

Chapter- 5 Journal

Q.1 Following transactions of Ramesh for April, 2019 are given below. Journalise them.

| 2019 | | ₹ |
|----------|------------------------------------|----------|
| April 1 | Ramesh started business with cash | 1,00,000 |
| April 2 | Paid into bank | 20,000 |
| April 3 | Bought goods for cash | 50,000 |
| April 4 | Drew cash from bank for office use | 10,000 |
| April 13 | Sold goods to Krishna | 15,000 |
| April 20 | Bought goods from Shyam | 22,500 |
| April 22 | Krishna returned goods | 2,000 |
| April 24 | Received from Krishna | 12,500 |
| | Allowed him discount | 500 |
| April 28 | Paid cash to Shyam | 21,500 |
| | Discount received | 1,000 |
| April 30 | Cash sales for the month | 80,000 |
| April 30 | Paid rent | 5,000 |
| April 30 | Paid salary | 10,000 |

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|---|------|---------------------|----------------------|
| 2019 Apr-01 | Cash A/c Dr. To Capital A/c (Started business with cash) | | 1,00,000 | 1,00,000 |
| Apr-02 | Bank A/c Dr. To Cash A/c (Paid into bank) | | 20,000 | 20,000 |
| Apr-03 | Purchases A/c Dr. To Cash A/c (Goods purchased) | | 50,000 | 50,000 |
| Apr-04 | Cash A/c Dr. To Bank A/c (Drew from bank for office use) | | 10,000 | 10,000 |
| Apr-13 | Cash A/c Dr. To Sales A/c (Goods sold to Krishna for Cash) | | 15,000 | 15,000 |
| Apr-20 | Purchases A/c Dr. To Cash A/c (Goods purchased for cash) | | 22,500 | 22,500 |
| Apr 22 | Sales Return A/c Dr. To Cash A/c (Goods sold to Krishna returned) | | 2,000 | 2,000 |
| Apr-24 | Cash A/c Dr. Discount Allowed A/c Dr. To Krishna A/c (Received from Krishna) | | 12,500 500 | 13,000 |
| Apr-28 | Shyam A/c Dr. To Cash A/c To Discount Received A/c (Paid to Shyam) | | 22,500 | 21,500 1,000 |
| Apr-30 | Cash A/c Dr. To Sales (Cash sales for the month of April) | | 80,000 | 80,000 |
| Apr-30 | Rent A/c Dr. To Cash A/c (Paid rent) | | 5,000 | 5,000 |
| Apr-30 | Salary A/c Dr. To Cash A/c (Paid salary) | | 10,000 | 10,000 |



Q.2 Journalise the following transactions of Mr. Rahul:

| 2019 | | ₹ |
|---------|---|----------|
| Jan. 1 | Rahul started business with cash | 1,00,000 |
| Jan. 2 | Paid into bank | 60,000 |
| Jan. 3 | Bought goods from M/s. Singh & Co. | 20,000 |
| Jan. 3 | Paid cartage | 300 |
| Jan. 4 | Purchased furniture | 2,000 |
| Jan. 4 | Placed an order for HP Printers for ₹ 15,000, amount advanced | 5,000 |
| Jan. 4 | Purchased calculator | 1,000 |
| Jan. 4 | Purchased computer through cheque | 13,000 |
| Jan. 6 | Paid for postage | 150 |
| Jan. 8 | Sold goods for cash | 4,000 |
| Jan. 9 | Sold goods to M/s. Sharda & Co. | 10,000 |
| Jan. 9 | Paid cartage | 200 |
| Jan. 15 | Paid to M/s Singh & Co. on account | 17,500 |
| Jan. 25 | Sold goods to M/s. Ray & Co. | 5,600 |
| Jan. 27 | Received cheque from M/s. Sharda & Co. in full settlement of amount due from them | 9,750 |
| Jan. 31 | Paid for electricity charges | 1,000 |
| Jan. 31 | Paid salary | 1,500 |
| Jan. 31 | Paid rent of building by cheque, half of the building is used by the proprietor for residential use | 5,000 |
| Jan. 31 | Drew for private use | 3,500 |

The solution for this question is as follows:

| Books of Rahul Journal | | | | |
|---------------------------|---|------|--------------------------|-----------|
| Date | Particulars | L.F. | Dr. ₹. | Cr. ₹. |
| 2019 Jan. 01 | Cash A/c Dr. To Capital A/c (Started business with cash) | | 1,00,000 | 1,00,000 |
| Jan. 02 | Bank A/c Dr. To Cash A/c (paid into Bank) | | 60,000 | 60,000 |
| Jan. 03 | Purchase A/c Dr. To M/s. S. Singh of Co. A/c (Purchased goods from M/s S. Singh and Co) | | 20,000 | 20,000 |
| Jan. 03 | Cartage A/c Dr. To Cash A/c (Paid for Cartage) | | 300 | 300 |
| Jan. 04 | Furniture A/c Dr. Office Equipments A/c Dr. Computer A/c Dr. To Bank A/c (Being Furniture, Office Equipments and Computer purchased through cheque) | | 2,000 1,000 13,000 | 16,000 |
| Jan. 04 | HP Printers A/c Dr. To Bank A/c (Advance payment for placing an order for HP Printers) | | 5,000 | 5,000 |
| Jan. 06 | Postage A/c Dr. To Cash A/c (Paid for postage) | | 150 | 150 |
| Jan. 08 | Cash A/c Dr. To Sales A/c (Sold goods for Cash) | | 4,000 | 4,000 |
| Jan. 09 | M/s. S. Sharda and Co. A/c Dr. To Sales A/c (Sold goods to M/s. S. Sharda and Co.) | | 10,000 | 10,000 |
| Jan. 15 | M/s S. Singh and Co. A/c Dr. To Cash A/c (Paid to M/s S. Singh and Co.) | | 17,500 | 17,500 |
| Jan. 25 | M/s. Ray and Co. A/c Dr. To Sales A/c (Sold goods to M/s. Ray and Co) | | 5,600 | 5,600 |
| Jan. 27 | Bank A/c Dr. Discount Allowed A/c Dr. To M/s S. Sharda and Co A/c (Cash received from M/s S. Sharda and Co. and discount allowed) | | 9,750 250 | 10,000 |
| Jan. 31 | Electricity Charges A/c Dr. Salary A/c Dr. To Cash A/c (Being electricity charges and salary paid) | | 1,000 1,500 | 2,500 |
| Jan. 31 | Rent A/c Dr. Drawings A/c Dr. To Cash A/c (Rent paid half, of which related to personal use) | | 2,500 2,500 | 5,000 |
| Jan. 31 | Drawings A/c Dr. To Cash A/c (Withdrawn for private use) | | 3,500 | 3,500 |



