

Class 11 Accountancy Chapter 8 - Special Purpose Books 2 Cash Book

TS Grewal Solutions for Class 11 Accountancy Chapter 8 - Special Purpose Books 2
Cash Book is a concept that students should consider while preparing for their
Accountancy exam. Here, are few solutions rendered in a simple and stepwise method.

Board	CBSE
Class	Class 11
Subject	Accountancy
Chapter	Chapter 7
Chapter Name	Chapter 8 - Special Purpose Books 2 Cash Book
Number of questions solved	7
Category	TS Grewal

Chapter 8 - Special Purpose Books 2 Cash Book defines the below-mentioned concepts:

- Sales Book
- Purchase Book
- Purchase Return Book
- Sales Return Book
- Return Inward & Return Outward Book

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QUESTION 1

Give the journal entries for the following transaction. (Transfer Entries)

- (i) From trading account to Profit and Loss Account, ₹32,000 gross profit.
- (ii) Net Profit of ₹14,500 to Shalini's capital account
- (iii) Shalini withdrew ₹10,000 from her capital account
- (iv) Purchases return of ₹ 7,000 plus IGST @12%
- (v) Return sales of ₹6,000 plus SGST and CGST @6% each

Solution.

Dr.	Journal			Cr.
Sr.No.	Particulars	L.F	Debit (₹)	Credit (₹)
(i)	Trading A/c To Profit and Loss A/c (Being transfer of gross profit to Profit and Loss Account)	Dr.	32,000	32,000
(ii)	Profit and Loss A/c Dr. To Shalini's capital A/c (Being transfer of net profit to capital account)		14,500	14,500
(iii)	Shalini's capital A/c To Drawing A/c (Being withdrawal from the capital account)	Dr.	10,000	10,000
(iv)	Cash A/c To Purchase Return A/c To Input IGST A/c (Being purchased good return)	Dr.	7,840	7,000 840
(v)	Sales Return A/c Output CGST	Dr. Dr.	6,000 360	

	Output AGST To cash A/c (Being goods sold return)	Dr.		360	6,720
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QUESTION 2

Record the adjustment entries in the journal for the ending year 31st March 2018.

- (i) Interest accumulated ₹2,500
- (ii) Outstanding wages ₹10,000 for March 2018
- (iii) Prepaid Insurance ₹ 1,500
- (iv) Manager commission due @ ₹ 6% on net profit. Before charging such commission the profit was 1,06,000
- (v) Pending interest on a loan. 9 months before the end of the year, the loan of ₹1,50,000 was taken @ 9% p.a.

Solution.

Dr.	Journal			Cr.
Sr. No.	Particulars	L.F	Debit Rs.	Credit Rs.
(i)	Accumulated Interest A/c Dr. To Interest A/c (Being Interest accumulated)		2,500	2,500
(ii)	Wages A/c Dr. To Wages Outstanding A/c (Being wages outstanding for March 2018)		10,000	10,000
(iii)	Prepaid Insurance A/c Dr. To Insurance A/c (Being prepaid insurance)		1,500	1,500
(iv)	Manager's commission A/c Dr. To Manager's commission payable A/c (Being commission due to the manager)		6,000	6,000
(v)	Interest on Loan A/c Dr. To Outstanding interest on Loan A/c		10,125	10,125

	(Being interest on loan due)			
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QUESTION 3

(Closing Entries). Record the transaction of Mr. Raghu on 31st March 2018 in a journal and close their books. Premises freehold ₹30,000, Machinery and Plant ₹20,000, Sundry Debtors ₹25,000, Purchases ₹37,500, Sales ₹95,000, Discount (Dr.) ₹150, Discount (Cr.) ₹175, Creditor Sundry ₹12,500, Inward Carriage ₹375, Outward Carriage ₹600, Fixtures and Furniture ₹2,500, wages ₹5,000, Bad debts ₹750, Salaries ₹3,600, Commission (Cr) ₹2,125, Capital Account ₹25,000, Payable Bills ₹7,500, Receivable Bill ₹9,000, Expenses Trade ₹2,550, Radha's Loan Account ₹20,000, Cash in Hand ₹75, Cash in Bank ₹3,125.

Solution.

Dr.	Journal			Cr.
Sr.No.	Particulars	L.F	Debit (₹)	Credit (₹)
(i)	Trading A/c Dr. To Purchase A/c To Carriage Inward A/c To Wages A/c (Being direct expenses debited to Trading A/c)		42,875	37,500 375 5,000
(ii)	Sales A/c Dr. To Trading A/c (Being sales credited to Trading A/c)		95,000	95,000
(iii)	Trading A/c Dr. To Profit & Loss A/c (Being transfer of gross profit to profit & Loss account)		52,125	52,125
(iv)	Profit & Loss A/c Dr. To Discount A/c To Carriage outward A/c To Bad Debts To Salaries A/c To Trade Expenses A/c		7,650	150 600 750 3,600 2,550

	(Being Indirect expenses debited to Profit & Loss A/c)			
(v)	Discount A/c Dr. Commission A/c Dr. To Profit & Loss A/c (Being Indirect income credited to Profit & Loss A/c)		175 2,125	2,300
(vi)	Profit & Loss A/c Dr. To Capital A/c (Being transfer of net profit to capital A/c)		46,775	46,775

QUESTION 4

Arrange Sales Return Book of Ram stores from the below-mentioned transaction and record them in Ledger.

