

Short Answers for NCERT Accountancy Solutions Class 11 Chapter 6

1. State the meaning of a Trial Balance?

Trial balance contains all the ledgers of business, its purpose is to determine the correctness of the accounts. It is created after all accounts are balanced. It consist of two columns, debit and credit which contain respective balances.

2. Give two examples of errors of principle?

When errors are committed during recording of a transaction and it violates any accounting principle. It is termed as Errors of principle. Some examples are:

1. Purchase of new machinery on credit needs to be journalised, if it is added under purchases, it becomes an error of principle.
2. Rent paid to the landlord is to be added as rent paid instead if it is posted as payment to landlord, it creates error of principle.

3. Give two examples of errors of commission?

These error gets committed whenever recording of transaction is done with

- i. Incorrect amount
- ii. Incorrect balancing
- iii. Incorrect posting or carry forwarding.

Two such examples of errors are shown below:

1. Credit sales to Rajesh for ₹ 50,000 was credited to his account (the need was to debit the account)
2. Sales Book total is carried forward as Rs 1,500 instead of Rs 150.

4. What are the methods of preparing trial balance?

The following methods are used for preparing trial balance:

Totals method: The total of both sides (debit and credit) is determined individually and shown in respective columns of a trial balance. The total of credit and debit column should be equal.

Balances Method: In this method, Balance of each account is found out by comparing totals of debit and credit side and the same balance gets recorded in trial balance. This method is more popular as it assists in preparing financial statements.

Totals-cum-balances Method: It has four columns two each for debit and credit totals and balances. It is not practiced much.

5. What are the steps taken by an accountant to locate the errors in the trial balance?

An accountant can take the following steps to locate errors in the Trial Balance:

1. Determine the errors if any by re-recording debit and credit entries in the trial balance.
2. Check for any omission of account and recording that entry in trial balance.
3. Check trial balances of previous year and compare with the current year.
4. Check correctness of all ledgers
5. For the differences between the debit and credit columns which are divisible by 2, there is a possibility that an amount equal to one-half of the difference may have been posted to the wrong side of another ledger account.
6. If difference is completely divisible by 9, transposition of digits might have occurred, i.e. 123 is written as 132.
7. Entries of Subsidiary Books should be checked once again for any difference.
8. If any further difference is noticed, that particular difference should be transferred to a suspense account.

6. What is a suspense account? Is it necessary that suspense account will balance off after rectification of the errors detected by the accountant? If not, then what happens to the balance still remaining in suspense account?

A suspense account records the unclassified debits and credits. It is created when trial balance does not tally due to the presence of one sided errors. When an accountant rectifies the errors, the suspense account is balanced off. However, if some errors do not get resolved, the account is not balanced, in such cases the balance is

transferred to balance sheet. Any debit balance will be reflected in assets side whereas a credit balance is shown as liabilities in balance sheet.

7. What kinds of errors would cause difference in the trial balance? Also list examples that would not be revealed by a trial balance?

One sided errors either on debit or credit side causes difference in the trial balance. It paves the way for creation of suspense account. Some examples are:

1. Posting on the wrong side of the sheet
2. Posting the incorrect amount
3. Incorrect totaling of the subsidiary books
4. Partial recording of entries leads to errors of partial omission.

8. State the limitations of trial balance?

Limitations of the trial balance can be due to the following reasons:

1. Errors of commission
2. Compensating Errors
3. Errors of Principle
4. Errors of Omission

Long Answers for NCERT Accountancy Solutions Class 11 Chapter 6

1. Describe the purpose for the preparation of trial balance.

Here are some points which explain the purpose of preparation of trial balance:

1. Determine arithmetical correctness of records: Trial balance serves the purpose of determining whether the debits and credits are properly recorded in the ledger.
2. Acting as a consolidated statement: It provides a complete list of the available accounts by providing a summary of all accounts and in this way functions as a consolidated statement.
3. Preparing final accounts: Different accounts can be directly added to financial statements such as P & L Account, Balance Sheet, and Trading account. All this can be done without referring to different types of ledgers.

2. Explain errors of principle and give two examples with measures to rectify them.

All accounting entries are recorded as per accounting principles. When any such rule is violated or missed it results in errors of principle. This happens mostly due to incorrect classification of expenditure or receipt between capital and revenue.

Two examples are:

1. Treating purchase of an asset as expense such as machinery purchased on credit is recorded in purchases book instead of journal.

Purchases A/c Dr.

To Creditor A/c

Purchasing machinery is a capital expense hence it should be noted as

Machinery A/c Dr.

Creditor A/c

Rectification entries are:

Machinery A/c Dr.

Purchase A/c

2. Wages paid for construction of building are debited to Wages Account.

Wages paid for construction is a capital expenditure and should be debited from building account.

Incorrect entry Wages A/c Dr.

To Cash A/c

(Cash paid for wages)

Correct entry:

Building A/c Dr.

To Cash A/c

(Wages for building construction paid)

Rectification entries:

Building A/c Dr.

To Wages A/c

3. Explain the errors of commission and give two examples with measures to rectify them.

These error gets committed whenever recording of transaction is done with

- i. Incorrect amount
- ii. Incorrect balancing
- iii. Incorrect posting or carry forwarding.

Some examples are:

Rajesh Traders paid Rs. 15,000 to Ajit Traders. However, while recording it in the journal, Ajit's account was debited with Rs. 1,500 only. The rectification entry will be:

Ajit's A/c	Dr.	13,500	
	To Suspense A/c		13,500

2. Sales returns from Raju of Rs. 1,600 were posted to his account as Rs. 1,000. The rectification entry will be:

Suspense A/c	Dr.	600	
	To Raju's A/c		600

4. What are the different types of errors that are usually committed in recording business transaction?

Here are some of the types of errors that are committed in recording business transactions:

1. Errors of commission: Such errors occur due to

- Incorrect posting of transactions in accounts
- Incorrect totaling
- Improper balancing of the accounts
- Incorrect casting of the subsidiary books
- Incorrect recording of amount in the books of original entry.

2. Errors of omission: Errors committed during recording in book of entry. It can be of two types, complete and partial omission. In complete omission transaction is completely omitted during recording, and in partial omission, transaction is partially omitted from recording.

3. Errors of principle: When errors are committed during recording of a transaction and it violates any accounting principle. It is termed as Errors of principle. It mostly happens when capital expenditure is treated as revenue expenditure.

4. Compensating Errors: When errors are committed in such a way that the net effect of these errors on the debits and credits of accounts becomes zero. These errors do not affect the trial balance.

5. As an accountant of a company, you are disappointed to learn that the totals in your new trial balance are not equal. After going through a careful analysis, you have discovered only one error. Specifically, the balance of the Office Equipment account has a debit balance of Rs. 15,600 on the trial balance. However, you have figured out that a correctly recorded credit purchase of pen-drive for Rs 3,500 was posted from the journal to the ledger with a Rs. 3,500 debit to Office Equipment and another Rs. 3,500 debit to creditor's accounts. Answer each of the following questions and present the amount of any misstatement:

(a) Is the balance of the office equipment account overstated, understated, or correctly stated in the trial balance?

