

Short Answers for NCERT Accountancy Solutions Class 11 Chapter 6

1. State the meaning of a Trial Balance.

Trial Balance is a list of all general ledger accounts present in the ledger of a business; the main purpose of its creation is to verify the arithmetical accuracy of the accounts. It is carefully prepared after balancing all the accounts of the ledger. Trial Balance consists of two columns, the debit side consists of all the debit balances, and the credit side contains all the credit balances of the accounts.

2. Give two examples of errors of commission.

Errors that are committed when transactions are recorded with wrong amounts, improper balancing, wrong posting or wrong carrying forwarding are called errors of commission. Here are two examples of such errors.

1. **Goods purchased worth Rs 1,000 on credit are recorded in the Purchases Book as Rs 10,000.**

This transaction should have been recorded in the Purchases Book with an amount of Rs 1,000; however, it was recorded as Rs 10,000. This is an error due to the wrong recording of the amount.

2. **Total of Sales Book is carried forward as Rs 1,000 instead of Rs 100.**

In this case, the wrong amount is carried forward from one accounting period to another or from the end of one page to the beginning of another page. This is referred to as an error of carrying forward.

3. Give two examples of errors of principle.

Errors that are committed when the recording of transactions is done against the accounting principle are known as Errors of principle. Here are some examples of the same.

(i) **Wages paid for the construction of the building debited to the Wages Account**

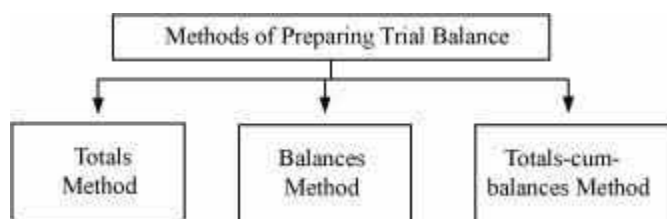
In this transaction, wages paid for the construction of the building is a capital expenditure, so the building account should have been debited. However, it is treated as a revenue expenditure and Wages Account is debited. It is not in accordance with the accounting principle and hence is an error.

(ii) Amount spent on repair of machinery debited to Machinery Account

In this transaction, the amount of repair on machinery is a revenue expenditure. It should have been debited as 'Repairs', but it is wrongly debited to the Machinery Account, which is an error of principle.

4. What are the methods of preparing trial balance?

Below are diagrammatically explained methods to prepare Trial Balance.



The following are the methods of preparing trial balances.

Totals method: In the Totals method, the total of each side (debit and credit) of the ledger account is determined individually and it is then shown in the trial balance in each of the respective columns. Accounting is based on the double entry system. Therefore, the total of the debit column and the total of the credit column in the trial balance should be in agreement with each other.

Balances Method: In this method, the closing balances of all accounts are tabulated in a different sheet. In this method brought down balances are brought to this statement.

Totals-cum-balances Method: It utilises both the totals method and the balances method. There are four columns, of which two columns are for writing debit and credit totals of accounts, while two columns are for writing the debit and credit balances of these accounts.

5. 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?

There may be instances when the total of the debit column is not matching with that of the credit column. At that time, the difference of the trial Balance is added to a temporary account to avoid delay in the preparation of the financial statements. Such accounts are known as Suspense accounts. A suspense account is a temporary account in a company which contains

unclassified debits and credits. If the debit column falls short of the credit column, then the Suspense Account is debited and vice versa.

Errors, as soon as detected and rectified, result in Suspense Account being automatically closed (i.e. becoming zero). However, if any difference still exists, then it is transferred to the Balance Sheet. If the Suspense Account shows a debit balance, then it is recorded on the Assets side, and if the Suspense Account shows a credit balance, then it is recorded on the Liabilities side of the Balance Sheet.

6. 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 record that entry in the trial balance.
3. Check trial balances of the previous year and compare them with the current year.
4. Check the correctness of all ledgers
5. Half the difference, then check whether any amount is posted in the wrong column of the Trial Balance.
6. Try to divide the difference by 9, if it is completely divisible, then it's an error of transposition of the figure, i.e. 123 is written as 132.
7. Entries of Subsidiary Books should be checked once again if there is a difference of Rs 1, Rs 10, Rs 100, Rs 1000, etc. If a difference still exists and it is not possible to detect the reason for the difference, then, for the time being, that particular difference is transferred to the suspense account in order to proceed further.

