Short Answers for NCERT Accountancy Solutions Class 11 Chapter 4

1. Briefly state how the cash book is both journal and a ledger?

Cash book functions as journal because it is the original book of entry where all transactions are first recorded just like a journal and it functions as a ledger as it records the credit and debit cash transactions of a company without the need of a separate cash account.

2. What is the purpose of contra entry?

Contra entry are those entries that impact both debit and credit side in accounting based on the situation. For example if a debit entry is recorded in an account, similar credit entry must be recorded. Its purpose is to indicate transactions that effect both cash and bank balances. These transactions have no impact on the financial position of the business and are denoted by the letter C in the L.F. column.

3. What are special purpose books?

Subsidiary books recording business transaction are known as special purpose books. Business transactions can be large in number making it difficult to record all in a single journal. Hence sub-dividing journals make recording of transactions quick, accurate and efficient. Some examples are cash book, purchases book, and sales book.

4. What is petty cash book? How it is prepared?

Recording of repetitive expenses in cash book will burden the cashier. Hence, a separate book is created where petty expenses are recorded. Examples of such type of expenses are: Stationery, Refreshment, Postage, and Conveyance. Petty cash book is maintained by Petty cashier.

Preparation is mostly done by Imprest System as it is more convenient. In this system, petty cashier is given a pre-defined sum of the money for a period. At the end of the period, the amount spent by him is reimbursed by cashier so that the cashier has the same amount again at the start of the period.

5. Explain the meaning of posting of journal entries?

It refers to the process of transferring journal entries to their respective ledgers. Each transaction gets recorded in a journal and are subsequently transferred to respective ledgers

6. Define the purpose of maintaining subsidiary journal.

Many of the business transactions are repetitive in nature. Due to this reason, transactions which are similar in nature are recorded in special journals also known as daybooks or subsidiary journals.

Maintaining a subsidiary journal helps has following benefits:

1. Recording is faster and time saving

2. Records are easily accessible

3. Proper division of labour

7. Write the difference between return inwards and return outwards.

Basis of Comparison	Return Inwards	Return Outwards
Meaning	Goods returned to business by their customers	Goods purchased by business are returned to the suppliers.
Balance	It has debit balance.	It has credit balance.
Treatment	Deducted from Sales in the Trading Account.	Deducted from Purchases in the Trading Account.
Issued	Credit note is prepared by the seller.	Debit note is prepared by the buyer.
Reduction	Reduces the payment from the Debtors.	Reduces the payment made to the Creditors.
Term	It is also known as Sales Returns.	It is also known as Purchases Returns.

8. What do you understand by ledger folio?

It refers to a column in the journal where page number of the ledger book on which the relevant account appears is recorded is called as Ledger Folio, also abbreviated as L.F.

9. What is difference between trade discount and cash discount?

Basis of Comparison	Trade Discount	Cash Discount
Meaning	Discount offered on purchase of goods.	Discount for making payment.
Recording in books	Not recorded in accounting books	Recorded in cash book either on debit or credit side depending on discount provided or received.
Purpose	Encourage increase in sale.	Encourage on time payment.

10. Write the process of preparing ledger from a journal.

The following process describes the preparation of ledger from journal:

Locate the account to be debited in the ledger as entered in the journal

Enter date of transaction into date column of debit side.

Mention the account from which it is debited in journal, is written in the particulars column.

Enter the page number of the journal in the J.F. column. The corresponding page number of the ledger account is written in the L.F. column of the journal.

Enter amount in the amount column in the debit side.

For credit side follow the same procedure for crediting the entry.

11. What do you understand by Imprest amount in petty cash book?

Imprest amount is a definite sum of money that is provided to petty cashier for a certain period which can be a week or month. Reimbursement is done after the end of the period in order to start a new cycle.

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Long Answers for NCERT Accountancy Solutions Class 11 Chapter 4

1. Explain the need for drawing up the special purpose books.

Special purpose books are beneficial in:

- Accuracy: As each journal is managed by a different accountant having specific expertise, it improves accuracy and reduces defects.

- Efficiency: Increases efficiency by dividing workload

- Concise Descriptions: The journal describes the purpose of recording. For example a record in the purchase journal, will be understood by default that it is a purchase related transaction.

- Minimal Posting: Reduces the volume of posting as totals can be done periodically.

- Fraud Prevention: As recording of different journals are assigned to different individual, fraud prevention is prevented.

- Faster process: As multiple books are handled by multiple accountants, the recording work moves faster.

2. What is cash book? Explain the types of cash book.

A cash book is also known as book of original entry in which all transactions related to cash receipts and cash payments are recorded. All cash deposits and withdrawals are recorded in a sequential order. Cash receipts are recorded in cash column and bank deposits are recorded in bank column, and all cash deposits are added in cash column, cheque payment get recorded in credit side under bank column. It serves as a principal book.

Types of cash book are:

1. Single Column Cash Book: In this type of cash book all recordings related to cash takes place, it is useful for organisations that maintain only cash transactions. It contains records of cash receipts and cash payments.

2. Double Column Cash Book: The two column cash book is also referred to as the double column cash book. It contains two money columns on both sides (i.e. debit and credit), one side is for recording cash transactions while the other is for recording bank transactions.

Cash transactions are recorded in cash column and thus functions as a cash account whereas bank column records all bank related transactions such as payments made by cheques and functions as a bank account. Some organisations prefer the double column cash book as it contains both cash and bank columns and thus it is easy to maintain instead of maintaining two separate ledgers.

