

Question 1 Enter the following transactions in a Single Column Cash Book:-

2016		(₹)
1	Commenced business with cash	25,000
3	Bought goods for Cash	10,000
3	Paid Carriage	200
4	Sold goods for Cash	6,000
10	Received from Ram	1,000
12	Paid to Shiv Kumar	2,600
15	Cash Sales	8,400
18	Purchased furniture for cash for office	5,000
20	Paid for Advertisement	500
20	Purchased goods from Mahesh on credit	6,000
24	Paid to Mahesh	4,000
25	Paid Wages	400
27	Received for Commission	1,500
28	Withdrew for personal use	2,200
31	Paid salary	700

The solution for this question is as follows:

Cash Book							
Dr.				Cr.			
Date 2016	Particulars	L.F.	Cash (Rs)	Date 2016	Particulars	L.F.	Cash (Rs)
May				May			
1	Capital A/c		25,000	3	Purchases A/c		10,000
4	Sales A/c		6,000	3	Carriage A/c		200
10	Ram		1,000	12	Shiv Kumar		2,600
15	Sales A/c		8,400	18	Furniture A/c		5,000
27	Commission A/c		1,500	20	Advertisement A/c		500
				24	Mahesh		4,000
				25	Wages A/c		400
				28	Drawings A/c		2,200
				31	Salary A/c		700
				31	Balance c/d		16,300
			41,900				41,900
June 1	Balance b/d		16,300				

Note: May 20, 2016 transaction is not recorded in Cash Book as the credit transactions don't impact the cash balance.

Question 2 Enter the following transactions in M/s Mukerjee & Bros. Single Column Cash Book:

2017		(₹)
1	Balance of Cash in hand	50,000
3	Purchased goods for cash	22,000
7	Purchased goods	15,000
10	Purchased goods from Gopi	30,000
13	Purchased goods from Gopi for cash	10,000
15	Sold goods	20,000
18	Sold goods to Vishwakarma	45,000
20	Sold goods to Raghunandan for cash	18,000
25	Received commission	5,000
30	Paid Rent	

The solution for this question is as follows:

Cash Book							
Dr.				Cr.			
Date 2017	Particulars	L.F.	Cash ₹	Date 2017	Particulars	L.F.	Cash ₹
April				April			
1	Balance b/d		50,000	3	Purchases A/c		22,000
15	Sales A/c		20,000	7	Purchases A/c		15,000
20	Sales A/c		18,000	13	Purchases A/c		10,000
25	Commission A/c		5,000	30	Rent A/c		10,000
				30	Balance c/d		36,000
			93,000				93,000

May 1	Balance b/d		36,000			
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Question 3 Enter the following transactions in a Single Column Cash Book:

2017 Feb.		(₹)
1	Mr. Vipin commenced business with Cash	2,00,000
3	Opened a Bank Account and deposited	75,000
5	Purchased goods for Cash	30,000
7	Purchased goods	15,000
10	Purchased goods from Surya Kant	40,000
12	Paid to Surya Kant	38,800
	Discount received	1,200
15	Paid Wages in Cash	22,500
16	Paid to casual labour	1,500
20	Sold goods to Dev Raj for Cash	80,000
25	Paid electricity bill in Cash	12,000
26	Withdrew Cash from Bank	40,000
27	Received for Cash sales	5,000
27	Paid for miscellaneous expenses	500

The solution for this question is as follows:

Cash Book							
Dr.				Cr.			
Date 2017	Particulars	L.F.	Cash ₹	Date 2017	Particulars	L.F.	Cash ₹
Feb.				Feb.			
1	Capital A/c		2,00,000	3	Bank A/c		75,000
20	Sales A/c		80,000	5	Purchases A/c		30,000
26	Bank A/c		40,000	7	Purchases A/c		15,000
27	Sales A/c		5,000	12	Surya Kant		38,800
				15	Wages A/c		22,500
				16	Wages A/c		1,500
				25	Electricity Charges A/c		12,000
				27	Miscellaneous Expenses A/c		500
				28	Balance c/d		1,29,700
			3,25,000				3,25,000
Mar.1	Balance b/d		1,29,700				

Question 4 Enter the following transactions in a Single Column Cash Book: -

2016		₹
Dec. 1	Cash-in-hand	25,000
2	Cash Sales (CGST 6%, SGST 6%)	40,000
4	Received from X on behalf of Y	4,000
9	Paid to Som Pal	4,900
	Discount Received	100
12	Received from Vijay Kumar	7,800
	and discount allowed	200
20	Bought goods for Cash (CGST 6%, SGST 6%)	20,000
21	Paid Cartage (CGST 6%, SGST 6%)	1,000
23	Remitted to Dharamvir	1,880
	and discount allowed by him	120
25	Received M.O. from Mohan	500
27	Borrowed from Mahabir	7,500
29	Received from Bhushan	3,900
	discount allowed	100
31	Paid to Lalit ₹ 2,700 in full settlement of his account of ₹ 3,000	

The solution for this question is as follows:

Dr.	Single Column Cash Book						Cr.
Date 2016	Particulars	L.F.	Cash (₹)	Date 2016	Particulars	L.F.	Cash (₹)
Dec.				Dec.			
1	Balance b/d		25,000	09	Som Pal		4,900
2	Sales A/c		40,000	20	Purchases A/c		20,000
2	Output CGST A/c		2,400	20	Input CGST A/c		1,200
2	Output SGST A/c		2,400	20	Input SGST A/c		1,200
4	Y		4,000	21	Cartage		1,000
12	Vijay Kumar		7,800	21	Input CGST A/c		60
25	Mohan		500	21	Input SGST A/c		60
27	Mahabir's Loan A/c		7,500	23	Dharamvir		1,880
29	Bhushan		3,900	31	Lalit		2,700
				31	Balance c/d		60,500
			93,500				93,500
2017							
Jan.1	Balance b/d		60,500				

Question 5 Enter the following transactions in a Single Column Cash Book of M/s Suchitra Sen & Co.