Q.3 Journalise the following transactions in the books of M/s. R.K. & Co.:

- (i) Purchased goods of list price of ₹ 20,000 from Vishal at 20% trade discount against cheque payment.**
- (ii) Purchased goods of list price of ₹ 20,000 from Naman at 15% trade discount against cash.**
- (iii) Purchased goods of list price of ₹ 30,000 from Amrit at 20% trade discount.**
- (iv) Purchased goods of list price of ₹ 40,000 for ₹ 35,000 for cash.**
- (v) Goods returned of list price ₹ 10,000 purchased from Amrit.**
- (vi) Sold goods to Parul of list price of ₹ 40,000 at 10% trade discount against cheque payment.**
- (vii) Sold goods to Aman of list price of ₹ 30,000 at 10% trade discount against cash.**
- (viii) Sold goods to Pawan of list price of ₹ 20,000 at 10% trade discount.**
- (ix) Sold goods to Yamini of list price of ₹ 25,000 for ₹ 23,000.**
- (x) Sold goods costing ₹ 10,000 at cost plus 20% less 10% trade discount to Bhupesh.**
- (xi) Sold goods purchased at list price of ₹ 50,000 less 15% trade discount sold at a profit of 25% less 10% trade discount against cheque.**
- (xii) Aman returned goods of list price of ₹ 10,000 sold to him at 10% trade discount.**

The solution for this question is as follows:



| Journal | | | | |
|---------|--|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| (i) | Purchase A/c To Bank A/c (Goods purchased from Vishal by cheque) | Dr. | 16,000 | 16,000 |
| (ii) | Purchase A/c To Cash A/c (Goods purchased from Naman for cash) | Dr. | 17,000 | 17,000 |
| (iii) | Purchase A/c To Amrit (Goods purchased from Amrik on credit) | Dr. | 24,000 | 24,000 |
| (iv) | Purchase A/c To Cash A/c (Goods purchased for cash) | Dr. | 35,000 | 35,000 |
| (v) | Amrit To Purchase Returns A/c (Goods returned by Amrik) | Dr. | 8,000 | 8,000 |
| (vi) | Bank A/c To Sales A/c (Goods sold to Parul by cheque) | Dr. | 36,000 | 36,000 |
| (vii) | Cash A/c To Sales A/c (Goods sold to Aman for cash) | Dr. | 27,000 | 27,000 |
| (viii) | Pawan To Sales A/c (Goods sold to Pawan on credit) | Dr. | 18,000 | 18,000 |
| (ix) | Yamini To Sales A/c (Goods sold to Yamini on credit) | Dr. | 23,000 | 23,000 |
| (x) | Bhupesh To Sales A/c (Goods sold to Bhupesh on credit) | Dr. | 10,800 | 10,800 |
| (xi) | Bank A/c To Sales A/c (Goods sold against cheque) | Dr. | 47,812.50 | 47,812.50 |
| (xii) | Sales Returns A/c To Aman (Goods returned by Aman) | Dr. | 9,000 | 9,000 |



Working Notes

1. Sales Price Calculation

Sales price = 10000 + 20% of 10000

$$= 10000 + 2000$$

$$= 12000$$

Final Sales Price = Sales Price – Trade Discount

$$= 12000 - (10 \% \text{ of } 12000)$$

$$= 12000 - 1200$$

$$= 10800$$

2. Calculating Purchase price and sales price

Purchase price = 50000 – 15% of 50000

$$= 50000 - 7500$$

$$= 42500$$

Sales Price = 42500 + 25% of 42500

$$= 42500 + 10625$$

$$= 53125$$

Final Sale Price = 53125 – 10% of 53125

$$= 53125 - 5312.5$$

$$= 47812.5$$



Q.4 Journalise the following transactions in the books of Bhushan Agencies:

- (i) Received from Bharat cash ₹ 20,000, allowed him discount of ₹ 500.**
- (ii) Received from Vikas ₹ 35,000 by cheque, allowed him discount of ₹ 750.**
- (iii) Received from Akhil ₹ 38,000 in settlement of his dues of ₹ 40,000 in cash.**
- (iv) Received from Amrit ₹ 50,000 by cheque on account against dues of ₹ 60,000.**
- (v) Paid cash ₹ 40,000 to Suresh, availed discount of 2%.**
- (vi) Paid by cheque ₹ 25,000 to Mehar and settled her dues of ₹ 26,000.**
- (vii) Paid ₹ 25,000 to Yogesh by cheque on account.**
- (viii) Purchased goods costing ₹ 1,00,000 against cheque and availed discount of 3%.**
- (ix) Purchased goods costing ₹ 60,000 from Akash & Co., paid 50% immediately availing 3% discount.**
- (x) Sold goods of ₹ 30,000 against cheque allowing 2% discount.**
- (xi) Sold goods of ₹ 60,000 to Vimal received 50% of due amount allowing 2% discount.**

The solution for this question is as follows:



Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|--------|---|------|-------------------------|-------------------------|
| (i) | Cash A/c Dr. Discount Allowed A/c Dr. To Bharat (Payment received from Bharat) | | 20,000 500 | 20,500 |
| (ii) | Bank A/c Dr. Discount Allowed A/c Dr. To Vikas (Payment received from Vikas) | | 35,000 750 | 35,750 |
| (iii) | Cash A/c Dr. Discount Allowed A/c Dr. To Akhil (Payment received from Akhil) | | 38,000 2,000 | 40,000 |
| (iv) | Bank A/c Dr. To Amrit (Payment received from Amrit) | | 50,000 | 50,000 |
| (v) | Suresh Dr. To Cash A/c To Discount Received A/c (Payment made to Suresh) | | 40,000 | 39,200 800 |
| (vi) | Meher Dr. To Bank A/c To Discount Received A/c (Payment made to Meher) | | 26,000 | 25,000 1,000 |
| (vii) | Yogesh Dr. To Bank A/c (Payment made to Yogesh) | | 25,000 | 25,000 |
| (viii) | Purchases A/c Dr. To Bank A/c (Goods bought against cheque) | | 97,000 | 97,000 |
| (ix) | Purchases A/c Dr. To Akash & Co. To Cash A/c To Discount Received A/c (Goods bought from Akash & Co.) | | 60,000 | 30,000 29,100 900 |
| (x) | Bank A/c Dr. To Sales A/c (Goods sold against cheque) | | 29,400 | 29,400 |
| (xi) | Vimal Dr. Cash A/c Dr. Discount Allowed A/c Dr. To Sales A/c (Goods sold to Vimal) | | 30,000 29,400 600 | 60,000 |



Q.5 Journalise the following transactions:

₹

- (i) Shyam became insolvent. A first and final compensation of 75 paise in a rupee was received from his Official Receiver. He owed us **10,000**
- (ii) Received cash for bad debts written off last year. **5,000**
- (iii) Rent due to landlord. **8,000**
- (iv) Salaries due to clerks. **10,000**

- (v) Placed an order with Rakesh Mohan for the supply of goods of the list price of ₹ 1,00,000. In this connection, Raman paid 10% of the list price as an advance by cheque.

The solution for this question is as follows:

| Journal | | | | |
|---------|---|------|------------------|-------------------|
| Sr. No. | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| (i) | Cash A/c Dr. Bad Debts A/c Dr. To Shyam's A/c (Insolvency of Shyam with 75 paise in a rupee) | | 7,500 2,500 | 10,000 |
| (ii) | Cash A/c Dr. To Bad Debts Recovered A/c (Amount written off as bad debts recovered) | | 5,000 | 5,000 |
| (iii) | Rent A/c Dr. To Outstanding Rent A/c (Rent due to landlord) | | 8,000 | 8,000 |
| (iv) | Salary A/c Dr. To Outstanding Salary A/c (Salary due to clerk) | | 10,000 | 10,000 |
| (v) | Advance to Rakesh Mohan A/c Dr. To Bank A/c (Advance paid to Rakesh Mohan for a future) | | 10,000 | 10,000 |

Q.6 Journalise the following entries:**(i) Goods costing ₹ 500 given as charity.****(ii) Sold goods to Mayank of ₹ 1,00,000, payable 25% by cheque at the time of sale and balance after 30 days of sale.****(iii) Received ₹ 975 from Harikrishna in full settlement of his account of ₹ 1,000.****(iv) Received a first and final dividend of 60 paise in a rupee from the Official Receiver of Rajan, who owed us ₹ 1,000.****(v) Charge interest on Drawings ₹ 1,500.****(vi) Sold goods costing ₹ 40,000 to Anil for cash at a profit of 25% on cost /less 20% trade discount and paid cartage ₹ 100, which is not to be charged from customer.**

The solution for this question is as follows:

| Journal | | | | |
|---------|--|------|---------------------|----------------------|
| S. No. | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| (i) | Charity A/c Dr. To Purchases A/c (Goods given as charity) | | 500 | 500 |
| (ii) | Bank A/c Dr. Mayank A/c Dr. To Sales A/c (Goods sold partly through cheque and partly through credit) | | 25,000 75,000 | 1,00,000 |
| (iii) | Cash A/c Dr. Discount Allowed A/c Dr. To Harikrishna A/c (Cash received from Harikrishna in full and final settlement) | | 975 25 | 1,000 |
| (iv) | Cash A/c Dr. Bad Debts A/c Dr. To Rajan A/c (First and final dividend received from Rajan in full settlement of his debt) | | 600 400 | 1,000 |
| (v) | Drawings A/c Dr. To Interest on Drawings A/c (Interest on drawings charged) | | 1,500 | 1,500 |
| (vi) | Cash A/c Dr. To Sales A/c (Goods sold to Anil at 25% profit on cost and 20% Trade Discount) | | 40,000 | 40,000 |
| | Cartage A/c Dr. To Cash A/c (Cartage paid) | | 100 | 100 |



Q.7 Journalise the following transactions:

| | | |
|-----|--|----------|
| (a) | Shyam became insolvent. A first and final compensation of 75 paise in a rupee was received from his official receiver. He owed a debt of | ₹ 50,000 |
| (b) | Received cash for a bad debt written off last year | 25,000 |
| (c) | Rent due to landlord | 40,000 |
| (d) | Depreciation on office furniture | 5,000 |
| (e) | Salaries due to staff | 50,000 |
| (f) | Paid income tax | 1,50,000 |
| (g) | Received commission ₹ 25,000, half of which is in advance | |

