

# NCERT Solutions for Class 11 Accountancy

## Financial Accounting Part-1 Chapter 4

### Recording of Transactions - II Class 11

Chapter 4 Recording of Transactions - II Exercise Solutions

Short answers : Solutions of Questions on Page Number : 142

**Q1 :**

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

**Answer :**

Transactions are recorded directly from source documents in the Cash Book, so there is no need to record transactions in the Journal book. Further, on the basis of the cash transactions recorded in the Cash Book, cash and bank balances can be determined, and so there is no need to prepare cash account (which is a part of ledger) separately. Thus, the Cash Book serves the purpose of both Journal as well as ledger.

Answer needs Correction? [Click Here](#)

**Q2 :**

**What is the purpose of contra entry?**

**Answer :**

Contra entry represents deposits or withdrawals of cash from bank or vice versa. The purpose of contra entry is to indicate the transactions that effect both cash and bank balances. This entry does **not** affect the financial positions of a business. A contra entry is recorded in both sides of a two column Cash Book and is denoted by 'C' in the ledger folio column.

Answer needs Correction? [Click Here](#)

**Q3 :**

**What are special purpose books?**

**Answer :**

Business transactions are large in number and difficult to record; so, journal is sub-divided for quick, efficient and accurate recording of the business transactions. Special purpose books like, sales book and purchases book are maintained for those transactions that are routine and

repetitive in nature. Recording through these books is economical and enables division of work among accountants.

[Answer needs Correction? Click Here](#)

**Q4 :**  
**What is petty cash book? How it is prepared?**

**Answer :**

Petty Cash Book is used for recording payment of petty expenses, which are of smaller denominations like postage, stationery, conveyance, refreshment, etc. Person who maintains petty cash book is known as petty cashier and these small expenses are termed as petty expenses.

It is prepared by two methods:

1. **Ordinary system:** In this case, a fixed sum of money is paid to petty cashier for the payment of petty expenses and after spending the whole amount, the account is submitted by the petty cashier to the main cashier.
2. **Imprest system:** In this case, a fixed sum of the money is given to the petty cashier in the beginning of a period and at the end of the period the amount spent by him is reimbursed, so that he has a fixed amount in the beginning of every new period.

[Answer needs Correction? Click Here](#)

**Q5 :**  
**Explain the meaning of posting of journal entries?**

**Answer :**

Posting is the process of transferring the business transactions from Journal to ledgers.

Every transaction is first recorded in the Journal and subsequently transferred to their respective accounts.

[Answer needs Correction? Click Here](#)

**Q6 :**  
**Define the purpose of maintaining subsidiary journal.**

**Answer :**

The process of accounting starts from identification of financial and non-financial events. Financial events are first recorded in a Journal. A small business has lesser number of transactions and thereby it may be possible to record these transactions through Journal entry. However, on the contrary, as the business grows, there will be voluminous number of transactions and the firm may experience difficulty, thereby it becomes tedious to record through

Journal entry. Thus, in order to save time and effort, it is recommended to sub-divide Journal. Sub-division of Journal provides scope for division of work. This leads to the improvement of efficiency and effectiveness and infuses higher degree of accountability to the accountants for the specific subsidiary Journal assigned to them. The purposes of maintaining subsidiary Journal are given below.

1. It saves time and efforts in recording.
2. It enables division of work, leading to an enhancement of efficiency and effectiveness, as particular accountant takes care of particular books.
3. It also makes each accountant more responsible and accountable for the books assigned to them.
4. It records routine and repetitive transactions at one place, which leads to easy accessibility of information and hassle-free communication.

Answer needs Correction? [Click Here](#)

**Q7 :**

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

**Answer :**

Basis of Difference	Return Inwards	Return Outwards
Meaning	Goods sold to the customers, are returned by them.	Goods purchased are returned.
Balance	It has debit balance.	It has credit balance.
Treatment	It is deducted from Sales in the Trading Account.	It is deducted from Purchases Account.
Issued	Credit note is prepared by the seller.	Debit note is prepared by the buyer.
Reduction	It reduces the payment from the Debtors.	It reduces the payment made to the Creditors.
Term	It is also termed as Sales Returns.	It is also termed as Purchases Returns.

Answer needs Correction? [Click Here](#)

**Q8 :**

**What do you understand by ledger folio?**

**Answer :**

Ledger folio is a page number of an account in ledger that is written in the L.F. column of a journal format. In journal entry, ledger folio number is written corresponding to the name of the account in the L.F. column. It helps in easy locating of the account in the ledger book. It reduces the time in recording and rechecking.