2017		(₹)
1	Cash in Hand	1,20,000
2	Bought machinery for ₹ 60,000 and paid carriage	2,000
4	Bought goods for ₹ 25,000 and paid carriage	1,000
5	Bought goods from Ravi Das	15,000
6	Cash received from the sale of Motorbike	5,000
8	Sold goods for cashless 5% cash discount	20,000
10	Sold goods	40,000
12	Paid to Ravi Das on account	10,000
15	Bought goods from Suresh for cashless 4% cash discount	30,000
20	Paid to Ravi Das	4,500
	Discount received	500
25	Cash collected from Ashok (Debtor)	10,000
28	Purchased postal stamps	500
28	Salary paid to an accountant	15,000

The solution for this question is as follows:

Cash Book							
Dr.				Cr.			
Date 2017	Particulars	L.F.	Cash (Rs)	Date 2017	Particulars	L.F.	Cash (Rs)
March				March			
1	Balance b/d		1,20,000	2	Machinery A/c (60,000 + 2,000)		62,000
6	Motor Bike A/c		5,000	4	Purchases A/c		25,000
8	Sales A/c		19,000	4	Carriage A/c		1,000
10	Sales A/c		40,000	12	Ravi Das		10,000
25	Ashok		10,000	15	Suresh		28,800
				20	Ravi Das		4,500
				28	Postal Stamps		500
				28	Salary A/c		15,000
				31	Balance c/d		47,200
			1,94,000				1,94,000
April 1	Balance b/d		47,200				

Question 6 Write up Cash Book of Bhanu Pratap with Cash and Bank Columns from the following transactions:-

2017		(₹)
March 1	Cash-in-hand	2,710
	Cash at Bank	27,500
3	Received from Subhash	3,500
4	Sold goods for cash	10,000
7	Paid Rent by Cheque	800
8	Paid Sohan by cheque	3,000
10	Bought goods for cash	15,000
12	Paid cash for stationery	200
	Drew from Bank for office use	8,000
15	Received cheque from Surendra and sent it to Bank	6,600
16	Paid for advertisement	750
18	Issued cheque in favour of Nath Brothers	4,300
19	Cash Sales	13,000
	Paid into Bank	16,000
20	Received cheque from Vinod and sent it to Bank	2,400
22	Bought Scooter and paid for the same by cheque	18,000
25	Bank returned Surendra's cheque dishonoured	
28	Paid salary by cheque	7,200
	Paid Trade expenses	2,000
29	Cash sales	9,500
30	Paid into Bank	10,000

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash (Rs)	Bank (Rs)
1	Balance b/d		2,710	27,500	7	Rent A/c			800
3	Subhash		3,500		8	Sohan			3,000
4	Sales A/c		10,000		10	Purchases A/c		15,000	
12	Bank A/c	C	8,000		12	Stationery A/c		200	
15	Surendra			6,600	12	Cash A/c	C		8,000
19	Sales A/c		13,000		16	Advertisement A/c		750	
19	Cash A/c	C		16,000	18	Nath Brothers			4,300
20	Vinod			2,400	19	Bank A/c	C	16,000	
29	Sales A/c		9,500		22	Vehicle A/c			18,000
30	Cash A/c	C		10,000	26	Surendra			6,600
					28	Salary A/c			7,200
					28	Trade Expenses A/c		2,000	
					30	Bank A/c	C	10,000	
					31	Balance c/d		2,760	14,600
			46,710	62,500				46,710	62,500
Apr. 1	Balance b/d		2,760	14,600					

Question 7 Prepare Two Column Cash Book from the following transactions and balance the book on 31st Jan., 2014: -

2014	
Jan. 1	Cash in hand ₹ 50,000; Bank overdraft ₹ 1,90,000.
Jan. 2	Purchased goods from Rajesh Kumar of the list price of ₹ 50,000 at 5% trade discount and payment made by cheque.
Jan. 6	Goods sold for ₹ 80,000 and payment received by cheque. Cheque deposited into Bank on same day.
Jan. 10	Goods purchased for cash ₹ 19,800.
Jan. 15	Furniture sold for ₹ 1,77,000 and payment received by cheque & cheque deposited into Bank on same day.
Jan. 18	Salaries paid ₹ 4,500.
Jan. 21	Settled the amount due to Ram ₹ 2,000 by paying cash ₹ 1,910.
Jan. 22	Cash received from Jai ₹ 14,780 in full settlement of his account of ₹ 15,000.
Jan. 23	Paid Life Insurance premium ₹ 1,500.
Jan. 31	Deposited with bank the entire balance after retaining ₹ 7,000 cash in hand.

The solution for this question is as follows:

Cash Book									
Dr.					Cr.				
Date 2014	Particulars	L.F.	Cash (₹)	Bank (₹)	Date 2014	Particulars	L.F.	Cash (₹)	Bank (₹)
Jan					Jan				
1	Balance b/d		50,000		J1	Balance b/d			1,90,000
6	Sales A/c			80,000	2	Purchases A/c			47,500
15	Furniture A/c			1,77,000	10	Purchases A/c		19,800	
22	Jai A/c		14,780		18	Salaries A/c		4,500	
31	Cash A/c			30,070	21	Ram A/c		1,910	
					23	Drawings A/c		1,500	
					31	Bank A/c		30,070	
					31	Balance c/d		7,000	49,570
			64,780	2,87,070				64,780	2,87,070

Question 8 (A)

Enter the following particulars in the Cash Book with Cash and Bank columns: -

2016	
April 1	Balance of cash in hand ₹ 2,000 and at Bank ₹ 12,000.
3	Received cash from Madhav ₹ 1,800.
5	Cash Sales ₹ 1,000
6	Purchases by cheque ₹ 745.
9	Paid into Bank ₹ 1,850.
10	Paid cash for freight ₹ 54.

12	Drew from Bank for office use ₹ 600.
13	Issued a cheque in favour of M/s Arun & Sons for ₹ 985.
16	Paid into Bank ₹ 715.
17	Drew Cash for his son's birthday party ₹ 175.
19	Received a cheque from Navin for ₹ 380 and deposited it into bank on the same day.
20	Cash Sales ₹ 200.
25	Drew from Bank for office use ₹ 200.
26	Purchased furniture for ₹ 1,000 and payment made by cheque.
27	Navin's cheque dishonoured, Bank charges ₹ 5.
29	Purchased business premises, payment made by cheque ₹ 12,000.
30	Received cheque for ₹ 675 from Harish.

