

Short Answers for NCERT Solution for Class 11 Accountancy Chapter 3 - Recording of Transactions - 1

1. State the three fundamental steps in the accounting process.

The fundamental steps of the accounting process are:

1. Identifying and analyzing the business transactions.
2. Recording of the business transactions.
3. Classifying and summarizing their effect and communicating the same to the interested users of business information.

2. Why is the evidence provided by source documents important to accounting?

Importance of source documents in accounting is due to following reasons:

1. It provides evidence of the transaction that has taken place.
2. It acts as a backup in times of auditing and tax assessment
3. It acts as a primary legal evidence as journal entries are based on data from source documents.

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

The practice of recording a transaction in the journal in the first instance provides for a complete record of each transaction and also keeps a track of all debits and credits related to each transaction.

4. Are debits or credits listed first in journal entries? Are debits or credits indented?

Debit gets recorded in the journal first before credit, but both debit and credit are recorded into the journal before being recorded in ledger. Debit entry is recorded without any margin, indent or spacing. However, for a credit entry some spacing, margin or indent is essential. The symbol Dr. is for debit entry is right aligned.

5. Why are some accounting systems called double accounting systems?

Accounting systems are called double accounting systems as they have two aspects to each transaction. Every transaction is recorded in debit and credit sides simultaneously.

6. Give a specimen of an account.

The specimen of an account can be represented as:

_____Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs

7. Why are the rules of debit and credit same for both liability and capital?

Liability is towards creditors while capital is also a liability of a business towards its owners. Hence the same rules of debit and credit apply to both liability and capital.

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

The number entered in ledger at the time of posting entries into each account is called J.F Number. It determines if transactions are properly posted or not. It is recorded at the time of posting. The purpose of posting J.F in ledger is to locate entries in journal book and also to ensure that recording has been done in books of original entry.

9. 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.

a. Increase in revenue

Credit as increase in revenue increases capital

b. Decrease in expense

It will be credited.

c. Record drawings

Drawings must be debited as it results in decrease of capital

d. Record of fresh capital introduced by the owner

Increase in capital will be credited as it increases liability of business towards owners.

10. 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 as a credit?

Transactions that have a decreasing effect on an asset is always recorded on the credit side and transactions that have a decreasing effect on the liabilities are recorded on the debit side.

Long Answers for NCERT Solution for Class 11 Accountancy Chapter 3 - Recording of Transactions - 1

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

Events that are recorded into the accounting system are those events that can be measured in monetary terms. Some examples include installation of machinery after purchase, payment of salary to employees. Importance of source documents in accounting system are as follows:

1. It provides evidence of the transaction that has taken place.
2. It acts as a backup in times of auditing and tax assessment
3. It acts as a primary legal evidence as journal entries are based on data from source documents.
4. It protects against faulty transactions
5. It helps in resolving conflict related to any transaction.

2. Describe how debits and credits are used to analyse transactions.

All transactions must be measured in monetary terms for being recorded. All such transactions have a dual aspect i.e. both debit and credit. Therefore when recording transaction both the debit and credit amount should be the same. In recording of transactions debit and credit determines whether it should be placed in left or right side of the account. Amount entered on the left side is debit and is represented by notation Dr. while, credit is recorded on the right side of an account, abbreviated as Cr.

For recording transactions, accounts are classified into following types:

- Assets
- Liabilities
- Capital
- Expenses/Losses
- Revenues/Gains

Following rules are used for recording transaction to an account:

For Assets/ Expenses or Losses: Increase in Assets, Expenses or losses is debited while decrease is credited.
For Liabilities/Capital/Revenues or Gains the increase is credited, while decrease is debited.

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

All monetary transactions contain a source document and these transactions get recorded in the journal. Thus each transaction is in one place and helps link the credit and debit transactions. This process is known as journalising. These recorded transactions get moved to individual ledgers which is called as principal book of entry through posting. Following steps are taken while posting the accounts. Let's understand it with an example.

The journal has an entry in Books of Wadia Bros where in goods worth of Rs.5, 000 are sold to Raheja Bros. on credit on 15-Mar-2019 and payment of Rs.5, 000 received from Raheja Bros on 20-Mar-2019.

Dr. Wadia Bros A/C Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
15 Mar 2019	Sales	23	5,000	20 Mar 2019	Cash	25	5,000

Following steps are included:

- Identify this account's page in the ledger
- If this entry is the first one on the ledger account page, the balance carried forward (balance C/F) from the previous page, if any, is brought forward (balance b/f) to this page.
- Fill the date in the column in which sales occurred on the debit side.
- Fill details of transaction.
- Record page number of journal in J.F column in which transaction occurs
- Fill monetary value in the amount column. Which is Rs.5,000
- Enter the date on which the transaction occurred
- Enter particulars of the transaction.
- Enter the page number on which this transaction appears in the journal.
- Enter the monetary value of the transaction in the Amount column. In this case it is Rs.5,000
- Calculate the totals of both debit and credit side of the transaction.
- If this is the last transaction entry in the ledger account, compute the difference in the amounts and enter the balance c/f. This should be carried over to the next page.

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

A journal is the book of original entry which records transactions as they take place, such an entry into the journal must contain a source document. Maintaining a journal ensures all transactions are recorded and in one place and debit and credit for each transaction is linked properly. A journal consists of the following sections

Date- Transaction date based on when transaction has taken place.

Particulars- Details of transaction recorded

L.F.- Page number of ledger where entry is posted.

Debit Amount- Debited amount as per transaction.

Credit Amount- Credit amount as per transaction

Date	Details
01.5.2019	Business started with cash Rs.1,00,000
01.5.2019	Goods purchased from Harish for Rs.20,000
01.5.2019	Stationary purchased for cash for Rs.2,200
02.5.2019	Opened a bank account with SBI for Rs. 30,000
02.5.2019	Goods sold to for Rs.10,000
03.5.2019	Received a cheque of Rs.10,000 from Sachin

Books of Sajal

Date	Particulars	L.F	Debit Amount Rs.	Credit Amount Rs.
2019 May.01	Cash A/c Dr. To Capital A/c (Business started with cash)		1,00,000	1,00,000
May.01	Purchases A/c Dr. To Manisha A/c (Goods purchased on credit)		20,000	20,000

Books of Sajal				
Date	Particulars	L.F	Debit Amount Rs.	Credit Amount Rs.
May.01	Stationary A/c Dr. To Cash A/c (Purchase of Stationary for cash)		2,200	2,200
May.02	Bank A/c Dr. To Cash A/c (Opened a bank account with SBI)		30,000	30,000
May.02	Priya A/c Dr. To Sales A/c (Goods sold to Sachin on credit)		10,000	10,000
May.03	Bank A/c Dr. To Sachin A/c (Cheque received from Sachin)		10,000	10,000
	Total c/f		1,72,200	1,72,200

5. Differentiate between source documents and vouchers.

Basis of Comparison	Source Documents	Vouchers
Meaning	It contains details of transactions	Source document considered as evidence of transaction is called voucher
Purpose	Accounting voucher preparation	Analysis of monetary transactions.
Recording	Base document for accounting voucher preparation	Base document for transaction recording
Preparation	Prepared at a time when an event or a transaction occurs.	Prepared either when an event or a transaction occurs, or at a later time.
Legality/Validity	Legal evidence for transaction	Authenticity of transaction is validated
Prepared By	Person conducting the transaction or having authority to do so.	Person having the authority only
Examples	Cash memo, pay-in-slip invoice, etc.	Cash memo, cash vouchers, transfer vouchers, pay-in-slip (if used as evidence), invoice, debit note, credit note, etc.