Answer needs Correction? [Click Here](#)

**Q9 :**

**What is difference between trade discount and cash discount?**

**Answer :**

<b>Basis of Difference</b>	<b>Trade Discount</b>	<b>Cash Discount</b>
Meaning	It is allowed when goods are purchase or sold.	It is allowed at the time of payment.
Recording in books	It is recorded in invoice/bill but <b>not</b> in the books.	It is recorded in the discount column of the Cash Book's debit side, if allowed, and credit side, if received.
Purpose	It is allowed to increase sale.	It is allowed for earlier payment.
Deduction	It is deducted from the price-list of the goods.	It is <b>not</b> deducted from the price-list of the goods.

Answer needs Correction? [Click Here](#)

**Q10 :**

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

**Answer :**

The process of preparing ledger from Journal can be explained with the help of an example. Let us suppose that machinery is purchased from Mr. X, so, the journal entry will be:

Machinery A/c

To Mr. X Account

In this example, Machinery Account is debited and Mr. X Account is credited. Let us understand the process of preparing ledger from the journal entry.

**Account which is debited in the entry:**

**Step 1:** Identify the account in ledger that is debited, i.e., 'Machinery Account'.

**Step 2:** Enter date in the debit side of the 'Machinery Account' in the 'Date' column.

**Step 3:** Enter the name of the account as 'Mr. X Account' (which is credited in the entry) in the 'Particulars' column in the debit side of the Machinery Account.

**Step 4:** Enter the page number of the journal, where the entry is recorded in the 'J.F.' (journal folio) column.

**Step 5:** Post the corresponding amount in the 'Amount' column, which is recorded against 'Machinery Account' in the journal entry.

**Account which is credited in entry:**

**Step 1:** Identify the account in ledger that is credited, i.e., 'Mr. X Account'.

**Step 2:** Enter date in the credit side of 'Mr. X Account' in the 'Date' column.

**Step 3:** Enter the name of the account as 'Machinery Account' (which is debited in the entry) in the 'Particulars' column in the credit side of the 'Machinery Account'.

**Step 4:** Enter the page number of the journal where the entry is recorded in the 'J.F.' (journal folio) column.

**Step 5:** Post the corresponding amount in the 'Amount' column, which is recorded against 'Mr. X Account' in the journal entry.

Answer needs Correction? [Click Here](#)

**Q11 :**

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

**Answer :**

Imprest amount is an amount of money given by the main cashier to the petty cashier in the beginning of a period. At the end of the period, the amount spent by the petty cashier gets reimbursed in such a manner, that he has the same amount of cash in hand in the beginning of next period. For example, if the main cashier gives an imprest amount of Rs 1,000 to the petty cashier on April 01, 2011 and at the end of the month the petty expenses amount to be Rs 850, which is spent by the petty cashier during the month. In this case, Rs 850 will be reimbursed, so, that on May 01, 2011, the petty cashier will have Rs 1,000 at his disposal to meet petty expenses for the next month.

Answer needs Correction? [Click Here](#)

**Long answers :** Solutions of Questions on Page Number : 142

**Q1 :**

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

**Answer :**

The needs for drawing up the special purpose book are given below.

1. **Quick and efficient recording:** It is a time consuming process to record all the transactions in a journal. If there are separate books, then recording of transactions can be done more efficiently and timely. So, the need of special purpose book arises.
2. **Repetitive nature:** In every business, some transactions are similar and repetitive in nature. It will be more convenient to record all similar transactions at one place. For example, all credit sales transactions are recorded in the Sales Book.
3. **Economical:** It is more economical as recording through the special purpose books saves time and also enhances the efficiency of accountants and clerks.

4. **Easy posting:** If similar transactions are recorded at one place, posting becomes easier.
5. **Complete information at one place:** All information related to purchases, sales, cash receipts, payments, etc. are easily and hassle-free available.

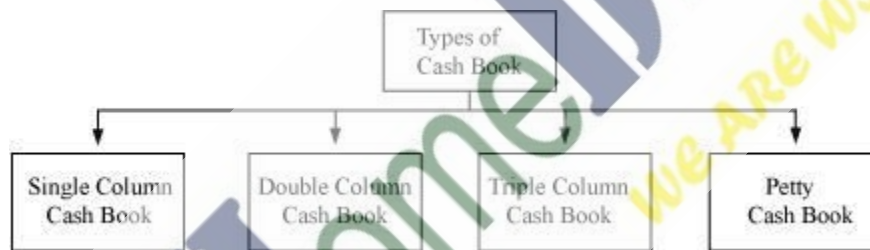
Answer needs Correction? [Click Here](#)

**Q2 :**

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

**Answer :**

Cash Book is a book of original entry. It records all transactions related to receipts and payments of cash and deposits in and withdrawals from a bank in a chronological order. In the debit side of the cash book, the cash receipts are recorded in the cash column while all deposits into bank account are recorded in the bank column. On the contrary, in the credit side of the cash book, all cash payments are recorded in the cash column, while all payments through cheques are recorded in the bank column. Usually, it is prepared on monthly basis. Cash book also serves the purpose of principle book (i.e. cash account and bank account).