The solution for this question is as follows:

Dr.					Cr.				
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
April					April				
1	Balance b/d		2,000	12,000	6	Purchases A/c			745
3	Madhav		1,800		9	Bank A/c	C	1,850	
5	Sales A/c		1,000		10	Freight A/c		54	
9	Cash A/c	C		1,850	12	Cash A/c	C		600
12	Bank A/c	C	600		13	M/s Arun & Sons			985
16	Cash A/c	C		715	16	Bank A/c	C	715	

19	Navin			380	17	Drawings A/c		175	
20	Sales A/c		200		25	Cash A/c	C		200
25	Bank A/c	C	200		26	Furniture A/c			1,000
30	Harish			675	27	Navin (380 + 5)			385
30	Balance c/d			295	29	Business Premises A/c			12,000
					30	Balance c/d		3,006	
			5,800	15,915				5,800	15,915
May 1	Balance b/d		3,006		May 1	Balance b/d			295

Notes: Since the April 30, 2016 transaction, did not have any specific cheque deposit date, therefore, it has been concluded that the cheque was deposited on the same day.

Question 8 (B) Enter the following transactions in the Cash Book with Cash and Bank Columns:-

2016		(₹)
June 1	Cash in hand	800
	Bank Overdraft	5,700
7	Received a cheque from Bharti	3,250
9	Deposited the above cheque into a bank	
12	Paid to Bhavana by cheque	2,425
15	Bharti's cheque returned dishonoured	
20	Withdrew from bank for office use	250
25	Cheque received from Panna Lal and endorsed it in favour of Kamal on 28th June	1,200
30	Income Tax paid by cheque	150
30	Bank charges	25

The solution for this question is as follows:

Cash Book									
Dr.					Cr.				
Date 2016	Particulars	L.F.	Cash (Rs)	Bank (Rs)	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
June					June				
1	Balance b/d		800		1	Balance b/d			5,700
9	Cheques-in-Hand			3,250	12	Bhavana			2,425
20	Bank A/c	C	250		15	Bharti			3,250
30	Balance c/d			8,550	20	Cash A/c	C		250
					30	Drawings A/c			150
					30	Bank Charges A/c			25
					30	Balance c/d		1,050	
			1,050	11,800				1,050	11,800
July 1	Balance b/d		1,050		July 1	Balance b/d			8,550

Working Note:

Journal Proper				
Date 2016	Particulars	L.F.	Debit ₹	Credit ₹
June				
7	Cheques-in-Hand A/c	Dr.	3,250	
	To Bharti (Received cheque from Bharti)			3,250

25	Cheques-in-Hand A/c	Dr.		1,200	
	To Panna Lal (Received cheque from Panna Lal)				1,200
28	Kamal	Dr.		1,200	
	To Cheques-in-Hand A/c (Cheque received from Panna Lal, endorsed in favour of Kamal)				1,200

Question 9 Enter the following transactions in the Cash Book with Cash and Bank Columns :-

2017	
April 1	Balance of Cash in hand ₹400, overdraft at Bank ₹5,000.
4	Invested further capital ₹10,000 out of which ₹6,000 deposited into the bank.
5	Sold goods for cash ₹3,000.
6	Received from Ghanshyam ₹8,000; discount allowed to him ₹200.
10	Purchased goods for Cash ₹5,500.
11	Paid to Ram Vilas, our creditor ₹2,500; discount allowed by him ₹65.
13	Commission paid to our agent ₹530.
14	Office furniture purchased from Keshav in cash ₹200.
14	Rent paid ₹50.
14	Electricity charges paid ₹10.
16	Drew cheque for personal use ₹850.
17	Cash sales ₹2,500.
18	Collection from Atul ₹4,000, deposited in the bank on 19th April.
19	Drew from the bank for office use ₹500.
24	Dividend received by cheque ₹50, deposited in the bank on the same day.
25	Commission received by cheque ₹230, deposited in the bank on 28th April.

29	Drew from the bank for the salary of the office staff ₹1,500.
29	Paid salary of the manager by cheque ₹500.
30	Deposited cash in the bank ₹1,000

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
April					April				
1	Balance b/d		400		1	Balance b/d			5,000
4	Capital A/c		4,000	6,000	10	Purchases A/c		5,500	
5	Sales A/c		3,000		11	Ram Vilas		2,500	
10	Ghanshyam		8,000		13	Commission A/c		530	
17	Sales A/c		2,500		14	Furniture A/c		200	
18	Atul		4,000		14	Rent A/c		50	
19	Cash A/c	C		4,000	14	Electricity Charges A/c		10	
19	Bank A/c	C	500		16	Drawings A/c			850
24	Dividend A/c			50	19	Bank A/c	C	4,000	
28	Cheques- in-Hand			230	19	Cash A/c	C		500
30	Cash A/c	C		1,000	29	Salary A/c			1,500
					29	Salary to Manager			500
					30	Bank A/c	C	1,000	

					30	Balance c/d		8,610	2,930
			22,400	11,280				22,400	11,280
May 1	Balance b/d		8,610	2,930					

Working Notes:

Journal Proper				
Date	Particulars	L.F.	Debit ₹	Credit ₹
2017				
April 25	Cheques-in-Hand A/c	Dr.	3,250	
	To Commission A/c (Received cheque for commission)			3,250

Question 10 (A) Enter the following transactions in a Two Column Cash Book:-

- (i) Commenced business with cash ₹50,000
- (ii) Deposited in Bank 40,000
- (iii) Received cash from Mohan ₹950 in full settlement of a debt of ₹1,000
- (iv) Bought goods for cash ₹10,000
- (v) Bought goods by cheque ₹15,000
- (vi) Sold goods for a cheque for ₹20,000 and deposited in Bank on the same day
- (vii) Paid to Arun by cheque ₹1,900 in full settlement of his account of ₹2,000
- (viii) Drew from Bank for office use ₹1,000