The solution for this question is as follows:

| Journal | | | | |
|---------|---|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| (a) | Cash A/c Dr. Bad-Debts A/c Dr. To Shyam A/c (75 paise in a rupee received from Shyam) | | 37,500 12,500 | 50,000 |
| (b) | Cash A/c Dr. To Bad-Debts Recovered A/c (Received cash against debts written off as bad earlier) | | 25,000 | 25,000 |
| (c) | Rent A/c Dr. To Rent Outstanding A/c (Rent due) | | 40,000 | 40,000 |
| (d) | Depreciation A/c Dr. To Office Furniture A/c (Depreciation on office furniture) | | 5,000 | 5,000 |
| (e) | Salary A/c Dr. To Salary Outstanding A/c (Salary due) | | 50,000 | 50,000 |
| (f) | Drawings A/c Dr. To Cash A/c (Paid income tax) | | 1,50,000 | 1,50,000 |
| (g) | Cash A/c Dr. To Commission A/c To Commission Received in Advance A/c (Commission received, half of which is advance) | | 25,000 | 12,500 12,500 |

Q.8 Journalise the following transactions of Singh Enterprises, Delhi:

| 2018 | | ₹ |
|----------------|--|-----------------|
| June 1 | Started business with cash | 50,000 |
| June 2 | Deposited cheque from Savings Account in firm's account | 2,00,000 |
| June 3 | Received cash from Ram | 50,000 |
| June 4 | Purchased goods for cash | 15,000 |
| June 11 | Sold goods to M/s. Hari Sales, Delhi | 12,000 |
| June 13 | Paid to Ramavtar | 40,000 |
| June 17 | Received from M/s. Hari Sales | 10,000 |
| June 20 | Bought furniture from S.R. Furnishers against Cash | 22,400 |
| June 27 | Paid rent | 28,000 |
| June 30 | Paid salary | 50,000 |

The solution for this question is as follows:



Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|---|------|------------------------|-------------------------|
| 2018 Jun-01 | Cash A/c To Capital A/c (Started business with cash) | Dr. | 50,000 | 50,000 |
| Jun-02 | Bank A/c To Capital A/c (Cheque from Savings A/c to Firm's A/c) | Dr. | 2,00,000 | 2,00,000 |
| Jun-03 | Cash A/c To Ram's A/c (Received cash) | Dr. | 50,000 | 50,000 |
| Jun-04 | Purchases A/c To Cash A/c (Goods purchased) | Dr. | 15,000 | 15,000 |
| Jun-11 | M/s Hari A/c To Sales A/c (Goods sold on credit) | Dr. | 12,000 | 12,000 |
| Jun-13 | Ramavtar's A/c To Cash A/c (Paid cash to Ramavtar) | Dr. | 40,000 | 40,000 |
| Jun-17 | Cash A/c To M/s Hari A/c (Received cash from M/s Hari A/c) | Dr. | 10,000 | 10,000 |
| Jun-20 | Furniture A/c To Cash A/c (Bought furniture for cash) | Dr. | 20,000 | 20,000 |
| Jun-27 | Rent A/c To Cash A/c (Paid rent) | Dr. | 28,000 | 28,000 |
| Jun-30 | Salary A/c To Cash A/c (Paid salary) | Dr. | 50,000 | 50,000 |



Q.9 Journalise the following transactions of Rakesh Agencies, Delhi (Proprietor Shri Rakesh):

| 2019 | | ₹ |
|---------------|---|---------------|
| Jan 1 | Rakesh commenced business with cash | 50,000 |
| Jan 2 | Purchased goods for cash | 10,000 |
| Jan 5 | Purchased goods from Mohan, Delhi | 6,000 |
| Jan 7 | Opened bank account with Bank of India | 10,000 |
| Jan 10 | Purchased furniture for office | 2,000 |
| Jan 15 | Sold goods for cash | 8,000 |
| Jan 20 | Sold goods to Ram, Delhi | 5,000 |
| Jan 25 | Cash sales | 3,500 |
| Jan 27 | Paid to Mohan on account | 3,000 |
| Jan 28 | Ram returns goods costing | 500 |
| Jan 31 | Paid Salaries | 9,000 |
| Jan 31 | Rejected and returned 10% of goods supplied by Mohan | |

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|---|------|---------------------|----------------------|
| 2019 Jan-01 | Cash A/c To Capital A/c (Started business with cash) | Dr. | 50,000 | 50,000 |
| Jan-02 | Purchases A/c To Cash A/c (Goods purchased) | Dr. | 10,000 | 10,000 |
| Jan-05 | Purchases A/c To Mohan A/c (Goods purchased) | Dr. | 6,000 | 6,000 |
| Jan-07 | Bank A/c To Cash A/c (Opened Bank A/c) | Dr. | 10,000 | 10,000 |
| Jan-10 | Furniture A/c To Cash A/c (Furniture purchased) | Dr. | 2,000 | 2,000 |
| Jan-15 | Cash A/c To Sales A/c (Goods sold) | Dr. | 8,000 | 8,000 |
| Jan-20 | Ram A/c To Sales A/c (Goods sold) | Dr. | 5,000 | 5,000 |
| Jan-25 | Cash A/c To Sales A/c (Goods sold) | Dr. | 3,500 | 3,500 |
| Jan-27 | Mohan's A/c To Cash A/c (Paid to Mohan on account) | Dr. | 3,000 | 3,000 |
| Jan-28 | Sales Return A/c To Ram's A/c (Goods returned by Ram) | Dr. | 500 | 500 |
| Jan-31 | Salary A/c To Cash (Paid salaries) | Dr. | 9,000 | 9,000 |
| Jan-31 | Mohan's A/c To Purchases Return A/c (Returned 10% of the goods supplied by Mohan) | Dr. | 600 | 600 |



