

Q.1 Prepare a Purchase Book in the books of M/s Modern Furniture House, Lucknow (U.P) from the following transactions assuming CGST @ 6% and SGST @ 6%: -

2017	
June 5	Bought from Mohan Lal & Co., Kanpur (U.P):-
	20 Godrej Chairs @ ₹ 2,000 each
	5 Godrej Tables @ ₹ 6,000 each
	Trade Discount 20%
10	Purchased from Bharat Bhushan & Sons, Varanasi (U.P) :-
	5 Almirahs @ ₹ 12,000 each
	2 Revolving Chairs @ ₹ 20,000 each
	Trade Discount 10%
14	Purchased from Surya Traders, Lucknow (U.P)
	80 Desks @ ₹ 2,500 each
	10 Sofa Sets @ ₹ 20,000 each
	Trade Discount @ 15%
20	Purchased for cash from Gopi Chand Haldi Ram, Delhi:-
	4 Tables @ ₹ 5,000 each
25	Bought Furniture for office use from New Furniture House, Faridabad on Credit:
	5 Chairs @ ₹ 2,500 per Chair.
	2 Tables @ ₹ 5,000 per Table.

The solution for this question is as follows:

Purchases Book								
Date June	Particulars	Invoice No.	L.F.	Details	Cost	Input CGST	Input SGST	Total
5	Mohan Lal & Company, Kanpur							
	20 Godrej Chairs @ ₹ 2,000 each			40,000				
	5 Godrej Tables @ ₹ 6,000 each			30,000				
				70,000				
	<i>Less: 20% T.D.</i>			14,000				
				56,000				
	<i>Add: CGST @ 6%</i>			3,360				
	<i>Add: SGST @ 6%</i>			3,360				
				62,720	56,000	3,360	3,360	62,720
10	Bharat Bhushan & Sons, Varanasi							
	5 Almirahs @ ₹ 12,000 each			60,000				
	2 Revolving Chairs @ ₹ 20,000 each			40,000				
				1,00,000				
	<i>Less: 10% T.D.</i>			10,000				
				90,000				
	<i>Add: CGST @ 6%</i>			5,400				
	<i>Add: SGST @ 6%</i>			5,400				
				1,00,800	90,000	5,400	5,400	1,00,800
14	Surya Traders, Lucknow							

80 Desks @ ₹ 2,500 each			2,00,000				
10 Sofa Sets @ ₹ 20,000 each			2,00,000				
			4,00,000				
Less: 15% T.D.			60,000				
			3,40,000				
Add: CGST @ 6%			20,400				
Add: SGST @ 6%			20,400				
			3,80,800	3,40,000	20,400	20,400	3,80,800
				4,86,000	29,160	29,160	5,44,320

Q.2 M/s Ram Narain & Sons of Kerala, who are dealers in readymade garments, purchased the following:-

2017	
May 2	Purchased from Fashion House, Mumbai (Maharashtra) :-
	100 Shirts @ ₹1,800 per Shirt
	75 T-shirts @ ₹ 1,600 per piece
	Less: Trade Discount 20%; and freight charges payable ₹ 10,000.
10	Purchased from Apollo Garments, Kerala:-
	65 Shirts @ ₹ 2,000 per piece
	80 T-shirts @ ₹ 1,500 per piece
	Less: 20% Trade Discount and freight charges payable ₹ 2,000.
May 15	Purchased from Garden Furniture House, Kolkata:-
	12 Chairs @ ₹ 5,000 per Chair
25	Purchased from Amitabh Shirts, New Delhi for cash :-

120 Shirts @ ₹ 1,500 per Shirt

Prepare Purchase Book assuming CGST @ 9% and SGST @ 9%

The solution for this question is as follows:

Purchases Book of M/s Ram Narain & Sons, Kerala									
Date 2017	Particulars	Invoice No.	L.F.	Details ₹	Purchase ₹	Input CGST ₹	Input SGST ₹	Input IGST ₹	Total Amount ₹
May									
2	Fashion House, Mumbai (Maharashtra)								
	100 Shirts @ Rs 1,800 per Shirt			1,80,000					
	75 T-Shirts @ Rs 1,600 per piece			1,20,000					
				3,00,000					
	Less: 20% Trade Discount			60,000					
				2,40,000					
	Add: 18% IGST			43,200					
				2,83,200	2,40,000	–	–	43,200	2,83,200
10	Appolo Garments, Kerala								
	65 Shirts @ Rs 2,000 per piece			1,30,000					
	80 T-Shirts @ Rs 1,500 per piece			1,20,000					

			2,50,000						
	Less: 20% Trade Discount		50,000						
			2,00,000						
	Add: 9% CGST		18,000						
	9% SGST		18,000						
			2,36,000	2,00,000	18,000	18,000	–		2,36,000
				4,40,000	18,000	18,000	43,200		5,19,200

Working Notes:

(i) As the transaction made on May 15 and 25 are made through credit and cash, therefore, it will not be recorded in the record book.

(ii) For freight charges payable on May 02, 2017 and May 10, 2017, a separate entry will be recorded in the journal account. With the assumption of 18% GST rate, below is the journal entry made.