1. **Single Column Cash Book:** A single column Cash Book contains one column of amount on both sides, i.e., one in the debit side and other in the credit side. In the single column Cash Book, only cash transactions are recorded. In the debit side of the Cash Book, all cash receipts are recorded, while in the credit side all cash payments are recorded.
2. **Double Column Cash Book:** A double column Cash Book contains two columns of amount, namely cash column and bank column on both sides. In the cash column of Cash Book, all cash receipts and payments are recorded, according to the rule of Real Accounts. All deposits either in cash or through cheques into the bank account of the business are debited in the bank column and all withdrawals of cash and payments through cheques are credited in the bank column.

### Cash Book

**Dr.**

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars
	Cash	(C)		-		Bank

3.

3. **Triple Column Cash Book:** In a triple column Cash Book, there are three columns of amount namely, cash, bank and discount. Discount allowed and discount received are recorded in the discount column. While in the debit side, discount allowed is recorded along with the receipts, either in cash or through cheque; whereas, in the credit side, discount received is recorded, along with the payments made either in cash or by issuing cheques.
4. **Petty Cash Book:** This book is used for recording payment of petty expenses, which are of smaller denominations like, postage, stationery, conveyance, refreshment, etc. is known as Petty Cash Book.

Answer needs Correction? [Click Here](#)

**Q3 :**

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

**Answer :**

The transaction that is entered in either sides of the double column or three column cash book, affecting both cash and the bank balances concomitantly is called contra entry. These entries result in increase in cash balances and decrease in bank balances or vice versa. In other words, a debit of bank account leads to a credit of cash account and a credit of bank account leads to a debit of cash account. For example, Rs 200 cash deposited into bank. This transaction increases the bank amount on one hand; whereas, on the other hand reduces the cash balance. In this entry, in the debit side of the cash book, 'Cash' will be recorded with a balance of Rs 200 in the bank column and in the credit side of the cash book, 'Bank' will be recorded with a balance of Rs 200 in the cash column. This entry is a contra entry as it affects both cash and bank balance together. The contra entries are denoted by 'C'.

Some transactions that lead to contra entry are given below.

1. Opening a bank account
2. Depositing cash into bank
3. Withdrawal from bank

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

**Cash Book**

**Dr.**

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.
	Cash	(C)		-		Bank	(C)

Answer needs Correction? [Click Here](#)

**Q4 :**

**What is petty cash book? Write the advantages of petty cash book?**

**Answer :**

Petty Cash Book is used for recording payments of small expenses, which are of smaller denominations such as postage, stationery, conveyance, refreshment, etc. Person who maintains Petty Cash Book is known as petty cashier and these small expenses are termed as petty expenses.

It is prepared by the below given two methods.

1. **Ordinary system:** Under this system, a certain sum of money is given to the petty cashier for the payment of petty expenses. After spending the whole amount, the accounts are submitted by the petty cashier to the main cashier.
2. **Imprest system:** Under this system, a fixed sum of money is given to the petty cashier in the beginning of a period to meet the petty expenses to be incurred in that period. At the end of the period, the amount spent by the petty cashier is reimbursed. So, the petty cashier has the same fixed amount of money in the beginning of the next period.

The Performa of Petty Cash Book is given below.

**Petty Cash Book**

**Dr.**

Amount Received	Date	Particulars	Voucher No.	Amount Paid Rs	Analysis of P			
					Postage	Stationery	Conveyance	Tel

**Advantages of Petty Cash Book:**

**Simple method:** Recording of transactions in a petty cash book is easy. In an analytical Petty Cash Book, there exists separate heads for different petty expenses, which makes recording much easier. Recording in a Petty Cash Book does **not** require formal knowledge of accounting principles and techniques.

**Time saving:** Recording in Petty Cash Book saves time and efforts of the chief cashier.

**Efficient control:** At the end of a period, Petty Cash Book is audited by the main cashier, so frauds and errors are less probable.