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

As per accounting assets of a business always equal the sum of its capital and liabilities.

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

The accounting equation depicts the fundamental relationship that exists among the components of the balance sheet, it is also referred to as the Balance Sheet Equation. Balance sheet is a statement of liabilities, capital and assets.

At any given point of time, resources of the business must be equal to the claims of those who have financed those resources. Resources of the business are provided by proprietors and outsiders. The claim of the proprietors is called as capital and that of the outsiders is known as liabilities.

Consider an example

Mohit started a business with a cash of Rs. 6, 00,000.

Opened a bank account with an amount of Rs. 5, 80,000.

Bought furniture for Rs. 60,000 and issued cheque for the same.

Bought Plant and Machinery from Ramlal for the business for Rs. 1, 25,000 and an advance of Rs. 10,000 in cash is given.

The transactions upon tabulation shows that the accounting equation remains same

Transaction No.	Assets					=	Liabilities	Capital	Total
	Cash	Bank	Furniture	Plant and Machinery	Total				
1	6,00,000				6,00,000	=		6,00,000	6,00,000
	6,00,000	–	–	–	6,00,000	=	–	6,00,000	6,00,000
2	(5,80,000)	5,80,000							
	20,000	5,80,000	–	–	6,00,000	=	–	6,00,000	6,00,000
3		(60,000)	60,000						
	20,000	5,20,000	60,000	–	6,00,000	=	–	6,00,000	6,00,000
4	(20,000)			20,000					
	–	5,20,000	60,000	20,000	6,00,000	=		6,00,000	6,00,000
Total					6,00,000	=			6,00,000

7. Explain the double entry mechanism with an illustrative example.

In a double entry mechanism, every transaction impacts and gets recorded in two accounts. While recording the transactions in double entry, it is ensured that the total debit amount must equal to the total credit amount.

The increase of an item is recorded on left side abbreviated as Dr and decrease is recorded on right side abbreviated as Cr.

The following rules are taken into consideration when recording a transaction into an account.

For Assets or Expenses/Losses:

Increase is debited and Decrease is credited.

For Liabilities/Capital/Revenues or Gains:

Increase is credited and Decrease is debited

Let us understand this with one example

Ronit started a business with a cash of Rs. 4, 00,000

Cash Account

(1) 4,00,000	
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Capital Account

	(1) 4,00,000
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This transaction increases cash in one hand while increasing capital on another. Therefore cash account is debited and capital account credited.

Numerical Answers for NCERT Solution for Class 11 Accountancy Chapter 3 - Recording of Transactions - 1

1 .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

The solution is as follows:

S.No.	Explanation	Assets				=	Liabilities +		Capital		
		Cash	+	Stock	+		Debtors	+		Furniture	Creditors
(a)	Increase in cash	2,00,000									
	Increase in capital								2,00,000		
(b)	Increase in stock			40,000							
	Decrease in cash	(40,000)									
(c)	Increase in debtors					12,000					
	Decrease in stock			(10,000)							
	Profit								2,000		
(d)	Increase in furniture							7,000			
	Increase in creditors							7,000			
		1,60,000	+	30,000	+	12,000		=	NIL	2,02,000	
		1,60,000	+	30,000	+	12,000	+	7,000	=	7,000	+

2. Prepare accounting equation from the following:

	Rs
(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

The solution is as follows:

S.No.	Explanation	Assets			=	Liabilities + Capital	
		Cash	+ Furniture	+ Stock	Creditors		
(a)	Increase in cash	2,50,000					
	Increase in capital						2,50,000
		2,50,000			=	NIL	+ 2,50,000
(b)	Increase in furniture		35,000				
	Decrease in cash	(35,000)					
		2,15,000	+	35,000	=	NIL	+ 2,50,000
(c)	Decrease in capital (Expense)						(2,000)
	Decrease in cash	(2,000)					
		2,13,000	+	35,000	=	NIL	+ 2,48,000
(d)	Increase in stock			40,000			
	Increase in creditors					40,000	
		2,13,000	+	35,000	+	40,000	= 40,000 + 2,48,000
(e)	Increase in cash	26,000					
	Decrease in stock			(20,000)			
	Increase in capital (Profit)						6,000
		2,39,000	+	35,000	+	20,000	= 40,000 + 2,54,000

3. Mohit has the following transactions, prepare accounting equation:

	Rs
(a) Business started with cash	1,75,000
(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 withdrew for personal use	3,000

The solution is as follows:

S.No.	Explanation	Assets				=	Liabilities +	Capital
		Cash	+ Stock	+ Debtors	Furniture	Creditors		
(a)	Increase in cash	1,75,00						
	Increase in capital	0						1,75,000
(b)	Increase in stock	1,75,00				=	NIL	1,75,000
	Increase in creditors (Rohit)	0				=	50,000	1,75,000
(c)	Increase in debtors (Manish)		50,000			=	50,000	1,75,000
	Decrease in stock	1,75,00				=	50,000	1,75,000
	Increase in capital (Profit)	0		20,000		=	50,000	1,75,000
(d)	Increase in furniture		(17,500)			=	50,000	2,500
	Decrease in cash	1,75,00				=	50,000	1,77,500
	Increase in capital	0		32,500	20,000	=	50,000	1,77,500
(e)	Decrease in creditors (Rohit)				10,000	=	50,000	1,77,500
	Decrease in cash	(10,000)				=	50,000	1,77,500
	Increase in capital (Discount received)	1,65,00				=	50,000	1,77,500
(e)	Decrease in cash	0				=	50,000	1,77,500
	Increase in capital	(48,500)				=	50,000	1,500

S.No.	Explanation	Assets			=	Liabilities		+	Capital
		Cash	+ Machinery	+ Stock	=	Creditors	+ Unaccrued Income	+	Capital
(a)	Increase in cash	1,50,00							
	Increase in capital	0							1,50,000
(b)	Increase in machinery	1,50,00			=	NIL		+	1,50,000
	Increase in creditors	0	40,000		=	40,000		+	
(c)	Increase in stock	1,50,00			=	40,000		+	1,50,000
	Decrease in cash	0	+ 40,000	20,000	=	40,000		+	
(d)	Decrease in cash	(20,000)		0	=	40,000		+	1,50,000
	Decrease in capital (Drawings)	1,30,00		20,000	=	40,000		+	1,50,000
(e)	Decrease in creditors	(80,000)			=	40,000		+	70,000
	Decrease in cash	50,000	+ 40,000	+ 20,000	=	40,000		+	70,000
(f)	Increase in cash	(38,000)			=	(40,000)		+	2,000
	Increase in capital (Discount received)	12,000	+ 40,000	+ 20,000	=	NIL		+	72,000
(g)	Decrease in cash	4,500			=	NIL		+	71,500
	Decrease in capital (Loss)	16,500		(5,000)	=	NIL		+	71,500
(h)	Increase in cash	(1,000)			=	NIL		+	70,500
	Increase in unaccrued income	15,500	+ 40,000	+ 15,000	=	NIL		+	70,500
		2,000			=	2,000		+	