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

The errors that lead to the differences in the Trial Balance are termed as one-sided errors. These errors affect only one account. Here are some types of errors that can cause difference in trial balance

1. If any account is wrongly casted, it is termed as the error of casting.
2. If balances from previous year's books or from one end of the page to another are wrongly carried forward. These types of errors are termed errors in carrying forward.
3. If entries are posted on completely wrong side of the accounts.
4. Posting a wrong amount in the account is termed as an error of posting.
5. If entries are recorded partially, then due to the error of partial omission the trial Balance does not agree.

Here are a few examples that would not be revealed in a Trial Balance:

1. Purchases made from Raj, recorded in Rohit's Account, who is another creditor
2. Wages paid for construction of building, recorded in the Wages Account

8. State the limitations of trial balance.

There are some errors that are not revealed by a Trial Balance. This inadequacy of the Trial Balance is termed as the limitations of Trial Balance. Here are some of the limitations of a trial balance.

- It is unable to detect errors known as Errors of Complete Omission which arise when an entry is not recorded in the Journal.
- It is unable to detect errors known as Compensatory Errors which is the effect of one error that is cancelled by the effect of another error.
- The Trial Balance fails to reflect errors such as if correct amount is posted in the correct side, but in the wrong account and if the wrong amount is posted on the wrong side but in the correct account.
- It is unable to detect errors of principle that may take place in the account.
- It is unable to detect errors due to wrong entries in accounts, which can lead to errors.

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. Instituting the arithmetical accuracy: When the sum of debit balance accounts equals to the sum of credit balance accounts, it is presumed that posting from the journal to the particular accounts is arithmetically correct.
2. Summarising the ledger accounts: It acts as a consolidated statement, providing a complete list of all the accounts. In this way, a Trial Balance provides a summarised version of each account.
3. Preparation of final accounts– The Trial Balance acts as a summarised version of each account, so different accounts can be directly transferred to Balance Sheet, Trading, and Profit and Loss Account without actually referring to different ledgers.
4. Identifying and rectifying errors: If the Trial Balance is not in agreement, the indications are of the occurrence of an arithmetical error, which can be easily determined. Trial balance is only restricted to determine arithmetical errors.

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

When a recording of transactions in the original book of entry is done against the accounting principle, it leads to errors which are known as Errors of principle. These errors are not reflected in the Trial Balance. These errors are committed when there is no proper distinction between capital expenditure and revenue expenditure, or vice versa or between capital income and revenue income or vice versa.

The following examples will help with the process of understanding and rectification of such errors.

Let us consider the first example. Wages paid for the construction of a building are debited to Wages Account.

A wrong entry made is:

Wages A/c	Dr.
To Cash A/c	
(Wages paid in cash)	

In this case, Wages are paid for the construction of the building which is a capital asset hence it should be treated as a capital expenditure and, by rule, should be debited to the building account. But, the Wages Account is wrongly debited.

Thus, the correct entry that should have been made is:

Building A/c	Dr.
To Cash A/c	
(Wages paid for construction of building)	

In order to rectify this error, the entry for rectification should be:

Building A/c	Dr.
To Wages A/c	
(Wages paid for construction of building was debited to Wages Account, now rectified)	

The second example of errors of principle is the sale of old machinery recorded as sales.

Wrong entry made:

Cash A/c	Dr.
To Sales A/c	
(Sales of old machinery, recorded as sales)	

In the above case, the sale of old machinery should not be recorded as sales; in fact, the Machinery Account should be credited. Thus, the correct entry that should have been made is:

Cash A/c	Dr.
To Machinery A/c	
(Old machinery sold for cash)	

The error can be rectified in the following manner: Sales Account will be debited, as it is wrongly credited, and machinery will be credited, as it will not be recorded in the books. Thus, the rectifying entry will be:

Sales A/c	Dr.
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	To Machinery A/c		
(Sale of old machinery recorded as sales, now rectified)			

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

Errors of commission refer to those errors that are committed when transactions are recorded with wrong amounts, wrong balancing, and wrong posting and/or wrongly carried forward. The following examples will illustrate the process of understanding and rectification of such errors.