**Convenient handling:** Recording in Petty Cash Book is convenient, as entries are to be recorded under separate heads, which makes posting easier and quicker.

Answer needs Correction? [Click Here](#)

**Q5 :**

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

**Answer :**

The advantages of sub division of Journal are given below.

1. **Division of work:** The lack of sub-division of Journal may lead to chaos and confusions, if large numbers of transactions are to be recorded through Journal entry by more than one accountant. There will be more inflexibility and lack of accountability among the accountants. Sub-division of Journal into Subsidiary Books facilitates division of work. Sub-division enables different accountants to work on different books. This will **not** only avoid confusions but also enhance the sense of accountability among the accountants.
2. **Time saving:** The art of recording through subsidiary book is time efficient and more effective as compared to recording through Journal entries.
3. **Prompt information:** The transactions of similar nature are recorded in a particular Subsidiary Book. This acts as a ready source to access information quicker than through Journal entry.
4. **Creates Accountability:** Sub-division of Journal entrusts accountants with higher degree of responsibility and accountability for maintaining subsidiary book that are assigned to them.
5. **Easy checking:** In case discrepancies or errors arise, they can be easily located and rectified, as lesser number of transactions is recorded in a Subsidiary Book than in a Journal.
6. **Specialisation:** The accountability, responsibility and division of work together enhance the specialisation of each accountant. This is because, routine and repetitive tasks are performed by each accountant.

Answer needs Correction? [Click Here](#)

**Q6 :**

**What do you understand by balancing of account?**

**Answer :**

Accounts are prepared on weekly, fortnightly, monthly, quarterly or on daily basis. At the end of each period they are balanced. The balancing of the accounts is done in the manner given below.

1. The totals of the debit and credit of an account is calculated, to ascertain which one of them is higher.
2. The higher figure among debit and credit side is written in the grand total cell on both sides of the account, i.e., in debit and in credit side.
3. The next step is to ascertain the difference between the debit total and the credit total. This difference is called 'Closing Balance' or 'Balance carried down', and is denoted by 'Balance c/d'.

4. The 'Balance c/d' will be shown either in the debit or credit side, whichever totals up into lower amount.
5. If 'Balance c/d' is written in the debit side, then the balance is called 'Credit balance'. On the other hand, if 'Balance c/d' is written in the credit side, then the balance is called 'Debit Balance'.
6. On closing the account, 'Balance c/d' is brought forward to the subsequent period, and it is written as 'Balance b/d'.

Usually, the closing balances of real and personal accounts are forwarded to the next period by this manner. For nominal accounts, Steps 1 to 3 remain same and they are closed by transferring the closing balances either to Trading Account or to Profit and Loss Account.

Answer needs Correction? [Click Here](#)

**Numerical questions :** Solutions of Questions on Page Number : 143

**Q1 :**

**Enter the following transactions in a simple cash book for December 2005:**

- 01 Cash in hand
- 05 Cash received from Bhanu
- 07 Rent Paid
- 10 Purchased goods Murari for cash
- 15 Sold goods for cash
- 18 Purchase stationery
- 22 Cash paid to Rahul on account
- 28 Paid salary
- 30 Paid rent

**Answer :**

**Cash Book**

**Dr.**

**Cr.**

Date	Particulars	L.F.	Amount Rs	Date	Particulars	L.F.	Amount Rs
2005				2005			

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

Answer needs Correction? [Click Here](#)

**Q2 :**

**Record the following transaction in simple cash book for November 2005:**

- 01 Cash in hand
- 04 Cash paid to Hari
- 07 Purchased goods
- 12 Cash received from Amit
- 16 Sold goods for cash
- 20 Paid to Manish
- 25 Paid cartage
- 31 Paid salary

**Answer :**

## Cash Book

Dr.

Cr.

Date	Particulars	L.F.	Amount Rs	Date	Particulars	L.F.	Amount Rs
2005				2005			
Nov.01	Balance b/d		12,500	Nov.04	Hari		600
Nov.12	Amit		1,960	Nov.07	Purchases		800
Nov.16	Sales		800	Nov.20	Manish		590
				Nov.25	Cartage		100
				Nov.30*	Salaries		1,000
				Nov.30*	Balance c/d		12,170
			15,260				15,260

**\* Note: There is a misprint in the question as there is a transaction on November 31, which is not possible as there are only 30 days in the month of November.**

[Answer needs Correction? Click Here](#)

**Q3:**

**Enter the following transaction in Simple cash book for December 2005:**

- 01      Cash in hand
- 06      Paid to Sonu
- 08      Purchased goods
- 15      Received cash from Parkash
- 20      Cash sales

- 25          Paid to S. Kumar  
 30          Paid rent

Answer :

**Cash Book**

Dr.