(e)	Increase in prepaid expenses	1,000				
	Decrease in cash	(1,000)				
		1,14,00	10,00	=		
		0 +	0 +	1,000	=	2,000 + 1,23,000
(f)	Increase in cash	700				
	Increase in capital (Profit)					700
		1,14,70	10,00	=		
		0 +	0 +	1,000	=	2,000 + 1,23,700
(g)	Increase in cash	7,000				
	Decrease in stock		(5,000)			
	Increase in capital (Profit)					2,000
		1,21,70				
		0 +	5,000 +	1,000	=	2,000 + 1,25,700
(h)	Decrease in stock		(500)			
	Decrease in capital (Loss)					(500)
		1,21,70				
		0 +	4,500 +	1,000	=	2,000 + 1,25,200

6. 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

The solution is as follows:

S.No	Explanation	Assets				=	Liabilities		+ Capital					
		Cash	+	Stock	+	Building	+	Debtors		=	Creditors	+	Outstanding Expenses	+
(a)	Increase in cash	5,00,00												
	Increase in stock			1,00,00										
	Increase in capital													6,00,00
		5,00,00		1,00,00										6,00,00
		0	+	00				=	NIL					+ 00
(b)	Increase in building					2,00,00								
	Decrease in cash	(2,00,00)												
		3,00,00		1,00,00		2,00,00								6,00,00
		0	+	00	+	00			=	NIL				+ 00
(c)	Increase in stock			50,000										
	Increase in creditors													
		3,00,00		1,50,00		2,00,00								6,00,00
		0	+	00	+	00			=	50,000				+ 00
(d)	Increase in debtors					36,000								
	Decrease in stock			(25,000)										
	Increase in capital (Profit)													11,000
		3,00,00		1,25,00		2,00,00								6,11,00
		0	+	00	+	00	+	36,000	=	50,000				+ 00
(e)	Decrease in cash	(3,000)												
	Decrease in capital (Expense)													(3,000)
		2,97,00		1,25,00		2,00,00								6,08,00
		0	+	00	+	00	+	36,000	=	50,000	+			+ 00
(f)	Decrease in capital (Expense)											5,000		
	Increase in liabilities													(5,000)
		2,97,00		1,25,00		2,00,00								6,03,00
		0	+	00	+	00	+	36,000	=	50,000	+	5,000		+ 00

The solution is as follows:

S.No.	Explanation	Assets				=	Liabilities	+	Capital	
		Cash	+	Stock	+	Investment	+	Bank	Creditors	
(a)	Increase in cash	1,20,00							1,20,00	
	Increase in capital	0							0	
		1,20,00				=	NIL	+	1,20,00	
		0	+						0	
(b)	Increase in cash	10,000							10,000	
	Increase in capital (Income)								10,000	
		1,30,00				=	NIL	+	1,30,00	
		0							0	
(c)	Decrease in investment			50,000					50,000	
	Decrease in cash	(50,000)							0	
		80,000	+		50,000	=	NIL	+	1,30,00	
		5,000							0	
(d)	Increase in cash	5,000							5,000	
	Increase in capital (Income)								5,000	
		85,000	+		50,000	=	NIL	+	1,35,00	
(e)	Increase in stock			35,000					35,000	
	Increase in creditor (Ragani)						35,000		35,000	
		85,000	+	35,000	+	50,000	=	35,000	+	1,35,00
(f)	Decrease in capital								(7,000)	
	Decrease in cash	(7,000)							0	
		78,000	+	35,000	+	50,000	=	35,000	+	1,28,00
(g)	Increase in cash	14,000							14,000	
	Decrease in stock			(10,000)					0	
		78,000	+	35,000	+	50,000	=	35,000	+	1,28,00
(h)	Increase in capital (Profit)								4,000	
	Decrease in cash								4,000	
		92,000	+	25,000	+	50,000	=	35,000	+	1,32,00
(i)	Decrease in creditors (Ragani)						(35,000)		0	
	Decrease in cash	(35,000)							0	
		57,000	+	25,000	+	50,000	=	NIL	+	1,32,00
		(20,000)							0	

		00		00		00		00
(c)	Increase in cash	35,000						
	Decrease in stock		(20,000)					
	increase in capital (Profit)							15,000
		2,15,000	+ 1,30,000	+ 2,00,000				+ 5,45,000
(d)	Increase in stock		55,000					
	Increase in creditors					= 55,000		
		2,15,000	+ 1,85,000	+ 2,00,000		= 55,000		+ 5,45,000
(e)	Increase in debtors				60,000			
	Decrease in stock		(52,000)					
	Increase in capital (Profit)							8,000
		2,15,000	+ 1,33,000	+ 2,00,000	+ 60,000	= 55,000		+ 5,53,000
(f)	Decrease in creditors					= (55,000)		
	Decrease in cash	(53,000)						
	Increase in capital (Discount received)							2,000
		1,62,000	+ 1,33,000	+ 2,00,000	+ 60,000	= NIL		+ 5,55,000
(g)	Decrease in cash	(20,000)						
	Decrease in capital							(20,000)
		1,42,000	+ 1,33,000	+ 2,00,000	+ 60,000	= NIL		+ 5,35,000
(h)	Increase in cash	59,000						
	Decrease in capital (Discount allowed)							(1,000)
	Decrease in debtors				60,000			
		2,01,000	+ 1,33,000	+ 2,00,000	+ NIL	= NIL		+ 5,34,000

		00	00	00				00
	Increase in outstanding						3,000	
(i)	Expenses							
	decrease in capital (Expense)							(3,000)
		2,01,000	+ 1,33,000	+ 2,00,000	+ NIL	= NIL	+ 3,000	+ 5,31,000
(j)	Decrease in prepaid expenses						2,000	
	Decrease in cash	(2,000)						
		1,99,000	+ 1,33,000	+ 2,00,000	+ NIL	2,000 =	NIL	+ 3,000 + 5,31,000
(k)	Increase in cash	13,000						
	increase in capital (Income)							13,000
		2,12,000	+ 1,33,000	+ 2,00,000	+ NIL	- 2,000 =	NIL	+ 3,000 + 5,44,000
(l)	Decrease in capital							(20,000)
	Decrease in cash	(20,000)						
		1,92,000	+ 1,33,000	+ 1,90,000	+ NIL	- 2,000 =	NIL	+ 3,000 + 5,24,000
(m)	Decrease in capital							(10,000)
	Decrease in building			(10,000)				
		1,92,000	+ 1,33,000	+ 1,90,000	+ NIL	- 2,000 =	NIL	+ 3,000 + 5,14,000
(n)	Increase in cash	50,000						
	Increase in capital							50,000
		2,42,000	+ 1,33,000	+ 1,90,000	+ NIL	- 2,000 =	NIL	+ 3,000 + 5,64,000
(o)	Increase in stock		10,000					
	Increase in creditors						10,000	
		2,42,000	+ 1,43,000	+ 1,90,000	+ NIL	- 2,000 =	10,000	+ 3,000 + 5,64,000