Q.10 Journalise the following transactions of Satish, Noida (UP):

| 2019 | | ₹ |
|-------------|--|----------|
| Jan 1 | Started business with cash | 40,000 |
| Jan 2 | Opened Bank Account by cheque from Savings Account | 60,000 |
| Jan 3 | Bought goods from M/s. S. Singh & Co., Delhi | 20,000 |
| Jan 4 | Introduced additional capital by cheque | 5,000 |
| Jan 4 | Purchased computer against cheque from Computer Mart, Noida | 15,000 |
| Jan 6 | Paid for postage stamps | 150 |
| Jan 8 | Sold goods for cash | 4,000 |
| Jan 9 | Sold goods to M/s Sharda & Co., Delhi | 10,000 |
| Jan 15 | Paid the due amount to M/s S. Singh & Co. after availing discount of ₹ 400 | |
| Jan 25 | Sold goods to M/s Ray & Co., Kolkata | 5,600 |
| Jan 27 | Received cheque from M/s Sharda & Co. in full settlement of amount due from them | 11,000 |
| Jan 31 | Paid for electricity charges | 1,000 |
| Jan 31 | Paid rent of building by cheque. Half of the building is used by the proprietor for residential use. | 5,000 |
| Jan 31 | Drew for personal use | 3,500 |

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|--|------------|---------------------|----------------------|
| 2019 Jan-01 | Cash A/c To Capital A/c (Started business with cash) | Dr. | 40,000 | 40,000 |
| Jan-02 | Bank A/c To Capital A/c (Cheque from Savings A/c to Firm's A/c) | Dr. | 60,000 | 60,000 |
| Jan-03 | Purchases A/c To M/s S. Singh & Co. A/c (Goods purchased) | Dr. | 20,000 | 20,000 |
| Jan-04 | Computer A/c To Bank A/c (Purchased computer) | Dr. | 15,000 | 15,000 |
| Jan-06 | Postage A/c To Cash A/c (Paid for postage) | Dr. | 150 | 150 |
| Jan-08 | Cash A/c To Sales A/c (Goods sold) | Dr. | 4,000 | 4,000 |
| Jan-09 | M/s Sharda & Co. A/c To Sales A/c (Goods sold) | Dr. | 10,000 | 10,000 |
| Jan-15 | M/s S. Singh & Co. A/c To Cash A/c To Discount Received A/c (Paid to M/s S. Singh & Co.) | Dr. | 20,000 | 19,600 400 |
| Jan-25 | M/s Ray & Co. A/c To Sales A/c (Goods sold) | Dr. | 5,600 | 5,600 |
| Jan-27 | Bank A/c To M/s Sharda & Co. A/c (Received from M/s Sharda & Co.) | Dr. | 10,000 | 10,000 |
| Jan-31 | Electricity Charges A/c To Cash A/c (Paid for electricity charges) | Dr. | 1,000 | 1,000 |
| Jan-31 | Rent A/c Drawings A/c To Cash A/c (Paid rent for building, half building is occupied by proprietor for residential purpose) | Dr. Dr. | 2,500 2,500 | 5,000 |
| Jan-31 | Drawings A/c To Cash (Drawings made by proprietor) | Dr. | 3,500 | 3,500 |



Q.11 Following are the transactions of R. Singh & Co., Kanpur (UP) for the month of July, 2018. You are required to Journalise them:

| | | |
|---------|---|----------|
| 2018 | Started business with cash | |
| July 1 | Cash paid into bank | ₹ 80,000 |
| July 1 | Bought stationery of ₹ 300 <i>plus</i> CGST and SGST @ 6% each | 50,000 |
| July 1 | Bought goods of ₹ 21,000 <i>plus</i> CGST and SGST @ 6% each | |
| July 2 | Sold goods of ₹ 7,500 <i>plus</i> CGST and SGST @ 6% each | |
| July 5 | Bought office furniture of ₹ 5,000 <i>plus</i> CGST and SGST @ 6% each from Banerjee Bros. | |
| July 6 | | |
| July 11 | Sold goods of ₹ 10,000 <i>plus</i> CGST and SGST @ 6% each to Mahendra | |
| July 12 | Received cheque from Mahendra for the amount due | |
| July 16 | Sold goods of ₹ 5,000 <i>plus</i> CGST and SGST @ 6% each to Ramesh & Co. | |
| July 20 | Bought goods of ₹ 20,000 <i>plus</i> IGST @ 12% from S. Seth & Bros., Delhi | |
| July 23 | Bought goods of ₹ 2,250 <i>plus</i> IGST @12 % for cash from S. Narain & Co., Ludhiana (Punjab) | 2,500 |
| July 26 | Ramesh & Co. paid on account | 22,000 |
| July 28 | Paid to S. Seth & Bros. by cheque in full settlement | 1,000 |
| July 31 | Rent is due to S. Sharma but not yet paid. | |

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|--|-------------------|--------------------------|----------------------|
| 2018 Jul-01 | Cash A/c To Capital A/c (Started business with cash) | Dr. | 80,000 | 80,000 |
| Jul-01 | Bank A/c To Cash A/c (Cash paid into bank) | Dr. | 50,000 | 50,000 |
| Jul-01 | Stationery A/c Input CGST A/c Input SGST A/c To Cash A/c (Stationery purchased) | Dr. Dr. Dr. | 300 18 18 | 336 |
| Jul-02 | Purchases A/c Input CGST A/c Input SGST A/c To Cash A/c (Purchased goods) | Dr. Dr. Dr. | 21,000 1,260 1,260 | 23,520 |
| Jul-05 | Cash A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold) | Dr. | 8,400 | 7,500 450 450 |
| Jul-06 | Furniture A/c Input CGST A/c Input SGST A/c To Banerjee Bros. A/c (Furniture purchased) | Dr. Dr. Dr. | 5,000 300 300 | 5,600 |
| Jul-11 | Mahendra A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold) | Dr. | 11,200 | 10,000 600 600 |
| Jul-12 | Cash A/c To Mahendra A/c (Received from Mahendra) | Dr. | 11,200 | 11,200 |
| Jul-16 | Ramesh & Co. A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold) | Dr. | 5,600 | 5,000 300 300 |
| Jul-20 | Purchases A/c Input IGST A/c To S. Seth & Bros. A/c (Goods purchased) | Dr. Dr. | 20,000 2,400 | 22,400 |
| Jul-23 | Purchases A/c Input IGST A/c To Cash A/c (Goods purchased) | Dr. Dr. | 2,250 270 | 2,520 |
| Jul-26 | Cash A/c To Ramesh & Co. A/c (Paid to Ramesh & Co. on account) | Dr. | 2,500 | 2,500 |
| Jul-28 | S. Seth & Bros. A/c To Bank A/c To Discount Received A/c (Paid to S. Seth & Bros., received discount) | Dr. | 22,400 | 22,000 400 |
| Jul-31 | Rent A/c To Rent Outstanding A/c (Rent outstanding) | Dr. | 1,000 | 1,000 |



