b)	Rent received	10,000
(c)	Invested in shares	50,000
(d)	Received dividend	5,000
(e)	Purchase goods on credit from Ragani	35,000
(f)	Paid cash for household Expenses	7,000
(g)	Sold goods for cash (costing Rs 10,000)	14,000
(h)	Cash paid to Ragani	35,000
(i)	Deposited into bank	20,000

Answer.

S. No	Narration	Assets				Liabilities	
		Cash	Stock	Bank	Investment	Capital	Creditors
1.	Increase in cash Increase in capital	120000				120000	
	Total	120000				120000	
2.	Increase in capital Increase in cash	10000				10000	
	Total	130000				130000	

3.	Increase in investment Decrease in cash	(50000)			50000		
	Total	80000			50000	130000	
4.	Increase in cash Increase in capital	5000				5000	
	Total	85000			50000	135000	
5.	Increase in stock Increase in creditors		35000				35000
	Total	85000	35000		50000	135000	35000
6	Decrease in cash Decrease in Capital	(7000)				(7000)	
	Total	78000	35000		50000	128000	35000
7	Decrease in stock Increase in cash Increase in capital	14000	(10000)			4000	
	Total	92000	25000		50000	132000	35000
8	Decrease in cash Decrease in creditors	(35000)					(35000)
	Total	57000	25000		50000	132000	-
9	Increase in bank Decrease in cash	(20000)		20000			
	Total	37000	25000	20000	50000	132000	-

Q8 Show the effect of following transaction on the accounting equation:

		Rs
(a)	Manoj started business with	
	(i) Cash	2,30,000
	(ii) Goods	1,00,000
	(iii) Building	2,00,000
(b)	He purchased goods for cash	50,000
(c)	He sold goods(costing Rs 20,000)	35,000
(d)	He purchased goods from Rahul	55,000
(e)	He sold goods to Varun (Costing Rs 52,000)	60,000
(f)	He paid cash to Rahul in full settlement	53,000
(g)	Salary paid by him	20,000
(h)	Received cash from Varun in full settlement	59,000
(i)	Rent outstanding	3,000
(j)	Prepaid Insurance	2,000
(k)	Commission received by him	13,000
(l)	Amount withdrawn by him for personal use	20,000
(m)	Depreciation charge on building	10,000
(n)	Fresh capital invested	50,000
(o)	Purchased goods from Rakhi	6,000

Answer.

S. N o.	Narration	Assets					Liab	
		Cash	Stock	Building	Debtors	Prepaid expenses	Capital	Creditors
1.	Increase in cash Increase in goods Increase in building Increase in capital	230000	100000	200000			530000	

	Total	230000	100000	200000			530000	
2.	Increase in stock Decrease in cash	(50000)	50000					
	Total	280000	150000	200000			530000	
3.	Decrease in stock Increase in cash Increase in capital	35000	(20000)				15000	
	Total	315000	130000	200000			545000	
4.	Increase in stock Increase in Creditors		55000					55000
	Total	315000	185000	200000			545000	55000
5.	Decrease in stock Increase in debtors Increase in capital		(52000)		60000		8000	
	Total	315000	133000	200000	60000		553000	55000
6	Decrease in cash Decrease in creditors Increase in capital	(53000)					2000	(55000)
	Total	262000	133000	200000	60000		555000	-
7	Decrease in cash Decrease in capital	(20000)					(20000)	

	Total	242000	133000	200000	60000		535000	-
8	Increase in cash Decrease in debtors Decrease in Capital	59000			(60000)		(1000)	
	Total	301000	133000	200000	-		534000	
9	Increase in outstanding expenses Decrease in capital						(3000)	
	Total	301000	133000	200000	-		531000	
10	Decrease in cash Increase in prepaid expenses	(2000)				2000		
	Total	299000	133000	200000		2000	531000	
11	Increase in cash Increase in capital	13000					130000	
	Total	312000	133000	200000	-	2000	544000	-
12	Decrease in cash Decrease in capital	(20000)					(20000)	
	Total	292000	133000	200000	-	2000	524000	-
13	Decrease in building Decrease in capital			(10000)			(10000)	
	Total	292000	133000	190000	-	2000	514000	-
14	Increase in cash Increase in capital	50000					50000	

	Total	342000	133000	190000	-	2000	564000	
15	Increase in stock Increase in creditors		6000	190000				6000
	Total	342000	1390000	190000	-	2000	564000	6000

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Q9 Transactions of M/s. Vipin Traders are given below.

Show the effects on Assets, Liabilities and Capital with the help of accounting Equation.

		Rs
(a)	Business started with cash	1,25,000
(b)	Purchased goods for cash	50,000
(c)	Purchase furniture from R.K. Furniture	10,000
(d)	Sold goods to Parul Traders (costing Rs 7,000 vide bill no. 5674)	9,000
(e)	Paid cartage	100
(f)	Cash Paid to R.K. furniture in full settlement	9,700
(g)	Cash sales (costing Rs 10,000)	12,000
(h)	Rent received	4,000
(i)	Cash withdrawn for personal use	3,000

Answer.

S. No	Narration	Assets				Liabilities	
		Cash	Stock	Furniture	Debtors	Capital	Creditors
1.	Increase in cash Increase in capital	125000				125000	

	Total	125000				125000	
2.	Increase in Stock Decrease in cash	(50000)	50000				
	Total	75000	50000			125000	
3.	Increase in furniture Increase in creditors			10000			10000
	Total	75000	50000	10000		125000	10000
4.	Increase in debtors Decrease in stock Increase in capital		(7000)		9000	2000	
	Total	75000	43000	10000	9000	127000	10000
5.	Decrease in cash Decrease in Capital	(100)				(100)	
	Total	74900	43000	10000	9000	126900	10000
6	Decrease in cash Decrease in creditor Increase in Capital	(9700)				300	(10000)
	Total	65200	43000	10000	9000	126600	-
7	Decrease in stock Increase in cash Increase in capital	12000	(10000)			2000	
	Total	77200	33000	10000	9000	128600	-
8	Increase in cash Increase in capital	4000				4000	
	Total	81200	33000	10000	9000	132600	-
9	Decrease in cash Decrease in capital	(3000)				(3000)	

	Total	78200	33000	10000	9000	129600	-
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Q10 Bobby opened a consulting firm and completed these transactions during November, 2005:

(a)	Invested Rs 4,00,000 cash and office equipment with Rs 1,50,000 in a business called Bobbie Consulting.
(b)	Purchased land and a small office building. The land was worth Rs 1,50,000 and the building worth Rs 3,50,000. The purchase price was paid with Rs 2,00,000 cash and a long term note payable for Rs 8,00,000.
(c)	Purchased office supplies on credit for Rs 12,000.
(d)	Bobbie transferred title of motor car to the business. The motor car was worth Rs 90,000.
(e)	Purchased for Rs 30,000 additional office equipment on credit.
(f)	Paid Rs 75,00 salary to the office manager.
(g)	Provided services to a client and collected Rs 30,000
(h)	Paid Rs 4,000 for the month's utilities.
(i)	Paid supplier created in transaction (c).
(j)	Purchase new office equipment by paying Rs 93,000 cash and trading in old equipment with a recorded cost of Rs 7,000.
(k)	Completed services of a client for Rs 26,000. This amount is to be paid within 30 days.
(l)	Received Rs 19,000 payment from the client created in transaction (k).
(m)	Bobby withdrew Rs 20,000 from the business.