Journal Proper					
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹	
May					
2	Freight Inwards A/c Input IGST A/c	Dr. Dr.	10,000 1,800		
	To Fashion House (Freight charges on inter-state purchase of goods @ 18% GST)				11,800
10	Freight Inwards A/c Input CGST A/c Input SGST A/c	Dr. Dr. Dr.	2,000 180 180		
	To Appolo Garments (Freight charges on intra-state purchase of goods @ 9% GST)				2,360

Q.3 Record the following transactions in the Sales Book of Ganesh & Co. of Jaipur (Rajasthan), who deal in Furniture. Assume CGST @ 6% and SGST @ 6% :-

2017	
June 4	Sold to Gupta Furniture House, New Delhi: -
	120 Chairs @ ₹ 2,500 per Chair
	25 Table @ ₹ 8,000 per Table
	Less: 5%
8	Sold to Raja Furniture House, Ahmedabad (Gujarat) :-
	8 Almirahs @ ₹ 15,000 each
	9 Steel Cabinets @ ₹ 20,000 each
	Less: Trade discount of 10%
12	Sold old Computer for ₹ 1,500 to Mohan & Co. on Credit.
20	Sold 4 Sofa sets @ ₹ 25,000 each to Varun & Co. for cash
25	Sold to New Furniture House, Jaipur:-
	5 Sofa sets @ ₹ 20,000 each
	10 Tables @ ₹ 8,000 each
28	Purchased from Ram Lal & Co. Jaipur on credit :-
	50 chairs @ ₹ 2,000 each

The solution for this question is as follows:

Sales Book of Ganesh & Co. of Jaipur									
Date 2017	Particulars	Invoice No.	L.F.	Details ₹	Sale ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Total ₹
June									
4	Gupta Furniture House, New Delhi								
	120 Chairs @ Rs 2,500 per Chair			3,00,000					
	25 Tables @ Rs 8,000 per Table			2,00,000					
				5,00,000					
	Less: 5% Trade Discount			25,000					
				4,75,000					
	Add: 12% IGST			57,000					
				5,32,000	4,75,000	-	-	57,000	5,32,000
8	Raja Furniture House, Ahmadabad (Gujarat)								
	8 Almirahs @ Rs 15,000 each			1,20,000					
	9 Steel Cabinets @ Rs20,000 each			1,80,000					
				3,00,000					

	Less: 10% Trade Discount		30,000					
			2,70,000					
	Add: 12% IGST		32,400					
			3,02,400	2,70,000	–	–	32,400	3,02,400
25	New Furniture House, Jaipur							
	5 Sofa Sets @ Rs 20,000 each		1,00,000					
	10 Tables @ Rs 8,000 each		80,000					
			1,80,000					
	Add: 6% CGST		10,800					
	6% SGST		10,800					
			2,01,600	1,80,000	10,800	10,800	–	2,01,600
30				9,25,000	10,800	10,800	89,400	10,36,000

Note: In Sales Book, only credit sales are recorded, so transaction made on June 12th and 20th will not be recorded.

Q.4 Record the following transactions in the Sales Book of M/s Ajanta Electronics, Ranchi (Jharkhand) assuming CGST @ 9% and SGST @ 9%:

2018	
March 1	Sold to Vandna Electronics, Kolkata (West Bengal) Vide Invoice No. 1255 :
	50 Musical Alarm Clocks @ ₹ 800 each
	40 Wall Clocks @ ₹ 500 each
	Trade Discount 20%
10	Sold to Mohan Watch Company, Patna (Bihar) Vide Invoice No. 1256 :
	25 Deluxe Wall Clocks @ ₹ 800 each
	Trade Discount 10%
15	Sold to Superior Watch Company, Ranchi Vide Invoice No. 1257 :
	75 Deluxe Wall Clocks @ ₹ 800 each
	40 Super Deluxe Wall Clocks @ ₹ 1,000 each
	Trade Discount 15%
20	Sold to Modern Electronics, Ranchi Vide Cash Memo No. 5234:
	100% Musical Alarm Clocks @ ₹ 800 each
	Trade Discount 20%

Sales Book of M/s Ajanta Electronics, Ranchi (Jharkhand)									
Date 2018	Particulars	Invoice No.	LF	Details ₹	Sale ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Total ₹
March									

1	Vandna Electronics, Kolkata	1255							
	50 Musical Alarm Clocks @ Rs 800 each			40,000					
	40 Wall Clocks @ Rs 500 each			20,000					
				60,000					
	<i>Less:</i> 20% Trade Discount			12,000					
				48,000					
	<i>Add:</i> 18% IGST			8,640					
				56,640	48,000	–	–	8,640	56,640
10	Mohan Watch Company, Patna (Bihar)	1256							
	25 Deluxe Wall Clocks @ Rs 800 each			20,000					
	<i>Less:</i> 10% Trade Discount			2,000					
				18,000					
	<i>Add:</i> 18% IGST			3,240					
				21,240	18,000	–	–	3,240	21,240
Mar. 15	Superior Watch Company, Ranchi	1257							

	75 Deluxe Wall Clocks @ Rs 800 each			60,000					
	40 Super Deluxe Wall Clocks @ Rs 1,000 each			40,000					
				1,00,000					
	<i>Less: 20% Trade Discount</i>			15,000					
				85,000					
	<i>Add: 9% CGST</i>			7,650					
	9% SGST			7,650					
				1,00,300	85,000	7,650	7,650	–	1,00,300
					1,51,000	7,650	7,650	11,880	1,78,180

Note: Since, the transaction made on March 20nd was made on cash, so it will not be recorded in the sales book.

Q.5 Write up Return Outward Book of Malhotra & Co., Bhiwani (Haryana) from the following transactions assuming CGST @ 6% and SGST @ 6% : –

2017	
August 4	Returned to Saraswati House, Bhiwani 25 Chairs @ ₹ 1,800 per Chair, being not of specified quality.
	Trade Discount 10%
12	Sent back one Dining Table to Navneet Enterprise, Karnal (Haryana) for not being polished @ ₹ 10,000 and 20 Chairs @ ₹ 2,000 each.
20	Returned to Yadav & Co., Patiala (Punjab), is not according to sample: -
	20 Chairs @ ₹ 1,500 each.
	2 Dressing Tables @ ₹ 7,500 each.
28	Allowance claimed from Navneet Enterprise, Ludhiana (Punjab) on account of a mistake in the invoice ₹ 5,000.