9. 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 withdrew for personal use	3,000

The solution is as follows:

S.No.	Explanation	Assets				=	Liabilities	+	Capital		
		Cash	+ Stock	+ Furniture	+ Debtors		Creditors				
(a)	Increase in cash	1,25,000							1,25,000		
	Increase in capital								0		
		1,25,000	+			=	NIL	+	1,25,000		
(b)	Increase in stock			50,000					0		
	Decrease in cash	(50,000)				=					
		75,000	+	50,000		=	NIL	+	1,25,000		
(c)	Increase in furniture			10,000		=			0		
	Increase in creditors					=	10,000				
		75,000	+	50,000	+	10,000	=	10,000	+	1,25,000	
(d)	Increase in debtors				9,000				0		
	Decrease in stock			(7,000)							
	Increase in capital (Profit)								2,000		
		75,000	+	43,000	+	10,000	+	9,000	=	1,27,000	
				0	+	0	+	0	=	10,000	
										+	0

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.

- a. Invested ₹ 4, 00,000 cash and office equipment with ₹ 1, 50,000 in a business called Bobbie Consulting.

Dr	Cash Account	Cr
	4,00,000	
Dr	Office Equipment Account	Cr
	1,50,000	
Dr	Capital Account	Cr
		4,00,000 1,50,000

- d. Purchased land and a small office building. The land was worth ₹ 1, 50,000 and the building worth ₹ 3, 50,000. The purchase price was paid with ₹ 2, 00,000 cash and a long term note payable for ₹ 8, 00,000

Analysis of Transaction: The land purchased is an asset. An increase in the asset has to be debited.

Dr	Land Account	Cr
	1,50,000	

- e. Similarly the purchase of building increases the asset and hence should be debited.

Dr	Accounts payable	Cr
		12,000

- j. Bobbie transferred title of motor car to the business. The motor car was worth ₹ 90,000.
Analysis of the transaction: Motor car will be an asset and hence an increase in the asset should be debited.

Dr	Motor car account	Cr
90,000		

- k. Transferring the title of the motor car will increase the capital. An increase in the capital should be credited.

Dr	Capital Account	Cr
		4,00,000 1,50,000 90,000

- l. Purchased for ₹ 30,000 additional office equipment on credit.
Analysis of the transaction: Office equipment is an asset and hence an increase in the asset will be debited.

Dr	Office Equipment Account	Cr
1,50,000 30,000		

- m. This office equipment is purchased on credit and hence the liability of the accounts payable account will be increased. An increase in the liability should be credited.

Dr	Accounts payable	Cr
		12,000
		30,000

- n. Paid ₹ 7,500 salary to the office manager.

Analysis of the transaction: Salary is an expense and hence an increase in the expense should be debited.

Dr	Salary Account	Cr
7,500		

- o. Payment of salary will reduce the cash. A decrease in the cash asset should be credited.

Dr	Cash Account	Cr
4,00,000		2,00,000
		7,500

- p. Provided services to a client and collected ₹ 30,000

Analysis of the transaction: Providing services for cash should be debited to the cash account.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500

- q. This should be credited to the capital account.

Dr	Capital Account	Cr
		4,00,000
		1,50,000
		90,000
		30,000

- r. Paid ₹ 4,000 for the month's utilities.

Analysis of the transaction: Monthly utilities is an expense and hence an increase in the expense should be debited.

Dr	Expenses Account	Cr
4,000		

- s. On the otherhand the payment of the expenses will reduce the cash. And hence a decrease in the cash asset should be credited.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500
		4,000

- t. Paid supplier created in transaction c.

Analysis of the transaction: There is a decrease in the liability and hence it should be debited.

Dr	Accounts payable	Cr
12,000		12,000
		30,000

- u. As this liability is paid out through cash, it'll reduce the cash asset. A decrease in the cash asset should be credited.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500
		4,000
		12,000

- v. Purchase new office equipment by paying ₹ 93,000 cash and trading in old equipment with a recorded cost of ₹ 7,000

Analysis of the transaction: Buying the new office equipment will increase the assets and hence should be debited.

Dr	Office Equipment Account	Cr
1,50,000		
30,000		
93,000		

- w. However, for buying this office equipment, the old equipment of ₹ 7,000 is traded out. Thus there is a decrease in the asset and hence it should be credited.

Dr	Office Equipment Account	Cr
1,50,000		7,000
30,000		
93,000		

Also, the rest of the amount is i.e $93,000 - 7,000 = 86,000$ is paid out in case. Thus there is a decrease in the cash asset and hence it should be credited.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500
		4,000
		12,000
		86,000

- x. Completed services of a client for ₹ 26,000. This amount is to be paid within 30 days.
Analysis of the transaction: Completion of services has created revenue.

Dr	Accounts Receivable	Cr
26,000		

- y. As this is a sale, the sales account should be credited.

Dr	Sales Account	Cr
		26,000

- z. Received ₹ 19,000 payment from the client created in transaction k.
Analysis of the transaction: There is revenue and hence should be credited.

Dr	Accounts Receivable	Cr
26,000		19,000

This is bringing in cash and hence the cash account should be debited.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500
19,000		4,000
		12,000
		86,000

Bobby withdrew ₹ 20,000 from the business.

Analysis of the transaction: There is withdrawal and hence the drawings account i.e. expenses should be debited.

Dr	Drawings Account	Cr
20,000		

The drawings will reduce the cash and hence the cash asset should be credited.

Dr	Cash Account	Cr
4,00,000		2,00,000
30,000		7,500
19,000		4,000
		12,000
		86,000
		20,000

11. 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

The solution is as follows:

**Books of Himanshu
Journal**

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Dec.01	Cash A/c To Capital A/c (Started business with cash)	Dr.	75,000	75,000
Dec.07	Purchases A/c To Cash A/c (Goods purchased for cash)	Dr.	10,000	10,000
Dec.09	Swati To Sales A/c (Goods sold on credit)	Dr.	5,000	5,000
Dec.12	Furniture A/c To Cash A/c (Furniture purchased for cash)	Dr.	3,000	3,000
Dec.18	Cash A/c Discount Allowed A/c To Swati (Cash received from Swati and discount allowed)	Dr. Dr.	4,000 1,000	5,000
Dec.25	Rent A/c	Dr.	1,000	

	To Cash A/c (Rent paid in cash)			1,000
Dec.30	Salaries A/c	Dr.	1,500	
	To Cash A/c (Salary paid in cash)			1,500
	Total		1,00,500	1,00,500

12. 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 house hold	2,000
Jan.25 Cash paid to Sudhir	26,700
Discount allowed	300

The solution is as follows:

**Books of Mudit
Journal**

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Jan.01	Building A/c	Dr.	1,00,000	
	Cash A/c	Dr.	1,75,000	
	To Capital A/c			2,75,000
	(Commenced business with cash and building)			
Jan.02	Purchases A/c	Dr.	75,000	