Cash Book

Dr.   **Cr.**

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
	Cash	(C)		–		Bank	(C)	–	

3. Triple Column Cash Book: Triple column cashbook is a type of cash book that has provisions for three columns which are cash, bank and discount. It is used by large firms that frequently deal with cash and bank transactions as well as which allow cash discounts. The procedure of recording data is similar to double column cash book. The cash and bank columns are periodically totalled and balanced, while the discount column is only totalled. Discount allowed is recorded on the debit while discount received from suppliers is recorded on credit side.

4. **Petty Cash Book:** A cash book that records all those expenses that are small and hold little value is called a petty cash book. The transactions related to stamps, stationery, postage, daily wages etc. are recorded in petty cash book.

3. What is contra entry? How can you deal this entry while preparing double column cash book?

An entry that is recorded to reverse an entry on the opposite side of an account is called contra entry. For example when a debit entry gets recorded in an account, a contra entry will be posted in the credit side. Similarly a contra entry will be posted in debit side if an entry gets recorded in credit side.

Some transactions that can lead to contra entry are provided below.

1. Opening of a bank account

2. Depositing cash into bank

3. Withdrawal from bank

These transactions are recorded in a double column Cash Book as shown below.

Cash Book

Dr.   **Cr.**

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
	Cash	(C)				Bank	(C)		

4. What is petty cash book? Write the advantages of petty cash book?

Recording of repetitive expenses in cash book will burden the cashier. Hence, a separate book is created where petty expenses are recorded. Examples of such type of expenses are: Stationery, Refreshment, Postage, and Conveyance. Petty cash book is maintained by Petty cashier.

Preparation is mostly done by Imprest System as it is more convenient. In this system, petty cashier is given a pre-defined sum of the money for a period. At the end of the period, the amount spent by him is reimbursed by cashier so that the cashier has the same amount again at the start of the period.

The Performa of Petty Cash Book is given below.

Petty Cash Book

Dr.   Cr.

Amount Received	Date	Particulars	Voucher No.	Amount Paid ₹	Analysis of Payments					
					Postage	Stationery	Conveyance	Telephone and Telegram	Miscellaneous	Remarks

Advantages of Petty Cash Book:

1. Division of labour: By delegating the work to a petty cashier the cashier is able to look into other aspects of a firm.

2. Avoid bulky cash books: Recording repetitive transactions in a cash book makes it bulky, petty cash makes it easy and avoids making cash book bulky.

3. Less error prone: Head cashier will be making periodic audits on the petty cash book, so it will be error free.

4. Ease of posting: Only the petty expenses are recorded periodically which makes posting easier.

5. Describe the advantages of sub-dividing the Journal.

Sub dividing of Journal has following advantages:

Accountability: As each accounts are handled by individual accountants, it makes them more accountable and ensure that accounts are properly maintained.

Accuracy: Each accountant will be specialized in the work assigned to them and hence less chances of errors.

Division of Labour: As accounts are maintained by separate accountants it ensures faster recording and parallel recording of transactions.

Economical: As division of labour brings in specialization, the process becomes efficient and there by becomes economical.

Ease of Audit and analysis: The analysis of transactions which are similar in nature becomes easier.

Productivity: As the accountants gain expertise in handling specific account, in increases their productivity.

6. What do you understand by balancing of account?

The accounts in the ledger are balanced at periodic intervals of daily, weekly, fortnightly, monthly, quarterly or any other pre-defined periodic intervals. The goal of balancing is to determine the net position of each amount. The following steps are involved in the balance of the accounts.

The debit and credit side are totalled.

The total on the side which is higher is written on the corresponding side.

The difference between both the sides is recorded on the shorter side. This makes the total on both the sides equal.

In case the debit side exceeds the credit side, the difference is written on the credit side. This is called Debit Balance.

If the credit side exceeds the debit sided, the difference is written on the debit side. This is called Credit Balance.

The words balance c/d are written against the amount of the difference between the two sides. Balance c/d stands for balance carried down.

The amount of balance is brought down (b/d) in the next accounting period. It is denoted with Balance b/d. This indicates that it is a continuing account, till finally settled or closed. Here Balance b/d stands for Balance Brought Down.

The accounts of expenses losses and gains/revenues are not balanced. Instead, these are transferred to trading and profit and loss account.

Numerical Questions for NCERT Accountancy Solutions Class 11 Chapter 4

1. Enter the following transactions in a simple cash book for December 2016:

		₹
01	Cash in hand	12,000
05	Cash received from Bhanu	4,000
07	Rent Paid	2,000
10	Purchased goods Murari for cash	6,000
15	Sold goods for cash	9,000
18	Purchase stationery	300
22	Cash paid to Rahul on account	2,000
28	Paid salary	1,000
30	Paid rent	500

The solution for this question can be represented in a cash book format as follows:

Cash book

Dr.   **Cr.**

Date	Receipts	L.F.	Amount ₹	Date	Payments	L.F.	Amount ₹
2016				2016			
01 Dec	Balance b/d		12,000	07 Dec	Rent		2,000
05 Dec	Bhanu		4,000	10 Dec	Purchases		6,000
15 Dec	Sales		9,000	18 Dec	Stationery		300
				22 Dec	Rahul		2,000
				28 Dec	Salaries		1,000
				30 Dec	Rent		500
				31 Dec	Balance c/d		13,200
			25,000				**25,000**

2. Enter the following transaction in Simple cash book for December 2018:

2018

		₹
01	Cash in hand	7,750
06	Paid to Sonu	45
08	Purchased goods	600
15	Received cash from Parkash	960
20	Cash sales	500
25	Paid to D. Kumar	1,200
30	Paid rent	600