Analyse the above stated transactions and open the following T-accounts:

Cash, client, office supplies, motor car, building, land, long term payables, capital, withdrawals, salary, expense and utilities expense.

Answer.

a) Investment in the business is its capital. Hence , the investment of assets namely cash and office equipment will be debited into the business as the increase in assets is debited while the increase in liabilities is credited. So, the capital A/c will be credited by 5,50,000 and cash A/c and office equipment A/c will be debited by Rs. 4,00,000 and 1,50,000 respectively.

b) The land and office building are purchased so Land A/c and building A/c will be debited by rs. 1,50,000 and rs. 3,50,000 respectively. Cash a/c will be credited by rs. 2,00,000 as cash is reduced in

the transaction. The remaining amount is transferred into the creditors for building A/c and it is credited by rs. 3,00,000. The long term promissory note is a liability for the business against which it will receive cash. So,the cash a/c is debited and the long term bills payables a/c will be credited by rs. 8,00,000.

- c) Office supplies a/c will be debited and the supplier a/c will be credited by rs. 12,000.
- d) The motor car will serve as the capital of the firm. So, the capital a/c will be credited and motor car a/c will be debited by rs. 90,000.
- e) Office equipment a/c will be debited and the creditors for office equipment a/c will be credited by rs. 30,000.
- f) Salary is an expense of the firm and hence it will be debited as per the golden rule ,”debit expenses and losses”. Salary A/c will be debited and the cash A/c will be credited by rs. 75,000.
- g) Services to client A/c will be credited as it is an income to the firm. Cash A/c will be debited by ₹30000 as cash is received by the firm against the services provided by it.
- h) It is an expense and hence will be debited. Cash is paid for it so it will be credited by ₹4000.
- i) Payment is made to supplier so the supplier A/c will be debited and the Cash A/c will be credited by ₹12000.
- j) Here, the new office equipment is debited by 1,00,000 as it is an asset and is gained by the firm. Again, cash is paid for it so cash A/c will be credited by ₹93000. The remaining 7,000 will be credited to the account Office equipment as it is sold for 7000. So the net entry would be made by debiting the office equipment a/c by ₹93000.
- k) Services to client A/c will be credited and the client A/c will be debited by ₹26000.
- l) Cash A/c will be debited and the client A/c will be credited by ₹19000.
- m) Drawings A/c will be debited as it is a loss to the firm while the cash A/c will be credited as cash is taken out of the business.

Dr. Cash A/c
Cr.

Date	Particulars	J. F.	Amount rs.	Date	Particulars	J
i ii iii	To capital A/c To services to client A/c To client A/c		400000 30000 19000	i ii iii iv v vi vii	By land A/c By building A/c By salary A/c By utilities A/c By supplier A/c By office equipment A/c By drawings A/c By balance c/d	

Dr. Office Equipment A/c
Cr.

Date	Particulars	J. F.	Amount rs.	Date	Particulars	J. F.
i	To capital A/c		150000			
ii	To creditors for office equipment A/c		30000			
iii	To cash A/c		93000		By balance c/d	

Office Supplies A/c

Dr.

Cr.

Date	Particulars	J. F.	Amount rs.	Date	Particulars	J. F.
i	To supplier's A/c		12000		By balance c/d	

Capital A/c

Dr.

Cr.

Date	Particulars	J. F.	Amount rs.	Date	Particulars	J. F.
	To balance c/d		640000	i	By cash A/c	
				ii	By office equipment A/c	
				iii	By motor car A/c	

Land A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars	J. F.
i	To cash A/c		150000		By balance c/d	

Client A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars	J. F.

i	To services to client A/c		26000	i	By Cash A/c By balance c/d
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Building A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To cash A/c		50000		
ii	To creditors for building A/c		300000		By balance c/d

Long Term Bills Payable A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
	To balance c/d		800000	i	By cash A/c

Creditors for Building A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
	To balance c/d		300000	i	By building A/c

Supplier A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To cash A/c		12000	i	By office supplies A/c

Creditors for Office Equipment A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
	To balance c/d		30000	i	By office equipment A/c

Salaries A/c

Dr.
Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To cash A/c		75000		By Profit and Loss A/c

Motor car A/c

Dr.
Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To capital A/c		90000		By balance c/d

Services to client A/c

Dr.
Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
	To Profit and loss A/c		56000	i ii	By client A/c By cash A/c

Utilities A/c

Dr.
Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To cash A/c		4000		By Profit and loss A/c

Drawings A/c

Cr.

Date	Particulars	J.F.	Amount rs.	Date	Particulars
i	To cash A/c		20000		

Q11 Journalise the following transactions in the books of Himanshu:

2017		Rs
Dec.01	Business started with cash	75,000
Dec.07	Purchased goods for cash	10,000
Dec.09	Sold goods to Swati	5,000
Dec.12	Purchased furniture	3,000
Dec.18	Cash received from Swati in full settlement	4,000
Dec.25	Paid rent	1,000
Dec.30	Paid salary	1,500

Journal

Date	Particulars	L. F.	Debit Amount Rs.	Cr.
2017 dec 1	Cash A/c To Capital A/c (Being started business with cash)		75000	75000
Dec 7	Purchases A/c To cash A/c		10000	10000

Dec 9	(Being purchased goods for cash) Swati's A/c To Sales A/c (Being sold goods to Swati) Furniture A/c To cash A/c	Dr. Dr.	5000	5000
Dec 12	(Being purchased furniture) Cash A/c Dr. To Swati's A/c		3000	3000
Dec 18	(Being received cash from Swati in full settlement) Rent A/c Dr. To cash A/c (Being paid rent) Salary A/c To cash A/c (Being paid salary)		4000	4000
Dec 25		Dr.	1000	1000
Dec 30			1500	1500

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Q12 Enter the following Transactions in the Journal of Mudit :

2017		Rs
Jan.01	Commenced business with cash	1,75,000
Jan.01	Building	1,00,000
Jan.02	Goods purchased for cash	75,000
Jan.03	Sold goods to Ramesh	30,000
Jan.04	Paid wages	500
Jan.06	Sold goods for cash	10,000
Jan.10	Paid for trade expenses	700
Jan.12	Cash received from Ramesh	29,500
	Discount allowed	500
Jan.14	Goods purchased for Sudhir	27,000
Jan.18	Cartage paid	1,000
Jan.20	Drew cash for personal use	5,000
Jan.22	Goods use for household	2,000
Jan.25	Cash paid to Sudhir	26,700

	Discount allowed	300
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Answer.