Cr.

Date	Particulars	L.F.	Amount Rs	Date	Particulars	L.F.	Amount Rs
2005				2005			
Dec.01	Balance b/d		7,750	Dec.06	Sonu		45
Dec.15	Prakash		960	Dec.08	Purchases		600
Dec.20	Sales		500	Dec.25	S. Kumar		1,200
				Dec.30	Rent		600
				Dec.31	Balance c/d		6,765
			9,210				9,210

Answer needs Correction? [Click Here](#)

Q4:

Record the following transactions in a bank column cash book for December 2005:

- 01          Started business with cash  
 04          Deposited in bank  
 10          Received cash from Rahul  
 15          Bought goods for cash

- 22 Bought goods by cheque
- 25 Paid to Shyam by cash
- 30 Drew from Bank for office use
- 31 Rent paid by cheque

Answer :

**Cash Book**

Dr.

Cr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs	Bank Rs
2005					2005				
Dec.01	Capital		80,000		Dec.04	Bank	C	50,000	
Dec.04	Cash	C		50,000	Dec.15	Purchases		8,000	
Dec.10	Rahul		1,000		Dec.22	Purchases			10,000
Dec.30	Bank	C	2,000		Dec.25	Shyam		20,000	
					Dec.30	Cash	C		2,000
					Dec.31	Rent			1,000
					Dec.31	Balance c/d		5,000	37,000
			83,000	50,000				83,000	50,000

Answer needs Correction? [Click Here](#)

**Q5 :**

Prepare a double column cash book with the help of following information for December 2005 :

- 01 Started business with cash  
 03 Cash paid into bank  
 05 Purchased goods from Sushmita  
 06 Sold goods to Dinker and received a cheque  
 10 Paid to Sushmita cash  
 14 Cheque received on December 06, 2005 deposited into bank  
 18 Sold goods to Rani  
 20 Cartage paid in cash  
 22 Received cash from Rani  
 27 Commission received  
 30 Drew cash for personal use

Answer :

**Cash Book**

Dr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs	Bank Rs
2005					2005				
Dec.01	Capital		1,20,000		Dec.03	Bank	C	50,000	
Dec.03	Cash	C		50,000	Dec.10	Sushmita		20,000	
Dec.06	Dinker		20,000		Dec.14	Bank	C	20,000	
Dec.14	Cash	C		20,000	Dec.20	Cartage		500	
Dec.22	Rani		12,000		Dec.30	Drawings	C	2,000	
Dec.27	Commission		5,000		Dec.31	Balance c/d		64,500	

			1,57,000	70,000				1,57,000	

Answer needs Correction? [Click Here](#)

**Q6 :**

Enter the following transactions in double column cash book of M/s Ambika Traders for November 2005:

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

Answer :

**Books of M/s. Ambika Traders**

**Cash Book**

**Dr.**

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs	Bank Rs
2005					2005				



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

Answer needs Correction? [Click Here](#)

**Q7 :**

**Prepare double column cash book from the following information for September 2005:**

- 01 Cash in hand
- Bank overdraft
- 03 Paid wages
- 05 Cash sales
- 10 Cash deposited into bank
- 15 Goods purchased and paid by cheque
- 20 Paid rent
- 25 Drew from bank for personal use
- 30 Salary paid

**Answer :**

### Cash Book

Dr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs	Bank Rs
2005					2005.				
Sep.01	Balance b/d		7,500		Sep.01	Balance b/d (Overdraft)			3,500
Sep.05	Sales		7,000		Sep.03	Wages		200	
Sep.10	Cash	C		4,000	Sep.10	Bank	C	4,000	
					Sep.15	Purchases			2,000
					Sep.20	Rent		500	
					Sep.25	Drawings			400
					Sep.30	Salaries		1,000	
Sep.30	Balance c/d (Over draft)			1,900	Sep.30	Balance c/d		8,800	
			14,500	5,900				14,500	5,900

Answer needs Correction? [Click Here](#)

**Q8 :**

Enter the following transaction in a double column cash book of M/s Mohit Traders for January 2005:

- 01      Cash in hand
- Bank overdraft
- 03      Goods purchased for cash
- 05      Paid wages
- 10      Cash sales
- 15      Deposited into bank
- 22      Sold goods for cheque which was deposited into bank same day