The solution for this question is as follows:

Cash book

Dr.   **Cr.**

Date	Receipts	L.F.	Amount ₹	Date	Payments	L.F.	Amount ₹
2018				2018			
01 Dec	Balance b/d		7,750	06 Dec	Sonu		45
15 Dec	Parkash		960	08 Dec	Purchases		600
20 Dec	Sales		500	25 Dec	S.Kumar		1,200
				30 Dec	Rent		600
				31 Dec	Balance c/d		7,760
			9,210				**9,210**

3. Record the following transaction in simple cash book for November 2017:

01	Cash in hand	12,500
04	Cash paid to Hari	600
07	Purchased goods	800
12	Cash received from Amit	1,960
16	Sold goods for cash	800
20	Paid to Manish	590
25	Paid cartage	100
30	Paid salary	1,000

The solution for this question is as follows:

Cash book

Dr. **Cr.**

Date	Receipts	L.F.	Amount ₹	Date	Payments	L.F.	Amount ₹
2017				2017			
01 Nov	Balance b/d		12,500	04 Nov	Hari		600
12 Nov	Amit		1,960	07 Nov		Purchases	800
16 Nov	Sales		800	20 Nov	Manish		590
				25 Nov	Cartage		100
				30 Nov	Salaries		1,000
				30 Nov	Balance c/d		12,170
			15,260				**15,260**

4. Prepare a double column cash book with the help of following information for December 2016:

		₹
01	Started business with cash	1,20,000
03	Cash paid into bank	50,000
05	Purchased goods from Sushmita	20,000
06	Sold goods to Dinesh and received a cheque	20,000
10	Paid to Smita cash	20,000
14	Cheque received on December 06, 2016 deposited into bank	
18	Sold goods to Rani	12,000
20	Cartage paid in cash	500
22	Received cash from Rani	12,000
27	Commission received	5,000
30	Drew cash for personal use	2,000

The solution for the question is given below:

Cash book

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2016					2016				
01 Dec	Capital		1,20,000		03 Dec	Bank	C	50,000	
03 Dec	Cash	C		50,000	10 Dec	Sushmita		20,000	
06 Dec	Dinesh		20,000		14 Dec	Bank	C	20,000	
14 Dec	Cash	C		20,000	20 Dec	Cartage		500	
22 Dec	Rani		12,000		30 Dec	Drawings	C	2,000	
27 Dec	Commission		5,000		31 Dec	Balance c/d		64,500	70,000
			1,57,000	**70,000**				**1,57,000**	**70,000**

5. Record the following transactions in a bank column cash book for December 2016:

		₹
01	Started business with cash	80,000
04	Deposited in bank	50,000
10	Received cash from Rahul	1,000
15	Bought goods for cash	8,000
22	Bought goods by cheque	10,000
25	Paid to Shyam by cash	20,000
30	Drew from Bank for office use	2,000
31	Rent paid by cheque	1,000

The transactions can be represented in the form of a bank column cash book as follows:

Cash book

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2016					2016				
01 Dec	Capital		80,000		04 Dec	Bank	C		50,000
04 Dec	Cash	C		50,000	15 Dec	Purchases		8,000	
10 Dec	Rahul		1,000		22 Dec	Purchases			10,000
30 Dec	Bank	C	2,000		25 Dec	Ram		20,000	
					30 Dec	Cash	C		2,000
					31 Dec	Rent			1,000
					31 Dec	Balance c/d		5,000	37,000
			83,000	50,000				83,000	50,000

6. Prepare double column cash book from the following information for September 2017:

		₹
01	Cash in hand	7,500
	Bank overdraft	3,500
03	Paid wages	200
05	Cash sales	7,000
10	Cash deposited into bank	4,000
15	Goods purchased and paid by cheque	2,000
20	Paid rent	500
25	Drew from bank for personal use	400
30	Salary paid	1,000

The solution for this question is as follows:

Cash Book

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2017					2017				
01 Sep	Balance b/d		7,500		01 Sep	Balance b/d (Overdraft)			3,500
05 Sep	Sales		7,000		03 Sep	Wages		200	
10 Sep	Cash	C		4,000	10 Sep	Bank	C	4,000	
					15 Sep	Purchases			2,000
					20 Sep	Rent		500	
					25 Sep	Drawings			400
					30 Sep	Salaries		1,000	
30 Sep	Balance c/d (Overdraft)			1,900	30 Sep	Balance c/d		8,800	
			14,500	**5,900**				**14,500**	**5,900**

7. Enter the following transactions in double column cash book of M/s Ambica Traders for November 2017:

		₹
01	Commenced business with cash	50,000
03	Opened bank account with ICICI	30,000
05	Purchased goods for cash	10,000
10	Purchased office machine for cash	5,000
15	Sales goods on credit from Rohan and received cheque	7,000
18	Cash sales	8,000
20	Rohan's cheque deposited into bank	
22	Paid cartage by cheque	500
25	Cash withdrawn for personal use	2,000
30	Paid rent by cheque	1,000

The solution for this question is as follows:

M/s. Ambica Traders
Cash Book

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2017					2017				
01 Nov	Capital		50,000		03 Nov	Bank	C	30,000	
03 Nov	Cash	C		30,000	05 Nov	Purchases		10,000	
15 Nov	Rohan		7,000		10 Nov	Office Machine		5,000	
18 Nov	Sales		8,000		20 Nov	Bank	C	7,000	
20 Nov	Cash	C		7,000	22 Nov	Cartage			500
					25 Nov	Drawings		2,000	
					30 Nov	Rent			1,000
					30 Nov	Balance c/d		11,000	35,500
			65,000	**37,000**				**65,000**	**37,000**