1. Let us consider the first example. Sales made to Mr. Y of Rs 10,000 recorded as 1,000 from invoice. In this case, Mr. Y's account has been debited with Rs 1,000 instead of Rs 10,000; hence, the error of commission has taken place. A further debit of Rs 9,000, is required in order to rectify this error of commission. The following entry will rectify it:

Mr Y's A/c	Dr.	9,000	
	To Sales A/c		9,000
(Goods sold to Mr Y of Rs 10,000 was wrongly posted as Rs 1,000, now rectified)			

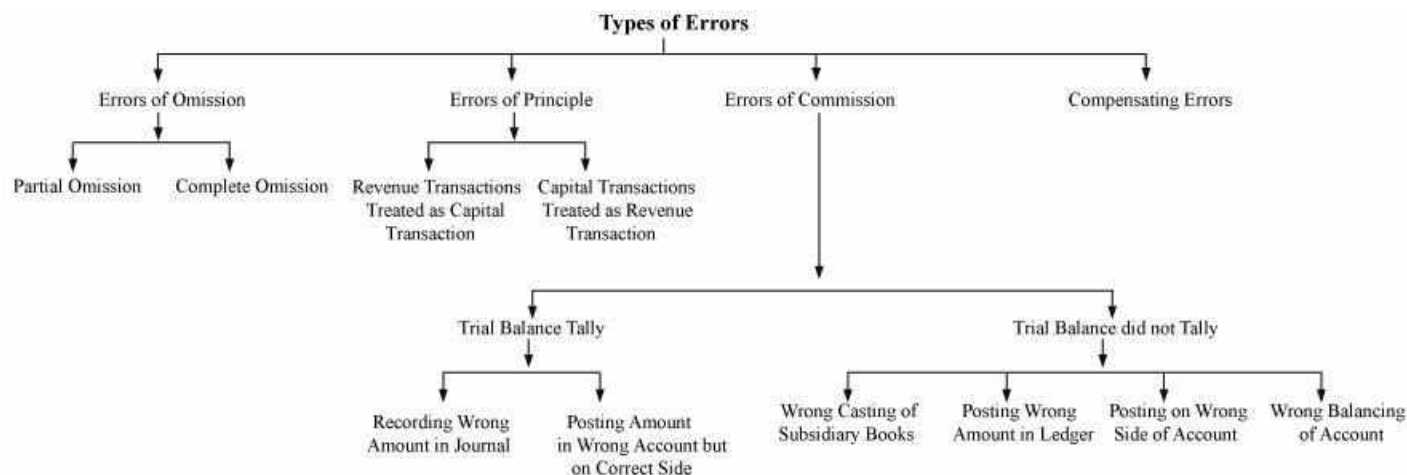
2. Sales returns from Manu for Rs. 1,500 was posted to his account as Rs. 1,000

In this case, Manu's account is credited with 1000 instead of 1,500, so the rectification entry should be

Suspense A/c Dr. 500

To Manu's A/c 500

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 omission: Error of omission is committed when an entry gets omitted during recording in the book of the original entry or during the posting of the transaction. Two types of errors of omission are there, namely,

Partial omission: A transaction that is correctly recorded on one side of the account but not recorded on the other side of the account. For example, goods sold to Manjunath were recorded in sales but omitted to be recorded in Manjunath's account. It affects the trial balance.

Complete omission: When a transaction gets completely omitted from being recorded in the books, then it is the case of complete omission. For example, transaction related to purchase of goods from Rajesh is not recorded in the purchases book. Such omissions do not affect the trial balance.

2. Errors of principle: Errors committed when recording transactions in the book of the original entry is done against the accounting principle. Such errors affect the trial balance.