(b) Is the balance of the creditors account overstated, understated, or correctly stated in the trial balance?

(c) Is the debit column total of the trial balance overstated, understated, or correctly stated?

(d) Is the credit column total of the trial balance overstated, understated, or correctly stated?

(e) If the debit column total of the trial balance is Rs. 2, 40,000 before correcting the error, what is the total of credit column?

Pen drive is a stationery item and hence should be treated as an asset. It should be recorded under stationery account column. Another error that is noticed is debiting of supplier account whereas it must have been credited.

1. Office equipment Balance overstated, by Rs 3,500.
2. Creditors account balance understated by Rs 7,000.
3. Debit column total of the trial balance correctly stated.
4. Total of Credit column of trial balance understated by Rs 7,000.
5. As credit column trial balance is understated by 7,000. The total of trial balance credit column before rectification is Rs 2, 33,000 (i.e., Rs 2, 40,000 – Rs 7,000).

Numerical Answers for NCERT Accountancy Solutions Class 11 Chapter 6

1. Rectify the following errors:

- (i) Credit sales to Mohan Rs 7,000 were not recorded.
- (ii) Credit purchases from Rohan Rs 9,000 were not recorded.
- (iii) Goods returned to Rakesh Rs 4,000 were not recorded.
- (iv) Goods returned from Mahesh Rs 1,000 were not recorded.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Mohan's Account Dr. </div> <div style="display: flex; justify-content: space-between;"> To Sales A/c </div> <div style="display: flex; justify-content: space-between;"> (Credit Sales to Mohan, Error rectification recording, not recorded earlier) </div>		7,000	7,000
ii.	<div style="display: flex; justify-content: space-between;"> Purchases Account Dr. </div> <div style="display: flex; justify-content: space-between;"> To Rohan's A/c </div> <div style="display: flex; justify-content: space-between;"> (Credit purchases from Rohan, Error rectification recording, not recorded earlier) </div>		9,000	9,000
iii.	<div style="display: flex; justify-content: space-between;"> Rakesh's Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases Return A/c </div> <div style="display: flex; justify-content: space-between;"> (Purchases return to Rakesh, Error rectification recording, not recorded earlier) </div>		4,000	4,000
iv.	<div style="display: flex; justify-content: space-between;"> Sales Return A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Mahesh's A/c </div> <div style="display: flex; justify-content: space-between;"> (Purchases return from Mahesh, Error rectification recording, not recorded earlier) </div>		1,000	1,000

2. Rectify the following errors:

- (i) Credit sales to Mohan Rs 7,000 were recorded as Rs 700.
- (ii) Credit purchases from Rohan Rs 9,000 were recorded as Rs 900.
- (iii) Goods returned to Rakesh Rs 4,000 were recorded as Rs 400.
- (iv) Goods returned from Mahesh Rs 1,000 were recorded as Rs 100.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="text-align: right;">Mohan's Account Dr.</div> <div style="text-align: left;">To Sales A/c (Credit Sales to Mohan, Error rectification recording, ₹ 7,000 was recorded as ₹ 700)</div>		6,300	6,300
ii.	<div style="text-align: right;">Purchases Account Dr.</div> <div style="text-align: left;">To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, ₹ 9,000 was recorded as ₹ 900)</div>		8,100	8,100
iii.	<div style="text-align: right;">Rakesh's Account Dr.</div> <div style="text-align: left;">To purchases return A/c (Goods returned to Rakesh, Error rectification recording, ₹ 4,000 was recorded as ₹ 400)</div>		3,600	3,600
iv.	<div style="text-align: right;">Sales Return Account Dr.</div> <div style="text-align: left;">To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, ₹ 1,000 was recorded as ₹ 100)</div>		900	900

3. Rectify the following errors:

- (i) Credit sales to Mohan Rs 7,000 were recorded as Rs 7,200.
- (ii) Credit purchases from Rohan Rs 9,000 were recorded as Rs 9,900.
- (iii) Goods returned to Rakesh Rs 4,000 were recorded as Rs 4,040.
- (iv) Goods returned from Mahesh Rs 1,000 were recorded as Rs 1,600.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Sales A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Mohan's A/c </div> (Credit Sales to Mohan, Error rectification recording, ₹ 6,000 was recorded as ₹ 6,200)		200	200
ii.	<div style="display: flex; justify-content: space-between;"> Rohan's A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases A/c </div> (Goods purchased from Rohan, Error rectification recording, ₹ 9,000 was recorded as ₹ 9,900)		900	900
iii.	<div style="display: flex; justify-content: space-between;"> Purchases Return A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Rakesh's A/c </div> (Goods returned to Rakesh, Error rectification recording, ₹ 4,040 was recorded as ₹ 4,000)		40	40
iv.	<div style="display: flex; justify-content: space-between;"> Mahesh's A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Sales return A/c </div> (Goods returned from Mahesh, Error rectification recording, ₹ 1,000 was recorded as ₹ 1,600)		600	600

4. Rectify the following errors:

- a) Salary paid Rs. 5,000 was debited to employee's personal account.
- b) Rent Paid Rs. 4,000 was posted to landlord's personal account.
- c) Goods withdrawn by proprietor for personal use Rs. 1,000 were debited to sundry expenses account.
- d) Cash received from Kohli Rs. 2,000 was posted to Kapur's account.
- e) Cash paid to Babu Rs. 1,500 was posted to Sabu's account.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Salary Account Dr. </div> <div style="display: flex; justify-content: space-between;"> To Employee's A/c (Salary paid to the employee, Error rectification recording, was erroneously credited to the employee's personal account) </div>		5,000	5,000
ii.	<div style="display: flex; justify-content: space-between;"> Rent Account Dr. </div> <div style="display: flex; justify-content: space-between;"> To Landlord's A/c (Rent paid to the landlord, Error rectification recording, was erroneously credited to the landlord's personal account) </div>		4,000	4,000
iii.	<div style="display: flex; justify-content: space-between;"> Drawings Account Dr. </div> <div style="display: flex; justify-content: space-between;"> To Sundry Expenses A/c (Goods drawn by the proprietor for personal use, Error rectification recording, was erroneously debited to the sundry expenses account) </div>		1,000	1,000
iv.	<div style="display: flex; justify-content: space-between;"> Kapur's Account Dr. </div>		2,000	

	To Kohli's A/c (Cash received from Kohli, Error rectification recording, was erroneously posted to Kapur's account)			2,000
v.	Babu's Account Dr. To Sabu's A/c (Cash paid to Babu, Error rectification recording, was erroneously posted to Sabu's account)		1,500	1,500