8. **Enter the following transaction in a double column cash book of M/s Mohit Traders for January 2017:**

		₹
01	**Cash in hand**	**3,500**
	Bank overdraft	**2,300**
03	**Goods purchased for cash**	**1,200**
05	**Paid wages**	**200**
10	**Cash sales**	**8,000**
15	**Deposited into bank**	**6,000**
22	**Sold goods for cheque which was deposited into bank same day**	**2,000**
25	**Paid rent by cheque**	**1,200**
28	**Drew from bank for personal use**	**1,000**
31	**Bought goods by cheque**	**1,000**

The solution for this question in the form of a double column cash book is as follows:

M/s. Mohit Traders
Cash Book

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2017					2017				
01 Jan	Balance b/d		3,500		01 Jan	Balance b/d (overdraft)			2,300
10 Jan	Sales		8,000		03 Jan	Purchases		1,200	
15 Jan	Cash	C		6,000	05 Jan	Wages		200	
22 Jan	Sales			2,000	15 Jan	Bank	C	6,000	
					25 Jan	Rent			1,200
					28 Jan	Drawings			1,000
					31 Jan	Purchases			1,000
					31 Jan	Balance c/d		4,100	2,500
			11,500	**8,000**				**11,500**	**8,000**

9. Prepare double column cash book from the following transactions for the year December 2017:

		₹
01	Cash in hand	17,500
	Cash at bank	5,000
03	Purchased goods for cash	3,000
05	Received cheque from Jasmeet	10,000
08	Sold goods for cash	7,000
10	Jasmeet's cheque deposited into bank	
12	Purchased goods and paid by cheque	20,000
15	Paid establishment expenses through bank	1,000
18	Cash sales	7,000
20	Deposited into bank	10,000
24	Paid trade expenses	500
27	Received commission by cheque	6,000
29	Paid Rent	2,000
30	Withdrew cash for personal use	1,200
31	Salary paid	6,000

The solution is represented in the following table as follows:

Dr.   **Cr.**

Date	Receipts	L.F.	Cash ₹	Bank ₹	Date	Payments	L.F.	Cash ₹	Bank ₹
2017					2017				
01 Dec	Balance b/d		17,500	5,000	03 Dec	Purchases		3,000	
05 Dec	Jasmeet		10,000		10 Dec	Bank	C	10,000	
08 Dec	Sales		7,000		12 Dec	Purchases			20,000
10 Dec	Cash	C		10,000	15 Dec	Establishment Expenses			1,000
18 Dec	Sales		7,000		20 Dec	Bank	C	10,000	
20 Dec	Cash	C		10,000	24 Dec	Trade Expenses		500	
27 Dec	Commission			6,000	29 Dec	Rent		2,000	
					30 Dec	Drawings		1,200	
					31 Dec	Salaries		6,000	
					31 Dec	Balance c/d		8,800	10,000
			41,500	**31,000**				**41,500**	**31,000**

For the month of December 2017, the cash in hand is ₹.8, 800 and the cash in bank is 10,000.

10. M/s Ruchi trader started their cash book with the following balances on July 2017: cash in hand ₹ 1,354 and balance in bank current account ₹ 7,560. He had the following transaction in the month of July, 2017:

		₹
03	Cash sales	2,300
05	Purchased goods, paid by cheque	6,000
08	Cash sales	10,000
12	Paid trade expenses	700
15	Sales goods, received cheque (deposited same day)	20,000
18	Purchased motor car paid by cheque	15,000
20	Cheque received from Manisha (deposited same day)	10,000
22	Cash Sales	7,000
25	Manisha's cheque returned dishonoured	
28	Paid Rent	2,000
29	Paid telephone expenses by cheque	500
31	Cash withdrawn for personal use	2,000

Prepare bank column cash book

The transactions can be represented in a bank column cash book as shown below:

Books of M/s. Ruchi Trader

Cash Book

Dr. Cr.

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2017					2017				
Jul.01	Balance b/d		1,354	7,560	Jul.05	Purchases			6,000
Jul.03	Sales		2,300		Jul.12	Trade Expenses		700	
Jul.08	Sales		10,000		Jul.18	Motor Car			15,000
Jul.15	Sales			20,000	Jul.25	Manisha (Dishonour)			10,000
Jul.20	Manisha			10,000	Jul.28	Rent		2,000	
Jul.22	Sales		7,000		Jul.29	Telephone Expenses			500
					Jul.31	Drawings		2,000	
					Jul.31	Balance c/d		15,954	6,060
			20,654	37,560				20,654	37,560

For month of July Cash in Hand is ₹. 15,954 and the Cash in Bank is ₹ 6,060.

11. Record the following transactions during the week ending June. 30, 2017 with a weekly imprest ₹ 500

		₹
24	Stationery	100
25	Bus fare	12
25	Cartage	40
26	Taxi fare	80
27	Wages to casual labour	90
29	Postage	80

The petty cash book can be created with the following transactions as shown below.