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Sl no.	Particulars	L.F.	Cash ₹	Bank ₹	Sl no.	Particulars	L.F.	Cash ₹	Bank ₹
(i)	Capital A/c		50,000		(ii)	Bank A/c	C	40,000	
(ii)	Cash A/c	C		40,000	(iv)	Purchases A/c		10,000	
(iii)	Mohan		950	–	(v)	Purchases A/c			15,000
(vi)	Sales A/c			20,000	(vii)	Arun			1,900
(viii)	Bank A/c	C	1,000		(viii)	Cash A/c	C		1,000
						Balance c/d		1,950	42,100
			51,950	60,000				51,950	60,000
	Balance b/d		1,950	42,100					

Question 10 (B) Prepare a Two Column Cash Book: –

2013 Jan.		(₹)
1.	Cash in hand	5,000
	Bank Overdraft	1,000
2.	Paid Wages	1,500
3.	Deposited into Bank	2,000
4.	Cash sales	7,500
5.	Sold goods for a cheque which was deposited in the bank on the same day	5,000
6.	Purchased goods from Hari on credit	4,000
7.	Drew from Bank for personal use	1,000
8.	Paid to Hari in full settlement	3,500

9.	Received from Ram, who owes ₹5,000, ₹2,000 only on the account.	
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The solution for this question is as follows:

Cash Book									
Dr.					Cr.				
Date 2013	Particulars	L.F.	Cash ₹	Bank ₹	Date 2013	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		5,000		1	Balance b/d			1,000
3	Cash A/c	C		2,000	2	Wages A/c		1,500	
4	Sales A/c		7,500		3	Bank A/c	C	2,000	
5	Sales A/c			5,000	7	Drawing A/c			1,000
9	Ram		2,000		8	Hari		3,500	–
					31	Balance c/d		7,500	5,000
			14,500	7,000				14,500	7,000
Feb. 1	Balance b/d		7,500	5,000					

Note: Transaction made on January 06, 2013, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance

Question 11 (A) Write the following transactions in a Two Column Cash Book and balance the Cash Book: –

2013		(₹)
Jan. 1	Cash in hand	6,000
	Bank Balance (Cr)	3,000
3	Deposited into Bank	2,000
5	Received from Mohan	400
	Discount allowed	10
7	Received a cheque from Hari and sent it to the bank	600
9	Received a cheque from Prem Mohan	1,600
	Discount allowed	25
12	Withdrew from bank for office use	300
13	Bought goods for cash	600
14	Sold goods for cash	1,200
16	Paid to Ganesh by cheque	494
	Discount received	6
18	Prem Mohan's cheque deposited in the bank	
20	Sold goods to Gopal for ₹ 1,500 for which he gave cash ₹ 800 and a cheque of ₹ 700.	
22	Deposited into bank (including Gopal's cheque)	900
24	Paid rent by cheque	150
25	Withdrew from bank for personal use	200
28	Bank notifies that Prem Mohan's cheque was dishonoured	
30	Received from Anil ₹ 270 in cash and ₹ 540 by cheque.	
	Discount Allowed ₹ 90.	
	The cheque was deposited into bank.	

31	Bank charges as shown in Pass Book	5
	Paid Salary	500

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		6,000		1	Balance b/d			3,000
3	Cash A/c	C		2,000	3	Bank A/c	C	2,000	
5	Mohan		400		12	Cash A/c	C		300
7	Hari			600	13	Purchases A/c		600	
12	Bank A/c	C	300		16	Ganesh			494
14	Sales A/c		1,200		22	Bank A/c	C	200	
18	Cheques- in- Hand A/c			1,600	24	Rent A/c			150
20	Gopal		800		25	Drawings A/c			200
22	Cheques-in- Hand A/c			700	28	Prem Mohan			1,600
22	Cash A/c	C		200	31	Bank Charges A/c			5
30	Anil		270	540	31	Salary A/c		500	
31	Balance c/d			109	31	Balance c/d		5,670	
			8,970	5,749				8,970	5,749
Feb. 01	Balance b/d		5,670		Feb. 01	Balance b/d			109

Working Note:

Journal Entry				
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
Jan				
9	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	1,600 25	
	To Prem Mohan (Received cheque from Prem Mohan)			1,625
20	Cheques-in-Hand A/c	Dr.	700	
	To Gopal (Received cheque from Gopal)			700
28	Prem Mohan	Dr.	25	
	To Discount Allowed A/c (Cheque received from Prem Mohan, dishonoured)			25

Question 11 (B) Prepare a Two Column Cash Book from the following transactions:-

2016	
May 1	Cash at office ₹ 72.
	Bank overdraft ₹ 1,250.
4	Received from Prem Chand a cheque for ₹ 1,875 in full settlement of his account of ₹ 1,900. The cheque was banked on the same day.
5	Bought goods and paid by cheque ₹ 500.
6	Narinder settled his account of ₹ 700 by a cheque. This was banked on the same day.
9	Paid to Manohar Lal by a cheque for ₹ 420. Discount received ₹ 80.
12	Cash sales to date ₹ 400 of which ₹ 300 were banked.
17	Sold old typewriter for cash ₹ 320.

20	Received a cheque for ₹ 400 from Naresh in full settlement of his account of ₹ 460. The cheque is endorsed to Suresh on 24th May in full settlement of his account of ₹ 420.
25	Received a cheque from Hari Prakash for ₹ 150. The cheque is endorsed to Raj Prakash on 27th May; Discount received ₹ 30.
28	Withdrew from Bank for office use ₹ 100 and for personal use ₹ 100.
29	Withdrew (from office) for payment of private bills ₹ 425.
30	Paid by cheque salaries ₹ 160 and rent ₹ 100.
31	Bank charges as per Pass Book ₹ 5.