When a proper distinction is not made between revenue income or expenditure and capital income or expenditure. They are of two types:

When revenue transactions are treated as capital transactions, and when capital transactions are treated as revenue transactions. For example, repairs made to machinery, recorded in the machinery account.

3. Errors of commission: Errors committed when transactions are recorded with wrong amounts, wrong posting, wrong balancing, and/or wrongly carry forwarded.

They are of two types:

Trial balance does not agree: One-sided errors result when the trial balance does not agree, it affects one account.

Trial balance agrees: When the trial balance agrees, it should not be thought that there is no error. Although arithmetic errors will not be there, there can be some other types of errors which are not easily detectable. These errors arise due to recording the wrong amount in the original book.

4. Compensating errors: Compensating errors occur when the effects of one error are cancelled by the effects of another error of an equal amount. For example, Mr Y's account was credited by Rs 1,000 instead of 100 and Mr Z's account was credited by Rs 100 instead of 1,000. In this case, the error in Mr Y's account will be compensated by the error in Mr Z's account.

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?

According to the given information, the trial balance does not agree. Pen-drive falls under stationery and is wrongly debited to office equipment account, instead of stationery account and also supplier account is debited instead of crediting. Due to these mistakes, the following errors are committed:

1. The balance of office equipment is overstated by Rs 3,500.
2. The balance of creditor's account is understated by Rs 7,000.
3. The total of the debit column of the trial balance is correctly stated.
4. The total of the credit column of the trial balance is understated by Rs 7,000.
5. If the total of the debit column of the trial balance is Rs 2,40,000, then before rectifying error, total of the credit column of the trial balance 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 ₹

Journal Recordings to rectify the errors					
	Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
i.		Mohan's Account Dr.		7,000	
		To Sales A/c (Credit Sales to Mohan, Error rectification recording, not recorded earlier)			7,000
ii.		Purchases Account Dr.		9,000	
		To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, not recorded earlier)			9,000
iii.		Rakesh's Dr.		4,000	
		To Purchases Return A/c (Purchases return to Rakesh, Error rectification recording, not recorded earlier)			4,000
iv.		Sales Return A/c Dr.		1,000	
		To Mahesh's A/c (Purchases return from Mahesh, Error rectification recording, not recorded earlier)			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.		Mohan's Account Dr.		6,300	
		To Sales A/c (Credit Sales to Mohan, Error rectification recording, ₹ 7,000 was recorded as ₹ 700)			6,300
ii.		Purchases Account Dr.		8,100	
		To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, ₹ 9,000 was recorded as ₹ 900)			8,100
iii.		Rakesh's Account Dr.		3,600	
		To purchases return A/c (Goods returned to Rakesh, Error rectification recording, ₹ 4,000 was recorded as ₹ 400)			3,600
iv.		Sales Return Account Dr.		900	
		To Mahesh's A/c			900

		(Goods returned from Mahesh, Error rectification recording, ₹ 1,000 was recorded as ₹ 100)			
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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.		Sales A/c Dr.		200	
		To Mohan's A/c (Credit Sales to Mohan, Error rectification recording, ₹ 6,000 was recorded as ₹ 6,200)			200
ii.		Rohan's A/c Dr.		900	
		To Purchases A/c (Goods purchased from Rohan, Error rectification recording, ₹ 9,000 was recorded as ₹ 9,900)			900
iii.		Purchases Return A/c Dr.		40	

		To Rakesh's A/c (Goods returned to Rakesh, Error rectification recording, ₹ 4,040 was recorded as ₹ 4,000)			40
iv		Mahesh's A/c Dr.		600	
		To Sales return A/c (Goods returned from Mahesh, Error rectification recording, ₹ 1,000 was recorded as ₹ 1,600)			600

4. Rectify the following errors:

1. Salary paid Rs. 5,000 was debited to employee's personal account.
2. Rent Paid Rs. 4,000 was posted to landlord's personal account.
3. Goods withdrawn by proprietor for personal use Rs. 1,000 were debited to sundry expenses account.
4. Cash received from Kohli Rs. 2,000 was posted to Kapur's account.
5. 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.		Salary Account Dr.		5,000	
		To Employee's A/c (Salary paid to the employee, Error rectification recording, was erroneously credited to the employee's personal account)			5,000
ii.		Rent Account Dr.		4,000	