Petty Cash Book

Amount Received	Date	Particulars	Voucher No.	Amount Paid	Analysis of Payments					Remarks
₹	2017 Jun			₹	Postage	Telephone & Telegram	Conveyance	Stationery	Misc.	
	2017									
500	24 Jun	Cash Received								
	24 Jun	Stationery		100				100		
	25 Jun	Bus Fare		12			12			
	25 Jun	Cartage		40			40			
	26 Jun	Taxi Fare		80			80			
	27 Jun	Wages		90					90	
	27 Jun	Postage		80	80					

Petty Cash Book

Amount Received	Date	Particulars	Voucher No.	Amount Paid	Analysis of Payments					Remarks
₹	2017 Jun			₹	Postage	Telephone & Telegram	Conveyance	Stationery	Misc.	
				402	80		132	100	90	
	27 Jun	Balance c/d		98						
500				500						
98	28 Jun	Balance b/d								
402	28 Jun	Cash received								

12. Prepare petty cash book from the following transactions. The imprest amount is ₹ 2,000.

July 2017		₹
01	Paid cartage	50
02	STD charges	40
02	Bus fare	20
03	Postage	30
04	Refreshment for employees	80
06	Courier charges	30
08	Refreshment of customer	50
10	Cartage	35
15	Taxi fare to manager	70
18	Stationery	65
20	Bus fare	10
22	Fax charges	30
25	Telegrams charges	35
27	Postage stamps	200
29	Repair on furniture	105
30	Laundry expenses	115

31	Miscellaneous expenses	100

The petty cash book can be created from the following transactions as shown below

Petty Cash Book

Amount Received	Date	Particulars	Voucher No.	Amount Paid	Analysis of Payments					Remark
₹	2017 July			₹	Postage	Telephone & Telegram	Conveyance	Stationery	Misc.	
	2017									
2000	01 Jul	Cash received								
	01 Jul	Cartage		50			50			
	02 Jul	STD Charges		40		40				
	02 Jul	Bus fare		20			20			
	03 Jul	Postage		30	30					
	04 Jul	Refreshments		80					80	
	06 Jul	Courier Charges		30	30					
	08 Jul	Refreshments		50					50	
	10 Jul	Cartage		35			35			
	15 Jul	Taxi fare		70			70			
	18 Jul	Staionery		65				65		

Petty Cash Book

Amount Received	Date	Particulars	Voucher No.	Amount Paid	Analysis of Payments					Remark
₹	2017 July			₹	Postage	Telephone & Telegram	Conveyance	Stationery	Misc.	
	20 Jul	Bus fare		10			10			
	22 Jul	Fax		30		30				
	25 Jul	Telegram Charges		35		35				
	27 Jul	Postage		200	200					
	29 Jul	Furniture Repair		105					105	
	30 Jul	Laundry		115					115	
	31 Jul	Misc		100					100	
				1065	260	105	185	65	450	
	31 Jul	Balance c/d		935						
2,000				2,000						
935	01 Aug	Balance b/d								
1,065	01 Aug	Cash received								

Cash Balance at the end of the week is ₹.935

13. Enter the following transactions in the Purchase Journal (Book) of M/s Gupta Traders of July 2017:

01   Bought from Rahul Traders as per invoice no. 20041
      40 Registers @ ₹ 60 each
      80 Gel Pens @ ₹ 15 each
      50 note books @ ₹ 20 each
      Trade discount 10%.
15   Bought from Global Stationers as per invoice no. 1132
      40 Ink Pads @ ₹ 8 each
      50 Files @ ₹ 10 each
      20 Color Books @ ₹ 20 each
      Trade Discount 5%
23   Purchased from Lamba Furniture as per invoice no. 3201
      2 Chairs @ 600 per chair
      1 Table @ 1,000 per table
25   Bought from Mumbai Traders as per invoice no. 1111
      10 Paper Rim @ ₹ 100 per rim
      400 drawing Sheets @ ₹ 3 each
      20 Packet water colour @ ₹ 40 per packet

From the above question we see that Gupta Traders deals with stationery. On 23rd July the purchase of furniture is toward the use of company and hence, will not be considered as an entry in purchase book.

The purchase book for the above mentioned transactions is created below.

Books of M/s Gupta Traders Purchases Book					
Date	Invoice No.	Name of the Supplier (Account to be credited)	L.F.	Details ₹	Amount ₹
2017					
01 Jul	20041	Rahul Traders			
		40 Registers @ ₹ 60 each		2,400	
		80 Gel Pens @ ₹ 15 each		1,200	
		50 Note Books @ ₹ 20 each		1,000	
				4,600	
		Less: Trade Discount 10%		(460)	4,140
15 Jul	1132	Global Stationers			
		40 Ink Pads @ ₹ 8 each		320	
		50 Files @ ₹ 10 each		500	
		20 Colour Books @ ₹ 20 each		400	
				1,220	
		Less: Trade discount 5%		(61)	1,159
25 Jul	1111	Mumbai Traders			

		Books of M/s Gupta Traders Purchases Book			
Date	Invoice No.	Name of the Supplier (Account to be credited)	L.F.	Details ₹	Amount ₹
		10 Paper rims @ ₹ 100 each		1,000	
		400 Drawing Sheets @ ₹ 3 each		1,200	
		20 Packets Water Colour @ ₹ 40 per pack		800	3,000
		Purchases Account			8,299

The purchase book does not contain a details column but it is included here for helping the students understand the concept.

14. Enter the following transactions in sales (journal) book of M/s. Bansal electronics:

2014
September
01   **Sold to Amit Traders as per bill no.4321**
    20 Pocket Radio @ 70 per Radio
    2, T.V. set, B&W. (6.) @ 800 Per T.V.
10   **Sold to Arun Electronics as per bill no.4351**
    5 T.V. sets (20.) B&W @ ₹ 3,000 per T.V.
    2 T.V. sets (21.) Colour @ ₹ 4,800 per T.V.
22   **Sold to Handa Electronics as per bill no.4,399**
    10 Tape recorders @ ₹ 600 each
    5 Walkman @ ₹ 300 each
28   **Sold to Harish Trader as per bill no.4430**
    10 Mixer Juicer Grinder @ ₹ 800 each.