5. Rectify the following errors:

- (a) Credit Sales to Mohan Rs 7,000 were recorded in purchases book.
- (b) Credit Purchases from Rohan Rs 900 were recorded in sales book.
- (c) Goods returned to Rakesh Rs 4,000 were recorded in the sales return book.
- (d) Goods returned from Mahesh Rs 1,000 were recorded in purchases return book.
- (e) Goods returned from Nahesh Rs 2,000 were recorded in purchases book.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Mohan's Account Dr. To Sales A/c To Purchases A/c (Credit Sales to Mohan, Error rectification recording, Was erroneously recorded in purchases book)		14,000	7,000 7,000

ii.	<p>Sales Account Dr.</p> <p style="padding-left: 100px;">Purchases Account Dr.</p> <p style="padding-left: 100px;">To Rohan's A/c (Credit Purchases from Rohan, Error rectification recording, Was erroneously recorded in Sales book)</p>	900	
		900	1,800
iii.	<p>Rakesh Account Dr.</p> <p style="padding-left: 100px;">To Purchases Return A/c</p> <p style="padding-left: 100px;">To Sales Return A/c (Goods returned to Rakesh, Error rectification recording, Was erroneously recorded in sales return book)</p>	8,000	4,000 4,000
iv.	<p>Sales Return Account Dr.</p> <p style="padding-left: 100px;">Purchases Return Account Dr.</p> <p style="padding-left: 100px;">To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, Was erroneously recorded in Purchases return book)</p>	1,000	1,000 1,800
v.	<p>Sales Return A/c Dr.</p> <p style="padding-left: 100px;">To Purchases A/c (Goods returned from Mahesh, Error rectification recording, Was erroneously recorded in Purchases book)</p>	2,000	2,000

6. Rectify the following errors:

- (a) Sales book overcast by Rs 700.
- (b) Purchases book overcast by Rs 500.
- (c) Sales return book overcast by Rs 300.
- (d) Purchase return book overcast by Rs 200.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Sales Account Dr. To Suspense A/c (Sales book overcast by ₹ 700, Error rectification recording)		700	700
ii.	Suspense Account Dr. To Purchases A/c (Purchases book overcast by ₹ 500, Error rectification recording)		500	500
iii.	Suspense Account Dr. To Sales Return A/c (Sales Return book overcast by ₹ 300, Error rectification recording)		300	300
i.	Purchases Return Account Dr. To Suspense A/c (Purchases return book overcast by ₹ 200, Error rectification recording)		200	200

7. Rectify the following errors:

- (a) Sales book undercast by Rs 300.
- (b) Purchases book undercast by Rs 400.
- (c) Return Inwards book undercast by Rs 200.
- (d) Return outwards book undercast by Rs 100.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<p>Suspense A/c Dr.</p> <p>To Sales A/c (Sales book is undercast by ₹ 300, Error rectification recording)</p>		300	300
ii.	<p>Purchases A/c Dr.</p> <p>To Suspense A/c (Purchases book is undercast by ₹ 400, Error rectification recording)</p>		400	400
iii.	<p>Return inwards A/c Dr.</p> <p>To Suspense A/c (Return inwards book is undercast by ₹ 200, Error rectification recording)</p>		200	200
iv.	<p>Suspense A/c Dr.</p> <p>To Return outwards A/c (Return outwards book is undercast by ₹ 100, Error rectification recording)</p>		100	100

8. Rectify the following errors and ascertain the amount of difference in trial balance by preparing suspense account:

- (a) Credit sales to Mohan Rs 7,000 were not posted.
- (b) Credit purchases from Rohan Rs 9,000 were not posted.
- (c) Goods returned to Rakesh Rs 4,000 were not posted.
- (d) Goods returned from Mahesh Rs 1,000 were not posted.
- (e) Cash paid to Ganesh Rs 3,000 was not posted.
- (f) Cash sales Rs 2,000 were not posted.

The following journal recordings need to be done to rectify these errors.



Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Mohan's A/c Dr. To Suspense A/c (Credit sales to Mohan, Error rectification recording, recording was missing)		7,000	7,000
ii.	Suspense A/c Dr. To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, recording was missing)		9,000	9,000
iii.	Rakesh's A/c Dr. To Suspense A/c (Goods returned to Rakesh, Error rectification recording, recording was missing)		4,000	4,000
iv.	Suspense A/c Dr. To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, recording was missing)		1,000	1,000
v.	Ganesh's A/c Dr. To Suspense A/c (Cash paid to Ganesh, Error rectification recording, recording was missing)		3,000	3,000
vi.	Suspense A/c Dr. To Sales A/c (Cash sales, Error rectification recording, recording was missing)		2,000	2,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2014	To Rohan's A/c		9,000	2014	By Mohan's A/c		7,000
	To Mahesh's A/c		1,000		By Rakesh's A/c		4,000
	To Sales A/c		2,000		By Ganesh's A/c		3,000
	To Balance c/d		2,000				
	Total		14,000		Total		14,000

Hence, the trial balance shows an excess of ₹ 2,000 as credit

9. Rectify the following errors and ascertain the amount of difference in trial balance by preparing suspense account:

- (a) Credit sales to Mohan Rs 7,000 were posted as Rs 9,000.
- (b) Credit purchases from Rohan Rs 9,000 were posted as Rs 6,000.
- (c) Goods returned to Rakesh Rs 4,000 were posted as Rs 5,000.
- (d) Goods returned from Mahesh Rs 1,000 were posted as Rs 3,000.
- (e) Cash sales Rs 2,000 were posted as Rs 200.

The following journal recordings need to be done to rectify these errors.

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<p>Suspense A/c Dr.</p> <p>To Mohan's A/c (Credit Sales to Mohan, Error rectification recording, credit sales were posted as ₹ 9,000 instead of ₹ 7,000)</p>		2,000	2,000
ii.	<p>Suspense A/c Dr.</p> <p>To Rohan's A/c (Credit Purchases from Mohan, Error rectification recording, Credit purchases were posted as ₹ 6,000 instead of ₹ 9,000)</p>		3,000	3,000
iii.	<p>Suspense A/c Dr.</p> <p>To Rakesh's A/c (Goods returned to Rakesh, Error rectification recording, Goods returned were recorded as ₹ 5,000 instead of ₹ 4,000)</p>		1,000	1,000
iv.	<p>Mahesh's A/c Dr.</p> <p>To Suspense A/c (Goods returned from Mahesh, Error rectification recording, Goods returned were posted as ₹ 3,000 instead of ₹ 1,000)</p>		2,000	2,000
v.	<p>Suspense A/c Dr.</p> <p>To Sales A/c (Cash Sales, Error rectification recording, Cash sales were posted as ₹ 200 instead of ₹ 2,000)</p>		1,800	200

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Mohan's A/c		2,000		By Mahesh's A/c		2,000
	To Rohan's A/c		3,000		By Balance c/d		5,800
	To Rakesh's A/c		1,000				
	To Sales A/c		1,800				
	Total		7,800		Total		7,800

Hence, the difference in trial balance is ₹5,800 excess debit.