Q.12 Record the following transactions in the Journal of Ashoka Furniture Traders, Ludhiana (Punjab):

| 2019 | | ₹ |
|---------|--|----------|
| Jan. 1 | Started business with cash | 50,000 |
| Jan. 2 | Opened a Current Account by personal cheque | 3,50,000 |
| Jan. 10 | Purchased machinery against cheque | 1,00,000 |
| Jan. 15 | Paid wages for installation of machinery | 2,000 |
| Jan. 20 | Purchased timber from Singh & Co., Ludhiana (Punjab) of the list price of ₹ 20,000 at 10% trade discount | |
| Jan.25 | Out of the above, timber used for furnishing the office | 5,000 |
| Jan. 31 | Sold timber to Rakesh of the list price of ₹ 10,000 and allowed him 10% trade discount | |
| Feb. 10 | Issued to Singh & Co. a cheque in full settlement | 20,000 |
| Feb. 15 | Received from Rakesh in full and final settlement | 10,000 |
| Feb. 20 | Paid Wages | 15,000 |
| Feb. 28 | Issued a cheque for ₹ 5,000 in favour of the landlord for rent of February | |

CGST and SGST is levied @ 6% each on intra-state sale and purchase. **IGST** is levied @ 12% on inter-state sale and purchase.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F | Debit Amount (₹) | Credit Amount (₹) |
|----------------|--|-----|----------------------------|----------------------|
| 2019 Jan.01 | Cash A/c Dr. To Capital A/c (Started business with Cash) | | 50,000 | 50,000 |
| Jan.02 | Bank A/c Dr. To Cash A/c (Deposited cash into bank) | | 3,50,000 | 3,50,000 |
| Jan.10 | Machinery A/c Input CGST A/c Dr. Input SGST A/c To Bank A/c (Purchased machinery @ 6% CGST and SGST) | | 1,00,000 6,000 6,000 | 1,12,000 |
| Jan.15 | Machinery A/c Dr. To Cash A/c (Paid installation charges) | | 2,000 | 2,000 |
| Jan.20 | Purchase A/c Input CGST A/c Dr. Input SGST A/c To Singh & Co. (Purchased timber @ 6% CGST and SGST) | | 18,000 1,080 1,080 | 20,160 |
| Jan.25 | Furniture A/c Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Timber used for office furniture and GST reversed) | | 5,600 | 5,000 300 300 |
| Jan.31 | Rakesh A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods to Rakesh @ 6% CGST and SGST) | | 10,080 | 9,000 540 540 |
| Feb.10 | Singh & Co. Dr. To Bank A/c To Discount Received A/c (Sent cheque to Singh & Co. and discount | | 20,160 | 20,000 160 |
| Feb.15 | Cash A/c Dr. Discount Allowed A/c Dr. To Rakesh (Received Cash from Rakesh and discount | | 10,000 80 | 10,080 |
| Feb.20 | Wages A/c Dr. To Cash A/c (Paid wages) | | 15,000 | 15,000 |
| Feb.25 | Rent A/c Dr. To Bank A/c (Paid rent) | | 5,000 | 5,000 |



Q.13 M/s. Auto Aid, Delhi purchased 500 pieces of car horns @ ₹ 200 each less 10% Trade Discount plus IGST @ 12% from M/s Auto Horns, Chandigarh. What is the invoice value?

The solution for this question is as follows:

| | |
|------------------------------------|-----------------|
| Price of 500 car horns @ ₹200 each | 1,00,000 |
| Less : Trade Discount @ 10% | 10,000 |
| Value of Goods | 90,000 |
| Add : IGST @ 12% | 10,800 |
| Invoice Value | 1,00,800 |

Therefore, the invoice value is ₹1,00,800.

Q.14 M/s. Vaish Traders, Delhi purchased 500 Parker Pens @ ₹ 200 each less Trade Discount @ 15% from Luxor Pens Ltd., Delhi. CGST and SGST was levied @ 6% each. Further, Cash Discount was allowed @ 5% as the payment was made within specified time. What will be the amount of trade discount and cash discount?

The solution for this question is as follows:

| | |
|------------------------------------|----------|
| Price of 500 Parker pens @200 each | 1,00,000 |
| Less : Trade Discount @ 15% | 15,000 |
| Value of Goods | 85,000 |
| Add : CGST @ 6% | 5,100 |
| Add : SGST @ 6% | 5,100 |
| Invoice Value | 95,200 |
| Less : Cash Discount @ 5% | 4,760 |
| Amount Payable | 90,440 |

Therefore, the trade discount amount is ₹15,000 and cash discount is ₹4760.

Q.15 M/s. Auto Help, Delhi purchased 500 pieces of motor cycle horns at ₹ 100 each plus IGST @ 12% from M/s G.S., Auto, Ghaziabad, (UP). Trade terms settled were: Trade Discount will be allowed @ 10% and Cash Discount @ 5% if payment is made within 7 days. M/s. Auto Help made the payment after 30 days. Determine the amount of Trade Discount and Cash Discount.