In the books of Himanshu
Journal

Date	Particulars	L.F.	Debit amount rs.	Cre
2017 Jan 1	Cash A/c Dr. Building A/c Dr. To Capital A/c (Being started business with cash)		175000 100000	275
Jan 2	Purchases A/c Dr. To cash A/c (Being purchased goods for cash)		75000	750
Jan 3	Ramesh's A/c Dr. To Sales A/c (Being sold goods to Ramesh)		30000	300
Jan 4	Wages A/c Dr. To cash A/c (Being wages paid)		500	500
Jan 6	Cash A/c Dr. To Sales A/c (Being sold goods)		10000	100
Jan 10	Trade expenses A/c Dr. To cash A/c (Being paid for trade expenses)		700	700
Jan 12	Cash A/c Dr. Discount A/c Dr. To Ramesh's A/c (Being received cash from Ramesh and allowed discount)		29500 500	300
Jan 14	Purchases A/c Dr. To Sudhir's A/c (Being purchased goods from Sudhir)		27000	270
Jan 18	Cartage A/c Dr.		1000	100
Jan 20	To cash A/c		5000	500

Jan 22	(Being paid cartage) Drawings A/c To cash A/c	Dr.	2000	2000
Jan 25	(Being withdrew for personal use) Drawings A/c To purchases A/c	Dr.	27000	27000
	(Being goods used for household purpose) Sudhir's A/c To Cash A/c To Discount A/c	Dr.		26700 3000
	(Being paid cash and received discount from Sudhir)			

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Q13 Journalise the following transactions:

2017		Rs
Dec. 01	Hema started business with cash	1,00,000
Dec. 02	Open a bank account with SBI	30,000
Dec. 04	Purchased goods from Ashu	20,000
Dec.06	Sold goods to Rahul for cash	15,000
Dec.10	Bought goods from Tara for cash	40,000
Dec.13	Sold goods to Suman	20,000
Dec.16	Received cheque from Suman	19,500
	Discount allowed	500
Dec.20	Cheque given to Ashu on account	10,000
Dec.22	Rent paid by cheque	2,000
Dec.23	Deposited into bank	16,000
Dec.25	Machine purchased from Parigya	10,000
Dec.26	Trade expenses	2,000
Dec.28	Cheque issued to Parigya	10,000

Dec.29	Paid telephone expenses by cheque	1,200
Dec.31	Paid salary	4,500

Answer.

Journal

Date	Particulars	L. F.	Debit amount Rs.	C R
2017 Dec 1	Cash A/c To Capital A/c (Being started business with cash)	Dr.	100000	1
Dec. 02	Bank A/c To cash A/c (Being opened bank account with SBI)	Dr.	30000	
Dec. 04	Purchases A/c To Ashu's A/c (Being purchased goods from Ashu)	Dr.	20000	3
Dec.06	Cash A/c To Sales A/c (Being sold goods for cash)	Dr.	15000	2
Dec.10			40000	
Dec.13	Purchases A/c To cash A/c (Being purchased goods for cash)	Dr.	20000	1
Dec.16	Suman's A/c To Sales A/c (Being sold goods to Suman)	Dr.	19500 500	4
Dec.20	Bank A/c Discount A/c To Suman's A/c (Being received cheque from Suman and allowed discount)	Dr. Dr.	10000 2000	
Dec.22				2
Dec.23	Ashu's A/c To bank A/c (Being given cheque to Ashu)	Dr.	16000	

Dec.25	Rent A/c	Dr.	10000	2
	To bank A/c			
Dec.26	(Being given rent by cheque)		2000	
	Bank A/c	Dr.		
	To cash A/c			1
Dec.28	(Being deposited into bank)		10000	
	Machinery A/c	Dr.		
Dec.29	To Parigya's A/c		1200	2
	(Being purchased machinery from Parigya)			
Dec.31	Trade expenses A/c	Dr.	4500	
	To cash A/c			
	(Being paid for trade expenses)			
	Parigya's A/c	Dr.		1
	To cash A/c			
	(Being paid to parigya)			
	Telephone expenses A/c	Dr		
	To bank A/c			1
	(Being telephone expenses by cheque)			
	Salary A/c	Dr.		
	To Cash A/c			
	(Being paid salary)			2
				1
				1

				4
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Q14 Journalise the following transactions in the books of Harpreet Bros.:

(a)	Rs 1,000 due from Rohit are now bad debts.
(b)	Goods worth Rs 2,000 were used by the proprietor.
(c)	Charge depreciation @ 10% p.a for two month on machine costing Rs 30,000.
(d)	Provide interest on capital of Rs 1,50,000 at 6% p.a. for 9 months.
(e)	Rahul become insolvent, who owed is Rs 2,000 a final dividend of 60 paise in a rupee is received from his estate.

Answer.

Date	Particulars	L. F.	Debit Amount ₹
a	Bad debts A/c Dr. To Rohit's A/c (Being amount due from Rohit declared bad debts)		1000
b	Drawings A/c Dr. To Purchases A/c (Being goods withdrawn by proprietor)		2000
c	Depreciation A/c Dr. To Machinery A/c (Being charged depreciation on machinery)		500
d	Interest on Capital A/c Dr. To capital A/c (Being provided for interest on capital)		6750
e	Cash A/c Dr. Bad debts A/c Dr. To Rahul's A/c (Being Rahul declared insolvent and 60 paise in a rupee recovered from his estate)		1200 800

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Q15 Prepare Journal from the transactions given below :

		Rs
(a)	Cash paid for installation of machine	500
(b)	Goods given as charity	2,000
(c)	Interest charge on capital @ 7% p.a. when total capital were	70,000
(d)	Received Rs 1,200 of a bad debts written-off last year.	
(e)	Goods destroyed by fire	2,000
(f)	Rent outstanding	1,000
(g)	Interest on drawings	900
(h)	Sudhir Kumar who owed me Rs 3,000 has failed to pay the amount. He pays me a compensation of 45 paise in a rupee.	
(i)	Commission received in advance	7,000

Answer.

Date	Particulars	L. F.	Debit amount ₹	Credit amount ₹
a	Machinery A/c Dr. To cash A/c (Being paid cash for installation of machinery)		500	500
b	Charity A/c Dr. To purchases A/c (Being goods given as charity)		2000	
c	Interest on Capital A/c Dr. To capital A/c (Being provided for interest on capital)		4900	2000
d	Cash A/c Dr. To bad debts recovered A/c (Being Received bad debts written-off last year)		1200	
e	Loss by fire A/c Dr. To purchases A/c (Being goods lost by fire)			4900
f	Rent A/c Dr. To Rent outstanding A/c (Being rent outstanding)		2000	
g	Drawings A/c Dr. To interest on drawings A/c (Being charged interest on drawings)		1000	
	Cash A/c Dr. Bad debts A/c Dr. To Sudhir kumar's A/c (Being amount became bad debts and only 45 paisa in a rupee)		900	1200

h	rupee could be recovered) Cash A/c To commission received in advance A/c (Being commission received in advance)	Dr.	1350	20
			1650	
i			7000	10
				90
				30
				70

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Q16 Journalise the following transactions, post to the ledger:

2017			Rs
Nov. 01	Business started with	(i) Cash	1,50,000
		(ii) Goods	50,000
Nov. 03	Purchased goods from Harish		30,000
Nov. 05	Sold goods for cash		12,000
Nov. 08	Purchase furniture for cash		5,000
Nov. 10	Cash paid to Harish on account		15,000
Nov. 13	Paid sundry expenses		200
Nov. 15	Cash sales		15,000

Nov. 18	Deposited into bank	5,000
Nov. 20	Drew cash for personal use	1,000
Nov. 22	Cash paid to Harish in full settlement of account	14,700
Nov. 25	Good sold to Nitesh	7,000
Nov. 26	Cartage paid	200
Nov. 27	Rent paid	1,500
Nov. 29	Received cash from Nitesh	6,800
	Discount allowed	200
Nov. 30	Salary paid	3,000

Answer.