The solution for this question is as follows:

Purchases Return Book of Malhotra & Co., Bhiwani (Haryana)									
Date 2017	Particulars	Debit Note No.	L.F.	Details (₹)	Purchase Return (₹)	Input CGST ₹	Input SGST ₹	Input IGST ₹	Total ₹
Aug.									
4	Saraswati House, Bhiwani								
	25 Chairs @ Rs 1,800 per Chair			45,000					
	Less: 10% Trade Discount			4,500					
				40,500					
	Add: 6% CGST			2,430					

	6% SGST			2,430					
				45,360	40,500	2,430	2,430	–	45,360
12	Navneet Enterprise, Karnal (Haryana)								
	1 Dining Table @ Rs10,000			10,000					
	20 Chairs @ Rs 2,000 each			40,000					
				50,000					
	Add: 6% CGST			3,000					
	6% SGST			3,000					
				56,000	50,000	3,000	3,000	–	56,000
20	Yadav & Co., Patiala (Punjab)								
	20 Chairs @ 1,500 each			30,000					
	2 Dressing Tables @ 7,500 each			15,000					
				45,000					
	Add: 12% IGST			5,400					
				50,400	45,000	–	–	5,400	50,400
28	Navneet Enterprise, Ludhiyana (Punjab)								
	Mistake in the Invoice			5,000					

	Add: 12% IGST			600					
				5,600	5,000	–	–	600	5,600
31					1,40,500	5,430	5,430	6,000	1,57,360

Q.6 Enter the following transactions in the Returns Inward Book of Anand Cloth House, Ajmal Khan Road, New Delhi Assuming CGST @ 2.5% and SGST @ 2.5 %:-

October 3	Chakravarti & Co. Jaipur (Rajasthan), returned to us is not according to sample: -
	50 Metre Cotton Cloth @ ₹ 200 per Metre
	30 Metre Silk Cloth @ ₹ 500 per Metre
	Trade Discount 20%
12	Narain Rai & Co. Indore (M.P.), a return is not up to the approved sample:-
	25 Metre woollen cloth @ ₹ 400 per Metre
20	Goods sold to Janaki Das Sita Ram, New Delhi now returned by them, being defective valued at ₹ 8,000.
28	Allowance allowed to Kesari Lal & Sons, Sadar Bazar, New Delhi on account of a mistake in the invoice ₹ 3,000.

The solution for this question is as follows:

Returns Inward Book of Anand Cloth House, Ajmal Khan Road, New Delhi

Date Oct	Particulars	Credit Note No.	L.F.	Details ₹	Sales Return ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Total ₹
3	Chakravarti & Co., Jaipur (Rajasthan)								
	50 metre Cotton Cloth @ Rs 200/metre			10,000					
	30 metre Silk Cloth @ Rs 500/ metre			15,000					
				25,000					
	Less: 20% Trade Discount			5,000					
				20,000					
	Add: 5% IGST			1,000					
				21,000	20,000	-	-	1,000	21,000
12	Narain Rai & Co., Indore (MP)								
	25 metre Woolen Cloth @ Rs 400/ metre			10,000					
	Add: 5% IGST			500					
				10,500	10,000	-	-	500	10,500

20	Janaki Dass Sita Ram, New Delhi								
	Defective Goods			8,000					
	<i>Add.</i> 2.5% CGST			200					
	2.5% SGST			200					
				8,400	8,000	200	200	–	8,400
28	Kesari Lal & Sons, Sadar Bazar, New Delhi								
	Mistake in the Invoice			3,000					
	<i>Add.</i> 2.5% CGST			75					
	2.5% SGST			75					
				3,150	3,000	75	75	–	3,150
31					41,000	275	275	1,500	43,050

Q.7 Prepare Returns Inward and Returns Outward Books from the following in the books of Modern Shoes, Kolkata (West Bengal) assuming CGST @ 6% and SGST @ 6%.

2018	
January 3	Returned to Bata Shoe Co., Kolkata
	50 pairs of Chappals being not up to the approved sample @ ₹ 600 per pair
	<i>Less: Trade Discount 20%</i>
10	Guru Nanak & Co., Kolkata, returned to us :-
	10 pairs of Shoes, for being defective @ ₹ 1,200 per pair
	<i>Less: Trade Discount 10%</i>
15	Returned to Baluja Shoe Co., Kolkata
	20 pairs of ladies chappals @ ₹ 500 per pair
	<i>Less: 15%</i>
22	Pratap Footwear Co., Patna (Bihar), returned to us :-
	50 pairs of Shoes @ ₹ 1,400 per pair
	<i>Less: 5%</i>
27	Manoj Shoe Co., Kolkata, returned to us :-
	20 pairs of Sandals @ ₹ 1,000 per pair
31	Returned to Liberty Shoe Co., Ranchi (Jharkhand) defective shoes worth ₹ 5,000.