		To Landlord's A/c (Rent paid to the landlord, Error rectification recording, was erroneously credited to the landlord's personal account)			4,000
iii.		Drawings Account Dr.		1,000	
		To Sundry Expenses A/c (Goods drawn by the proprietor for personal use, Error rectification recording, was erroneously debited to the sundry expenses account)			1,000
iv.		Kapur's Account Dr.		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.		1,500	
		To Sabu's A/c (Cash paid to Babu, Error rectification recording, was erroneously posted to Sabu's account)			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.		14,000	
		To Sales A/c			7,000
		To Purchases A/c (Credit Sales to Mohan, Error rectification recording, Was erroneously recorded in purchases book)			7,000
ii.		Sales Account Dr.		900	
		Purchases Account Dr.		900	
		To Rohan's A/c (Credit Purchases from Rohan, Error rectification recording, Was erroneously recorded in Sales book)			1,800
iii.		Rakesh Account Dr.		8,000	
		To Purchases Return A/c			4,000
		To Sales Return A/c (Goods returned to Rakesh, Error rectification recording, Was erroneously recorded in sales return book)			4,000
iv.		Sales Return Account Dr.		1,000	
		Purchases Return Account Dr.		1,000	

		To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, Was erroneously recorded in Purchases return book)			1,800
v.		Sales Return A/c Dr.		2,000	
		To Purchases A/c (Goods returned from Mahesh, Error rectification recording, Was erroneously recorded in Purchases book)			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.		700	
		To Suspense A/c (Sales book overcast by ₹ 700, Error rectification recording)			700

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

Journal Recordings to rectify the errors					
	Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
		(Sales book is undercast by ₹ 300, Error rectification recording)			
ii.		Purchases A/c Dr.		400	
		To Suspense A/c (Purchases book is undercast by ₹ 400, Error rectification recording)			400
iii.		Return inwards A/c Dr.		200	
		To Suspense A/c (Return inwards book is undercast by ₹ 200, Error rectification recording)			200
iv.		Suspense A/c Dr.		100	
		To Return outwards A/c (Return outwards book is undercast by ₹ 200, Error rectification recording)			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.		7,000	
		To Suspense A/c (Credit sales to Mohan, Error rectification recording, recording was missing)			7,000
ii.		Suspense A/c Dr.		9,000	
		To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, recording was missing)			9,000
iii.		Rakesh's A/c Dr.		4,000	
		To Suspense A/c (Goods returned to Rakesh, Error rectification recording, recording was missing)			4,000
iv.		Suspense A/c Dr.		1,000	
		To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, recording was missing)			1,000
v.		Ganesh's A/c Dr.		3,000	

		To Suspense A/c (Cash paid to Ganesh, Error rectification recording, recording was missing)			3,000
vi.		Suspense A/c Dr.		2,000	
		To Sales A/c (Cash sales, Error rectification recording, recoding was missing)			2,000

Suspense Account

Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
2014				2014			
	To Rohan's A/c		9,000		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.		Suspense A/c Dr.		2,000	
		To Mohan's A/c (Credit Sales to Mohan, Error rectification recording, credit sales were posted as ₹ 9,000 instead of ₹ 7,000)			2,000
ii.		Suspense A/c Dr.		3,000	
		To Rohan's A/c (Credit Purchases from Mohan, Error rectification recording, Credit purchases were posted as ₹ 6,000 instead of ₹ 9,000)			3,000
iii.		Suspense A/c Dr.		1,000	

		To Rakesh's A/c (Goods returned to Rakesh, Error rectification recording, Goods returned were recorded as ₹ 5,000 instead of ₹ 4,000)			1,000
iv.		Mahesh's A/c Dr.		2,000	
		To Suspense A/c (Goods returned from Mahesh, Error rectification recording, Goods returned were posted as ₹ 3,000 instead of ₹ 1,000)			2,000
v.		Suspense A/c Dr.		1,800	
		To Sales A/c (Cash Sales, Error rectification recording, Cash sales were posted as ₹ 200 instead of ₹ 2,000)			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				