The sales journal book of M/s. Bansal Electronics is created as shown below

		Books of M/s Bansal Electronics **Sales Book**				
Date	**Bill No.**	**Name of the Customer** **(Account to be debited)**	**L.F.**	**Details** **₹**	**Amount** **₹**	
2014						
Sep 01	4321	Amit Traders				
		20 Pocket Radio @ ₹ 70 Per Radio		1,400		
		2 T.V Set, B&W (6″) @ ₹ 800 Per T.V.		1,600	3,000	
Sep 10	4351	Arun Electronics				
		5 T.V. sets (20″) B&W @ ₹ 3,000 per T.V.		15,000		
		2 T.V. sets (21″) Colour @ ₹ 4,800 per T.V		9,600	24,600	
Sep 22	4399	Handa Electronics				
		10 Tape Recorders @ ₹ 600 each		6,000		
		5 Walkman @ ₹ 300 each		1,500	7,500	
Sep 28	4430	Harish Traders				
		10 Mixer Juicer Grider @ ₹ 800 each		8,000	8,000	
		Sales Account			43,100	

15. Prepare Return Inward Journal (Book) from the following transactions of M/s Bansal Electronics for August 2017:

		₹
04	M/s Gupta Traders returned the goods	1,500
10	Goods returned from M/s Harish Traders	800
18	M/s Rahul Traders returned the goods not as per specifications	1,200
28	Goods returned from Sushil Traders	1,000

Return Inward Book for M/s Bansal Electronics is as shown below:

Sales Return Book

Date	Credit Note No.	Name of Customer (Account to be credited)	L.F.	Amount ₹
2017				
Aug.04		M/s Gupta Traders		1,500
Aug.10		M/s Harish Traders		800
Aug 18		M/s Rahul Traders		1,200
Aug.28		Sushil Traders		1,000
		Sales Return Account		4,500

16. Prepare a purchases return (journal) book from the following transactions for May 2017.

		₹
05	Returned goods to M/s Kartik Traders	1,200
10	Goods returned to Sahil Pvt. Ltd.	2,500
17	Goods returned to M/s Kohinoor Traders for list price ₹ 2,000 *less* 10% trade discount.	
28	Return outwards to M/s Handa Traders	550

The purchase return journal for the transactions are shown below:

Purchases Return Book

Date	Debit Note No.	Name of Supplier (Account to be debited)		L.F.	Amount ₹
2017					
May. 05		M/s Kartik Traders			1,200
May. 10		Sahil Pvt. Ltd.			2,500
May. 17		M/s Kohinoor Trader			
		List Price	2,000		
		Less: 10% Trade discount	(200)		1,800
May. 28		M/s Handa Traders			550
		Purchases Return Account			6,050

17. Prepare proper subsidiary books and post them to the ledger from the following transactions for the month of January 2017:

		₹
01	**Goods sold to Sachin**	**5,000**
04	**Purchase from Kushal Traders**	**2,480**
06	**Sold goods to Manish Traders**	**2,100**
07	**Sachin returned goods**	**600**
08	**Returns to Kushal Traders**	**280**
10	**Sold to Mukesh**	**3,300**
14	**Purchased from Kunal Traders**	**5,200**
15	**Furniture purchased from Tarun**	**3,200**
17	**Bought of Naresh**	**4,060**
20	**Return to Kunal Traders**	**200**
22	**Return inwards from Mukesh**	**250**
24	**Purchased goods from Kirit & Co. for list price of**	**5,700**
	less 10% trade discount	
25	**Sold to Shri Chand goods**	**6,600**
	less 5% trade discount	
26	**Sold to Ramesh Brothers**	**4,000**

28	Return outwards to Kirit and Co.	1,000
	less 10% trade discount	
28	Ramesh Brothers returned goods ₹ 500.	

Subsidiary book and ledger entries for the transactions are shown below:

Journal

Purchases Book

Date	Invoice No.	Name of Supplier (Accounts to be credited)		L.F.	Amount ₹
2017					
Jan.04		Kushal Traders			2,480
Jan.14		Kunal Traders			5,200
Jan.17		Naresh			4,060
Jan.24		Kirit and Co.	5,700		
		Less: Trade Discount 10%	(570)		5,130
		Purchases Account			16,870

Sales Book

Date	Invoice No.	Name of Customer (Accounts to be debited)		L.F.	Amount ₹
2017					
Jan. 01		Sachin			5,000
Jan.06		Manish Traders			2,100
Jan.10		Mukesh			3,300
Jan.25		Shri Chand	6,600		
		Less: 5% Trade Discount	(330)		6,270
Jan.26		Ramesh Brothers			4,000
		Sales Account			20,670

Sales Return Book

Date	Credit Note	Name of Customer (Accounts to be credited)	L.F.	Amount ₹
2017				
Jan.07		Sachin		600
Jan.22		Mukesh		250
Jan.28		Ramesh Brothers		500
		Sales Return Account		1,350

Purchases Return Book

Date	Debit Note	Name of Supplier (Accounts to be debited)		L.F.	Amount ₹
2017					
Jan.08		Kushal Traders			280
Jan.20		Kunal Traders			200
Jan.28		Kirit and Co.	1,000		
		Less: 10% Trade Discount	(100)		900
		Sales Return A/c			1,380