The solution for this question is as follows:

Returns Outward Book of Modern Shoes, Kolkata (West Bengal)									
Date 2018	Particulars	Debit Note No.	L.F.	Details ₹	Purchases Return ₹	Input CGST ₹	Input SGST ₹	Input IGST ₹	Total ₹
Jan									
3	Bata Shoe Co., Kolkata								
	50 pairs of Chappals @ Rs 600/ pair			30,000					
	Less: 20% Trade Discount			6,000					
				24,000					
	Add: 6% CGST			1,440					
	6% SGST			1,440					
				26,880	24,000	1,440	1,440	–	26,880
15	Baluja Shoe Co., Kolkata								
	20 pairs of Ladies Chappals @ Rs 500/ pair			10,000					
	Less: 15% Trade Discount			1,500					
				8,500					
	Add: 6% CGST			510					
	6% SGST			510					
				9,520	8,500	510	510	–	9,520

31	Liberty Shoe Co., Ranchi (Jharkhand)								
	Defective Shoes			5,000					
	Add: 12% IGST			600					
				5,600	5,000	-	-	600	5,600
31					37,500	1,950	1,950	600	42,000

Returns Inward Book of Modern Shoes, Kolkata (West Bengal)									
Date 2017	Particulars	Credit Note No.	L.F.	Details ₹	Sales Return ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Total ₹
Jan									
10	Guru Nanak & Co., Kolkata								
	10 pairs of Shoes @ Rs 1,200/pair			12,000					
	Less: 10% Trade Discount			1,200					
				10,800					
	Add: 6% CGST			648					

	6% SGST			648					
				12,096	10,800	648	648	–	12,096
22	Pratap Footwear Co., Patna (Bihar)								
	50 pairs of Shoe @ Rs 1,400/ pair			70,000					
	Less: 5% Trade Discount			3,500					
				66,500					
	Add: 12% IGST			7,980					
				74,480	66,500	–	–	7,980	74,480
27	Manoj Shoe Co., Kolkata								
	20 pairs of Sandals @ Rs 1,000/ pair			20,000					
	Add: 6% CGST			1,200					
	6% SGST			1,200					
				22,400	20,000	1,200	1,200	–	22,400
31					97,300	1,848	1,848	7,980	1,08,976

Q.8 Enter the following transactions in the 'Journal Proper' of Karuna Stores:

March 1	Purchased furniture on credit from Kuber Furniture Store for ₹ 15,000.
March 5	Goods for ₹ 6,000 given away as charity.
March 12	Goods worth ₹ 8,000 and Cash ₹ 4,000 were stolen by an employee.
March 15	Arun who owed us ₹ 20,000 was declared insolvent and nothing was received from him.
March 18	Proprietor withdrew for his personal use cash ₹ 5,000 and goods worth ₹ 10,000.
March 31	Provide interest on capital of ₹ 5,00,000 at 6% p.a. for full year.
March 31	Out of the rent paid this year, ₹ 5,000 is related to the next year.
March 31	Salaries due to clerks ₹ 12,000.

The solution for this question is as follows:

Journal books of Sh. Karuna Sagar				
Date	Particulars	L.F.	Debit ₹	Credit ₹
Mar. 1	Furniture A/c	Dr.	15,000	
	To Kuber Furniture Store (Purchased furniture on credit)			15,000
5	Charity A/c	Dr.	6,000	
	To Purchases A/c (Goods given for charity)			6,000
12	Loss by Theft A/c	Dr.	8,000	
	To Purchases A/c (Stolen goods)			8,000
15	Bad Debts A/c	Dr.	20,000	
	To Arun (Arun was declared insolvent)			20,000
18	Drawings A/c	Dr.	15,000	

	To Purchases A/c (Withdrawn goods for personal use)				10,000
31	Interest on Capital A/c	Dr.		30,000	
	To Capital A/c (Interest allowed on capital)				30,000
31	Prepaid Rent A/c	Dr.		5,000	
	To Rent A/c (Prepaid rent adjustment)				5,000
31	Salary A/c	Dr.		12,000	
	To Outstanding Salary A/c (Salary to clerks was outstanding)				12,000

Note: In journal proper, cash transactions will not be registered.

Q.9 Record the following transactions of Keshav Bros. in the proper books:

2017	
Jan. 1	Assets: Cash in hand ₹ 8,500; Cash at Bank ₹ 1,40,000; Stock of goods ₹ 2,20,000; Due from Manohar Lal ₹ 30,000 and Deep Chand ₹ 24,000; Furniture and Equipment ₹ 3,00,000.
	Liabilities: Due to Sunil ₹ 15,000.
2	Withdrawn from bank ₹ 20,000.
4	Paid salaries ₹ 22,000.
6	Sold goods to Surya Narain:
	60 metres silk @ ₹ 150 per metre
	100 metres cotton @ ₹ 70 per metre
	Less: Trade Discount @ 12 1/2%
8	Surya Narain returned 40 metres Cotton.
9	Received full payment from Manohar Lal by cheque, sent it to bank, Discount allowed 3%.

10	Purchased from Ganga Parshad:
	300 metres cotton @ ₹ 60 per metre
	500 metres silk @ ₹ 120 per metre
	<i>Less: Trade Discount 10%.</i>
12	Sold goods to Vinita for cash ₹ 16,000.
13	Accepted a bill for ₹ 25,000 for 30 days drawn by Ganga Parshad.
15	Gave cheque to Ganga Parshad for ₹ 45,000, discount allowed by him ₹ 200.
18	Paid to Sunil ₹ 14,850 after receiving discount of 1%.
20	Mr. Keshav Chand took away 5 metres silk costing ₹ 100 per metre for his personal use.
24	Paid rent by cheque ₹ 2,000.
25	Received from Surya Narain ₹ 11,000 in full settlement of his account.
27	Old newspapers sold for cash ₹ 400.
27	Paid for stationery and postage ₹ 500.
28	Sold 400 metres silk @ ₹ 160 per metre to Sh. Ganesh Chand.
31	Received cash ₹ 40,000 from Sh. Ganesh Chand and also received a B/R from him for the balance amount due from him for 2 months.