The solution for this question is as follows:

| | |
|--|--------|
| Price of 500 motor cycle horns @ ₹100 each | 50,000 |
| Less : Trade Discount @ 10% | 5,000 |
| Value of Goods | 45,000 |

There will not be any cash discount as the payment was made after 30 days and as per condition cash discount was applicable if payment was made within 7 days.

Q.16 Name the accounts to be credited along with the amount for payment to Ajay of ₹ 4,800 by cheque in full settlement of ₹ 5,000.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|------|---|------|---------------------|----------------------|
| | Ajay A/c Dr. | | 5,000 | |
| | To Bank A/c | | | 4,800 |
| | To Discount Received A/c | | | 200 |
| | (Paid to Ajay in full and final settlement) | | | |

Q.17 Pass Journal entry for sale of goods by Rahul, Delhi to Anish, Delhi for ₹ 10,000 less 10% Trade Discount and 2% Cash Discount. Assume payment is received at the time of sale. CGST and SGST is levied @ 6% each.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|------|-----------------------------------|------|---------------------|----------------------|
| | Cash A/c Dr. | | 9,878 | |
| | Discount Allowed A/c Dr. | | 202 | |
| | To Sales A/c | | | 9,000 |
| | To Output CGST A/c | | | 540 |
| | To Output SGST A/c | | | 540 |
| | (Goods sold and discount allowed) | | | |

Working Notes

| | |
|-----------------------------|--------|
| List Price | 10,000 |
| Less : Trade Discount @ 10% | 1,000 |
| Value of Goods | 9,000 |
| Add : CGST @ 6% | 540 |
| Add : SGST @ 6% | 540 |
| Invoice Value | 10,080 |
| Less : Cash Discount @ 2% | 202 |
| Amount Received | 9,878 |

Q.18 Pass Journal entry for purchase of goods by Amrit, Delhi from Ayur Products, Agra, (UP) for ₹ 25,000 less Trade Discount @ 15% plus IGST @ 12%.

The solution for this question is as follows:

| Journal | | | | |
|---------|-----------------------------|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| | Purchases A/c Dr. | | 21,250 | |
| | Input IGST A/c Dr. | | 2,550 | |
| | To Ayur Products A/c | | | 23,800 |
| | (Goods purchased on credit) | | | |

Working Notes:

| | |
|-----------------------------|--------|
| List Price | 25,000 |
| Less : Trade Discount @ 15% | 3,750 |
| Value of Goods | 21,250 |
| Add : IGST @ 12% | 2,550 |
| Amount Payable | 23,800 |

Q.19 Pass Journal entry for purchase of goods by Amrit, Delhi from Add Gel Pens, Delhi for ₹ 15,000 less Trade Discount 10% and Cash Discount 3%. CGST and SGST is levied @ 6% each. Assume payment is made at the time of purchase.

The solution for this question is as follows:

| Journal | | | | |
|---------|---|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| | Purchases A/c Dr. | | 13,500 | |
| | Input CGST A/c Dr. | | 810 | |
| | Input SGST A/c Dr. | | 810 | |
| | To Cash A/c | | | 14,666 |
| | To Discount Received A/c | | | 454 |
| | (Goods purchased and discount received) | | | |

Working Notes:

| | |
|-----------------------------|--------|
| List Price | 15,000 |
| Less : Trade Discount @ 10% | 1,500 |
| Value of Goods | 13,500 |
| Add : CGST @ 6% | 810 |
| Add : SGST @ 6% | 810 |
| Invoice Value | 15,120 |
| Less : Cash Discount @ 3% | 454 |
| Amount Paid | 14,666 |

Q.20 Mittal Cycles purchased 100 cycles from Hero Cycles, Ludhiana (Punjab) @ ₹ 1,200 per cycle plus IGST @ 12%. Hero Cycles allowed 10% Trade Discount and 3% Cash Discount if payment is made within 14 days. Mittal Cycles received 10 cycles damaged during transit, which it returned. Mittal Cycles settled the payment in 10 days' time.

Pass Journal entries for the above transactions.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|------|---|------|---------------------|----------------------|
| | Purchases A/c Dr. | | 1,08,000 | |
| | Input IGST A/c Dr. | | 12,960 | |
| | To Hero Cycles A/c (Goods purchased @ 10% trade discount) | | | 1,20,960 |
| | Hero Cycles A/c Dr. | | 12,096 | |
| | To Purchases Return A/c | | | 10,800 |
| | To Input IGST A/c (Returned 10 cycles) | | | 1,296 |
| | Hero Cycles A/c Dr. | | 1,08,864 | |
| | To Cash A/c | | | 1,05,598 |
| | To Discount Received A/c (Balance paid and received cash discount of 3%) | | | 3,266 |

Q.21 Oswal Woolen Mills, Amritsar (Punjab) sold shawls to Gupta Shawls, Jaipur as per details:
Sold 100 shawls @ ₹ 200 per shawl on 4th January, 2019, IGST is levied @ 12%. Trade Discount 25% and Cash Discount 5% if full payment is made within 14 days. Gupta Shawls sent 50% of the payment on 14th January, 2019 and balance payment on 10th February, 2019. Pass Journal entries.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|--------|---|------|---------------------|----------------------|
| 2019 | | | | |
| Jan-04 | Gupta Shawls A/c Dr. To Sales A/c To Output IGST A/c (Goods sold @ 25% trade discount) | | 16,800 | 15,000 1,800 |
| Jan-14 | Cash A/c Dr. To Gupta Shawls A/c (50% payment received) | | 8,400 | 8,400 |
| Feb-10 | Cash A/c Dr. To Gupta Shawls A/c (Balance 50% payment received) | | 8,400 | 8,400 |

Q.22 Journalise the following transactions in the books of Ashok:

(i) Received ₹ 11,700 from Hari Krishan in full settlement of his account for ₹ 12,000.