Journal Proper

Date	Particulars	L.F.	Debit Amount ₹	Credit Amount ₹
2017				
Jan.15	Furniture A/c Dr.		3,200	
	To Tarun			3,200
	(Furniture purchased from Tarun)			

Ledger

Purchases Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Sundries as per Purchases Book		16,870	2017 Jan.28	Balance c/d		16,870
			16,870				16,870

Sales Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Balance c/d		20,670	2017 Jan.28	Sundries as per Sales Book		20,670
			20,670				20,670

Sales Return Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Sundries as per Sales Return Book		1,350	2017 Jan.28	Balance c/d		1,350
			1,350				1,350

Purchases Return Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Balance c/d		1,380	2017 Jan.28	Sundries as per Purchases Return Book		1,380
			1,380				1,380

Sachin's Account

			Amount				Amount
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 Jan.01	Sales		5,000	2017 Jan.07	Sales Return		600
				Jan.28	Balance c/d		4,400
			5,000				5,000

Kushal Traders' Account

			Amount				Amount
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 Jan.08	Purchases Return		280	2017 Jan.04	Purchases		2,480
Jan.28	Balance c/d		2,200				
			2,480				2,480

Manish Traders' Account

			Amount				Amount
Date	Particulars	J.F.	₹	Date	Particulars	J.F.	₹
2017 Jan.06	Sales		2,100	2017 Jan.28	Balance c/d		2,100
			2,100				2,100

Mukesh's Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
Jan.10	Sales		3,300	Jan.22	Sales Return		250
				Jan.28	Balance c/d		3,050
			3,300				3,300

Kunal Traders' Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
Jan.20	Purchase Return		200	Jan.14	Purchases		5,200
Jan.28	Balance c/d		5,000				
			5,200				5,200

Furniture Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
Jan.15	Tarun		3,200				
				Jan.28	Balance c/d		3,200
			3,200				3,200

Tarun's Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Balance c/d		3,200	2017 Jan.15	Furniture		3,200
			3,200				3,200

Naresh's Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28	Balance c/d		4,060	2017 Jan.17	Purchases		4,060
			4,060				4,060

Kirit & Co. Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 Jan.28 Jan.28	Purchases Return Balance c/d		900 4,230	2017 Jan.24	Purchases		5,130
			5,130				5,130

Shri Chand & Co. Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
Jan.25	Sales		6,270				
				Jan.28	Balance c/d		6,270
			6,270				6,270

Ramesh's Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
Jan.26	Sales		4,000	Jan.28	Sales Return		500
				Jan.28	Balance c/d		3,500
			4,000				4,000

18. The following balances of ledger of M/s Marble Traders on May 01, 2017

	₹
Cash in hand	**6,000**
Cash at bank	**12,000**
Bills receivable	**7,000**
Ramesh (Cr.)	**3,000**
Stock (Goods)	**5,400**
Bills payable	**2,000**
Rahul (Dr.)	**9,700**
Himanshu (Dr.)	**10,000**

Transactions during the month were:

May ₹

01	Goods sold to Manish	3,000
02	Purchased goods from Ramesh	8,000
03	Received cash from Rahul in full settlement	9,200
05	Cash received from Himanshu on account	4,000
06	paid to Ramesh by cheque	6,000
08	Rent paid by cheque	1,200
10	Cash received from Manish	3,000
12	Cash sales	6,000
14	Goods returned to Ramesh	1,000
15	Cash paid to Ramesh in full settlement	3,700
	Discount received	300
18	Goods sold to Kushal	10,000
20	Paid trade expenses	200
21	Drew for personal use	1,000
22	Goods return from Kushal	1,200
24	Cash received from Kushal	6,000
26	Paid for stationery	100
27	Postage charges	60
28	Salary Paid	2,500
29	Goods purchased from Sheetal Traders	7,000
30	Sold goods to Kirit	6,000
	Goods purchased from Handa Traders	5,000

Journalise the above transactions and post them to the ledger.

The above transactions are journalized and posted to ledger as shown below:

Books of M/s. Marble Traders

Journal

Date	Particulars	L.F.	Debit Amount ₹	Credit Amount ₹
2017	Cash A/c Dr.		6,000	
May.01	Bank A/c Dr.		12,000	
	Bills Receivable A/c Dr.		7,000	
	Stock A/c Dr.		5,400	
	Rahul's A/c Dr.		9,700	
	Himanshu A/c Dr.		10,000	
	To Ramesh's A/c			3,000

	To Bills Payable A/c			2,000
	To Capital A/c (Balancing figure)			45,100
	(Balance brought from last year)			
May.01	Manish	Dr.	3,000	
	To Sales A/c			3,000
	(Goods sold to Manish)			
May.02	Purchases A/c	Dr.	8,000	
	To Ramesh			8,000
	(Goods purchased from Ramesh)			
May.03	Cash A/c	Dr.	9,200	
	Discount Allowed A/c	Dr.	500	
	To Rahul			9,700
	(Cash received from Rahul and discount allowed)			
May. 05	Cash A/c	Dr.	4,000	
	To Himanshu			4,000
	(Cash received from Himanshu)			
May.06	Ramesh	Dr.	6,000	
	To Bank A/c			6,000
	(Cheque issued to Ramesh)			
May. 08	Rent A/c	Dr.	1,200	
	To Bank A/c			1,200
	(Rent paid by cheque)			
May.10	Cash A/c	Dr.	3,000	
	To Manish			3,000
	(Cash received from Manish)			
May.12	Cash A/c	Dr.	6,000	
	To Sales A/c			6,000
	(Goods sold for cash)			