The solution for this question is as follows:

Proper Subsidiary Books

Cash Book									
Dr.	Cr.								
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		8,500	1,40,000	2	Cash A/c	C	–	20,000
2	Bank A/c	C	20,000	–	4	Salaries A/c		22,000	–
9	Manohar Lal (WN1)		–	29,100	15	Ganga Parshad		–	45,000
9	Sales A/c		16,000	–	18	Sunil (WN2)		14,850	–
25	Surya Narain (WN3)		11,000	–	24	Rent A/c		–	2,000
27	Sundry Income		400	–	27	Stationery & Postage A/c		500	–
31	Sh. Ganesh Chand		40,000	–	31	Balance c/d		58,550	1,02,100
			95,900	1,69,100				95,900	1,69,100
Feb. 1	Balance b/d		58,550	1,02,100					

Working Note 1: Evaluating discount given to Manohar Lal

Amount due from Manohar Lal = 30,000

Discount allowed = $3100 \times 30,000 = ₹ 900$

Therefore, amount received from Manohar Lal = $30,000 - 900 = ₹ 29,100$

Working Note 2: Evaluating discount given to Sunil

Amount due to Sunil = 15,000

Received discount = $15,000 \times 1100 = ₹ 150$

Working Note 3: Evaluating discount given to Surya Narain

Net sale to Surya Narain = Total sales – sales return

= 14,000- 2,450

= ₹ 11,500

Received amount = 11,000

So, the discount allowed = ₹550

Purchases Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
Jan				
10	Ganga Parshad			
	300 metres Cotton @ 60/metre		18,000	
	500 metres Silk @ 120 per metre		60,000	
			78,000	
	Less: 10% Trade Discount		7,800	70,200
31	Purchases A/c	Dr.		70,200

Sales Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
Jan				
6	Surya Narain			
	60 metres Silk @ Rs 150/metre		9,000	
	100 metres Cotton @ Rs 70/ metre		7,000	
			16,000	
	Less: 12.5% Trade Discount		2,000	14,000
28	Sh. Ganesh Chand			
	40 metres Silk @ Rs 160/ metre		64,000	64,000
31	Sales A/c	Cr.		78,000

Sales Return Book					
Date 2017	Particulars	Debit Note No.	L.F.	Details (Rs)	Amount (Rs)
Jan					
8	Surya Narain				
	40 metres Cotton @ Rs 70 per metre			2,800	
	Less: 12.5% Trade Discount			350	2,450
31	Sales Return A/c	Dr.			2,450

Journal				
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
Jan				
1	Cash A/c Bank A/c Stock A/c Manohar Lal Deep Chand Furniture & Equipment	Dr. Dr. Dr. Dr. Dr.	8,500 1,40,000 2,20,000 30,000 24,000 3,00,000	
	To Sunil To Capital A/c (Opening balances brought forward)			15,000 7,07,500
9	Discount Allowed A/c	Dr.	900	
	To Manohar Lal (3% discount given to Manohar Lal)			900
13	Ganga Parshad	Dr.	25,000	
	To Bills Payable A/c (Acceptance given to Ganga Parshad)			25,000
15	Ganga Parshad	Dr.	200	
	To Discount Received A/c (₹ 200 discount received from Ganga Parshad)			200
18	Sunil	Dr.	150	
	To Discount Received A/c (1% of discount received from Sunil)			150
20	Drawings A/c	Dr.	500	
	To Purchases A/c (5 meters silk costing ₹100 each was taken for personal use)			500

25	Discount Allowed A/c	Dr.		550	
	To Surya Narain (Allowed discount of ₹ 550 to Surya Narain)				550
31	Bills Receivable A/c	Dr.		24,000	
	To Sh. Ganesh Chand (Acceptance received)				24,000
				7,73,800	7,73,800

Q.10 Name the books of original entry where the following transactions will be recorded with reasons thereof:

(a)	Goods Purchased from Ram Lal ₹ 5,000 on credit.
(b)	Provision for doubtful debts created @ 5% on debtors with book value of ₹ 10,000.
(c)	Defective goods sold to Babita on credit worth ₹ 4,000 were returned by her.
(d)	Purchased furniture on credit from Mr. Ratan Singh for ₹ 15,000 for use in the business.

The solution for this question is as follows:

SI no.	Transactions	Books of Original Entry	Reason
(a)	Goods purchased from Ram Lal @ Rs 5,000 on credit	Purchases Book	Goods bought in credit is only recorded in purchase book.
(b)	Provision for doubtful debts created @ 5% on debtors with book value of Rs 10,000	Journal Proper	In journal proper, only provision for doubtful debts is recorded
(c)	Defective goods sold to Babita on credit worth Rs 4,000 were returned by her	Sales Return Book	In sales return book, goods sold to customers in credit and now returned are recorded
(d)	Purchased furniture on credit from Mr. Ratan Singh for Rs 15,000 for use in the business	Journal Proper	Goods (like furniture) purchased in credit is mentioned in Journal Proper

Q.11 Prepare the purchase book of M/s Shiv Stationers from the following:

2010	
June 1	Purchased from Gagan Stationery Mart on credit
	(i) 70 dozens pencils @ ₹ 25 per dozen.
	(ii) 10 dozens registers @ ₹ 15 per register.
June 10	Purchased from Amrit Furniture
	2 Tables @ ₹ 1,500 per table.
June 15	Purchased 3 dozens ink pots @ ₹ 80 per dozen from Mehar Paper Co. and received cash discount of ₹ 50.
June 18	Purchased from Rehman Bros. on credit
	(i) 5 reams of white paper @ ₹ 50 per ream
	(ii) 120 pens @ ₹ 60 per dozen.
	Less trade discount of 10%

The solution for this question is as follows:

M/s Shiv Stationers Purchases Book				
Date 2010	Particulars	L.F.	Details ₹	Amount ₹
June				
1	Gagan Stationery Mart			
	70 dozen Pencils @ Rs 25/dozen		1,750	
	120* Registers @ Rs 15/ register		1,800	3,550
18	Rehman Bros.			