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
May					May				
1	Balance b/d		72		1	Balance b/d			1,250
4	Prem Chand			1,875	5	Purchases A/c			500
6	Narinder			700	9	Manohar Lal			420
12	Sales A/c		100	300	28	Cash A/c	C		100
17	Office Equipment A/c		320		M28	Drawings A/c			100
28	Bank A/c	C	100		29	Drawings A/c		425	
					30	Salaries A/c			160
					30	Rent A/c			100
					31	Bank Charges A/c			5

					31	Balance c/d		167	240
			592	2,875				592	2,875
Apr. 1	Balance b/d		167	240					

Working Note:

Journal Entry				
Date 2016	Particulars	L.F.	Debit ₹	Credit ₹
May				
20	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	400 60	
	To Naresh (Received cheque from Naresh in full settlement of his claim)			460
24	Suresh	Dr.	420	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Naresh, endorsed to Suresh)			400 20
25	Cheques-in-Hand A/c	Dr.	150	
	To Hari Prakash (Cheque received from Hari Prakash)			150
May 27	Raj Prakash	Dr.	180	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Hari Prakash, endorsed to Raj Prakash)			150 30

Question 12 (A)

Enter the following transactions in the Two Column Cash Book of Mr. Mohan: -

2018		₹
Jan. 1	Cash in Hand	2,200
	Cash at Bank	50,000
3	Purchased goods for ₹ 75,000; Trade Discount 20%; CGST 6%, SGST 6%; Payment made by Cheque	
4	Sold goods for ₹ 40,000; Trade Discount 15%; IGST 12%; Payment received by Cheque	
5	Received a cheque from Naresh	1,000
8	Cheque received from Naresh endorsed to Suresh in full settlement of his account of ₹ 1,050	
10	Paid Life Insurance premium of Mr. Mohan	100
13	Received a cheque from Pawan in full settlement of his account of ₹ 750.	700
16	Pawan's cheque returned dishonoured by bank	-
20	Deposited into Bank, balance of Cash in excess of ₹ 250	

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2018	Particulars	L.F.	Cash ₹	Bank ₹	Date 2018	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		2,200	50,000	3	Purchases A/c			60,000
4	Sales A/c			34,000	3	Input CGST A/c			3,600
4	Output IGST A/c			4,080	3	Input SGST A/c			3,600
13	Pawan			700	10	Drawings A/c		100	-

20	Cash A/c (WN 2)	C		1,850	16	Pawan		–	700
					J20	Bank A/c (WN 2)	C	1,850	–
					31	Balance c/d		250	22,730
			2,200	90,630				2,200	90,630
Feb. 0	Balance b/d		250	22,730					

Working Notes 1:

Journal Entry				
Date 2018	Particulars	L.F.	Debit ₹	Credit ₹
Jan				
5	Cheques-in-Hand A/c	Dr.	1,000	
	To Naresh (Received cheque from Naresh)			1,000
8	Suresh	Dr.	1,050	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Naresh, endorsed to Suresh)			1,000 50
16	Pawan	Dr.	50	
	To Discount Allowed A/c (Cheque received from Pawan, dishonoured)			50

Working Note 2: Cash Deposited into the Bank

Cash deposited into the bank = Total of cash column (Dr.) – (Total of cash column (Cr.)+ cash balance maintained)

$$= 2,200 - (100+250) = \text{Rs. } 1,850$$

Question 12 (B)

Enter the following transactions in a Two Column Cash Book: -

2016		₹
Dec. 1	Started business with cash	50,000
2	Pays into Bank	29,000
3	Received cheque from Raja & Co.	800
	Discount allowed	20
5	Withdrew cash from bank for private use	240
10	Purchased goods for ₹ 1,00,000; IGST 18%; Payment made by Cheque	
12	Sold goods for ₹ 1,50,000; Trade Discount 20%; IGST 18%; Payment received by Cheque	
14	Received cheque from Kamla	395
	Discount allowed	15
16	Kamla's cheque endorsed to Bala in full settlement of her account of ₹ 425	
29	Paid rent by cheque	1,000
30	Deposited into bank, balance of cash in excess of	450

The solution for this question is as follows:

Cash Book									
Dr.					Cr.				
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
Dec.					Dec.				
1	Capital A/c		50,000		2	Bank A/c	C	29,000	
2	Cash A/c	C		29,000	5	Drawings A/c			240

3	Raja & Co.			800	10	Purchases A/c			1,00,000
12	Sales A/c			1,20,000	10	Input IGST A/c			18,000
12	Output IGST A/c			21,600	29	Rent A/c			1,000
30	Cash A/c	C		20,550	30	Bank A/c	C	20,550	
					31	Balance c/d		450	72,710
			50,000	1,91,950				50,000	1,91,950
2017									
Jan. 1	Balance b/d		450	72,710					

Working Notes 1:

Journal Proper				
Date	Particulars	L.F.	Debit ₹	Credit ₹
2016				
Dec.				
14	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	395 15	
	To Kamla (Received cheque from Kamla)			410
16	Bala	Dr.	425	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Kamla, endorsed to Bala)			395 30

Working Note 2: Cash deposited in the bank

Cash deposited into the bank = Total of cash column (Dr.) – (Total of cash column (Cr.) + cash balance maintained)

$$= 50,000 - (29,000 + 450) = \text{Rs. } 120,550$$

Note: Since the transaction made on December 03, 2016, does not have any information concerning the date of cheque deposit, therefore, it is assumed that the cheque was deposited on the same day.

Question 13 Enter the following transactions in the Cash Book with Cash and Bank Columns:-

2016	
June 1	Balance of Cash in Hand ₹ 12,000; Overdraft at Bank ₹ 1,500.
2	Deposited into Bank ₹ 10,000.
	Sold goods for Cash ₹ 28,000 and paid half the proceeds into Bank.
3	Purchased goods for ₹ 7,000 from Manoj & Co. on Credit.
5	Received a Money Order from Suresh ₹ 500.
8	Received ₹ 2,800 from Govind. Paid ₹ 1,000 into Bank.
10	Received a cheque for ₹ 7,600 from Subhash in full settlement of ₹ 8,000 due from him.
12	Settled the account of Manoj & Co. by payment of ₹ 6,600
	half Cash and half by cheque.
13	Cheque received from Subhash deposited into Bank.
15	Paid for purchase of Machinery by cheque ₹ 20,000.
16	Paid wages for the erection of above Machinery ₹ 1,000.
17	Cheque issued for ₹ 6,000 in favour of Sachdeva & Co. for purchase of furniture.
20	Purchased goods from Kalpna Garments for ₹ 10,500 on credit.
	Received a Bank Draft for ₹ 4,800 from Damodar & Co. in full settlement of ₹ 5,000 due from them. Sent the draft to bank.
24	Bank issued a draft for ₹ 10,000 in favour of Kalpna Garments on our request. Bank charged ₹ 25 for issuing the draft. Account of Kalana Garments was fully settled.
26	Drew from bank for petty cash ₹ 100.
28	Paid salary by cheque ₹ 6,000.
30	Bank Charges ₹ 50 and Interest ₹ 1,620 charged by bank.
	Deposited into bank the entire balance after retaining ₹ 4,000 at office