Suspense Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	To Sales A/c		1,800				
	Total		7,800		Total		7,800

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

10. Rectify the following errors:

- Credit sales to Mohan Rs 7,000 were posted to Karan.
- Credit purchases from Rohan Rs 9,000 were posted to Gobind.
- Goods returned to Rakesh Rs 4,000 were posted to Naresh.
- Goods returned from Mahesh Rs 1,000 were posted to Manish.
- 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.		7,000	

Journal Recordings to rectify the errors

	Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
		To Karan A/c (Credit sales to Mohan, Error rectification recording, erroneously recorded in Karan's account)			7,000
ii.		Gobind's A/c Dr.		9,000	
		To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, erroneously recorded in Gobind's account)			9,000
iii.		Rakesh's A/c Dr.		4,000	
		To Naresh's A/c (Goods returned to Rakesh, Error rectification recording, erroneously recorded in Naresh's account)			4,000
iv.		Manish's A/c Dr.		1,000	
		To Mahesh's A/c (Goods returned from Mahesh, Error rectification recording, erroneously recorded in Manish's account)			1,000
v.		Commission A/c Dr.		2,000	
		To Sales A/c (Cash sales, Error rectification recording, erroneously recorded in commission account)			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.		14,000	
		To Suspense A/c (Credit Sales to Mohan, Error rectification recording, Mohan's account ws credited with ₹ 7,000, instead of debiting)			14,000
ii.		Suspense A/c Dr.		15,000	
		To Rohan's A/c (Credit purchases from Rohan, Error rectification recording, Rohan's			15,000

Journal Recordings to rectify the errors

	Date	Particulars	L.F	Debit Amount ₹	Credit Amount ₹
		account was debited with ₹ 6,000 instead of crediting 9,000 for cash purchases from him)			
iii.		Rakesh's A/c Dr.		8,000	
		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
iv.		Suspense A/c Dr.		3,000	
		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.
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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.	7,000	
		To Karan's A/c		5,000
		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)		2,000
ii.		Suspense A/c Dr.	19,000	
		To Rohan's A/c		9,000
		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)		10,000
iii.		Rakesh's A/c Dr.	4,000	
		Naresh's A/c Dr.	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.	3,000	
		To Mahesh's A/c		1,000
		To Manish's A/c		2,000

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

Suspense A/c						
Dr.				Cr.		
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F. Amount ₹
	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.		Suspense A/c Dr.	14,000	
		To Sales A/c		7,000
		To Purchases A/c (Credit Sales to Mohan, Error rectification recording, Credit Sales were recorded in purchase book)		7,000
ii.		Purchases A/c Dr.	9,000	
		Sales A/c Dr.	9,000	
		To Suspense A/c (Credit purchases from Rohan, Error rectification recording, Credit purchases were recorded in sales book)		18,000
iii.		Suspense A/c Dr.	8,000	
		To Purchases Return A/c		4,000
		To Sales Return A/c (Goods returned to Rakesh, Error rectification recording, Goods returned were recorded in sales return book)		4,000
iv.		Sales Return A/c Dr.	1,000	
		Purchases Return A/c Dr.	1,000	
		To Suspense A/c (Goods returned from Mahesh, Error rectification recording, Goods returned were recorded through purchases)		2,000

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

Suspense Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	Total		26,000		Total		26,000

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

14. Rectify the following errors:

- Furniture purchased for Rs 10,000 wrongly debited to purchases account.
- Machinery purchased on credit from Raman for Rs 20,000 was recorded through purchases book.
- Repairs on machinery Rs 1,400 debited to machinery account.
- Repairs on overhauling of secondhand machinery purchased Rs 2,000 was debited to Repairs account.
- 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.		10,000	