	5 reams of White Paper @ Rs 50 per ream		250	
	10 Dozen** @ 60/dozen		600	
			850	
	Less: 10% Trade Discount		85	765
30	Purchases A/c	Dr.		4,315

Note: Purchase of goods made on June 10th and 15th, will not be recorded as it was made in cash. And purchases book only records credit purchase.

Working Note:

1) 1 dozen contains a quantity of 12

So, 10 dozen will contain = $10 \times 12 = 120$ registers

2) 1 dozen contains a quantity of 12

So, 120 pens will be = $120/12 = 10$ dozen

Q.12 From the following particulars prepare the Purchases Book of Rama Book Store:

Feb 1, 2017	Purchased from M/s Brown & Co. on credit.
	5 gross pencils @ ₹ 100 per gross.
	1 gross registers @ ₹ 200 per dozen.
	Less: 10% trade discount.
Feb 2, 2017	Purchased for cash from stationery Mart.
	10 gross exercise books @ ₹ 60 per dozen.
Feb 6, 2017	Purchased from The Paper Co.
	5 reams of white paper @ ₹ 100 per ream
	10 reams of brown paper @ ₹ 65 per ream
	Less: trade discount @ 10%

The solution for this question is as follows:

Date	Particulars	Invoice No.	L.F.	Details	Total
Feb 1	M/s Brown & Co.				
	5 Gross Pencils @ ₹ 100/ gross			500	
	1 Gross Register @ ₹ 200/ dozen (12 × 200)			2,400	
				2,900	
	Less: 10% T.D.			290	2,610
Feb 6	The Paper Co.				
	5 Reams of White Paper @ ₹ 100/ ream			500	
	10 Reams of Brown Paper @ ₹ 65 / ream			650	
				1,150	
	Less: 10% T.D.			115	1,035
					3,645

Q.13 Enter the following transactions in the Sales Book of M/s Sri Ram & Sons, Kolkata:-

2017	
Jan 5	Sold to Ramesh Stationery House, Kolkata :-
	50 Dozen Pencils @ ₹ 20 per doz.
	20 Dozen Pens @ ₹ 5 per Pen
	Trade Discount 10%
8	Sold to Gupta Stationery Shop, Kanpur :-
	10 Dozen Note Books @ ₹ 60 per doz.

	15 Gross Rubbers @ ₹ 10 per doz.
20	Sold old newspapers for ₹ 150
24	Sold to Modern Stationery House, Lucknow for Cash :-
	25 Dozen Pencils @ ₹ 22 per doz.
28	Sold to Ali Mohammad & Sons, Allahabad :-
	10 Reams of Paper @ ₹ 80 per Ream
	Discount 15%
31	Sold old furniture to Kedar Nath & Co., Allahabad on credit ₹2,200

The solution for this question is as follows:

M/s Sri Ram & Sons, Kolkata Sales Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
Jan				
5	Ramesh Stationery House, Kolkata			
	50 Dozen Pencils @ Rs 20 per dozen		1,000	
	240 Pens @ Rs 5 per pen		1,200	
			2,200	
	Less: 10% Trade Discount		220	1,980
8	Gupta Stationery Shop, Kanpur			
	10 Dozen Notebooks @ Rs 60 per dozen		600	
	15 Gross* Rubbers @ Rs 10 per dozen		1,800	2,400
28	Ali Mohammad & Sons, Allahabad			

	10 Reams of Paper @ Rs 80 per Ream		800	
	Less: 15% Trade Discount		120	680
	Sales A/c	Cr.		5,060

Note: Sale of goods made on Jan 20th, 24th, and 30th will not be recorded as it was made in cash and Sales book records only the credit sale of goods.

Working Note:

1 Gross = 12 dozen

15 dozen $12 \times 15 = 180$ dozen

Q.14 Prepare Sales book and Purchases book of M/s Deendayal from the following transactions: -

2016	
June 7	Purchased from Arora & Co., Nai Sarak
	10 Chairs @ ₹ 200 each
	1 Table for ₹ 600
	Trade discount 10%
June 10	Sold to Sudha Furniture Co., Agra
	2 Almirahs @ ₹ 2,000 each
	Less : 15%
June 12	Sold to Meera Mart for cash
	10 Tables @ ₹ 1,000 each
June 15	Purchased from Hira Lal & Sons for cash
	15 Chairs @ ₹ 350 each
June 16	Purchased from Fateh Chand & Co., Delhi
	5 Chairs @ ₹ 180 each

June 25	Sold to Ravi Sharma, Delhi
	2 Dining Tables @ ₹ 6,000 each
	Less : 10%

The solution for this question is as follows:

Purchases Book				
Date 2016	Particulars	L.F.	Details ₹	Amount ₹
June				
7	Arora & Co., Nai Sarak			
	10 Chairs @ Rs 200 each		2,000	
	1 Table @ Rs 600		600	
			2,600	
	Less: 10% Trade Discount		260	2,340
16	Fateh Chand & Co., Delhi			
	5 Chairs @ Rs 180 each		900	900
30	Purchases A/c	Dr.		3,240

Note: Purchase made on June 15, will not be recorded in the purchase book as the purchases was made on cash. And purchases book records only the credit purchase of goods.