	To Cash A/c (Goods purchased for cash)			75,000
Jan.03	Ramesh	Dr.	30,000	
	To Sales A/c (Goods sold to Ramesh)			30,000
Jan.04	Wages A/c	Dr.	500	
	To Cash A/c (Wages paid in cash)			500
Jan.06	Cash A/c	Dr.	10,000	
	To Sales A/c (Goods sold for cash)			10,000
Jan.10	Trade Expenses A/c	Dr.	700	
	To Cash A/c (Trade expenses paid in cash)			700
Jan.12	Cash A/c	Dr.	29,500	
	Discount Allowed A/c	Dr.	500	
	To Ramesh (Cash received from Ramesh and discount allowed to him)			30,000
Jan.14	Purchases A/c	Dr.	27,000	
	To Sudhir (Goods purchased from Sudhir on credit)			27,000
Jan.18	Cartage A/c	Dr.	1,000	
	To Cash A/c (Cartage paid in cash)			1,000
Jan.20	Drawings A/c	Dr.	5,000	
	To Cash A/c (Cash drawn for personal use)			5,000
Jan.22	Drawings A/c	Dr.	2,000	
	To Purchases A/c			2,000

	(Goods drawn from business for households use)			
Jan.25	Sudhir Dr.	27,000		
	To Cash A/c			26,700
	To Discount Received A/c			300
	(Cash paid to Sudhir and discount received)			
	Total	4,83,200	4,83,200	

13. Journalise the following transactions:

		Rs
2017		
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

The solution is as follows:

Books of Hema

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Dec.01	Cash A/c Dr. To Capital A/c (Started business with cash)		1,00,000	1,00,000
Dec.02	Bank A/c Dr. To Cash A/c (Bank account opened with SBI)		30,000	30,000
Dec.04	Purchases A/c Dr. To Ashu (Goods purchased from Ashu)		20,000	20,000
Dec.06	Cash A/c Dr. To Sales A/c (Goods sold for cash)		15,000	15,000
Dec.10	Purchases A/c Dr. To Cash A/c (Goods purchased for cash)		40,000	40,000
Dec.13	Suman Dr. To Sales A/c (Goods goods to Suman)		20,000	20,000
Dec.16	Bank A/c Dr. Discount Allowed A/c Dr. To Suman (Cheque received from Suman and discount allowed)		19,500 500	20,000
Dec.20	Ashu Dr. To Bank A/c		10,000	10,000

	(Cheque forwarded to Ashu)			
Dec.22	Rent A/c	Dr.	2,000	
	To Bank A/c			2,000
	(Rent paid by cheque)			
Dec.23	Bank A/c	Dr.	16,000	
	To Cash A/c			16,000
	(Cash deposited into bank)			
Dec.25	Machinery A/c	Dr.	10,000	
	To Parigya			10,000
	(Machinery purchased from Parigya)			
Dec.26	Trade Expenses A/c	Dr.	2,000	
	To Cash A/c			2,000
	(Trade expenses paid)			
Dec.28	Parigya	Dr.	10,000	
	To Bank A/c			10,000
	(Cheque issued to Parigya)			
Dec.29	Telephone Expenses A/c	Dr.	1,200	
	To Bank A/c			1,200
	(Telephone expenses paid through cheque)			
Dec.30	Salaries A/c	Dr.	4,500	
	To Cash A/c			4,500
	(Salary paid)			
	Total		3,00,700	3,00,700

14. 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.

The solution is as follows:

Books of Harpreet Bros.

Journal

S. No.	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
(a)	Bad Debt A/c Dr. To Rohit (Debtors) (Due from Rohit became bad debt)		1,000	1,000
(b)	Drawings A/c Dr. To Purchases A/c (Goods withdrawn by proprietor for personal use)		2,000	2,000
(c)	Depreciation A/c Dr. To Machinery A/c (Depreciation charged on machinery for two months)		500	500
(d)	Interest on Capital A/c Dr. To Capital A/c (Interest on capital at 6% due for 9 months)		6,750	6,750
(e)	Bad Debt A/c Dr. Cash A/c Dr. To Rahul (Debtor) (Received from Rahul 60 paise in a rupee and rest amount considered as bad debt)		800 1,200	2,000
	Total		12,250	12,250

15. 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

Solution:

Journal

S. No.	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
(a)	Machinery A/c To Cash A/c (Cash paid for installation of machinery)	Dr.	500	500
(b)	Charity A/c To Purchases A/c (Goods given as charity)	Dr.	2,000	2,000
(c)	Interest on Capital A/c To Capital A/c (Interest on capital charged @ 7% p.a.)	Dr.	4,900	4,900
(d)	Cash A/c To Bad Debt Recovered A/c (Cash received on from debtors which was previously written off as bad)	Dr.	1,200	1,200

(e)	Goods Destroyed by Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.	2,000	2,000
(f)	Rent A/c To Rent Outstanding A/c (Rent due but not paid)	Dr.	1,000	1,000
(g)	Drawings A/c To Interest on Drawings A/c (Interest allowed on drawings)	Dr.	900	900
(h)	Cash A/c Bad Debt A/c To Sudhir Kumar (Sudhir Kumar declared insolvent and cash received from him 45 paise in a rupee in full settlement)	Dr. Dr.	1,350 1,650	3,000
(i)	Commission A/c To Commission Received in Advance A/c (Commission received in advance) (Note: If it is assumed, commission in advance already credited as commission) <p style="text-align: center;">OR</p> Cash A/c To Commission Received in Advance (Commission received in Advance) (Note: If it is assumed, commission in advance not already credited as commission)	Dr. Dr.	7,000 7,000	7,000 7,000
Total			22,500	22,500

16. 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

Solution:

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Nov.01	Cash A/c Dr.		1,50,000	
	Stock A/c Dr.		50,000	
	To Capital A/c			2,00,000
	(Started business with cash and goods)			
Nov.03	Purchases A/c Dr.		30,000	
	To Harish			30,000
	(Goods purchased from Harish)			
Nov.05	Cash A/c Dr.		12,000	
	To Sales A/c			12,000
	(Goods sold for cash)			

Nov.08	Furniture A/c To Cash A/c (Furniture purchased for cash)	Dr.	5,000		5,000
Nov.10	Harish A/c To Cash A/c (Cash paid to Harish)	Dr.	15,000		15,000
Nov.13	Sundry Expenses A/c To Cash (Sundry expenses paid)	Dr.	200		200
Nov.15	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	15,000		15,000
Nov.18	Bank A/c To Cash A/c (Cash deposited into bank)	Dr.	5,000		5,000
Nov.20	Drawings A/c To Cash A/c (Cash drawn for personal use)	Dr.	1,000		1,000
Nov.22	Harish To Cash A/c To Discount Received A/c (Payment made to Harish and discount received)	Dr.	15,000		14,700 300
Nov.25	Nitesh To Sales A/c (Goods sold to Nitesh)	Dr.	7,000		7,000
Nov.26	Cartage A/c To Cash A/c (Cartage paid)	Dr.	200		200
Nov.27	Rent A/c	Dr.	1,500		

	To Cash A/c (Rent paid)			1,500
Nov.29	Cash A/c	Dr.	6,800	
	Discount Allowed A/c To Nitesh (Cash received from Nitesh and discount allowed)		200	7,000
Nov.30	Salaries A/c	Dr.	3,000	
	To Cash A/c (Salary paid)			3,000
Total			3,16,900	3,16,900