10. Rectify the following errors:

- (a) Credit sales to Mohan Rs 7,000 were posted to Karan.
- (b) Credit purchases from Rohan Rs 9,000 were posted to Gobind.
- (c) Goods returned to Rakesh Rs 4,000 were posted to Naresh.
- (d) Goods returned from Mahesh Rs 1,000 were posted to Manish.
- (e) Cash sales Rs 2,000 were posted to commission account.

The following journal recordings need to be done to rectify these errors.

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Mohan's A/c Dr. To Karan A/c (Credit sales to Mohan, Error rectification recording, erroneously recorded in Karan's account)		7,000	7,000
ii.	Gobind's A/c Dr. To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, erroneously recorded in Gobind's account)		9,000	9,000
iii.	Rakesh's A/c Dr. To Naresh's A/c (Goods returned to Rakesh, Error rectification recording, erroneously recorded in Naresh's account)		4,000	4,000
iv.	Manish's A/c Dr. To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, erroneously recorded in Manish's account)		1,000	1,000
v.	Commission A/c Dr. To Sales A/c (Cash sales, Error rectification recording, erroneously recorded in commission account)		2,000	1,000

11. Rectify the following errors assuming that a suspense account was opened. Ascertain the difference in trial balance.

- (a) Credit sales to Mohan Rs 7,000 were posted to the credit of his account.
- (b) Credit purchases from Rohan Rs 9,000 were posted to the debit of his account as Rs 6,000.
- (c) Goods returned to Rakesh Rs 4,000 were posted to the credit of his account.
- (d) Goods returned from Mahesh Rs 1,000 were posted to the debit of his account as Rs 2,000.
- (e) Cash sales Rs 2,000 were posted to the debit of sales account as Rs 5,000.

The following journal recordings need to be done to rectify these errors.

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Mohan's A/c Dr. To Suspense A/c (Credit Sales to Mohan, Error rectification recording, Mohan's account was credited with ₹ 7,000, instead of debiting)		14,000	14,000
ii.	Suspense A/c Dr. To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, Rohan's account was debited with ₹ 6,000 instead of crediting 9,000 for cash purchases from him)		15,000	15,000
iii.	Rakesh's A/c Dr. To Suspense A/c (Goods returned to Rakesh, Error rectification recording, Rakesh's account was credited with ₹ 4,000 instead of debiting ₹ 4,000)		8,000	8,000
iv.	Suspense A/c Dr.		3,000	

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
	To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, Mahesh's account was debited with ₹ 2,000 instead of crediting ₹ 1,000)			3,000
v.	Suspense A/c Dr.		7,000	
	To Sales A/c (Cash, Error rectification recording, Sales account was debited with ₹ 5,000 instead of crediting with ₹ 2,000)			7,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Rohan's A/c		15,000		By Mohan's A/c		14,000
	To Mahesh's A/c		3,000		By Rakesh's A/c		8,000
	To Sales A/c		7,000		By Balance c/d		3,000
	Total		25,000		Total		25,000

Hence, the trial balance shows ₹ 3,000 excess debit.

12. Rectify the following errors assuming that a suspense account was opened.

Ascertain the difference in trial balance.

- (a) Credit sales to Mohan Rs 7,000 were posted to Karan as Rs 5,000.
- (b) Credit purchases from Rohan Rs 9,000 were posted to the debit of Gobind as Rs 10,000.
- (c) Goods returned to Rakesh Rs 4,000 were posted to the credit of Naresh as Rs 3,000.
- (d) Goods returned from Mahesh Rs 1,000 were posted to the debit of Manish as Rs 2,000.
- (e) Cash sales Rs 2,000 were posted to commission account as Rs 200.

The following journal recordings need to be done to rectify these errors.

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Mohan's A/c Dr. To Karan's A/c To Suspense A/c (Credit Sales to Mohan, Error rectification recording, Credit sales to Mohan for ₹ 7,000 were posted to Karan as ₹ 5,000)		7,000	5,000 2,000
ii.	Suspense A/c Dr. To Rohan's A/c To Gobind's A/c (Credit purchases from Rohan, Error rectification recording, Credit purchases from Rohan ₹ 9,000 were posted to the debit of Gobind as ₹ 10,000)		19,000	9,000 10,000
iii.	Rakesh's A/c Dr. Naresh's A/c Dr.		4,000 3,000	

		To Suspense A/c (Goods returned to Rakesh, Error rectification recording, Goods returned to Rakesh ₹ 4,000 were posted to the credit of Naresh as ₹ 3,000)		7,000
iv.		Suspense A/c Dr. To Mahesh's A/c To Manish's A/c (Goods returned from Mahesh, Error rectification recording, Goods returned from Mahesh ₹ 1,000 were posted to the debit of Manish as ₹ 2,000)	3,000	1,000 2,000
v.		Commission A/c Dr. Suspense A/c Dr. To Sales A/c (Cash sales, Error rectification recording, Cash sales ₹ 2,000 were posted to commission account as ₹ 200)	200 1,800	 2,000



Suspense A/c

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Rahan's A/c		9,000		By Mohan's A/c		2,000
	To Gobind's A/c		10,000		By Rakesh's A/c		4,000
	To Mahesh's A/c		1,000		By Naresh's A/c		3,000
	To Manish's A/c		2,000		By Balance c/d		14,800
	To Sales A/c		1,800				
	Total		23,800		Total		23,800

Hence, the trial balance has a ₹14,800 excess credit.

13. Rectify the following errors assuming that suspense account was opened.

Ascertain the difference in trial balance.

- (a) Credit sales to Mohan Rs 7,000 were recorded in Purchase Book. However, Mohan's account was correctly debited.
- (b) Credit purchases from Rohan Rs 9,000 were recorded in sales book. However, Rohan's account was correctly credited.
- (c) Goods returned to Rakesh Rs 4,000 were recorded in sales return book. However, Rakesh's account was correctly debited.
- (d) Goods returned from Mahesh Rs 1,000 were recorded through purchases return book. However, Mahesh's account was correctly credited.