		To Purchases A/c (Furniture purchased, Error rectification recording, was wrongly debited to Purchases account)			10,000
ii.		Machinery A/c Dr.		20,000	
		To Purchases A/c (Machinery purchased on credit, Error rectification recording, was wrongly debited to purchases account)			20,000
iii.		Repairs on Machinery A/c Dr.		1,400	
		To Machinery A/c (Repairs on machinery, Error rectification recording, was wrongly debited to machinery account)			1,400
iv.		Machinery A/c Dr.		2,000	
		To Repairs A/c (Repairs on overhauling of second-hand machinery purchased, Error rectification recording, was wrongly debited to repairs account)			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.		Furniture A/c Dr.		10,000	
		To Purchases A/c			4,000
		To Suspense A/c			6,000
		(Furniture purchased, Error rectification recording, Furniture purchased for ₹ 10,000 was wrongly debited to purchases account as ₹ 4,000)			
ii.		Machinery A/c Dr.		20,000	
		To Purchases A/c			6,000
		To Raman's A/c			14,000
		(Machinery purchased, Error rectification recording, Machinery			

		purchased on credit from Raman for ₹ 20,000 was recorded through purchases book as ₹ 6,000)			
iii.		Repairs A/c Dr.		1,400	
		Suspense A/c Dr.		1,000	
		To Machinery A/c (Repairs on machinery, Error rectification recording, Repairs on machinery ₹ 1,400 was debited to machinery account as ₹ 2,400)			2,400
iv.		Machinery A/c Dr.		2,000	
		To Repairs A/c			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.		5,000	
		To Machinery A/c			3,000
		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.)			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.		Depreciation A/c Dr.	4,000	
		To Machinery A/c (Depreciation provided on machinery, rectification entry, was not posted earlier)		4,000
ii.		Bad debts A/c Dr.	5,000	
		To Debtors A/c (Bad debts written off, rectification entry, was not posted earlier)		5,000
iii.		Discount Allowed A/c Dr.	100	
		To Debtors A/c (Discount allowed to debtor on receiving cash from him, rectification entry, was not posted earlier)		100
iv.		Discount Allowed A/c Dr.	100	
		To Suspense A/c (Discount allowed to debtor on receiving cash from him, rectification entry, was not posted to discount allowed account)		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.		3,600	
		To Machinery A/c (Depreciation provided on machinery, Error rectification recording, was wrongly posted as ₹ 400 instead of ₹ 4,000)			3,600
ii.		Debtors A/c Dr.		1,000	
		To Bad Debts A/c (Bad debts written off, Error rectification recording, was posted as ₹ 6,000 instead of ₹ 5,000)			1,000
iii.		Discount Allowed A/c Dr.		40	
		To Debtors A/c (Discount allowed to debtors, Error			40

		rectification recording, was wrongly posted as ₹ 60 instead of ₹ 100)			
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.		Depreciation A/c Dr.		4,000	
		To Suspense A/c (Depreciation provided on machinery, Error rectification recording, was not posted to discount account)			4,000
ii.		Suspense A/c Dr.		5,000	
		To Debtors A/c (Bad debts written-off, Error rectification recording, were not posted to debtors account)			5,000
iii.		Discount Allowed A/c Dr.		100	
		To Suspense A/c (Discount allowed to a debtor after receiving cash, Error rectification recording, was not posted to discount allowed account)			100
iv.		Drawings A/c Dr.		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			2,000

		rectification recording, was not posted to Bills receivable account)					
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.		Suspense A/c Dr.		2,000	
		To Ravish A/c (Cash received from Ravish, Error rectification recording, was wrongly posted as ₹ 6,000 instead of ₹ 8,000)			2,000
ii.		Suspense A/c Dr.		1,000	
		To Return Inward A/c (Returns inwards book was overcast by ₹ 1,000, Error rectification recording)			1,000
iii.		Suspense A/c Dr.		10,000	
		To Sales A/c (Total of sales book, Error rectification recording, was not posted to sales account earlier)			10,000
iv.		Purchases A/c Dr.		7,000	
		Sales A/c Dr.		7,000	

		To Suspense A/c (Credit purchases from Nanak, Error rectification recording, was recorded in sales book)			14,000
v.		Purchases A/c Dr.		10,000	
		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.		6,000	
		To Furniture A/c (Depreciation written-off the furniture, Error rectification recording, was not posted furniture account)			6,000
ii.		Rupam's A/c Dr.		3,000	
		To Sales A/c (Credit Sales to Rupam, Error rectification recording, was wrongly recorded as ₹ 7,000 instead of			3,000