- 25 Paid rent by cheque
- 28 Drew from bank for personal use
- 31 Bought goods by cheque

Answer :

**Books of M/s. Mohit Traders**

**Cash Book**

Dr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs
2005					2005			
Jan.01	Balance b/d		3,500		Jan.01	Balance b/d (overdraft)		
Jan.10	Sales		8,000		Jan.03	Purchases		1,200
Jan.15	Cash	C		6,000	Jan.05	Wages		200
Jan.22	Sales			2,000	Jan.15	Bank	C	6,000
					Jan.25	Rent		
					Jan.28	Drawings		
					Jan.31	Purchases		
					Jan.31	Balance c/d		4,100
			11,500	8,000				11,500

Answer needs Correction? [Click Here](#)

**Q9 :**

Prepare double column cash book from the following transactions for the year December 2005:

- 01 Cash in hand  
Cash at bank
- 03 Purchased goods for cash
- 05 Received cheque from Jasmeet
- 08 Sold goods for cash
- 10 Jasmeet's cheque deposited into bank
- 12 Purchased goods and paid by cheque
- 15 Paid establishment expenses through bank
- 18 Cash sales
- 20 Deposited into bank
- 24 Paid trade expenses
- 27 Received commission by cheque
- 29 Paid Rent
- 30 Withdrew cash for personal use
- 31 Salary paid

Answer :

[[S]]

**Cash Book**

Dr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Cash Rs	Bank Rs
2005					2005				
Dec.01	Balance b/d		17,500	5,000	Dec.03	Purchases		3,000	
Dec.05	Jasmeet		10,000		Dec.10	Bank	C	10,000	
Dec.08	Sales		7,000		Dec.12	Purchases			20,
Dec. 10	Cash	C		10,000	Dec.15	Establishment Expenses			1,

Dec.18	Sales		7,000		Dec.20	Bank	C	10,000	
Dec.20	Cash	C		10,000	Dec.24	Trade Expenses		500	
Dec.27	Commission			6,000	Dec.29	Rent		2,000	
					Dec.30	Drawings		1,200	
					Dec.31	Salaries		6,000	
					Dec.31	Balance c/d		8,800	10,
			41,500	31,000				41,500	31,

Answer needs Correction? [Click Here](#)

**Q10 :**

**M/s Ruchi trader started their cash book with the following balances on Dec. 01 2005 : cash in hand Rs 1,354 and balance in bank current account Rs 7,560. He had the following transaction in the month of December, 2005:**

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

**Prepare bank column cash book**

Answer :

**Books of M/s. Ruchi Trader**

**Cash Book**

Dr.

Date	Particulars	L.F.	Cash Rs	Bank Rs	Date	Particulars	L.F.	Ca Rs
2005					2005			
Dec.01	Balance b/d		1,354	7,560	Dec.05	Purchases		
Dec.03	Sales		2,300		Dec.12	Trade Expenses		
Dec.08	Sales		10,000		Dec.18	Motor Car		
Dec.15	Sales			20,000	Dec.25	Manisha (Dishonour)		
Dec.20	Manisha			10,000	Dec.28	Rent		2,
Dec.22	Sales		7,000		Dec.29	Telephone Expenses		
					Dec.31	Drawings		2,
					Dec.31	Balance c/d		15,
			20,654	37,560				20,

Answer needs Correction? [Click Here](#)

**Q11 :**

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

**January**

- 01      Paid cartage
- 02      STD charges
- 02      Bus fare

- 03 Postage
- 04 Refreshment for employees
- 06 Courier charges
- 08 Refreshment of customer
- 10 Cartage
- 15 Taxi fare to manager
- 18 Stationery
- 20 Bus fare
- 22 Fax charges
- 25 Telegrams charges
- 27 Postage stamps
- 29 Repair on furniture
- 30 Laundry expenses
- 31 Miscellaneous expenses

Answer :

**Petty Cash Book**

Amount Received Rs	Date	Particulars	Voucher No.	Amount Paid Rs	Analysis of P			
					Telephone Telegram	Postage	Conveyance	Refr
2,000	Jan.01	Cash						
	Jan.01	Cartage		50				
	Jan.02	STD charges		40	40			
	Jan.02	Bus Fare		20			20	
	Jan.03	Postage		30		30		
	Jan.04	Refreshment for Employees		80				
	Jan.06	Courier charges		30		30		
	Jan.08	Refreshment of customer		50				

	Jan.10	Cartage		35		
	Jan.15	Taxi Fare to Manager		70		70
	Jan.18	Stationery		65		
	Jan.20	Bus Fare		10		10