- (e) Goods returned to Naresh Rs 2,000 were recorded through purchases book. However, Naresh's account was correctly debited.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<p>Suspense A/c Dr.</p> <p>To Sales A/c</p> <p>To Purchases A/c (Credit Sales to Mohan, Error rectification recording, Credit Sales were recorded in purchase book)</p>		14,000	7,000 7,000
ii.	<p>Purchases A/c Dr.</p> <p>Sales A/c Dr.</p> <p>To Suspense A/c (Credit purchases from Rohan, Error rectification recording, Credit purchases were recorded in sales book)</p>		9,000 9,000	18,000
iii.	<p>Suspense A/c Dr.</p> <p>To Purchases Return A/c</p> <p>To Sales Return A/c (Goods returned to Rakesh, Error rectification recording, Goods returned were recorded in sales return book)</p>		8,000	4,000 4,000

iv.	Sales Return A/c Dr. Purchases Return A/c Dr. To Suspense A/c (Goods returned from Mahesh, Error rectification recording, Goods returned were recorded through purchases return book)	1,000	
		1,000	
			2,000
v.	Suspense A/c Dr. To Purchases Return A/c To Purchases A/c (Goods returned to Naresh, Error rectification recording, Goods returned were recorded through purchases book)	4,000	
			2,000
			2,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Sales A/c		7,000		By Purchases A/c		9,000
	To Purchases A/c		7,000		To Sales A/c		9,000
	To Purchases Return A/c		4,000		By Sales Return A/c		1,000
	To Sales Return A/c		4,000		By Purchases Return A/c		1,000
	To Purchases Return A/c		2,000		By Balance c/d		6,000
	To Purchases A/c		2,000				
	Total		26,000		Total		26,000

Hence, the trial balance is ₹6,000 excess credit

14. Rectify the following errors:

- (a) Furniture purchased for Rs 10,000 wrongly debited to purchases account.
- (b) Machinery purchased on credit from Raman for Rs 20,000 was recorded through purchases book.
- (c) Repairs on machinery Rs 1,400 debited to machinery account.
- (d) Repairs on overhauling of secondhand machinery purchased Rs 2,000 was debited to Repairs account.
- (e) Sale of old machinery at book value of Rs 3,000 was credited to sales account.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Furniture A/c Dr. To Purchases A/c (Furniture purchased, Error rectification recording, was wrongly debited to Purchases account)		10,000	10,000
ii.	Machinery A/c Dr. To Purchases A/c (Machinery purchased on credit, Error rectification recording, was wrongly debited to purchases account)		20,000	20,000
iii.	Repairs on Machinery A/c Dr. To Machinery A/c (Repairs on machinery, Error rectification recording, was wrongly debited to machinery account)		1,400	1,400
iv.	Machinery A/c Dr. To Repairs A/c (Repairs on overhauling of second hand machinery purchased, Error rectification recording, was wrongly debited to repairs account)		2,000	2,000

v.	Sales A/c	Dr.		3,000			
	To Machinery A/c (Sale of old machinery on book value, Error rectification recording, was wrongly credited to sales account)						3,000

15. Rectify the following errors assuming that suspension account was opened.

Ascertain the difference in trial balance.

- (a) Furniture purchased for Rs 10,000 wrongly debited to purchase account as Rs 4,000.
- (b) Machinery purchased on credit from Raman for Rs 20,000 recorded through Purchases Book as Rs 6,000.
- (c) Repairs on machinery Rs 1,400 debited to Machinery account as Rs 2,400.
- (d) Repairs on overhauling of second hand machinery purchased Rs 2,000 was debited to Repairs account as Rs 200.
- (e) Sale of old machinery at book value Rs 3,000 was credited to sales account as Rs 5,000.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Furniture A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases A/c </div> <div style="display: flex; justify-content: space-between;"> To Suspense A/c </div> <p style="font-size: small;">(Furniture purchased, Error rectification recording, Furniture purchased for ₹ 10,000 was wrongly debited to purchases account as ₹ 4,000)</p>		10,000	4,000 6,000
ii.	<div style="display: flex; justify-content: space-between;"> Machinery A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases A/c </div> <div style="display: flex; justify-content: space-between;"> To Raman's A/c </div> <p style="font-size: small;">(Machinery purchased, Error rectification recording, Machinery purchased on credit from Raman for ₹ 20,000 was recorded through purchases book as ₹ 6,000)</p>		20,000	6,000 14,000
iii.	<div style="display: flex; justify-content: space-between;"> Repairs A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> Suspense A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Machinery A/c </div> <p style="font-size: small;">(Repairs on machinery, Error rectification recording, Repairs on machinery ₹ 1,400 was debited to machinery account as ₹ 2,400)</p>		1,400 1,000	2,400
iv.	<div style="display: flex; justify-content: space-between;"> Machinery A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Repairs A/c </div>		2,000	200

	To Suspense A/c (Repairs on overhauling of second hand machinery purchased, error rectification entry, Repairs account was wrongly debited with ₹ 200 instead of crediting the machinery account with ₹ 2,000)			1,800
v.	Sales A/c Dr. To Machinery A/c To Suspense A/c (Sale of old machinery at book value, error rectification entry, Sale of old machinery on book value was credited to sales account instead of crediting the machinery account.)			5,000 3,000 2,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Machinery A/c		1,000		By Furniture A/c		6,000
	To Balance c/d		8,800		By Machinery A/c		1,800
					By Sales A/c		2,000
	Total		9,800		Total		9,800

Hence, the trial balance has a ₹ 8,800 excess credit.

16. Rectify the following errors:

- (a) Depreciation provided on machinery Rs 4,000 was not posted.
- (b) Bad debts written off Rs 5,000 were not posted.
- (c) Discount allowed to a debtor Rs 100 on receiving cash from him was not posted.
- (d) Discount allowed to a debtor Rs 100 on receiving cash from him was not posted to discount account.
- (e) Bill receivable for Rs 2,000 received from a debtor was not posted.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Depreciation A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Machinery A/c </div> (Depreciation provided on machinery, rectification entry, was not posted earlier)		4,000	4,000
ii.	<div style="display: flex; justify-content: space-between;"> Bad debts A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Debtors A/c </div> (Bad debts written off, rectification entry, was not posted earlier)		5,000	5,000
iii.	<div style="display: flex; justify-content: space-between;"> Discount Allowed A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Debtors A/c </div> (Discount allowed to debtor on receiving cash from him, rectification entry, was not posted earlier)		100	100
iv.	<div style="display: flex; justify-content: space-between;"> Discount Allowed A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Suspense A/c </div> (Discount allowed to debtor on receiving cash from him, rectification entry, was not posted to discount allowed account)		100	100

v.	Bills Receivable A/c Dr.		2,000	
	To Debtors A/c (Bill receivable from the debtor, rectification entry, was not posted earlier)			2,000

17. Rectify the following errors:

- (a) Depreciation provided on machinery Rs 4,000 was posted as Rs 400.
- (b) Bad debts written off Rs 5,000 were posted as Rs 6,000.
- (c) Discount allowed to a debtor Rs 100 on receiving cash from him was posted as Rs 60.
- (d) Goods withdrawn by proprietor for personal use Rs 800 were posted as Rs 300.
- (e) Bill receivable for Rs 2,000 received from a debtor was posted as Rs 3,000.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Depreciation A/c Dr. To Machinery A/c (Depreciation provided on machinery, Error rectification recording, was wrongly posted as ₹ 400 instead of ₹ 4,000)		3,600	3,600
ii.	Debtors A/c Dr. To Bad Debts A/c (Bad debts written off, Error rectification recording, was posted as ₹ 6,000 instead of ₹ 5,000)		1,000	1,000

iii.	Discount Allowed A/c Dr.	40	
	To Debtors A/c (Discount allowed to debtors, Error rectification recording, was wrongly posted as ₹ 60 instead of ₹ 100)		40
iv.	Drawings A/c Dr.	500	
	To Purchases A/c (Goods withdrawn by proprietor for personal use, Error rectification recording, was wrongly posted as ₹ 300 instead of ₹ 800)		500
v.	Debtor A/c Dr.	1,000	
	To Purchases A/c (Bills receivable from debtors, Error rectification recording, was wrongly posted as ₹ 3,000 instead of ₹ 2,000)		1,000

18. Rectify the following errors assuming that suspense account was opened.

Ascertain the difference in trial balance.