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
June					June				
1	Balance b/d		12,000		1	Balance b/d			1,500
2	Cash A/c	C		10,000	2	Bank A/c	C	10,000	
2	Sales A/c		14,000	14,000	12	Manoj & Co.		3,300	3,300
5	Suresh		500		15	Machinery A/c			20,000
8	Govind		1,800	1,000	16	Machinery A/c		1,000	
					17	Furniture A/c			6,000
13	Cheques -in-Hand A/c			7,600	24	Kalpna Garments			10,025
20	Damodar & Co.			4,800	26	Petty Expenses A/c			100
30	Cash A/c	C		10,000	28	Salary A/c			6,000
30	Balance c/d			1,195	30	Bank Charges A/c			50
					30	Interest A/c			1,620
					30	Bank A/c	C	10,000	
					30	Balance c/d		4,000	
			28,300	48,595				28,300	48,595
July 1	Balance b/d		4,000		July 1	Balance b/d			895

Working Notes 1:

Journal Entry				
Date 2016	Particulars	L.F.	Debit ₹	Credit ₹
June 10	Cheques-in-Hand A/c	Dr.	7,600	
	To Subhash (Received cheque from Subhash)			7,600

Working Notes 1: Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr.) – (Total of Cash Column (Cr.) + Cash Balance Maintained)

$$= 28,300 - (14,300 + 4,000) = \text{Rs } 10,000$$

Note: Transaction made on June 03 and 20, 2011 will not be registered in Cash Book because the bank/cash balance will not be affected by the credit transactions.

Question 14(A) Prepare a Cash Book with Cash and Bank Columns from the following transactions: –

2017	
March 1	Cash in hand ₹ 1,800 and at Bank ₹ 11,000.
5	Received a cheque for commission ₹ 3,960. Cheque was immediately deposited into bank.
7	Bought goods for cheque ₹ 7,000.
8	Bought goods for cash ₹ 500.
10	Purchased a Computer and payment made by cheque of ₹ 5,000.
14	Paid Trade Expenses ₹ 105.
16	Paid into Bank ₹ 1,000.
18	Ramesh who owed us ₹ 500 became bankrupt and paid us 50 paise in a ₹.
20	Received ₹ 400 from Manohar and allowed him discount ₹ 10.
23	Withdrew from Bank ₹ 400.
23	Paid ₹ 300 to Ghanshyam Dass & Co. They allowed us discount ₹ 10.

24	Received ₹ 2,000 from Hari Ram and deposited the same into Bank.
25	Withdrew from Bank for private expenses ₹ 300.
27	Sold goods for cash ₹ 200.
28	Received cheque for goods sold ₹ 9,000.
29	Received repayment of a loan of ₹ 5,000 and deposited ₹ 3,000 out of it into Bank.
30	Bank charges as per Book ₹ 5.

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
March					March				
1	Balance b/d		1,800	11,000	7	Purchases A/c			7,000
5	Commission A/c			3,960	8	Purchases A/c		500	
16	Cash A/c	C		1,000	10	Office Equipment A/c			5,000
18	Ramesh		250		14	Trade Expenses A/c		105	
20	Manohar		400		16	Bank A/c	C	1,000	
23	Bank A/c	C	400		23	Cash A/c	C		400
24	Hari			2,000	23	Ghanshyam Dass & Co.		300	
27	Sales A/c		200		25	Drawings A/c			300
28	Sales A/c			9,000	30	Bank Charges A/c			5

29	Loan A/c		2,000	3,000	31	Balance c/d		3,145	17,255
			5,050	29,960				5,050	29,960
Apr.1	Balance b/d		3,145	17,255					

Note: Transaction made on March 28, 2017, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance

Question 14(B) From the following transactions, prepare Cash Book with Cash and Bank Columns: –

2016		(₹)
May 1	Cash in hand	4,800
	Bank Overdraft	30,400
2	Fresh Capital introduced	20,000
3	Deposited into Bank	15,000
4	Sold goods to Mahesh on Credit	6,200
5	An amount of ₹ 4,200 due from Ashok written off as bad debts in the previous year, now recovered.	
6	Withdrew from bank for the payment of Life Insurance Premium	3,000
8	Received a cheque from Mahesh for ₹ 6,000 in full settlement of his account and deposited the same into the Bank.	
10	Sold goods to Varun on Credit.	30,000
12	Received a cheque for ₹ 28,000 from Varun in full settlement.	
15	Cheque received from Varun sent to Bank	
18	Varun's cheque returned by Bank dishonoured. Bank charged ₹ 25 on this cheque.	
20	Received a cheque of ₹ 6,800 from Vijay which was endorsed to AmritRaj on 23rd May.	
25	Withdrew cash from Bank ₹ 5,000 for paying gift to his daughter on her birthday.	
26	Bought goods from Gupta General Store for ₹ 10,000 on credit and they allowed us trade discount of 25%.	

28	Paid to Gupta General Stores in cash in full settlement	7,000
28	Sale of old machinery, payment received in cash ₹ 7,700.	
30	Paid Salary by cheque ₹ 1,500. Paid Rent in cash ₹ 2,200.	
31	Paid into Current Account the entire balance after retaining ₹ 5,000 at office.	