Ledger

Cash Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.01	Capital		1,50,000	Nov.08	Furniture		5,000
Nov.05	Sales		12,000	Nov.10	Harish		15,000
Nov.15	Sales		15,000	Nov.13	Sundry Expenses		200
Nov.29	Nitesh		6,800	Nov.18	Bank		5,000
				Nov.20	Drawings		1,000
				Nov.22	Harish		14,700
				Nov.26	Cartage		200
				Nov.27	Rent		1,500
				Nov.30	Salaries		3,000
				Nov.30	Balance c/d		1,38,200
			<u>1,83,000</u>				<u>1,83,000</u>

Capital Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
				Nov.01	Cash		1,50,000
				Nov.01	Stock		50,000
Nov.30	Balance c/d		2,00,000				
			2,00,000				2,00,000

Stock Account

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

Cartage Account

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

Rent Account

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

Salaries Account

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

Furniture Account

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

Nitesh's Account

Dr				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Nov.25	Sales		7,000	2017 Nov.29	Cash		6,800
				Nov.29	Discount Allowed		200
			7,000				7,000

Sales Account

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

Purchases Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Nov.03	Harish		30,000	Nov.30	Balance c/d		30,000
			30,000				30,000

Harish's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Nov.10	Cash		15,000	2017 Nov.03	Purchases		30,000
Nov.22	Cash		14,700				
Nov.22	Discount Received		300				
			30,000				30,000

Sundry Expenses Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Nov.13	Cash		200	2017 Nov.30	Balance c/d		200
			200				200

Bank Account

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

Drawings Account

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

Discount Received Account

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

Discount Allowed Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Nov.29	Nitesh		200	2017 Nov.30	Balance c/d		200
			200				200

17. 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 house hold 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

Solution:

Books of M/s Goel Brothers

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017 Jan.01	Cash A/c To Capital A/c (Started business with cash)	Dr.	1,65,000	1,65,000
Jan.02	Bank A/c To Cash A/c (Bank account opened with PNB)	Dr.	80,000	80,000
Jan.04	Purchases A/c To Tara (Goods purchased from Tara)	Dr.	22,000	22,000
Jan.05	Purchases A/c To Cash A/c (Goods purchased for cash)	Dr.	30,000	30,000
Jan.08	Naman To Sales A/c	Dr.	12,000	12,000

	(Sale of goods to Naman)			
Jan.10	Tara To Cash A/c (Cash paid to Tara)	Dr.	22,000	22,000
Jan.15	Cash A/c Discount Allowed A/c To Naman (Cash received from Naman and discount allowed)	Dr. Dr.	11,700 300	12,000
Jan.16	Wages A/c To Cash A/c (Wages paid)	Dr.	200	200
Jan.18	Furniture A/c To Cash A/c (Furniture purchased for cash)	Dr.	5,000	5,000
Jan.20	Drawings A/c To Bank A/c (Cash drawn from bank for personal use)	Dr.	4,000	4,000
Jan.22	Rent A/c To Bank A/c (Rent paid through cheque)	Dr.	3,000	3,000
Jan.23	Drawings A/c To Purchases A/c (Goods drawn for household purpose)	Dr.	2,000	2,000
Jan.24	Cash A/c To Bank A/c (Cash drawn from bank)	Dr.	6,000	6,000
Jan.26	Cash A/c To Commission A/c (Commission received)	Dr.	1,000	1,000

Jan.27	Bank Charges A/c To Bank A/c (Bank charged charges)	Dr.	200	200
Jan.28	Insurance A/c To Bank A/c (Insurance paid through cheque)	Dr.	3,000	3,000
Jan.29	Salaries A/c To Cash A/c (Salary paid)	Dr.	7,000	7,000
Jan.30	Cash A/c To Sales A/c (Cash received for sale of goods)	Dr.	10,000	10,000
Total			3,84,400	3,84,400

Ledger

Cash Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Jan.01	Capital		1,65,000	Jan.02	Bank		80,000
Jan.15	Naman		11,700	Jan.05	Purchases		30,000
Jan.24	Bank		6,000	Jan.10	Tara		22,000
Jan.26	Commission		1,000	Jan.16	Wages		200
Jan.30	Sales		10,000	Jan.18	Furniture		5,000
				Jan.29	Salaries		7,000
				Jan.31	Balance c/d		49,500
			1,93,700				1,93,700

Capital Account

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

Bank Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.02	Cash		80,000	2017 Jan.20	Drawings		4,000
				Jan.22	Rent		3,000
				Jan.24	Cash		6,000
				Jan.27	Bank charges		200
				Jan.28	Insurance		3,000
				Jan.31	Balance c/d		63,800
			80,000				80,000

Tara's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.10	Cash		22,000	2017 Jan.04	Purchases		22,000
			22,000				22,000

Purchases Account

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

Sales Account

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

Naman's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.08	Sales		12,000	2017 Jan.15	Cash		11,700
			12,000	Jan.15	Discount Allowed		300
							12,000

Discount Allowed Account

Dr.				Cr.				
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs	
2017 Jan.15	Naman		300	2017 Jan.31	Balance c/d		300	
			300					300

Wages Account

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

Furniture Account

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

Drawings Account

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

		6,000	6,000
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Rent Account

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

Commission Account

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

Bank Charges Account

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

Insurance Account

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

Salaries Account

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

18. 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

Solution:

Books of M/s. Mohit Traders
Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017 Aug.01	Cash A/c Dr. To Capital A/c (Commenced business with cash)		1,10,000	1,10,000
Aug.02	Bank A/c Dr. To Cash A/c (Bank account opened with H.D.F.C)		50,000	50,000
Aug.03	Furniture A/c Dr. To Cash A/c (Furniture purchased)		20,000	20,000
Aug.07	Purchases A/c Dr. To Cash A/c (Goods purchased for cash)		30,000	30,000
Aug.08	Purchases A/c Dr. To M/s. Hema Traders (Goods purchased from M/s. Hema Traders)		42,000	42,000
Aug.10	Cash A/c Dr. To Sales A/c (Goods sold for cash)		30,000	30,000
Aug.14	M/s. Gupta Traders Dr. To Sales A/c (Goods sold to M/s. Gupta traders)		12,000	12,000
Aug.16	Rent A/c Dr. To Cash A/c		4,000	4,000

	(Rent paid in cash)			
Aug.18	Trade Expenses A/c To Cash A/c (Trade expenses paid in cash)	Dr.	1,000	1,000
Aug.20	Cash A/c To M/s. Gupta Traders (Cash received from M/s. Gupta Traders)	Dr.	12,000	12,000
Aug.22	M/s. Hema Traders To Purchases Return A/c (Goods returned to Hema traders)	Dr.	2,000	2,000
Aug.23	M/s. Hema Traders To Cash A/c (Cash paid to Hema traders)	Dr.	40,000	40,000
Aug.25	Postage Stamps A/c To Cash A/c (Postage stamps purchased)	Dr.	100	100
Aug.30	Salaries A/c To Cash A/c (Salaries paid in cash)	Dr.	4,000	4,000
	Total		3,57,100	3,57,100