- (a) Depreciation provided on machinery Rs 4,000 was not posted to Depreciation account.
- (b) Bad debts written-off Rs 5,000 were not posted to Debtors account.
- (c) Discount allowed to a debtor Rs 100 on receiving cash from him was not posted to discount allowed account.
- (d) Goods withdrawn by proprietor for personal use Rs 800 were not posted to Drawings account.
- (e) Bill receivable for Rs 2,000 received from a debtor was not posted to Bills receivable account.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Depreciation A/c Dr. </div> <div style="margin-left: 20px;"> To Suspense A/c (Depreciation provided on machinery, Error rectification recording, was not posted to discount account) </div>		4,000	4,000
ii.	<div style="display: flex; justify-content: space-between;"> Suspense A/c Dr. </div> <div style="margin-left: 20px;"> To Debtors A/c (Bad debts written-off, Error rectification recording, were not posted to debtors account) </div>		5,000	5,000
iii.	<div style="display: flex; justify-content: space-between;"> Discount Allowed A/c Dr. </div> <div style="margin-left: 20px;"> To Suspense A/c (Discount allowed to a debtor after receiving cash, Error rectification recording, was not posted to discount allowed account) </div>		100	100
iv.	<div style="display: flex; justify-content: space-between;"> Drawings A/c Dr. </div>		800	

	To Suspense A/c (Goods withdrawn by proprietor for personal use, Error rectification recording, was not posted to drawings account)			800
v.	Bills Receivable A/c Dr.		2,000	
	To Suspense A/c (Bills receivable from a debtor, Error rectification recording, was not posted to Bills receivable account)			2,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Debtors A/c		5,000		By Depreciation A/c		4,000
	To Balance b/d		1,900		By Discount Allowed A/c		100
					By Drawings A/c		800
					By Bills Receivable A/c		2,000
	Total		6,900		Total		6,900

Hence, difference in trial balance is ₹1,900 excess credit.

19. Trial balance of Anuj did not agree. It showed an excess credit of Rs 6,000. He put the difference to suspense account. He discovered the following errors.

- (a) Cash received from Ravish Rs 8,000 posted to his account as Rs 6,000.
- (b) Returns inwards book overcast by Rs 1,000.
- (c) Total of sales book Rs 10,000 was not posted to Sales account.
- (d) Credit purchases from Nanak Rs 7,000 were recorded in sales Book. However, Nanak's account was correctly credited.
- (e) Machinery purchased for Rs 10,000 was posted to purchases account as Rs 5,000. Rectify the errors and prepare suspense account.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<p>Suspense A/c Dr.</p> <p>To Ravish A/c (Cash received from Ravish, Error rectification recording, was wrongly posted as ₹ 6,000 instead of ₹ 8,000)</p>		2,000	2,000
ii.	<p>Suspense A/c Dr.</p> <p>To Return Inward A/c (Returns inwards book was overcast by ₹ 1,000, Error rectification recording)</p>		1,000	1,000
iii.	<p>Suspense A/c Dr.</p> <p>To Sales A/c (Total of sales book, Error rectification recording, was not posted to sales account earlier)</p>		10,000	10,000
iv.	<p>Purchases A/c Dr.</p>		7,000	

		Dr.		7,000	
	Sales A/c				
	To Suspense A/c (Credit purchases from Nanak, Error rectification recording, was recorded in sales book)				14,000
v.				10,000	
	Purchases A/c	Dr.			
	To Purchases A/c				5,000
	To Suspense A/c (Machinery purchased for ₹ 10,000, Error rectification recording, was posted to purchases account as ₹ 5,000)				5,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Balance c/d		6,000		By Purchases A/c		7,000
	To Ravish A/c		2,000		By Sales A/c		7,000
	To Return Inwards A/c		1,000		By Machinery A/c		5,000
	To Sales A/c		10,000				
	Total		19,000		Total		19,000

Hence, total of suspense account is ₹ 19,000

20. Trial balance of Raju showed an excess debit of Rs 10,000. He put the difference to suspense account and discovered the following errors:

- (a) Depreciation written-off the furniture Rs 6,000 was not posted to Furniture account.
- (b) Credit sales to Rupam Rs 10,000 were recorded as Rs 7,000.
- (c) Purchases book undercast by Rs 2,000.
- (d) Cash sales to Rana Rs 5,000 were not posted.
- (e) Old Machinery sold for Rs 7,000 was credited to sales account.
- (f) Discount received Rs 800 from Kanan on playing cash to him was not posted. Rectify the errors and prepare suspense account.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Suspense A/c Dr. To Furniture A/c (Depreciation written-off the furniture, Error rectification recording, was not posted furniture account)		6,000	6,000
ii.	Rupam's A/c Dr. To Sales A/c (Credit Sales to Rupam, Error rectification recording, was wrongly recorded as ₹ 7,000 instead of ₹ 10,000)		3,000	3,000
iii.	Purchases A/c Dr. To Suspense A/c (Purchases book undercasting rectification, Error rectification recording)		2,000	2,000
iv.	Cash A/c Dr.		5,000	

		To Sales A/c (Cash sales, Error rectification recording, were not posted earlier)		5,000
v.	Sales A/c Dr.		7,000	
		To Machinery A/c (Old machinery sold out, Error rectification recording, was wrongly credited to sales account instead of machinery account earlier)		5,000
vi.	Kanan's A/c Dr.		800	
		To Discount Received A/c (Discount received from Kanan, Error rectification recording, was not posted earlier)		800

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Furniture A/c		6,000		By Balance b/d		10,000
	To Balance b/d		6,000		By Purchases A/c		2,000
	Total		12,000		Total		12,000

Hence, the credit balance is ₹ 6000

21. Trial balance of Madan did not agree and he put the difference to suspense account. He discovered the following errors:

- (a) Sales return book overcast by Rs 800.
- (b) Purchases return to Sahu Rs 2,000 were not posted.
- (c) Goods purchased on credit from Narula Rs 4,000 though taken into stock, but no entry was passed in the books.
- (d) Installation charges on new machinery purchased Rs 500 were debited to sundry expenses account as Rs 50.
- (e) Rent paid for residential accommodation of madam (the proprietor) Rs 1,400 was debited to rent account as Rs 1,000.