2018 Feb 10	Ram stores returned Two television sold @20,000 each plus SGST & CSGT @ 9% each..
Feb 20	Sonam & Co. returned three microwaves sold @ 10,000 each plus IGST @18%

Solution.

Sales Return Book									
Date	Particulars	Credit Note No.	L.F	Details	Value	Output CGST	Output SGST	Output IGST	Total
Feb 10	Rama Stores 2 TV @ ₹20,000 each Add CGST @ 9% Add SGST @ 9%			40,000 3,600 3,600					
				47,200	40,000	3,600	3,600		47,200

Feb 20	Sonam & Co. 3 microwaves @ ₹10,000 each Add IGST @ 18%			30,000					
				5,400					
				35,400	30,000			5,400	5,400
					70,000	3,600	3,600	5,400	82,600

QUESTION 5

Arrange Purchase Return Book of Kamala stores for July 2017 from the below-mentioned transaction.

2018 June 6	Goods returned to Ram brothers, purchased for ₹5,000 plus SGST & CGST @ 6% each
June 8	Goods returned to Soham brothers, purchased for ₹10,000 plus IGST @ 12% each
June 17	Goods returned to Mohan brothers, purchased for ₹2,000 plus SGST & CGST @ 6% each

Solution.

Purchase Return Book									
Date	Particulars	Credit Note No.	L.F	Details	Cost	Output CGST	Output SGST	Output IGST	Total
June 6	Ram Brothers Add CGST @ 6% Add SGST @ 6%			5,000					
				300					
				300					
				5,600	5,000	300	300		5,600
June	Soham Brothers			10,000					

8	Add IGST @ 12 %			1,200					
				11,200	10,000			1,200	1,200
June 17	Mohan Brothers Add CGST @ 6% Add SGST @ 6%			2,000 120 120					
				2,240	2,000	120	120		2240
					17,000	420	420	1,200	19,040

QUESTION 6

Prepare purchase return book of Anu stores from the below-mentioned transaction.

2018 Jan 10	Sonam stores returned 10 fans 36" @1,250 each plus SGST & CSGT @ 6% each. Trade discount 10%
Jan 25	Raj & Co. returned 25 bulbs @ 200 each plus IGST paid @12%

Solution.

In books of Anu Stores Purchase Return Book					
Date	Name of Supplier (Account to be debited)	Debit Note No.	L.F	Detail ₹	₹
2018 Jan 10	Sonam Stores 10 fans 36" @1,250 each 10% Trade discount			12,500 1,250	
				11,250	
	Add CGST @ 6% Add SGST @ 6%			675 675	12,600
Jan 25	Raj & Co. 25 bulbs @ 200 each IGST paid @12%			5,000 600	5,600

Jan 31	Purchase Return Account	Cr.				18,200
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QUESTION 7

Prepare Purchase book for Das Bros., Kolkata cloth dealer for January 2018.

2018	Gupta Mills purchased goods on credit Long cloths 100 pieces @ 800 each Shirt 50 pieces @ 500 each SGST & CGST payable @ 6% each
April 3	
April 8	Amu Mills purchased goods for cash Muslin 50 pieces @ 1,000 each IGST payable @ 12%
April 15	Sam Mills purchased goods on credit Coating 20 pieces @ 2,000 each Shirt 10 pieces @ 500 each IGST payable @ 12%
April 20	Bharati Typewriter Ltd. purchased on credit Typewriters 5 pieces @ 1,400 each SGST & CGST payable @ 6% each

Solution.

Das Bros., Kolkata Purchase Book					
Date	Name of Supplier (Account to be debited)	Debit Note No.	L.F	Detail ₹	₹
2018 Jan 03	Gupta Mills Long cloths 100 pieces @ 800 each Shirt 50 pieces @ 500 each			80,000 25,000	
	Add Input CGST @ 6%			1,05,000 6,300	
	Add Input SGST @ 6%			6,300	1,17,000

Jan 15	Sam Mills Coating 20 pieces @ 2,000 each Shirt 10 pieces @ 500 each			40,000 5,000	
	Add Input IGST @ 12%			45,000 5,400	50,400
Jan 30	Purchase A/c	Dr.			1,68,000

Note:

- a) Purchase made by cash on Jan 8th will be recorded on the cash book because it is a cash transaction, not credit.
- b) Typewriter purchased on Jan 20th will not be recorded on purchase book because it is not a product that the company trade. Instead, it is an asset for the company.