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 Nov 1	Cash A/c Dr. Stock A/c Dr. To Capital A/c (Being started business with cash and stock)		150000 50000	200
Nov 3	Purchases A/c Dr. To Harish's A/c		30000	
Nov 5	(Being purchased goods from Harish) Cash A/c Dr. To Sales A/c		12000	300
Nov 8	(Being sold goods for cash)		5000	
Nov 10	Furniture A/c Dr. To cash A/c		15000	120
Nov 13	(Being purchased furniture for cash) Harish's A/c Dr. To cash A/c		200	500
Nov 15	(Being paid cash to Harish)		15000	

	Sundry expenses A/c	Dr.			
Nov 18	To cash A/c			5000	15000
	(Being paid sundry expenses)				
Nov 20	Cash A/c	Dr.		1000	
	To Sales A/c				2000
	(Being sold goods for cash)				
Nov 22	Bank A/c	Dr.		15000	
	To cash A/c				
	(Being deposited into bank)				
Nov 25	Drawings A/c	Dr.		7000	15000
	To cash A/c				
Nov 26	(Being cash withdrawn for personal use)			200	
	Harish's A/c	Dr.			
	To cash A/c				5000
Nov 27	To discount received A/c			1500	
	(Being cash paid to Harish in full settlement)				
Nov 29	Nitesh's A/c	Dr.		6800	
	To Sales A/c			200	10000
	(Being sold goods to Nitesh)				
Nov 30				3000	
	Cartage A/c	Dr.			
	To cash A/c				14700
	(Being paid for cartage in cash)				3000
	Rent A/c	Dr.			
	To cash A/c				7000
	(Being paid rent in cash)				
	Cash A/c	Dr.			
	Discount allowed A/c	Dr.			
	To Nitesh's A/c				
	(Being received cash from Nitesh and allowed discount)				2000

	Salary A/c To cash A/c (Being paid salary in cash)	Dr.			150000 70000 30000
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Cash A/c					
Date	Particulars	J. F.	Dr. Amount ₹	Date	Particulars
2017 Nov 1 Nov 5 Nov 15 Nov 29	To capital A/c To sales A/c To sales A/c To Nitesh's A/c		150000 12000 15000 6800 <u>183800</u>	2017 Nov 8 Nov 10 Nov 13 Nov 18 Nov 20 Nov 22 Nov 26 Nov 27 Nov 30	By furniture A/c By Harish's A/c By sundry expenses A/c By bank A/c By drawings A/c By Harish's A/c By cartage A/c By rent A/c By salary A/c By balance c/d

Dr.		Cr.		Capital A/c		
Date	Particulars	J. F.	Debit amount ₹	Date	Particulars	J. F.
Nov 30	To balance c/d		200000	2017 Nov 1 Nov 1	By cash A/c By stock A/c	

Stock A/c

Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.01	To Capital A/c		50,000	Nov. 30	By Balance c/d		50,000
			50,000				50,000

Cartage A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.26	To Cash A/c		200	Nov.30	By Balance c/d		200
			200				200

Rent A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.27	To Cash A/c		1,500	Nov.30	By Balance c/d		1,500
			1,500				1,500

Salaries A/c							
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Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.30	To Cash A/c		3,000	Nov.30	By Balance c/d		3,000
			3,000				3,000

Furniture A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.08	To Cash A/c		5,000	Nov.30	By Balance c/d		
			5,000				5,000

Nitesh's A/c							
Dr							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.25	To Sales A/c		7,000	Nov.29	By Cash A/c		6,800
				Nov.29	By Discount Allowed A/c		200
			7,000				7,000

Sales A/c							
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Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
				Nov.05	By Cash A/c		12,000
				Nov.15	By Cash A/c		15,000
Nov.30	To Balanced c/d		34,000	Nov.25	By Nitesh's A/c		7,000
			34,000				34,000

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.03	To Harish's A/c		30,000				
			30,000	Nov.30	By Balance c/d		30,000
							30,000

Harish's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.10	To Cash A/c		15,000	Nov.03	By Purchases A/c		30,000
Nov.22	To Cash A/c		14,700				
Nov.22	To Discount Received A/c		300				
			30,000				30,000

Sundry Expenses A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.13	To Cash A/c		200	Nov.30	By Balance c/d		200
			200				200

Bank A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.18	To Cash A/c		5,000	Nov.30	By Balance c/d		5,000
			5,000				5,000

Drawings A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.20	To Cash A/c		1,000	Nov.30	By Balance c/d		1,000
			1,000				1,000

Discount Received A/c

Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
				Nov.22	By Harish's A/c		300
Nov.30	To Balance c/d		300				
			300				3,00

Discount Allowed A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.29	To Nitesh's A/c		200				
				Nov.30	Balance c/d		200
			200				200

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Q17 Journalise the following transactions is the journal of M/s. Goel Brothers and post them to the ledger.

2017		Rs
Jan. 01	Started business with cash	1,65,000
Jan. 02	Opened bank account in PNB	80,000
Jan. 04	Goods purchased from Tara	22,000
Jan.05	Goods purchased for cash	30,000
Jan.08	Goods sold to Naman	12,000
Jan.10	Cash paid to Tara	22,000
Jan.15	Cash received from Naman	11,700

	Discount allowed	300
Jan. 16	Paid wages	200
Jan. 18	Furniture purchased for office use	5,000
Jan. 20	Withdrawn from bank for personal use	4,000
Jan. 22	Issued cheque for rent	3,000
Jan. 23	Goods issued for household purpose	2,000
Jan. 24	Drawn cash from bank for office use	6,000
Jan. 26	Commission received	1,000
Jan. 27	Bank charges	200
Jan. 28	Cheque given for insurance premium	3,000
Jan. 29	Paid salary	7,000
Jan. 30	Cash sales	10,000

Answer.

In the books of M/s goel brothers
Journal

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 Jan 1	Cash A/c Dr. To Capital A/c (Being started business with cash)		150000 50000	200
Jan 2	Bank A/c Dr. To cash A/c (Being opened bank account)		30000	300
	Purchases A/c Dr. To Tara's A/c (Being purchased goods from Tara)		12000	120
Jan 4	Purchases A/c Dr. To cash A/c (Being purchased goods for cash)		5000	500
	Naman's A/c Dr. To Sales A/c (Being sold goods to Naman)		15000	150
Jan 5	Tara's A/c Dr. To cash A/c (Being paid cash to Tara)		200	200

Jan 8	Cash A/c Discount allowed A/c To Naman's A/c (Being received cash from Naman and allowed discount)	Dr. Dr.	15000	15000
Jan 10	Wages A/c To cash A/c (Being paid wages in cash)	Dr.	5000 1000	5000 1000
Jan 15	Furniture A/c To cash A/c (Being purchased furniture)	Dr.	15000	14730
	Drawings A/c To bank A/c (Being amount withdrawn for personal use)	Dr.	7000	7000
Jan 16	Rent A/c To bank A/c (Being paid rent through cheque)	Dr.	200	200
	Drawings A/c To purchases A/c (Being goods withdrawn for personal use)	Dr.	1500	1500
Jan 18	Cash A/c To bank A/c (Being withdrawn from bank)	Dr.	6800 200	7000
Jan 20	Cash A/c To commission A/c (Being received commission)	Dr.	3000	3000
Jan 22	Bank charges A/c To bank A/c (Being charged bank charges)	Dr.		
	Insurance premium A/c To bank A/c (Being paid Insurance premium)	Dr.		