Rectify the errors and prepare suspense account to ascertain the difference in trial balance.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<p>Suspense A/c Dr.</p> <p style="padding-left: 40px;">To Sales Return A/c (Sales return, Error rectification recording, Sales return book was overcast by ₹ 800)</p>		800	800
ii.	<p>Sahu's A/c Dr.</p> <p style="padding-left: 40px;">To Purchases Return A/c (Purchases return to Sahu, Error rectification recording, was not recorded earlier)</p>		2,000	2,000
iii.	<p>Purchases A/c Dr.</p> <p style="padding-left: 40px;">To Narula's A/c (Goods purchased on credit from Narula, Error rectification recording, was not recorded earlier)</p>		4,000	4,000
iv.	<p>Machinery A/c Dr.</p> <p style="padding-left: 40px;">To Sundry Expenses A/c</p>		500	50

		To Suspense A/c (Installation charges on new machinery purchased, Error rectification recording, Earlier Sundry expenses account was debited with ₹ 50 instead of crediting the machinery account with ₹ 500)		450
v.	Drawings A/c	Dr.	1,400	
	To Rent A/c			1,000
	To Suspense A/c (Drawings by the proprietor for paying the personal rent, Error rectification recording, Earlier Rent account was debited with ₹ 1,000 instead of debiting the drawings account with ₹ 1,400)			400

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Sales Return A/c		800		By Machinery A/c		450
	To Balance c/d		50		By Drawings A/c		400
	Total		850		Total		850

The credit balance is ₹50 as per the question.

As per textbook the answer is ₹2050, therefore the entry (b) is added to suspense account and the resulting amount is ₹2050.

22. Trial balance of Kohli did not agree and showed an excess debit of Rs 16,300. He put the difference to a suspense account and discovered the following errors:

- (a) Cash received from Rajat Rs 5,000 was posted to the debit of Kamal as Rs 6,000.
- (b) Salaries paid to an employee Rs 2,000 were debited to his personal account as Rs 1,200.
- (c) Goods withdrawn by proprietor for personal use Rs 1,000 were credited to sales account as Rs 1,600.
- (d) Depreciation provided on machinery Rs 3,000 was posted to Machinery account as Rs 300.
- (e) Sale of old car for Rs 10,000 was credited to sales account as Rs 6,000. Rectify the errors and prepare suspense account.



Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Suspense A/c Dr. To Rajat's A/c To Kamal's A/c (Cash received from Rajat, Error rectification recording, was debited to Kamal's account instead of crediting to Rajat's account.)		11,000	5,000 6,000
ii.	Salaries A/c Dr. To Employee A/c To Suspense A/c (Salaries paid to employees, Error rectification recording, was wrongly debited to employee's account with ₹ 1,200 instead of debiting ₹ 2,000 to salaries account)		2,000	1,200 800
iii.	Sales A/c Dr. Drawings A/c To Suspense A/c (Goods withdrawn by the proprietor, Error rectification recording, was wrongly credited to Sales account with ₹ 1,600 instead of crediting the drawings account with ₹ 1,000)		1,600	1,000 600
iv.	Suspense A/c Dr. To Machinery A/c (Depreciation provided on machinery, Error rectification recording, was posted as ₹ 300 instead of ₹ 3,000)		2,700	2,700
v.	Sales A/c Dr.		6,000	

	Suspense A/c	Dr.		4,000	
	To Car A/c (Goods withdrawn by the proprietor, Error rectification recording, was wrongly credited to Sales account with ₹ 1,600 instead of debiting the drawings account with ₹ 1,000)				10,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Rajat's A/c		5,000		By Balance b/d		16,300
	To Kamal's A/c		6,000		By Salaries A/c		800
	To Machinery A/c		2,700		By Sales A/c		600
	To Car A/c		4,000				
	Total		17,700		Total		17,700

Therefore, total of the suspense account is ₹17,700.

23. Give journal entries to rectify the following errors assuming that suspense account had been opened.

- (a) Goods distributed as free sample Rs 5,000 were not recorded in the books.
- (b) Goods withdrawn for personal use by the proprietor Rs 2,000 were not recorded in the books.
- (c) Bill receivable received from a debtor Rs 6,000 was not posted to his account.
- (d) Total of Returns inwards book Rs 1,200 was posted to Returns outwards account.
- (e) Discount allowed to Reema Rs 700 on receiving cash from her was recorded in the books as Rs 70.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	<div style="display: flex; justify-content: space-between;"> Marketing A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases A/c </div> <p style="font-size: small;">(Goods distributed as free sample, Error rectification recording, was not recorded earlier)</p>		5,000	5,000
ii.	<div style="display: flex; justify-content: space-between;"> Drawings A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Purchases A/c </div> <p style="font-size: small;">(Goods withdrawn for personal use by the proprietor, Error rectification recording, was not recorded earlier)</p>		2,000	2,000
iii.	<div style="display: flex; justify-content: space-between;"> Suspense A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> To Debtors A/c </div> <p style="font-size: small;">(Bills receivable received from the debtor, Error rectification recording, was not posted to the debtors account)</p>		6,000	6,000
iv.	<div style="display: flex; justify-content: space-between;"> Returns Inward A/c Dr. </div> <div style="display: flex; justify-content: space-between;"> Returns Outward A/c Dr. </div>		1,200	1,200

	To Suspense A/c (Total of returns inwards book, Error rectification recording, was posted to returns outwards account)			2,400
v.	Discount allowed A/c Dr.		630	
	To Reema's A/c (Discount allowed on receiving cash, Error rectification recording, was wrongly recorded earlier as ₹ 70 instead of ₹ 700)			630

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Debtors A/c		6,000		By Returns Inward A/c		1,200
					By Returns Outward A/c		1,200
					By Balance c/d		3,600
	Total		6,000		Total		6,000

Hence, the difference in trial balance is ₹3,600 excess debit.

24. Trial balance of Khatau did not agree. He put the difference to suspense account and discovered the following errors:

- (a) Credit sales to Manas Rs 16,000 were recorded in the purchases book as Rs 10,000 and posted to the debit of Manas as Rs 1,000.
- (b) Furniture purchased from Noor Rs 6,000 was recorded through purchases book as Rs 5,000 and posted to the debit of Noor Rs 2,000.
- (c) Goods returned to Rai Rs 3,000 recorded through the Sales book as Rs 1,000.
- (d) Old machinery sold for Rs 2,000 to Maneesh recorded through sales book as Rs 1,800 and posted to the credit of Manish as Rs 1,200.
- (e) Total of Returns inwards book Rs 2,800 posted to Purchase account.