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
May					May				
1	Balance b/d		4,800		1	Balance b/d			30,400
2	Capital A/c		20,000		3	Bank A/c	C	15,000	
3	Cash A/c	C		15,000	6	Drawings A/c			3,000
5	Bad Debts Recov. A/c		4,200		18	Varun			28,025
8	Mahesh			6,000	25	Drawings A/c			5,000
15	Cheques- in- Hand A/c			28,000	28	Gupta General Store		7,000	
28	Machinery A/c		7,700		30	Salary A/c		-	1,500
31	Cash A/c	C		7,500	30	Rent A/c		2,200	
31	Balance c/d			11,425	31	Bank A/c	C	7,500	
					31	Balance c/d		5,000	
			36,700	67,925				36,700	69,925
June 1	Balance b/d		5,000		June 1	Balance b/d			11,425

Working Notes 1:

Journal Entry				
Date 2016	Particulars	L.F.	Debit ₹	Credit ₹
May				
12	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	28,000 2,000	
	To Varun (Received cheque from Varun)			30,000
18	Varun	Dr.	2,000	
	To Discount Allowed A/c (Cheque received from Varun, dishonoured)			2,000
20	Cheques-in-Hand A/c	Dr.	6,800	
	To Vijay (Received cheque from Vijay)			6,800
23	Amrit	Dr.	6,800	
	To Cheques-in-Hand A/c (Cheque received from Vijay, endorsed to Amrit)			6,800

Working Note 2: Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr.) – (Total of Cash Column (Cr.) + Cash Balance Maintained)

$$= 36,700 - (24,200 + 5,000) = \text{Rs } 7,500$$

Note: Transaction made on May 4 and 10 2016 will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

Question 15

Compile a Two Column Cash Book from the following transactions of Kavita Garments:-

2017	
Feb. 1	Cash in hand ₹ 7,500; Cash at bank ₹ 8,000.
3	Received a cheque of ₹ 5,880 for cash sales. Cheque was immediately deposited into bank.
5	Received two cheques from Kalpna each of ₹ 10,000.
6	First cheque received from Kalpna is endorsed to Sunita in full settlement of ₹ 10,200.
	Second cheque is sent to bank for collection.
8	Second cheque received from Kalpna is returned as dishonoured by the bank.
	The bank has debited our account with ₹ 20 as bank charges on this cheque.
10	Received cheque from sale of old furniture ₹ 1,950. Next day, the cheque is endorsed to a creditor Ramesh in full settlement of ₹ 2,000 due to him.
12	Purchased goods from Mohan on Credit for ₹ 8,000.
15	Settled Mohan's account by giving a cheque for ₹ 4,000 and Cash ₹ 3,900.
16	Goods sold to Pawan for ₹ 6,000. He paid the amount in cash immediately after deducting 212% cash discount.
20	Paid salary by cheque ₹ 5,000.
25	Cash sale to date ₹ 50,000 of which ₹ 40,000 banked.
26	Paid electric bill of ₹ 2,000 for January by cheque. Paid Rent for January ₹ 1,500.
27	Cash purchases ₹ 5,000, issued a cheque.
28	Deposited into bank cash retaining ₹ 7,500.

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Feb.					Feb.				
1	Balance b/d		7,500	8,000	8	Kalpna			10,020
3	Sales A/c			5,880	15	Mohan		3,900	4,000
6	Cheque in Hand A/c			10,000	20	Salary A/c			5,000
16	Sales A/c		5,850		26	Outstanding Electric Bill A/c			2,000
25	Sales A/c		10,000	40,000	26	Outstanding Rent A/c		1,500	
28	Cash A/c	C		10,450	27	Purchases A/c			5,000
					28	Bank A/c	C	10,450	
					28	Balance c/d		7,500	48,310
			23,350	74,330				23,350	74,330
Mar. 1	Balance b/d		7,500	48,310					

Working Note 1:

Journal Entry				
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
Feb				
5	Cheques-in-Hand A/c (1) Cheques-in-Hand A/c (2)	Dr. Dr.	10,000 10,000	
	To Kalpna (Received cheque from Subhash)			20,000
6	Sunita	Dr.	10,200	
	To Cheques-in-Hand A/c (1) To Discount Received A/c (Cheque received from Kalpna, endorsed to Sunita)			10,000 200
6	Bank A/c	Dr.	10,000	
	To Cheques-in-Hand A/c (2) (Cheque received from Kalpna, sent to bank for collection)			10,000
10	Cheques-in-Hand A/c	Dr.	1,950	
	To Furniture A/c (Cheque received against sale of furniture)			1,950
11	Ramesh		2,000	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Sale of furniture, endorsed to Ramesh)			1,950 50

Working Note 2:

Cash Deposited into the Bank

Cash Deposited into the Bank = Total of Cash Column (Dr.) – (Total of Cash Column (Cr.) + Cash Balance Maintained)

$$= 23,350 - (5,400 + 7,500) = \text{Rs } 10,450$$

Note: Transaction made on February 12, 2018 will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

Question 16 Prepare a Petty Cash Book on the Imprest System from the following:

2017	
April 1	Received ₹ 10,000 for Petty Cash.
3	Paid Cartage ₹ 800.
4	Paid Bus Fare ₹ 400; Speed Post ₹ 200.
6	Paid for Stationery ₹ 700.
7	Paid for Courier Services ₹ 300.
9	Paid for Taxi fare ₹ 800; Wages ₹ 300.
10	Paid for Wages ₹ 400; Charity ₹ 500
11	Paid for Newspaper bill ₹ 600.
12	Paid for soap ₹ 320; Speed post charges ₹ 300.
13	Paid for Postage ₹ 780.
14	Paid for Repairs of Chairs ₹ 500.
15	Paid for Refreshment to customers ₹ 900.

The solution for this question is as follows:

Amount ₹	C.B. Folio	Date 2017	V. No.	Particulars	Total ₹	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Misc. Exp.
10,000		1		Cash A/c							
		3		Cartage A/c	800					800	
		4		Bus Fare A/c	400	400					
		4		Postage A/c	200			200			

		6	Stationery A/c	700		700				
		7	Courier Services A/c	300			300			
		9	Conveyance A/c	800	800					
		9	Wages A/c	300				300		
		10	Wages A/c	400				400		
		10	Charity A/c	500						500
		11	News Paper A/c	600						600
		12	Soap A/c	320						320
		12	Postage A/c	300			300			
		13	Postage A/c	780			780			
		14	Repairs A/c	500						500
		15	Refreshment A/c	900						900
				7,800	1,200	700	1,580	700	800	2,820
		15	Balance c/d	2,200						
10,000				10,000						
2,200		16	Balance b/d							
7,800		16	Cash A/c							

Question 17 Record the following transactions in a Petty Cash Book with suitable columns. The book is kept on imprest system, amount of imprest being ₹ 4,000.