Jan 23	Salary A/c	Dr.			
	To cash A/c				
	(Being paid salary in cash)				
	Cash A/c	Dr.			
Jan 24	To Sales A/c				
	(Being sold goods for cash)				
Jan 26					
Jan 27					
Jan 28					
Jan 29					
Jan 30					

Ledger

Cash A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	To Capital A/c		1,65,000	Jan.02	By Bank A/c		80,000
Jan.15	To Naman's A/c		11,700	Jan.05	By Purchases A/c		30,000
Jan.24	To Bank A/c		6,000	Jan.10	By Tara's A/c		22,000
	To Commission A/c			Jan.16	By Wages A/c		
	To Sales A/c			Jan.18	By Furniture A/c		
					By Salaries A/c		

Jan.26				Jan.29	By Balance c/d		
Jan.30			1,000	Jan.31			200
			10,000				5,000
							7,000
							49,500
			1,93,700				1,93,700

Capital A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.31	To Balance c/d		1,65,000	Jan.01	By Cash A/c		1,65,000
			1,65,000				1,65,000

Bank A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			

Jan.02	To Cash A/c		80,000	Jan.20	By Drawings A/c		4,000
				Jan.22	By Rent A/c		3,000
				Jan.24	By Cash A/c		6,000
				Jan.27	By Bank charges A/c		200
				Jan.28	By Insurance premium A/c		3,000
				Jan.31	By Balance c/d		63,800
			80,000				80,000

Tara's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.10	To Cash A/c		22,000	Jan.04	By Purchases A/c		22,000
			22,000				22,000

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.04	To Tara's A/c		22,000	Jan.23	By Drawings A/c		2,000
Jan.05	To Cash A/c		30,000	Jan.31	By Balance c/d		50,000
			52,000				52,000

Sales A/c							
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Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.31	To Balanced c/d		22,000	Jan.08	By Naman's A/c		12,000
				Jan.30	By Cash A/c		10,000
			22,000				22,000

Naman's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.08	To Sales A/c		12,000	Jan.15	By Cash A/c		11,700
				Jan.15	By Discount Allowed A/c		300
			12,000				12,000

Discount Allowed A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.15	To Naman's A/c		300	Jan.31	By Balance c/d		300
			300				300

Wages A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.16	To Cash A/c		200				
				Jan.31	By Balance c/d		200
			200				200

Furniture A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.18	To Cash A/c		5,000				
				Jan.31	By Balance c/d		5,000
			5,000				5,000

Drawings A/c							
Dr.						Cr.	
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.20	To Bank A/c		4,000				
Jan.23	To Purchases A/c		2,000	Jan.31	By Balance c/d		6,000
			6,000				6,000

Rent A/c

Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.22	To Bank A/c		3,000	Jan.31	By Balance c/d		3,000
			3,000				3,000

Commission A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.31	To Balance c/d		1,000	Jan.26	By Cash A/c		1,000
			1,000				1,000

Bank Charges A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.27	To Bank A/c		200	Jan.31	By Balance c/d		200
			200				200

Insurance A/c							
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Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.28	To Bank A/c		3,000	Jan.31	By Balance c/d		3,000
			3,000				3,000

Salaries A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.29	To Cash A/c		7,000	Jan.31	By Balance c/d		7,000
			7,000				7,000

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Q18 Give journal entries of M/s. Mohit traders; post them to the Ledger from the following transactions:

August, 2017		Rs
1	Commenced business with cash	1,10,000
2	Opened bank account with H.D.F.C.	50,000
3	Purchased furniture	20,000
7	Bought goods for cash from M/s. Rupa Traders	30,000
8	Purchased good from M/s. Hema Traders	42,000
10	Sold goods for cash	30,000

14	Sold goods on credit to M/s. Gupta Traders	12,000
16	Rent paid	4,000
18	Paid trade expenses	1,000
20	Received cash from Gupta Traders	12,000
22	Goods return to Hema Traders	2,000
23	Cash paid to Hema Traders	40,000
25	Bought postage stamps	100
30	Paid salary to Rishabh	4,000

Answer.

In the books of M/s Mohit Traders
Journal

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 August 1	Cash A/c To Capital A/c (Being started business with cash)	Dr.	110000	110000
August 2	Bank A/c To cash A/c (Being opened bank account)	Dr.	50000	50000
August 3	Furniture A/c To cash A/c (Being purchased furniture)	Dr.	20000	20000
August 7	Purchases A/c To cash A/c (Being purchased goods for cash)	Dr.	30000	30000
August 8	Purchases A/c To M/s. Hema Traders's A/c (Being purchased goods from M/s. Hema Traders)	Dr.	42000	42000
August 10	Cash A/c To Sales A/c (Being sold goods for cash)	Dr.	30000	30000
			12000	
	M/s. Gupta Traders's A/c To Sales A/c	Dr.	4000	

	(Being sold goods to M/s. Gupta Traders)				12000
August 14	Rent A/c To cash A/c	Dr.		1000	
	(Being paid rent in cash)				
	Trade expenses A/c To bank A/c	Dr.		12000	4000
August 16	(Being paid trade expenses)				
	Cash A/c To M/s. Gupta Traders's A/c	Dr.		2000	1000
	(Being received cash from M/s. Gupta Traders)				
	M/s. Hema Traders A/c To purchase return A/c	Dr.		4000	
August 18	(Being goods returned)				
	M/s. Hema Traders's A/c To cash A/c	Dr.		100	1200
	(Being paid cash to M/s. Hema Traders)				
August 20	Postage stamps A/c To cash A/c	Dr.		4000	
	(Being bought postage stamps)				
	Salary A/c To cash A/c	Dr.			2000
August 22	(Being paid salary)				
August 23					4000
August 25					1000
					4000

August 30				
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Cash A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.01	To Capital A/c		1,10,000	Aug.02	By Bank A/c		50,000
Aug.10	To Sales A/c		30,000	Aug.03	By Furniture A/c		20,000
Aug.20	To M/s. Gupta Traders A/c		12,000	Aug.07	By Purchases A/c		30,000
				Aug.16	By Rent A/c		4,000
				Aug.18	By Trade Expenses A/c		1,000
				Aug.23	By M/s. Hema Traders A/c		40,000
				Aug.25	By Postage Stamps A/c		100
				Aug.30	By Salaries A/c		4,000
				Aug.31	By Balance c/d		2,900
			1,52,000				1,52,000

Capital A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.31	To Balance c/d		1,10,000	Aug.01	By Cash A/c		1,10,000
			1,10,000				1,10,000

Bank A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.02	To Cash A/c		50,000	Aug.31	By Balance c/d		50,000
			50,000				50,000

Furniture A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.03	To Cash A/c		20,000	Aug.31	By Balanced c/d		20,000
			20,000				20,000

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.07	To Cash A/c		30,000	Aug.31	By Balance c/d		72,000
Aug.08	To M/s. Hema Traders A/c		42,000				