Answer needs Correction? [Click Here](#)

**Q12 :**

Record the following transactions during the week ending Dec. 30, 2005 with a weekly imprest Rs 500

24	Stationery
25	Bus fare
25	Cartage
26	Taxi fare
27	Wages to casual labour
29	Postage

**Answer :**

**Petty Cash Book**

Amount Received Rs	Date	Particulars	Voucher No.	Amount Paid Rs	Analysis of Payments			
					Stationery	Conveyance	Cartage	Postage
500	2005 Dec.24	Cash						
	Dec.24	Stationery		100	100			
	Dec.25	Bus Fare		12		12		
	Dec.25	Cartage		40			40	
	Dec.26	Taxi Fare		80		80		



	Dec.27	Wages to Casual labour	90				
	Dec.29	Postage	80				
			402	100	92	40	
	Dec.30	Balance c/d	98				
	2005		500				
98	Dec.31	Balance b/d					
402	Dec.31	Cash					

Answer needs Correction? [Click Here](#)

### Q13 :

Enter the following transactions in the Purchase Journal (Book) of M/s Gupta Traders of July 2005:

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

Answer :

**Books of M/s. Gupta Traders**

**Purchases Book**

Date	Invoice No.	Name of Supplier (Accounts to be credited)	L.F.	Details	Amount
				Rs	Rs
2005 July 01	20041	<b>Rahul Traders</b> 40 Registers @ Rs 60 each 80 Gel Pens @ Rs 15 each 50 Note Books @ Rs 20 each  <i>Less: Trade Discount 10%</i>		2,400 1,200 1,000 4,600 (460)	4,140
July 15	1132	<b>Global Stationeries</b> 40 Ink Pads @ Rs 8 each 50 Files @ Rs 10 each 20 Colour Books @ Rs 20 each  <i>Less: Trade discount 5%</i>		320 500 400 1,220 (61)	1,159
July 25	1111	<b>Mumbai Traders</b> 10 Paper Rim @ Rs 100 each 400 Drawing Sheet @ Rs 3 each 20 Packet Water Colour @ Rs 40 per pack		1,000 1,200 800	3,000
<b>Purchases Account</b>					8299

**Note: Furniture purchased from Lamba Traders will not be recorded in the Purchases Book as furniture is not to be considered as goods for the M/s Gupta Trader. This is because as per the transactions M/s. Gupta traders deals in stationery and not in furniture.**

**Note: Slight change in the Performa of subsidiary book is done. Here 'Details' column has been added in Purchase Book.**

Answer needs Correction? [Click Here](#)

**Q14 :**

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

**September**

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

**Answer :**

**Books of M/s. Bansal Electronics**

**Sales Book**

Date	Bill No.	Name of the Customer	L.F.	Details	Amount
------	----------	----------------------	------	---------	--------

(Accounts to be debited)			Rs	Rs
Sept.01	4321	<b>Amit Traders</b> 20 Pocket Radio @ Rs 70 Per Radio 2 T.V. Set, B&W (6") @ Rs 800 per T.V.	1,400 1,600	3,000
Sept.10	4351	<b>Arun Electronics</b> 5 T.V. sets (20") B&W @ Rs 3,000 per T.V. 2 T.V. sets (21") Colour @ Rs 4,800 per T.V.	15,000 9,600	24,600
Sept.22	4399	<b>Handa Electronics</b> 10 Tape Recorders @ Rs 600 each 5 Walkman @ Rs 300 each	6,000 1,500	7,500
Sept.28	4430	<b>Harish Traders</b> 10 Mixer Juicer Grinder @ Rs 800 each	8,000	8,000
		<b>Sales Account</b>		43,100

Answer needs Correction? [Click Here](#)

**Q15 :**  
Prepare a purchases return (journal) book from the following transactions for January 2006.

- 05 Returned goods to M/s Kartik Traders
- 10 Goods returned to Sahil Pvt. Ltd.
- 17 Goods returned to M/s Kohinoor Traders for list price Rs 2,000 less 10% trade discount.