Rectify the above errors and prepare suspense account to ascertain the difference in trial balance.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.	Manas's A/c Dr.		15,000	
	Suspense A/c Dr.		11,000	
	To Purchases A/c			10,000
	To Sales A/c (Credit sales for ₹ 16,000, Error rectification recording, was wrongly recorded as ₹ 10,000 in the purchases book and posted to the debit of Manas as ₹ 1,000)			16,000
ii.	Furniture A/c Dr.		6,000	
	Suspense A/c Dr.		7,000	
	To Noor's A/c			8,000

	<p>To Purchases A/c (Furniture purchased from Noor for ₹ 6,000, Error rectification recording, was recorded through purchases book as ₹ 5,000 and posted to the debit of Noor as ₹ 2,000)</p>		5,000
iii.	<p>Sales A/c Dr.</p> <p style="padding-left: 40px;">Rai's A/c Dr.</p> <p>To Returns Outward A/c (Goods returned, Error Rectification Entry, was wrongly recorded through the sales book as ₹ 1,000 instead of ₹ 3,000)</p>		<p>1,000</p> <p>2,000</p> <p>3,000</p>
iv.	<p>Manish's A/c Dr.</p> <p style="padding-left: 40px;">Sales A/c Dr.</p> <p style="padding-left: 40px;">Maneesh's A/c Dr.</p> <p>To Machinery A/c</p> <p>To Suspense A/c (Old machinery sold to Maneesh for ₹ 2,000, Error Rectification Entry, was wrongly recorded through sales book as ₹ 1,800 and posted to Manish's account as ₹ 1,200)</p>		<p>1,200</p> <p>1,800</p> <p>2,000</p> <p>2,000</p> <p>3,000</p>
v.	<p>Return Inward A/c Dr.</p> <p>To Purchases A/c (Total of returns inwards book, Error Rectification Entry, was wrongly posted to purchases account)</p>		<p>2,800</p> <p>2,800</p>

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Sales A/c		11,000		By Manish's A/c		3,000
	To Noor's A/c		7,000		By Balance c/d		15,000
	Total		18,000		Total		18,000

Hence, the trial balance is Rs 15,000 excess debit

25. Trial balance of John did not agree. He put the difference to suspense account and discovered the following errors:

- (a) In the sales book for the month of January total of page 2 was carried forward to page 3 as Rs 1,000 instead of Rs 1,200 and total of page 6 was carried forward to page 7 as Rs 5,600 instead of Rs 5,000.
- (b) Wages paid for installation of machinery Rs 500 was posted to wages account as Rs 50.
- (c) Machinery purchased from R & Co. for Rs 10,000 on credit was entered in Purchase Book as Rs 6,000 and posted there from to R & Co. as Rs 1,000.
- (d) Credit sales to Mohan Rs 5,000 were recorded in Purchases Book.
- (e) Goods returned to Ram Rs 1,000 were recorded in Sales Book.
- (f) Credit purchases from S & Co. for Rs 6,000 were recorded in sales book. However, S & Co. was correctly credited.
- (g) Credit purchases from M & Co. Rs 6,000 were recorded in Sales Book as Rs 2,000 and posted there from to the credit of M & Co. as Rs 1,000.
- (h) Credit sales to Raman Rs 4,000 posted to the credit of Raghvan as Rs 1,000.
- (i) Bill receivable for Rs 1,600 from Noor was dishonoured and posted to debit of Allowances account.
- (j) Cash paid to Mani Rs 5,000 against our acceptance was debited to Manu.
- (k) Old furniture sold for Rs 3,000 was posted to Sales account as Rs 1,000.
- (l) Depreciation provided on furniture Rs 800 was not posted.
- (m) Material Rs 10,000 and wages Rs 3,000 were used for construction of building. No adjustment was made in the books.

Rectify the errors and prepare suspense to ascertain the difference in trial balance.

The solution for all the rectification of errors is as follows

Journal Recordings to rectify the errors

Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
a.	<p>Sales A/c Dr.</p> <p style="padding-left: 20px;">To Suspense A/c (Sales account overcasted, Error rectification recording, was wrongly carried forward in two pages)</p>		400	400
b.	<p>Machinery A/c Dr.</p> <p style="padding-left: 20px;">To Wages A/c</p> <p style="padding-left: 20px;">To Suspense A/c (Wages paid for installation of machinery, Error rectification recording, was wrongly posted to the wages account)</p>		500	50 450
c.	<p>Machinery A/c Dr.</p> <p style="padding-left: 20px;">Suspense A/c Dr.</p> <p style="padding-left: 20px;">To Purchases A/c</p> <p style="padding-left: 20px;">To R & Co. A/c (Machinery purchased from R & Co. on credit, Error rectification recording, was wrongly entered in purchases book as ₹ 6,00 and posted into R & Co. as ₹ 1,000)</p>		10,000 5,000	6,000 9,000
d.	<p>Mohan's A/c Dr.</p> <p style="padding-left: 20px;">To Sales A/c</p>		10,000	5,000

	To Purchases A/c (Credit sales to Mohan, Error rectification recording, was wrongly recorded in the purchases book)			5,000
e.	Sales A/c Dr.		1,000	
	To Purchases Return A/c (Goods returned to Ram, Error rectification recording, was wrongly recorded in the sales book)			1,000
f.	Purchases A/c Dr.		6,000	
	Sales A/c Dr.		6,000	
	To Suspense Return A/c (Credit purchases from S & Co., Error rectification recording, was wrongly credited in the sales book)			12,000
g.	Purchases A/c Dr.		6,000	
	Sales A/c Dr.		2,000	
	To M & Co. A/c			5,000
	To Suspense A/c (Credit purchases from M & Co., Error rectification recording, was wrongly credited in the sales book as ₹ 2,000 and also wrongly credited to the M & Co. account as ₹ 1,000)			3,000
h.	Raman's A/c Dr.		4,000	
	Raghavan's A/c Dr.		1,000	
	To Suspense Return A/c (Credit Sales to Raman for ₹ 4,000, Error rectification recording, was wrongly credited to Raghavan's account with ₹ 1,000)			5,000
i.	Noor's A/c Dr.		1,600	

	To Allowance A/c (Bills receivable for ₹ 1,600 from Noor is dishonoured, Error rectification recording, was wrongly posted to the debit of allowance account)			1,600
j.	Bills Payable A/c Dr. To Manu's A/c (Cash paid to Mani against our acceptance, Error rectification recording, was wrongly debited to Manu's account)		5,000	5,000
k.	Sales A/c Dr. Suspense A/c Dr. To Furniture A/c (Old furniture sold for ₹ 3,000, Error rectification recording, was wrongly posted to sales account as ₹ 1,000)		1,000 2,000	3,000
l.	Depreciation A/c Dr. To Furniture A/c (Depreciation provided on furniture, Error rectification recording, was not posted earlier)		800	800
m.	Building A/c Dr. To Purchases A/c To Wages A/c (Material and wages used for the construction of the building, Error rectification recording, was not posted earlier)		13,000	10,000 3,000

Suspense Account

Dr.

Cr.

Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Purchases A/c		5,000		By Sales A/c		400
	To Furniture A/c		2,000		By Machinery A/c		450
	To Balance c/d		13,850		By Purchases A/c		6,000
					By Sales A/c		6,000
					By Purchases A/c		3,000
					By Raman's A/c		4,000
					By Raghavan's A/c		1,000
	Total		20,850		Total		20,850

Hence, the difference in trial balance is ₹13, 850 excess credit.