			72,000				72,000

M/s. Hema Traders A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.22	To Purchases Return A/c		2,000	Aug.08	By Purchases A/c		42,000
Aug.23	To Cash A/c		40,000				
			42,000				42,000

Sales A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.31	To Balance c/d		42,000	Aug.10	By Cash A/c		30,000
			42,000	Aug.14	By M/s. Gupta Traders A/c		12,000
							42,000

M/s. Gupta Traders A/c							
Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			

Aug.14				Aug.20	By Cash A/c		
	To Sales A/c		12,000				12,000
			12,000				12,000

Rent A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.16	To Cash A/c		4,000	Aug.31	By Balance c/d		4,000
			4,000				4,000

Trade Expenses A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.18	To Cash A/c		1,000	Aug.31	By profit and loss A/c		1,000
			1,000				1,000

Purchases Return A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount

			Rs				Rs
2017				2017			
				Aug.22	By M/s. Hema Traders A/c		2,000
Aug.31	To Balance c/d		2,000				
			2,000				2,000

Postage Stamps A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.25	To Cash A/c		100	Aug.31	By Balance c/d		100
			100				100

Salaries A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.30	To Cash A/c		4,000	Aug.31	By profit and loss A/c		4,000
			4,000				4,000

Q19 Journalise the following transaction in the Books of the M/s. Bhanu Traders and Post them into the Ledger.

December, 2017		Rs
1	Started business with cash	92,000
2	Deposited into bank	60,000
4	Bought goods on credit from Himani	40,000
6	Purchased goods from cash	20,000
8	Returned goods to Himani	4,000
10	Sold goods for cash	20,000
14	Cheque given to Himani	36,000
17	Goods sold to M/s. Goyal TradeRs	3,50,000
19	Drew cash from bank for personal use	2,000
21	Goyal traders returned goods	3,500
22	Cash deposited into bank	20,000
26	Cheque received from Goyal Traders	31,500
28	Goods given as charity	2,000
29	Rent paid	3,000
30	Salary paid	7,000
31	Office machine purchased for cash	3,000

Answer.

In the books of M/s Bhanu Traders
Journal

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 Dec 1	Cash A/c To Capital A/c (Being started business with cash)	Dr.	110000	110
Dec 2	Bank A/c To cash A/c (Being deposited into bank)	Dr.	50000	500
Dec 4	Purchases A/c To Himani's A/c (Being purchased goods from Himani)	Dr.	20000	200
	Purchases A/c	Dr.		

Dec 8	To cash A/c (Being purchased goods for cash) Cash A/c	Dr.	30000	
	To Sales A/c (Being sold goods for cash)			30000
Dec 10	Himani's A/c	Dr.	42000	
	To bank A/c (Being given cheque to Himani)			42000
Dec 14	M/s. Goyal Traders's A/c	Dr.	30000	
	To Sales A/c (Being sold goods to M/s. Goyal Traders)			30000
Dec 17	Drawings A/c	Dr.	12000	
	To bank A/c (Being drew cash from bank for personal use)			12000
Dec 19	Sales return A/c	Dr.	4000	
	To Goyal traders' A/c (Being goods returned by Goyal traders)			4000
Dec 21	Bank A/c	Dr.		
	To cash A/c (Being deposited into bank)		1000	1000
Dec 22	Bank A/c	Dr.	12000	
	To M/s. Goyal Traders's A/c (Being received cash from M/s. Goyal Traders)			12000
Dec 26	Charity A/c	Dr.		
	To purchases A/c (Being goods given as charity)			
	Rent A/c	Dr.	2000	
	To bank A/c (Being paid rent)			2000
Dec 28	Salary A/c	Dr.	4000	
	To cash A/c (Being paid salary)			4000
Dec 29	Machinery A/c	Dr.	100	
	To cash A/c (Being purchased machinery)			100
Dec 30			4000	4000
Dec 31				

Cash A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.01	To Capital A/c		92,000	Dec.02	By Bank A/c		60,000
Dec.10	To Sales A/c		20,000	Dec.06	By Purchases A/c		20,000
				Dec.22	By Bank A/c		20,000
				Dec.30	By Salaries A/c		7,000
				Dec.31	By Office Machine A/c		3,000
				Dec.31	By Balance c/d		2,000
			1,12,000				1,12,000

Capital A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
				Dec.01	By Cash A/c		92,000
Dec.31	To Balance c/d		92000				
			92,000				92,000

Bank A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.02	By Cash A/c		60,000	Dec.14	By Himani's A/c		36,000

Dec.22	By Cash A/c		20,000	Dec.19	By Drawings A/c		2,000
Dec.26	By Goyal Traders' A/c		31,500	Dec.29	By Rent A/c		3,000
				Dec.31	By Balance c/d		70,500
			1,11,500				11,500

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.04	To Himani's A/c		40,000	Dec.28	By Charity A/c		2,000
Dec.06	To Cash A/c		20,000	Dec.31	By Balance c/d		58,000
			60,000				60,000

Himani's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.08	To Purchases Return A/c		4,000	Dec.04	By Purchases A/c		40,000
Dec.14	To Bank A/c		36,000				
			40,000				40,000

Sales A/c

Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Balance c/d		55,000	Dec.10	By Cash A/c		20,000
				Dec.17	By M/s. Goyal Traders A/c		35,000
			55,000				55,000

M/s. Goyal Traders A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.17	To Sales A/c		35,000	Dec.21	By Sales Return A/c		3,500
				Dec.26	By Bank A/c		31,500
			35,000				35,000

Purchases Return A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Balance c/d		4,000	Dec.08	By Himani's A/c		4,000
			4,000				4,000

Drawings A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.19	To Bank A/c		2,000	Dec.31	By Balance c/d		2,000
			2,000				2,000

Sales Return A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.21	To M/s. Goyal Traders' A/c		3,500	Dec.31	By Balance c/d		3,500
			3,500				3,500

Charity A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.28	To Purchases A/c		2,000	Aug.31	By Balance c/d		2,000
			2,000				2,000

Rent A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.29	To Cash A/c		3,000	Dec.31	By Balance c/d		3,000
			3,000				3,000

Salaries A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.30	To Cash A/c		7,000	Dec.31	By Balance c/d		7,000
			7,000				7,000

Office Machine A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Cash A/c		3,000	Dec.31	By Balance c/d		3,000
			3,000				3,000

Q20 Journalise the following transaction in the Book of M/s. Beauti tradeRs Also post them in the ledger.

Dec. 2017		Rs
1	Started business with cash	2,00,000
2	Bought office furniture	30,000
3	Paid into bank to open a current account	1,00,000
5	Purchased a computer and paid by cheque	2,50,000
6	Bought goods on credit from Ritika	60,000
8	Cash sales	30,000
9	Sold goods to Karishna on credit	25,000
12	Cash paid to Mansi on account	30,000
14	Goods returned to Ritika	2,000
15	Stationery purchased for cash	3,000
16	Paid wages	1,000
18	Goods returned by Karishna	2,000
20	Cheque given to Ritika	28,000
22	Cash received from Karishna on account	15,000
24	Insurance premium paid by cheque	4,000
26	Cheque received from Karishna	8,000
28	Rent paid by cheque	3,000
29	Purchased goods on credit from Meena Traders	20,000
30	Cash sales	14,000

Answer.