Cash Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.01	Capital		1,10,000	Aug.02	Bank		50,000
Aug.10	Sales		30,000	Aug.03	Furniture		20,000
Aug.20	M/s. Gupta Traders		12,000	Aug.07	Purchases		30,000
				Aug.16	Rent		4,000
				Aug.18	Trade Expenses		1,000

				Aug.23	M/s. Hema Traders	40,000
				Aug.25	Postage Stamps	100
				Aug.30	Salaries	4,000
				Aug.31	Balance c/d	2,900
			1,52,000			1,52,000

Capital Account

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

Bank Account

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

Furniture Account

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

Purchases Account

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

M/s. Hema Traders Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.22	Purchases Return		2,000	Aug.08	Purchases		42,000
Aug.23	Cash		40,000				
			42,000				42,000

Sales Account

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

M/s. Gupta Traders Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Aug.14	Sales		12,000				

				Aug.20	Cash		12,000
			12,000				12,000

Rent Account

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

Trade Expenses Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Aug.18	Cash		1,000	2017 Aug.31	Balance c/d		1,000
			1,000				1,000

Purchases Return Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Aug.31	Balance c/d		2,000	2017 Aug.22	M/s. Hema Traders		2,000
			2,000				2,000

Postage Stamps Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Aug.25	Cash		100	2017 Aug.31	Balance c/d		100
			100				100

Salaries Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Aug.30	Cash		4,000	2017 Aug.31	Balance c/d		4,000
			4,000				4,000

19. 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

Solution:

**Books of M/s. Bhanu Traders
Journal**

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Dec.01	Cash A/c Dr. To Capital A/c (Started business with cash)		92,000	92,000
Dec.02	Bank A/c Dr. To Cash A/c (Cash deposited into bank)		60,000	60,000
Dec.04	Purchases A/c Dr. To Himani (Goods purchased from Himani)		40,000	40,000
Dec.06	Purchases A/c Dr. To Cash A/c (Goods purchased for cash)		20,000	20,000
Dec.08	Himani Dr. To Purchases Return A/c (Goods returned to Himani)		4,000	4,000
Dec.10	Cash A/c Dr. To Sales A/c (Goods sold for cash)		20,000	20,000
Dec.14	Himani Dr. To Bank A/c		36,000	36,000

	(Cheque given to Himani)			
Dec.17	M/s. Goyal Traders A/c To Sales A/c (Goods sold to M/s. Goyal Traders)	Dr.	35,000	35,000
Dec.19	Drawings A/c To Bank A/c (Cash withdrawn from bank for personal use)	Dr.	2,000	2,000
Dec.21	Sales Return A/c To M/s. Goyal Traders (Goods returned by Goyal Traders)	Dr.	3,500	3,500
Dec.22	Bank A/c To Cash A/c (Cash deposited into bank)	Dr.	20,000	20,000
Dec.26	Bank A/c To M/s. Goyal Traders (Cheque received from M/s. Goyal Traders)	Dr.	31,500	31,500
Dec.28	Charity A/c To Purchases A/c (Goods given as charity)	Dr.	2,000	2,000
Dec.29	Rent A/c To Bank A/c (Rent paid) see note	Dr.	3,000	3,000
Dec.30	Salaries A/c To Cash A/c (Salaries paid)		7,000	7,000
Dec.31	Office Machine A/c To Cash A/c (Office machinery purchased)		3,000	3,000
Total			6,94,000	6,94,000

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Cash Account

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

Capital Account

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

Bank Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.02	Cash		60,000	Dec.14	Himani		36,000
Dec.22	Cash		20,000	Dec.19	Drawings		2,000
Dec.26	Goyal Traders		31,500	Dec.29	Rent (see note)		3,000
				Dec.31	Balance c/d		70,500
			1,11,500				11,500

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Purchases Account

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

Himani's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.08	Purchases Return		4,000	Dec.04	Purchases		40,000
Dec.14	Bank		36,000				
			40,000				40,000

Sales Account

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

M/s. Goyal Traders Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.17	Sales		35,000	2017 Dec.21	Sales Return		3,500
				Dec.26	Bank		31,500
			35,000				35,000

Purchases Return Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.31	Balance c/d		4,000	2017 Dec.08	Himani		4,000
			4,000				4,000

Drawings Account

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

Sales Return Account

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

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Charity Account

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

Rent Account

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

Salaries Account

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

Office Machine Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.31	Cash		3,000	2017			

			Dec.31	Balance c/d	
		3,000			3,000
					3,000

Question 20-

Journalise the following transaction in the Book of M/s. Beauti traders also post them in the ledger.

Dec.	Rs
2017	
1 Started business with cash	2,00,000
2 Bought office furniture	30,000
3 Paid into bank to open an 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

Solution:

Books of Beauti Traders

Journal

Date	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017 Dec.01	Cash A/c To Capital A/c (Started business with cash)	Dr.	2,00,000	2,00,000

Dec.02	Office Furniture A/c To Cash A/c (Office furniture purchased)	Dr.	30,000	
				30,000
Dec.03	Bank A/c To Cash A/c (Opened a current account)	Dr.	1,00,000	
				1,00,000
Dec.05	Computer A/c To Bank A/c (Computer purchased and payment made through cheque)	Dr.	2,50,000	
				2,50,000
Dec.06	Purchases A/c To Ritika (Goods purchased from Ritika on credit)	Dr.	60,000	
				60,000
Dec.08	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	30,000	
				30,000
Dec.09	Krishna To Sales A/c (Goods sold to Krishna)	Dr.	25,000	
				25,000
Dec.12	Mansi To Cash A/c (Cash paid to Mansi on account)	Dr.	30,000	
				30,000
Dec.14	Ritika To Purchases Return A/c (Goods returned to Ritika)	Dr.	2,000	
				2,000
Dec 15	Stationery A/c To Cash A/c (Stationery purchased for cash)	Dr.	3,000	
				3,000
Dec 16	Wages A/c To Cash A/c	Dr.	1,000	
				1,000

	(Wages paid)			
Dec 18	Sales Return A/c To Krishna (Goods returned by Krishna)	Dr.	2,000	2,000
Dec 20	Ritika To Bank A/c (Cheque issued to Ritika)	Dr.	28,000	28,000
Dec 22	Cash A/c To Krishna (Cash received from Krishna on account)	Dr.	15,000	15,000
Dec 24	Insurance A/c To Bank A/c (Insurance premium paid through cheque)	Dr.	4,000	4,000
Dec 26	Bank A/c To Krishna (Cheque received from Krishna)	Dr.	8,000	8,000
Dec 28	Rent A/c To Bank A/c (Rent paid through cheque)	Dr.	3,000	3,000
Dec 29	Purchases A/c To Meena Traders (Goods purchased on credit from Meena Traders)	Dr.	20,000	20,000
Dec 30	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	14,000	14,000
	Total		8,25,000	8,25,000

Ledger

Cash Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.01	Capital		2,00,000	Dec.02	Office Furniture		30,000
Dec.08	Sales		30,000	Dec.03	Bank		1,00,000
Dec.22	Krishna		15,000	Dec.12	Mansi		30,000
Dec.30	Sales		14,000	Dec.15	Stationery		3,000
				Dec.16	Wages		1,000
				Dec.31	Balance c/d		95,000
			2,59,000				2,59,000