Answer :

**Purchases Return Book**

Date	Debit Note No.	Name of Supplier (Account to be debited)	L.F.	Amount Rs
2006				
Jan. 05		M/s Kartik Traders		1,200
Jan. 10		Sahil Pvt. Ltd.		2,500
Jan. 17		M/s Kohinoor Trader		
		<i>List Price</i>	2,000	
		<i>Less: 10% Trade discount</i>	(200)	1,800
Jan. 28		M/s Handa Traders		550
		<b>Purchases Return Account</b>		<b>6,050</b>

Answer needs Correction? [Click Here](#)

**Q16 :**  
**Prepare Return Inward Journal (Book) from the following transactions of M/s Bansal Electronics for November 2005:**

- 04 M/s Gupta Traders returned the goods
- 10 Goods returned from M/s Harish Traders
- 18 M/s Rahul Traders returned the goods not as per specifications
- 28 Goods returned from Sushil Traders

Answer :

**Sales Return Book**

<b>Date</b>	<b>Credit Note No.</b>	<b>Name of Customer (Account to be credited)</b>	<b>L.F.</b>	<b>Amount Rs</b>
2005				
Nov.04		M/s Gupta Traders		1,500
Nov.10		M/s Harish Traders		800
Nov.18		M/s Rahul Traders		1,200
Nov.28		Sushil Traders		1,000
		<b>Sales Return Account</b>		4,500

Answer needs Correction? [Click Here](#)

**Q17 :**

**Prepare proper subsidiary books and post them to the ledger from the following transactions for the month of February 2006:**

- 01 Goods sold to Sachin
- 04 Purchase from Kushal Traders
- 06 Sold goods to Manish Traders
- 07 Sachin returned goods
- 08 Returns to Kushal Traders
- 10 Sold to Mukesh
- 14 Purchased from Kunal Traders
- 15 Furniture purchased from Tarun
- 17 Bought of Naresh
- 20 Return to Kunal Traders

- 22 Return inwards from Mukesh
- 24 Purchased goods from Kirit & Co. for list price of  
*less* 10% trade discount
- 25 Sold to Shri Chand goods  
*less* 5% trade discount
- 26 Sold to Ramesh Brothers
- 28 Return outwards to Kirit and Co.  
*less* 10% trade discount
- 28 Ramesh Brothers returned goods Rs 500.

Answer :

**Journal  
Purchases Book**

Date	Invoice No.	Name of Supplier (Accounts to be credited)	L.F.	Amount Rs
2006				
Feb.04		Kushal Traders		2,480
Feb.14		Kunal Traders		5,200
Feb.17		Naresh		4,060
Feb.24		Kirit and Co.	5,700	
		<i>Less:</i> Trade Discount 10%	(570)	5,130
		<b>Purchases Account</b>		16,870

**Sales Book**

Date	Invoice No.	Name of Customer (Accounts to be debited)	L.F.	Amount Rs
------	-------------	--	------	--------------

2006			
Feb. 01	Sachin		5,000
Feb.06	Manish Traders		2,100
Feb.10	Mukesh		

Answer needs Correction? [Click Here](#)

**Q18 :**

The following balances of ledger of M/s Marble Traders on April 01, 2006

Cash in hand  
Cash at bank  
Bills receivable  
Ramesh (Cr.)  
Stock (Goods)  
Bills payable  
Rahul (Dr.)  
Himanshu (Dr.)

**Transactions during the month were:**

**April**

01 Goods sold to Manish  
02 Purchased goods from Ramesh  
03 Received cash from Rahul in full settlement  
05 Cash received from Himanshu on account  
06 paid to Remesh by cheque  
08 Rent paid by cheque  
10 Cash received from manish  
12 Cash sales  
14 Goods returned to Ramesh  
15 Cash paid to Ramesh in full settlement



- 16 Discount received  
 18 Goods sold to Kushal  
 20 Paid trade expenses  
 21 Drew for personal use  
 22 Goods return from Kushal  
 24 Cash received from Kushal  
 26 Paid for stationery  
 27 Postage charges  
 28 Salary Paid  
 29 Goods purchased from Sheetal Traders  
 30 Sold goods to Kirit  
 Goods purchased from Handa Traders

**Journalise the above transactions and post them to the ledger.**

**Answer :**

**Books of M/s. Marble Traders**

**Journal**

<b>Date</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Debit Amount Rs</b>	<b>Credit Amount Rs</b>
2006	Cash A/c	Dr.	6,000	
Apr.01	Bank A/c	Dr.	12,000	
	Bills Receivable A/c	Dr.	7,000	
	Stock A/c	Dr.	5,400	
	Rahul's A/c	Dr.	9,700	
	Himanshu A/c	Dr.	10,000	
	To Ramesh's A/c			3,000

	To Bills Payable A/c			2,000
	To Capital A/c (Balancing figure ) (Balance brought from last year)			45,100
Apr.01	Manish	Dr.	3,000	
	To Sales A/c (Goods sold to Manish)			3,000



Home Delivery

WE ARE WITH YOU.....