In the books of M/s. Beauty traders
Journal

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 Dec 1	Cash A/c To Capital A/c (Being started business with cash)	Dr.	200000	200

Dec 2	Furniture A/c To cash A/c (Being bought office furniture)	Dr.	30000	
Dec 3	Bank A/c To cash A/c (Being opened current bank account)	Dr.	100000	300
Dec 5	Computer A/c To bank A/c (Being bought computer)	Dr.	250000	
Dec 6	Purchases A/c To Ritika's A/c (Being purchased goods from Ritika)	Dr.	60000	100
Dec 8	Cash A/c To Sales A/c (Being sold goods for cash)	Dr.	30000	
Dec 9	Karishna's A/c To Sales A/c (Being sold goods to Karishma)	Dr.	25000	250
Dec 12	Mansi's A/c To cash A/c (Being cash paid to Mansi)	Dr.	30000	600
Dec 14	Ritika's A/c To purchase return A/c (Being returned goods to Ritika)	Dr.	2000	
Dec 15	Stationary A/c To cash A/c (Being purchased stationery for cash)	Dr.	3000	300
Dec 16	Wages A/c To cash A/c (Being paid wages)	Dr.	1000	
Dec 18	Sales return A/c To Karishna's A/c (Being returned goods by Karishna)	Dr.	2000	250
Dec 20	Ritika's A/c To bank A/c (Being paid by cheque to Ritika)	Dr.	28000	300
Dec 22	Cash A/c To Karishna's A/c	Dr.	15000	

Dec 24	(Being received cash from Karishna)		4000	
	Insurance A/c	Dr.		2000
	To bank A/c			
Dec 26	(Being paid insurance premium)		8000	
	Bank A/c	Dr.		
Dec 28	To Karishna's A/c		3000	3000
	(Being received cheque from Karishna)			
Dec 29	Rent A/c	Dr.	20000	
	To bank A/c			
Dec 30	(Being paid rent)		14000	10000
	Purchases A/c	Dr.		
	To Meena traders's A/c			
	(Being purchased goods from Meena traders)			
	Cash A/c	Dr.		20000
	To Sales A/c			
	(Being sold goods for cash)			
				28000
				15000
				40000
				80000

[illegible]

Office Furniture A/c				
J.F.	Amount Rs	Date	Particulars	
	30,000	2017		

				Dec.28	By Rent A/c		3,000
Dec.31	To Balance c/d (overdraft)		1,77,000				
			2,85,000				2,85,000

Computer A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.05	To Bank A/c		2,50,000	Dec.31	By Balance c/d		
			2,50,000				2,50,000

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.06	To Ritika's A/c		60,000				
Dec.29	To Meena Traders's A/c		20,000	Dec.31	By Balance c/d		80,000
			80,000				80,000

Ritika's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			

Dec.14	To Purchases Return A/c		2,000	Dec.06	By Purchases A/c		60,000
Dec.20	To Bank A/c		28,000				
Dec.31	To Balance c/d		30,000				
			60,000				60,000

Meena's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Balance c/d		20,000	Dec.29	By Purchases A/c		20,000
			20,000				20,000

Sales A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Balance c/d		69,000	Dec.08	By Cash A/c		30,000
			69,000	Dec.09	By Karishna's A/c		25,000
				Dec.30	By Cash A/c		14,000
							69,000

Krishna's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount

			Rs				Rs
2017				2017			
Dec.09	To Sales A/c		25,000	Dec.18	By Sales Return A/c		2,000
				Dec.22	By Cash A/c		15,000
				Dec.26	By Bank A/c		8,000
			25,000				25,000

Mansi's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.12	To Cash A/c		30,000	Dec.31	By Balance c/d		30,000
			30,000				30,000

Purchases Return A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	To Balance c/d		2,000	Dec.14	By Ritika's A/c		2,000
			2,000				2,000

Stationery A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.15	To Cash A/c		3,000	Dec.31	By Balance c/d		3,000
			3,000				3,000

Wages A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.16	To Cash A/c		1,000	Dec.31	By Balance c/d		1,000
			1,000				1,000

Sales Return A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.18	To Krishna's A/c		2,000	Dec.31	By Balance c/d		2,000
			2,000				2,000

Insurance A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.24	To Bank A/c		4,000	Dec.31	By Balance c/d		4,000
			4,000				4,000

Rent A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.28	To Bank A/c		3,000	Dec.31	By Balance c/d		3,000
			3,000				3,000

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Q21 Journalise the following transaction in the books of Sanjana and post them into the ledger:

January, 2017		Rs
1	Cash in hand	6,000
	Cash at bank	55,000
	Stock of goods	40,000
	Due to Rohan	6,000
	Due from Tarun	10,000
3	Sold goods to Karuna	15,000
4	Cash sales	10,000
6	Goods sold to Heena	5,000
8	Purchased goods from Rupali	30,000

10	Goods returned from Karuna	2,000
14	Cash received from Karuna	13,000
15	Cheque given to Rohan	6,000
16	Cash received from Heena	3,000
20	Cheque received from Tarun	10,000
22	Cheque received from to Heena	2,000
25	Cash given to Rupali	18,000
26	Paid cartage	1,000
27	Paid salary	8,000
28	Cash sale	7,000
29	Cheque given to Rupali	12,000
30	Sanjana took goods for Personal use	4,000
31	Paid General expense	500

Answer.

In the books of Sanjana
Journal

Date	Particulars	L. F.	Debit amount Rs.	Cre
2017 Jan 1	Cash A/c Bank A/c Opening stock A/c Tarun's A/c To Rohan's A/c To Capital A/c (Being opening balances carry forward)	Dr. Dr. Dr.	6000 55000 40000 10000	
Jan 4	Karuna's A/c To Sales A/c (Being sold goods to Karuna)	Dr.	15000	6000 10000 15000
Jan 4	Cash A/c To Sales A/c (Being sold goods for cash)	Dr.	10000	10000
Jan 6	Heena's A/c To Sales A/c (Being sold goods to Heena)	Dr.	5000	5000

Jan 8	Purchases A/c To Rupali's A/c (Being purchased goods from Rupali)	Dr.	3000	3000
Jan 10	Sales return A/c To Karuna's A/c (Being goods returned by Karuna)	Dr.	2000	2000
Jan 14	Cash A/c To Karuna's A/c (Being received cash from Karuna)	Dr.	13000	13000
Jan 15	Rohan's A/c To bank A/c (Being paid through cheque to Rohan)	Dr.	6000	6000
Jan 16	Cash A/c To Heena's A/c (Being received cash from Heena)	Dr.	3000	3000
Jan 20	Bank A/c To Tarun's A/c (Being received cheque from Tarun)	Dr.	10000	10000
Jan 22	Rupali's A/c To cash A/c (Being paid cash to Rupali)	Dr.	2000	2000
Jan 25	Cartage A/c To cash A/c (Being paid for cartage)	Dr.	18000	18000
Jan 26	Salary A/c To cash A/c (Being paid salary)	Dr.	1000	1000
Jan 27	Cash A/c To Sales A/c (Being made cash sales)	Dr.	8000	8000
Jan 28	Rupali's A/c To bank A/c (Being paid through cheque to Rupali)	Dr.	7000	7000
Jan 29	Drawings A/c To purchases A/c (Being taken goods for personal purpose)	Dr.	12000	12000
Jan 30	General expenses A/c To cash A/c (Being paid general expenses)	Dr.	4000	4000