May.14	Ramesh	Dr.	1,000	
	To Purchases Return A/c			1,000
	(Goods returned to Ramesh)			
May.15	Ramesh	Dr.	4,000	
	To Cash A/c			3,700
	To Discount Received A/c			300
	(Cash paid to Ramesh and discount received)			
May.18	Kushal	Dr.	10,000	
	To Sales A/c			10,000
	(Goods sold to Kushal)			
May.20	Trade Expenses A/c	Dr.	200	
	To Cash A/c			200
	(Trade expenses paid)			
May.21	Drawings A/c	Dr.	1,000	
	To Cash A/c			1,000
	(Cash withdrawn for personal use)			
May.22	Sales Return A/c	Dr.	1,200	
	To Kushal			1,200
	(Kushal returned goods)			
May.24	Cash A/c	Dr.	6,000	
	To Kushal			6,000
	(Cash received from Kushal)			
May.26	Stationery A/c	Dr.	100	
	To Cash A/c			100
	(Stationery paid)			
May.27	Postages A/c	Dr.	60	
	To Cash A/c			60
	(Postage charges paid)			

May.28	Salaries A/c		Dr.	2,500	
	To Cash A/c				2,500
	(Salary paid)				
May.29	Purchases A/c		Dr.	7,000	
	To Sheetal Traders				7,000
	(Goods purchased from Sheetal Traders)				
May.30	Kirit		Dr.	6,000	
	To Sales A/c				6,000
	(Goods sold to Kirit)				
May.30	Purchases A/c		Dr.	5,000	
	To Handa Traders				5,000
	(Goods purchased from Handa Traders)				
	Total			1,35,060	1,35,060

Ledger

Cash Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
May.01	Balance b/d		6,000	May.15	Ramesh		3,700
May.03	Rahul		9,200	May.20	Trade Expenses		200
May.05	Himanshu		4,000	May.21	Drawings		1,000
May.10	Manish		3,000	May.26	Stationary		100
May.12	Sales		6,000	May.27	Postage		60
May.24	Kushal		6,000	May.28	Salaries		2,500
				May.30	Balance c/d		26,640
			34,200				34,200

Bank Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Balance b/d		12,000	2017 May.06 May.08 May.30	Ramesh Rent Balance c/d		6,000 1,200 4,800
			12,000				12,000

Bills Receivable Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Balance b/d		7,000	2017 May.30	Balance c/d		7,000
			7,000				7,000

Stock Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Balance b/d		5,400	2017 May.30	Balance c/d		5,400
			5,400				5,400

Rahul's Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Balance b/d		9,700	2017 May.03	Cash		9,200
				May.03	Discount Allowed		500
			9,700				9,700

Himanshu's Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Balance b/d		10,000	2017 May.05	Cash		4,000
				May.30	Balance c/d		6,000
			10,000				10,000

Ramesh's Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.06	Bank		6,000	2017 May.01	Balance b/d		3,000
May.14	Purchases Return		1,000	May.02	Purchases		8,000
May.15	Cash		3,700				
May.15	Discount Received		300				
			11,000				11,000

Bills Payable Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.30	Balance c/d		2,000	2017 May.01	Balance b/d		2,000
			2,000				2,000

Capital Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.30	Balance c/d		45,100	2017 May.01	Balance b/d		45,100
			45,100				45,100

Manish's Account

Dr. Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.01	Sales		3,000	2017 May.10	Cash		3,000
			3,000				3,000

Sales Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
				May.01	Manish		3,000
				May.12	Cash		6,000
				May.18	Kushal		10,000
May.30	Balance c/d		25,000	May.30	Kirit		6,000
			25,000				25,000

Purchases Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
May.02	Ramesh		8,000				
May.29	Sheetal Traders		7,000				
May.30	Handa Traders		5,000	May.30	Balance c/d		20,000
			20,000				20,000

Discount Allowed Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017				2017			
May.03	Rahul		500				
				May.30	Balance c/d		500
			500				500

Rent Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.08	Bank		1,200	2017 May.30	Balance c/d		1,200
			1,200				1,200

Discount Received Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.30	Balance c/d		300	2017 May.15	Ramesh		300
			300				300

Kushal's Account

Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.18	Sales		10,000	2017 May.22	Sales Return		1,200
				May.24	Cash		6,000
				May.30	Balance c/d		2,800
			10,000				10,000

Trade Expenses Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.20	Cash		200	2017 May.30	Balance c/d		200
			200				200

Drawing's Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.21	Cash		1,000	2017 May.30	Balance c/d		1,000
			1,000				1,000

Sales Return Account

Dr.   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.22	Kushal		1,200	2017 May.30	Balance c/d		1,200
			1,200				1,200

Stationery Account

Dr.   **Cr.**

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.26	Cash		100	2017 May.30	Balance c/d		100
			100				100

Postages Account

Dr.   **Cr.**

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.27	Cash		60	2017 May.30	Balance c/d		60
			60				60

Salaries Account

Dr.   **Cr.**

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.28	Cash		2,500	2017 May.30	Balance c/d		2,500
			2,500				2,500

Sheetal Trader's Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.		Amount ₹
2017				2017				
				May.29	Purchases			7,000
May.30	Balance c/d		7,000					
			7,000					7,000

Handa Trader's Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.		Amount ₹
2017				2017				
				May.30	Purchases			5,000
May.30	Balance c/d		5,000					
			5,000					5,000

Purchases Return Account

Dr.								Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.		Amount ₹
2017				2017				
				May.14	Ramesh			1,000
May.30	Balance c/d		1,000					
			1,000					1,000

Kirit's Account

Dr   Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2017 May.30	Sales		6,000	2017 May.30	Balance c/d		6,000
			6,000				6,000