		₹ 10,000)			
iii.		Purchases A/c Dr.		2,000	
		To Suspense A/c (Purchases book undercasting rectification, Error rectification recording)			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		6,000		By Balance b/d		10,000

Suspense Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	A/c						
	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.		Suspense A/c Dr.		800	
		To Sales Return A/c (Sales return, Error rectification recording, Sales return book was overcast by ₹ 800)			800
ii.		Sahu's A/c Dr.		2,000	
		To Purchases Return A/c (Purchases return to Sahu, Error rectification recording, was not recorded earlier)			2,000
iii.		Purchases A/c Dr.		4,000	
		To Narula's A/c (Goods purchased on credit from Narula, Error rectification recording, was not recorded earlier)			4,000
iv.		Machinery A/c Dr.		500	
		To Sundry Expenses A/c			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			450

		₹ 500)			
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.		11,000	
		To Rajat's A/c			5,000
		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.)			6,000
ii.		Salaries A/c Dr.		2,000	
		To Employee A/c			1,200

		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)			800
iii.		Sales A/c Dr.		1,600	
		Drawings A/c			1,000
		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)			600
iv.		Suspense A/c Dr.		2,700	
		To Machinery A/c (Depreciation provided on machinery, Error rectification recording, was posted as ₹ 300 instead of ₹ 3,000)			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.		Marketing A/c Dr.		5,000	
		To Purchases A/c (Goods distributed as free sample, Error rectification recording, was not recorded earlier)			5,000
ii.		Drawings A/c Dr.		2,000	
		To Purchases A/c (Goods withdrawn for personal use by the proprietor, Error rectification recording, was not recorded earlier)			2,000
iii.		Suspense A/c Dr.		6,000	
		To Debtors A/c (Bills receivable received from the debtor, Error rectification recording, was not posted to the debtors account)			6,000
iv.		Returns Inward A/c Dr.		1,200	
		Returns Outward A/c Dr.		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

		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)			5,000
iii.		Sales A/c Dr.		1,000	
		Rai's A/c Dr.		2,000	
		To Returns Outward A/c (Goods returned, Error Rectification Entry, was wrongly recorded through the sales book as ₹ 1,000 instead of ₹ 3,000)			3,000
iv.		Manish's A/c Dr.		1,200	
		Sales A/c Dr.		1,800	
		Maneesh's A/c Dr.		2,000	
		To Machinery A/c			2,000
		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)			3,000
v.		Return Inward A/c Dr.		2,800	
		To Purchases A/c (Total of returns inwards book, Error Rectification Entry, was wrongly posted to purchases account)			2,800
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.		Sales A/c Dr.		400	
		To Suspense A/c (Sales account overcasted, Error rectification recording, was wrongly carried forward in two pages)			400
b.		Machinery A/c Dr.		500	
		To Wages A/c			50
		To Suspense A/c (Wages paid for installation of machinery, Error rectification recording, was wrongly posted to the wages account)			450

c.		Machinery A/c Dr.		10,000	
		Suspense A/c Dr.		5,000	
		To Purchases A/c			6,000
		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)			9,000
d.		Mohan's A/c Dr.		10,000	
		To Sales A/c			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.	5,000		
		To Manu's A/c (Cash paid to Mani against our acceptance, Error rectification recording, was wrongly debited to Manu's account)		5,000	
k.		Sales A/c Dr.	1,000		
		Suspense A/c Dr.	2,000		
		To Furniture A/c (Old furniture sold for ₹ 3,000, Error		3,000	

		rectification recording, was wrongly posted to sales account as ₹ 1,000)			
I.		Depreciation A/c Dr.		800	
		To Furniture A/c (Depreciation provided on furniture, Error rectification recording, was not posted earlier)			800
m.		Building A/c Dr.		13,000	
		To Purchases A/c			10,000
		To Wages A/c (Material and wages used for the construction of the building, Error rectification recording, was not posted earlier)			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.