Jan 31			500	500
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Ledger

Cash A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	To Balance b/d		6,000	Jan.25	By Rupali's A/c		18,000
Jan.04	To Sales A/c		10,000	Jan.26	By Cartage A/c		1,000
Jan.14	To Karuna's A/c		13,000	Jan.27	By Salaries A/c		8,000
Jan.16	To Heena's A/c		3,000	Jan.31	By General Expenses A/c		500
Jan.28	To Sales A/c		7,000	Jan.31	By Balance c/d		11,500
			39,000				39,000

Capital A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.31	To Balance c/d		1,05,000	Jan.01	By Balance b/d		1,05,000
			1,05,000				1,05,000

Bank A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	To Balance b/d		55,000	Jan.15	By Rohan's A/c		6,000
Jan.20	To Tarun's A/c		10,000	Jan.29	By Rupali's A/c		12,000
Jan.22	To Heena's A/c		2,000	Jan.31	By Balance c/d		49,000
			67,000				67,000

Stock A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	To Balance b/d		40,000	Jan.31	By Balance c/d		40,000
			40,000				40,000

Rohan's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.15	To Bank A/c		6,000	Jan.01	By Balance b/d		6,000
			6,000				6,000

Tarun's A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	To Balance b/d		10,000	Jan.20	By Bank A/c		10,000
			10,000				10,000

Sales A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
				Jan.03	By Karuna's A/c		15,000
				Jan.04	By Cash A/c		10,000
				Jan.06	By Heena's A/c		5,000
Jan.31	To Balance c/d		37,000	Jan.28	By Cash A/c		7,000
			37,000				37,000

Karuna's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.03	To Sales A/c		15,000	Jan.10	By Sales Return A/c		2,000
				Jan.14	By Cash A/c		13,000
			15,000				15,000

Heena's A/c							
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Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.06	To Sales A/c		5,000	Jan.16	By Cash A/c		3,000
				Jan.22	By Bank A/c		2,000
			5,000				5,000

Purchases A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.08	By Rupali's A/c		30,000	Jan.30	By Drawings A/c		4,000
				Jan.31	By Balance c/d		26,000
			30,000				30,000

Rupali's A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.25	To Cash A/c		18,000	Jan.08	By Purchases A/c		30,000
Jan.29	To Bank A/c		12,000				
			30,000				30,000

Sales Return A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.10	To Karuna's A/c		2,000	Jan.31	By Balance c/d		2,000
			2,000				2,000

Cartage A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.26	To Cash A/c		1,000	Jan.31	By Balance c/d		1,000
			1,000				1,000

Salaries A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.27	To Cash A/c		8,000	Jan.31	By Balance c/d		8,000
			8,000				8,000

Drawings A/c							
Dr.							Cr.

Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.30	To Purchases A/c		4,000	Jan.31	By Balance c/d		4,000
			4,000				4,000

General Expenses A/c							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.31	To Cash A/c		500	Jan.31	By Balance c/d		500
			500				500

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- Q22 Record journal entries for the following transactions in the books of Anudeep of Delhi:
- (a) Bought goods Rs. 2,00,000 from Kanta of Delhi (CGST @ 9%, SGST @ 9%)
 - (b) Bought goods Rs. 1,00,000 for cash from Rajasthan (IGST @ 12%)
 - (c) Sold goods Rs. 1,50,000 to Sudhir of Punjab (IGST @ 18%)
 - (d) Paid for Railway Transport Rs. 10,000 (CGST @ 5%, SGST @ 5%)
 - (e) Sold goods Rs. 1,20,000 to Sidhu of Delhi (CGST @ 9%, SGST @ 9%)
 - (f) Bought Air-Condition for office use Rs. 60,000 (CGST @ 9%, SGST @ 9%)
 - (g) Sold goods Rs. 1,50,000 for cash to Sunil to Uttar Pradesh (IGST 18%)
 - (h) Bought Motorcycle for business use Rs. 50,000 (CGST 14%, SGST @ 14%)
 - (i) Paid for Broadband services Rs. 4,000 (CGST @ 9%, SGST @ 0%)
 - (j) Bought goods Rs. 50,000 from Rajesh, Delhi (CGST @ 9%, SGST @ 9%)

Answer.

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(a)	Purchases A/c	Dr	2,00,000	
	Input CGST A/c	Dr	18,000	

	Input SGST A/c		18,000	
	To Kanta's A/c			2,36,000
	(Being goods purchased on credit locally)			
(b)	Purchases A/c	Dr	1,00,000	
	Input IGST A/c	Dr	12,000	
	To Cash A/c			1,12,000
	(Being goods purchased in cash from Rajasthan)			
(c)	Sudhir's A/c	Dr	1,77,000	
	To Sales A/c			1,50,000
	To Output IGST A/c			27,000
	(Being goods supplied on credit to Punjab)			
(d)	Transport Charges A/c	Dr	10,000	
	Input CGST A/c	Dr	500	
	Input SGST A/c		500	
	To Bank A/c			11,000
	(Being paid for railway transport)			
(e)	Sidhu's A/c	Dr	1,41,600	
	To Sales A/c			1,20,000
	To Output CGST A/c			10,800
	To Output SGST A/c			10,800
	(Being goods sold on credit locally)			
(f)	Air Conditioner A/c	Dr	60,000	
	Input CGST A/c	Dr	5,400	
	Input SGST A/c	Dr	5,400	
	To Bank A/c			70,800
	(Being goods purchased locally)			
(g)	Cash A/c	Dr	1,77,000	
	To Sales A/c			1,50,000
	To Output IGST A/c			27,000
	(Being goods supplied on credit to Uttar Pradesh)			

(h)	Motorcycle A/c	Dr	50,000	
	Input CGST A/c	Dr	7,000	
	Input SGST A/c	Dr	7,000	
	To Bank A/c			64,000
	(Being motorcycle purchased locally for office use)			
(i)	Internet Charges A/c	Dr	4,000	
	Input CGST A/c	Dr	360	
	Input SGST A/c	Dr	360	
	To Bank A/c			4,720
	(Being broadband charges paid)			
(j)	Purchases A/c	Dr	50,000	
	Input CGST A/c	Dr	4,500	
	Input SGST A/c	Dr	4,500	
	To Rajesh's A/c			59,000
	(Being goods purchased on credit locally)			
(k)	Purchases A/c	Dr	50,000	
	Input CGST A/c	Dr	4,500	
	Input SGST A/c	Dr	4,500	
	To Rajesh's A/c			59,000
	(Being goods purchased on credit locally)			
(h)	Output IGST A/c	Dr	54,000	
	Output CGST A/c	Dr	12,000	
	Output SGST A/c	Dr	12,000	
	To Input IGST A/c			12,000
	To Input CGST A/c			33,000
	To Input SGST A/c			33,000
	(Being GST set off and excess of CGST and SGST to be claimed as a refund)			

Working Note 1

Particulars	IGST	CGST	SGST
Output	54,000	12,000	12,000
Input	12,000	35,760	35,760
Excess	42,000	-23,760	-23,760
Set off	-42,000	21,000	21,000
Payable	Nil	-2,760(Refund)	-2,760 (Refund)

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