Capital Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	Balance c/d		2,00,000	Dec.1	Cash		2,00,000
			2,00,000				2,00,000

Office Furniture Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.2	Cash		30,000	Dec.31	Balance c/d		30,000
			30,000				30,000

Bank Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.03	Cash		1,00,000	2017 Dec.05	Computer		2,50,000
Dec.26	Krishna		8,000	Dec.20	Ritika		28,000
				Dec.24	Insurance		4,000
				Dec.28	Rent		3,000
Dec.31	Balance c/d (over draft)		1,77,000				
			<u>2,85,000</u>				<u>2,85,000</u>

Computer Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.05	Bank		2,50,000	2017 Dec.31	Balance c/d		
			<u>2,50,000</u>				<u>2,50,000</u>

Purchases Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.06	Ritika		60,000	2017 Dec.31	Balance c/d		80,000
Dec.29	Meena Traders		20,000				
			<u>80,000</u>				<u>80,000</u>

Ritika's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.14	Purchases Return		2,000	Dec.06	Purchases		60,000
Dec.20	Bank		28,000				
Dec.31	Balance c/d		30,000				
			60,000				60,000

Meena's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	Balance c/d		20,000	Dec.29	Purchases		20,000
			20,000				20,000

Sales Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017				2017			
Dec.31	Balance c/d		69,000	Dec.08	Cash		30,000
			69,000	Dec.09	Krishna		25,000
				Dec.30	Cash		14,000
							69,000

Krishna's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.09	Sales		25,000	2017 Dec.18	Sales Return		2,000
				Dec.22	Cash		15,000
				Dec.26	Bank		8,000
			25,000				25,000

Mansi's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.12	Cash		30,000	2017 Dec.31	Balance c/d		30,000
							30,000
			30,000				

Purchases Return Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.31	Balance c/d		2,000	2017 Dec.14	Ritika		2,000
							2,000
			2,000				

Stationery Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.15	Cash		3,000	2017 Dec.31	Balance c/d		3,000
			3,000				3,000

Wages Account

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

Sales Return Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.18	Krishna		2,000	2017 Dec.31	Balance c/d		2,000
			2,000				2,000

Insurance Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Dec.24	Bank		4,000	2017 Dec.31	Balance c/d		4,000
			4,000				4,000

Rent Account

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

Question 21-

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

Solution:

Books of Sanjana Journal Entries

S.No.	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
2017				
Jan.01	Cash A/c	Dr.	6,000	
	Bank A/c	Dr.	55,000	
	Stock A/c	Dr.	40,000	
	Tarun	Dr.	10,000	
	To Rohan			6,000
	To Capital A/c			1,05,000
	(Balance brought from the last month)			
Jan.03	Karuna	Dr.	15,000	
	To Sales A/c			15,000
	(Goods sold to Karuna)			
Jan.04	Cash A/c	Dr.	10,000	
	To Sales A/c			10,000
	(Goods sold for cash)			
Jan.06	Heena	Dr.	5,000	
	To Sales A/c			5,000
	(Goods sold to Henna)			

Jan.08	Purchases A/c To Rupali (Goods purchased from Rupali)	Dr.	30,000	30,000
Jan.10	Sales Return A/c To Karuna (Goods returned by Karuna)	Dr.	2,000	2,000
Jan.14	Cash A/c To Karuna (Cash received from Karuna)	Dr.	13,000	13,000
Jan.15	Rohan To Bank A/c (Cheque issued to Rohan)	Dr.	6,000	6,000
Jan.16	Cash A/c To Heena (Cash received from Heena)	Dr.	3,000	3,000
Jan.20	Bank A/c To Tarun (Cheque received from Tarun)	Dr.	10,000	10,000
Jan.22	Bank A/c To Heena (Cheque received from Heena)	Dr.	2,000	2,000
Jan.25	Rupali To Cash A/c (Payment made to Rupali)	Dr.	18,000	18,000
Jan.26	Cartage A/c To Cash A/c (Cartage paid)	Dr.	1,000	1,000
Jan.27	Salaries A/c	Dr.	8,000	

	To Cash A/c (Salaries paid)			8,000
Jan.28	Cash A/c	Dr.	7,000	
	To Sales A/c (Goods sold for cash)			7,000
Jan.29	Rupali	Dr.	12,000	
	To Bank A/c (Cheque issued to Rupali)			12,000
Jan.30	Drawings A/c	Dr.	4,000	
	To Purchases A/c (Goods drawn for personal use)			4,000
Jan.31	General Expenses A/c	Dr.	500	
	To Cash A/c			500
Total			2,57,500	2,57,500

Ledger

Cash Account

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

Capital Account

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

Bank Account

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

Stock Account

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

Rohan's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.15	Bank		6,000	2017 Jan.01	Balance b/d		6,000
			6,000				6,000

Tarun's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.01	Balance b/d		10,000	2017 Jan.20	Bank		10,000
			10,000				10,000

Sales Account

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

Karuna's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.03	Sales		15,000	2017 Jan.10	Sales Return		2,000
				Jan.14	Cash		13,000
			15,000				15,000

Heena's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.06	Sales		5,000	2017 Jan.16	Cash		3,000
				Jan.22	Bank		2,000
			5,000				5,000

Purchases Account

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

Rupali's Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.25	Cash		18,000	2017 Jan.08	Purchases		30,000
Jan.29	Bank		12,000				
			30,000				30,000

Sales Return Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.10	Karuna		2,000	2017 Jan.31	Balance c/d		2,000
			2,000				2,000

Cartage Account

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

Salaries Account

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

Drawings Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.30	Purchases		4,000	2017 Jan.31	Balance c/d		4,000
			4,000				4,000

General Expenses Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount Rs	Date	Particulars	J.F.	Amount Rs
2017 Jan.31	Cash		500	2017 Jan.31	Balance c/d		500
			500				500

22. 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 Motor Cycle 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%)

Solution:

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

	(Being goods purchased locally)			
(g)	Cash A/c Dr To Sales A/c To Output IGST A/c (Being goods supplied on credit to Uttar Pradesh)	1,77,000		1,50,000 27,000
(h)	Motor Cycle A/c Dr Input CGST A/c Dr Input SGST A/c Dr To Bank A/c (Being motorcycle purchased locally for office use)	50,000 7,000 7,000		64,000
(i)	Internet Charges A/c Dr Input CGST A/c Dr Input SGST A/c Dr To Bank A/c (Being broadband charges paid)	4,000 360 360		4,720
(j)	Purchases A/c Dr Input CGST A/c Dr Input SGST A/c Dr To Rajesh (Being goods purchased on credit locally)	50,000 4,500 4,500		59,000
(k)	Purchases A/c Dr Input CGST A/c Dr Input SGST A/c Dr To Rajesh (Being goods purchased on credit locally)	50,000 4,500 4,500		59,000
(h)	Output IGST A/c Dr Output CGST A/c Dr Output SGST A/c Dr To Input IGST A/c To Input CGST A/c To Input SGST A/c (Being GST set off and excess of CGST and SGST to be claimed as a refund)	54,000 12,000 12,000		12,000 33,000 33,000

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)