Sales Book				
Date 2016	Particulars	L.F.	Details ₹	Amount ₹
June				
10	Sudha Furniture Co., Agra			
	2 Almirahs @ Rs 2,000 each		4,000	
	Less: 15% Trade Discount		600	3,400
25	Ravi Sharma, Delhi			
	2 Dining Tables @ Rs 6,000 each		12,000	
	Less: 10% Trade Discount		1,200	10,800
30	Sales A/c Cr.			14,200

Note: Transaction made on June 12 will not be recorded as it was made on cash, and sales book only records credit sales of goods.

Q.15 Following transactions were recorded in the books of Darshan Traders: –

2017	
March 1	Sold to Chandra Light House :-
	50 Tubelights @ ₹ 60 each Less : 20%
	20 Heaters @ ₹120 each Less : 25%
5	Purchased from Charan Ram Electric Co. :-
	25 Table Fans @ ₹ 600 each
	20 Ceiling Fans @ ₹800 each
10	Chaudhary & Sons purchased from us :-
	80 Dozen Bulbs @ ₹ 90 per Dozen

12	Purchased from Ram Lal & Sons one Typewriter for ₹ 6,000 on credit, for office use.
16	Sri Ram & Sons sold to us :-
	10 Electric Irons @ ₹ 180 each <i>less</i> : 10%
20	Chandra Light House returned :-
	5 Tubelights sold on March 1.
22	Sold goods to Jai Bhagwan & Co. for cash ₹ 10,000.
25	Returned to Sri Ram & Sons 2 Electric Irons purchased on March 16.

You are required to prepare (i) Purchase Book; (ii) Sales Book; (iii) Purchase Return Book, and (iv) Sales Return Book.

The solution for this question is as follows:

Purchases Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
March				
5	Charan Ram Electric Co.			
	25 Table Fans @ Rs 600 /table fan		15,000	
	20 Ceiling Fans @ Rs 800 /ceiling fan		16,000	31,000
16	Sri Ram & Sons			
	10 Electric Fans @ Rs 180/fan		1,800	
	<i>Less</i> : 10% Trade Discount		180	1,620
31	Purchases A/c	Dr.		32,620

Sales Book					
Date 2017	Particulars	L.F.	Details ₹	Amount ₹	
March					
1	Chandra Light House				
	50 Tube Light @ Rs 60 /tube lights		3,000		
	Less: 20% Trade Discount		600	2,400	
	20 Heaters @ Rs 120 /heaters		2,400		
	Less: 25% Trade Discount		600	1,800	
10	Chaudhry & Sons				
	80 dozen Bulbs @ Rs 90 / dozen		7,200	7,200	
	Sales A/c	Cr.			11,400

Purchases Return Book					
Date 2017	Particulars	Debit Note No.	L.F.	Details ₹	Amount ₹
March					
25	Sri Ram & Sons				
	2 Electric Irons @ Rs 180/irons			360	
	Less: 10% Trade Discount			36	324
31	Purchases Return A/c	Cr.			324

Sales Return Book					
Date 2017	Particulars	Debit Note No.	L.F.	Details ₹	Amount ₹
March					
20	Chandra Light House				
	5 Tube Light @ Rs 60/ tube light			300	
	Less: 20% Trade Discount			60	240
Jan.31	Sales Return A/c	Dr.			240

Q.16 Enter the following transactions of a dealer in electrical goods in the appropriate subsidiary books:

2017		(₹)
Jan. 1	Assets: Cash in hand ₹ 12,400; Stock ₹ 3,60,000; Debtors : Abhilash ₹ 20,000; Bhuwan ₹ 30,000, Charu ₹ 52,000; Furniture ₹ 2,25,000.	
	Liabilities: Bank overdraft ₹ 38,000; Creditors : Dinesh ₹ 15,000; Eknath ₹ 25,000.	
3	Purchased from Raghuraj & Sons :	
	80 electric Kettles @ ₹ 300 each	
	40 electric irons @ ₹ 420 each	
	20% Trade Discount.	
5	Withdrew from Bank	20,000
6	Acceptance received from Abhilash at one month for the amount due from him.	
10	Purchased a computer from Gursharan Bros. on credit for office use	40,000
12	Returned 10 electric kettles to Raghuraj & Sons.	
14	Paid Raghuraj & Sons by cheque the balance due to them.	
15	Paid to Gursharan Bros. ₹ 30,000 in cash and the balance by a cheque.	

16	Paid wages in cash	500
20	Purchased from Dinesh :	
	10 Washing Machines @ ₹ 16,000 each	
	4 Vacuum cleaners @ ₹ 6,000 each	
	15% Trade Discount	
22	Sold to Charu	
	200 electric shavers @ ₹ 250 each	
	400 toasters @ ₹ 150 each	
	450 heaters @ ₹ 200 each	
	10% Trade Discount	
24	Received from Charu a cheque in full settlement of his account. The cheque is paid into bank.	2,30,000
25	Acceptance given to Dinesh for 30 days	1,50,000
25	Cheque issued to Dinesh in full settlement of his account	21,000
25	Sold for Cash 20 electric irons	9,000
27	Deposited into bank	5,000
30	Paid staff salaries by cheque	15,000
30	Bank charged incidental expenses ₹ 50 and charged interest ₹ 1,200.	