2017	
April 1	Petty cash in hand ₹ 540, Received cash to make-up the imprest.
	Paid for office cleaning ₹ 100.
April 4	Paid railway fare ₹ 320, bus fare ₹ 280, wages ₹ 150.
April 5	Bought shorthand notebooks for office ₹ 370.
April 7	Paid carriage on parcels ₹ 150, paid for wages ₹ 220.
April 10	Bought stamps for ₹ 300, envelopes for ₹ 450 and an account register for ₹ 400.
April 12	Paid for repairs ₹ 200, gave tips to office peon ₹ 150.
April 13	Gave charity ₹ 100, served tea to customers ₹ 250.
April 15	Paid for wages ₹ 160, rewards to servant ₹ 100.

The solution for this question is as follows:

Petty Cash Book												
Amount ₹	C.B. Folio	Date 2017	V. No.	Particulars	Total ₹	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Misc. Exp.	
540		1		Balance b/d								
3,460		1		Cash A/c								
		1		Cleaning Charges A/c	100						100	
		4		Conveyance A/c	600	600						
		4		Wages A/c	150				150			

		5	Note Books A/c	370		370				
		7	Carriage A/c	150					150	
		7	Wages A/c	220				220		
		10	Postage A/c	300			300			
		10	Envelope s A/c	450		450				
		10	A/c Books A/c	400		400				
		A1 2	Repairs A/c	200						200
		12	Misc. Exp. A/c	150						150
		13	Charity A/c	100						100
		13	Refreshment A/c	250						25
		15	Wages A/c	160				160		
		15	Reward A/c	100						100
				3,700	600	1,220	300	530	150	900
		15	Balance c/d	300						
4,000				4,000						
300		16	Balance b/d							

3,700		16	Cash A/c						
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Question 18 Mr. Yadav, the petty cashier of M/s Triputi Traders received ₹10,000 on April 1, 2016 from the Head Cashier. Following were the petty expenses:-

2016		(₹)
April 2	Taxi fare	750
3	Refreshments	450
5	Registered postal charges	200
5	Wages	700
8	Auto fare	200
9	Courier charges	150
12	Postal Stamps	600
14	Eraser/Sharpener/Pencils	400
17	Speed Post charges	200
20	Cartage	600
20	Computer Stationery	500
22	Wages	300
24	Bus fare	600
25	Office Sanitation	800
26	Refreshments	750
28	Loading Charges	300
30	Photostatting Charges	200
30	Wages	800

The solution for this question is as follows:

Amount ₹	C. B. Folio	Date 2016	V. N. o.	Particulars	Total Amount (Rs)	Conveyance	Printing & Stationery	Postage	Wages	Cartage	Miscellaneous Expenses
10,000		1		Cash A/c							
		2		Taxi Fare A/c	750	750					
		3		Refreshment A/c	450						450
		5		Postal Charges A/c	200			200			
		5		Wages A/c	700				700		
		8		Auto fare A/c	200	200					
		9		Courier A/c	150			150			
		12		Postage A/c	600			600			
		14		Stationery Ac	400		400				
		17		Postage A/c	200			200			
		20		Cartage A/c	600					600	
		20		Stationery A/c	500		500				
		22		Wages A/c	300				300		
		24		Bus Fare A/c	600	600					

		25	Office Expense A/c	800						800
		26	Refreshment A/c	750						750
		28	Loading Charges A/c	300					300	
		30	Photostating Charges A/c	200						200
		30	Wages A/c	800				800		
				8,500	1,550	900	1,150	1,800	900	2,200
		30	Balance c/d	1,500						
10,000				10,000						
1,500		Ma y 1	Balance b/d							
8,500		Ma y 1	Cash A/c							

Q.19 Record the following transactions in a cash book with cash and bank columns:

2017		(₹)
Jan. 1	Bank overdraft	12,000
	Cash in hand	2,300
Jan. 7	Cheque received from Ram ₹ 4,000 and discount allowed ₹ 200	
Jan. 8	Deposited the above cheque into Bank	4,000
Jan. 12	Banked	200
Jan. 15	Received a money order from Gopal	500
Jan. 16	Money withdrawn from Bank for office use	300
Jan. 18	Bank Charges	20
Jan. 20	Interest on bank overdraft	

The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
1	Balance b/d		2,300		1	Balance b/d			12,000
8	Cheques- in-Hand A/c			4,000	12	Bank A/c	C	200	
12	Cash A/c	C		200	16	Cash A/c	C		300
15	Gopal		500		18	Bank Charges A/c			20
16	Bank A/c	C	300		20	Interest on O/D			1,000
31	Balance c/d			9,120	31	Balance c/d		2,900	

			3,100	13,320				3,100	13,320
Feb. 1	Balance b/d		2,900		Feb. 1	Balance b/d			9,120

Working Note:

Journal Entry				
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
7	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	4,000 200	
	To Ram (Received cheque from Ram)			4,200

Q.20 Enter the following transactions in two Column cash book and find out the cash and bank balance:

2017		(₹)
Jan. 1	Started business with cash	20,000
Jan. 2	Opened a current account with the S.B.I.	8,000
Jan. 3	Bought goods by cheque	150
Jan. 4	Received cheque from Ram	200
Jan. 5	Sold goods for cash	40
Jan. 7	Paid into bank:	
	(i) Cash ₹ 30	
	(ii) Cheque ₹ 200	230
Jan. 8	Paid Shyam by cheque	345
Jan. 8	Paid carriage by cheque	180
Jan. 10	Drew cash from bank for office use	200

Jan. 30	Paid wages by cheque	6
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The solution for this question is as follows:

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Capital A/c		20,000		2	Bank A/c	C	8,000	
2	Cash A/c	C		8,000	3	Purchases A/c			150
5	Sales A/c		40		7	Bank A/c	C	30	
7	Cheques-in-Hand A/c			200	8	Shyam			345
7	Cash A/c	C		30	8	Carriage A/c			180
10	Bank A/c	C	200		10	Cash A/c	C		200
					30	Wages A/c			60
					31	Balance c/d		12,210	7,295
			20,240	8,230				20,240	8,230
Feb.1	Balance b/d		12,210	7,295					

Working Note:

Journal Entry				
Date	Particulars	L.F.	Debit ₹	Credit ₹
2017				
Jan				
4	Cheques-in-Hand A/c	Dr.	200	
	To Ram (Cheque received from Ram)			200