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		12,400	–	1	Balance b/d		–	38,000
5	Bank A/c	C	20,000	–	5	Cash A/c	C	–	20,000
24	Charu		–	2,30,000	14	Raghuraj & Sons (32,640 – 2,400)		–	30,240
25	Sales A/c		9,000	–	15	Gursharan Bros.		30,000	10,000
27	Cash A/c	C	–	5,000	16	Wages A/c		500	–
					25	Dinesh		–	21,000
					27	Bank A/c	C	5,000	–
					30	Salary A/c		–	15,000
					30	Bank Charges A/c		–	50
					30	Bank Interest A/c		–	1,200
					31	Balance c/d		5,900	99,510
			41,400	2,35,000				41,400	2,35,000
Feb. 1	Balance b/d		5,900	99,510					

Purchases Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
Jan.				
3	Raghuraj & Sons			
	80 Electric Kettles @ Rs 300/kettle		24,000	
	40 Electric Irons @ Rs 420/irons		16,800	
			40,800	
	Less: 20% Trade Discount		8,160	32,640
20	Dinesh			
	10 Washing Machines @ Rs 16,000/ washing .machine		1,60,000	
	4 Vacuum Cleaners @ Rs 6,000/ V. Cleaner		24,000	
			1,84,000	
	Less: 15% Trade Discount		27,600	1,56,400
31	Purchases A/c	Dr.		1,89,040

Sales Book				
Date 2017	Particulars	L.F.	Details ₹	Amount ₹
Jan				
22	Charu			
	200 Electric Shavers @ Rs 250 /shaver		50,000	
	400 Toasters @ Rs 150 /toaster		60,000	

	450 Heaters @ Rs 200 / heater		90,000	
			2,00,000	
	Less: 10% Trade Discount		20,000	1,80,000
31	Sales A/c	Cr.		1,80,000

Purchases Return Book

Date 2017	Particulars	Debit Note No.	L.F.	Details ₹	Amount ₹
Jan.					
12	Raghuraj & Sons				
	10 Electric Kettles @ Rs 300/ kettle			3,000	
	Less: 20% Trade Discount			600	2,400
31	Purchases Return A/c	Dr.			2,400

Journal Proper

Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
Jan.				
1	Cash A/c	Dr.	12,400	
	Stock A/c	Dr.	3,60,000	
	Abhilash A/c	Dr.	20,000	
	Bhuwan A/c	Dr.	30,000	

	Charu A/c	Dr.	52,000	
	Furniture A/c	Dr.	2,25,000	
	To Bank Overdraft A/c			38,000
	To Dinesh			15,000
	To Ekta			25,000
	To Capital A/c (balancing figure)			6,21,400
	(Balance of previous brought forward)			
6	Bills Receivable A/c	Dr.	20,000	
	To Abhilash			20,000
	(Acceptance received for the amount due from him)			
10	Computer A/c	Dr.	40,000	
	To Gurusharan Bros.			40,000
	(Computers purchased on credit)			
24	Discount Allowed A/c	Dr.	2,000	
	To Charu			2,000
	(Discount of Rs 2,000 allowed to Charu)			
25	Dinesh	Dr.	1,50,000	
	To Bills Payable A/c			1,50,000
	(Acceptance given)			
25	Dinesh	Dr.	400	
	To Discount Received A/c			400
	(Discount of Rs 400 received on payment to Dinesh)			
			9,11,800	9,11,800

Q.17 Prepare a sales book of Mahesh Electronics from the following details.

2018	
June 3	<p>Sold to Ruchi Electronics, Bangalore, vide Invoice No.431 5 colour T.V set @ ₹20,000 each</p> <p>Less: Trade discount 20%</p>
June 10	<p>Sold to Garima Electronics, Jaipur, vide Invoice No 432 10 washing machines @ ₹8,000 each</p> <p>Less: Trade Discount 25%</p>
June 12	<p>Sold to Raghav & Sons, Bangalore, vide cash memo no. 2510 6 colour T.V sets @ ₹18,000 each less trade discount 15%</p>
June 16	<p>Sold to Nitin Company, M.P vide invoice no. 433 8 music system @ ₹15,000 each</p> <p>10 colour T.V set @ ₹22,000 each</p> <p>Less: Trade discount 20%</p>

The solution for this question is as follows:

Date 2018	Particulars	Invoice No.	L.F	Details	Sales Amount	Output CGST	Output SGST	Output IGST	Total
June 3	Ruchi Electronics, Kolkata:	431							
	5 colour T.V Sets @ ₹20,000 each			1,00,000					
	Less: Trade Discount @ 20%			20,000					
				80,000					
	Add: CGST@9% SGST@9%			7,200 7,200					

				94,400	80,000	7,200	7,200	–	94,400
June 10	Garima Electronics Jaipur	432							
	10 washing machines @ ₹8,000 each			80,000					
	Less: Trade discount @25%			20,000					
				60,000					
	Add: IGST@18%			10,800					
				70,800	60,000	–	–	10,800	70,800
June 16	Nitin Company, Bangalore	433							
	8 music systems @ ₹15,000 each			1,20,000					
	10 color T.V set @ ₹22,000 each			2,20,000					
				3,40,000					
	Less: Trade discount @20%			68,000					
				2,72,000					
	Add: IGST @18%			48,960					
				3,20,960	2,72,000	–	–	48,960	3,20,960
June 30	Total				4,12,000	7,200	7,200	59,760	4,86,160

Note: (1) Goods are sold to Raghav & Sons in cash. Therefore, it is not recorded in the sales book.

(2) At the time of posting into the Leger

- Ruchi Electronics will be debited with ₹94,400
- Garima Electronics will be debited with ₹70,800
- Nitin Company will be debited with ₹3,20,960
- Sales A/c will be credited with ₹4,12,000
- Output CGST A/c will be credited with ₹7,200
- Output SGST A/c will be credited with ₹7,200
- Output IGST A/c will be credited with ₹59,760