(ii) Received ₹ 11,700 from Shyam on his account for ₹ 12,000.

(iii) Received a first and final dividend of 70 paise in the rupee from the official receiver of Rajagopal who owed us ₹ 7,000.

(iv) Paid ₹ 2,880 to A.K. Mandal in full settlement of his account for ₹ 3,000.

(v) Paid ₹ 2,880 to S.K. Gupta on his account for ₹ 3,000.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|-------|--|------|------------------------|-------------------------|
| (i) | Cash A/c Dr. Discount Allowed A/c Dr. To Hari Krishan's A/c (Received in full settlement) | | 11,700 300 | 12,000 |
| (ii) | Cash A/c Dr. To Shyam's A/c (Received from Shyam on account) | | 11,700 | 11,700 |
| (iii) | Cash A/c Dr. Bad Debts A/c Dr. To Rajagopal's A/c (Received 70 paise in a rupee from Rajagopal) | | 4,900 2,100 | 7,000 |
| (iv) | A.K. Mandal's A/c Dr. To Cash A/c To Discount Received A/c (Paid in full settlement) | | 3,000 | 2,880 120 |
| (v) | S.K. Gupta's A/c Dr. To Cash A/c (Paid on account to S.K. Gupta) | | 2,880 | 2,880 |



Q.23 Enter the following transactions in the Journal of Suresh, Delhi who trades in ready-made garments:

| 2019 | | ₹ |
|----------|--|--------|
| April 1 | Suresh paid into bank as Capital* | 60,000 |
| April 2 | He bought goods and paid by cheque | 24,000 |
| April 3 | Sold goods to Mukand & Co., Delhi | 6,700 |
| April 4 | Sold goods for cash | 10,900 |
| April 5 | Paid sundry expenses in cash* | 3,000 |
| April 8 | Paid for office furniture and fittings by cheque | 4,000 |
| April 9 | Bought goods from Ramesh & Bros., Faridabad (Haryana) | 10,600 |
| April 11 | Returned goods to Ramesh & Bros. | 1,500 |
| April 12 | Issued cheque to Ramesh & Bros. in full settlement* | 9,500 |
| April 30 | Bank charged interest* | 200 |
| April 30 | Borrowed from Ridhi @ 10% per annum interest* | 50,000 |
| April 30 | Received from Mahendra on account* | 6,000 |
| April 30 | Sold household furniture and paid the amount into business* | 2,000 |
| April 30 | Sold goods costing ₹ 5,000 to Anita for cash at a profit of 20% on cost, <i>less</i> 20% trade discount | |
| April 30 | Sold goods costing ₹ 20,000 to Sunil at a profit of 20% on sale <i>less</i> 20% Trade Discount and paid cartage ₹ 150 (to be charged from customer). | |

CGST and SGST is levied @ 6% each on intra-state sale and purchase. IGST is levied @ 12% on inter-state sale and purchase. Out of the above, transactions marked with (*) are not subject to levy of GST.

| Books of Suresh Journal | | | | |
|----------------------------|--|------|--------------------------|---------------------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| 2019 Apr-01 | Bank A/c Dr. To Capital A/c (Paid into Bank as Capital) | | 60,000 | 60,000 |
| Apr-02 | Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Bought goods for cheque @ 6% CGST and SGST) | | 24,000 1,440 1,440 | 26,880 |
| Apr-03 | Mukand & Co. Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold Goods to Mukand & Co. @ 6% CGST and SGST) | | 7,504 | 6,700 402 402 |
| Apr-04 | Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods for Cash @ 6% CGST and SGST) | | 12,208 | 10,900 654 654 |
| Apr-05 | Sundry Expenses A/c Dr. To Cash A/c (Paid Sundry Expenses) | | 3,000 | 3,000 |
| Apr-08 | Furniture A/c Dr. To Bank A/c (Bought Office furniture by cheque) | | 4,000 | 4,000 |
| Apr-09 | Purchases A/c Dr. Input IGST A/c Dr. To Ramesh and Bros. (Bought goods from Ramesh and Bros. @ 12% IGST) | | 10,600 1,272 | 11,872 |
| Apr-11 | Ramesh and Bros. Dr. To Purchase Return A/c To Input IGST A/c (Good returned to Ramesh and Bros. and IGST @12% reversed) | | 1,680 | 1,500 180 |
| Apr-12 | Ramesh Bros. A/c Dr. To Bank A/c To Discount Received A/c (Cheque sent to Ramesh and Bros. and discount received) | | 10,192 | 9,500 692 |
| Apr-30 | Interest A/c Dr. To Bank A/c (Bank charged Interest) | | 200 | 200 |
| Apr-30 | Cash A/c Dr. To Loan from Ridhi A/c (Borrowed from Ridhi @10% per annum) | | 50,000 | 50,000 |
| Apr-30 | Cash A/c Dr. To Mahendra (Received from Mahendra on account) | | 6,000 | 6,000 |
| Apr-30 | Cash A/c Dr. To Capital A/c (Sold household furniture and paid the amount into business) | | 2,000 | 2,000 |
| Apr-30 | Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods for Cash @ 6% CGST and SGST) | | 5,376 | 4,800 288 288 |
| Apr-30 | Sunil Dr. To Sales A/c To Output CGST A/c To Output SGST A/c To Cartage A/c (Sold goods to Anil @ 6% CGST and SGST and cartage charges levied: profit on sales is 20% i.e. profit on cost is 25%) | | 22,550 | 20,000 1,200 1,200 150 |



Q.24 Journalise the following transactions:

| | |
|--------------|--|
| 2019 | |
| April | |
| 1 | Paid into bank ₹ 21,000 for opening a Current Account. |
| April | |
| 2 | Withdrew for personal expenses ₹ 5,000. |
| April | |
| 4 | Withdrew from bank ₹ 3,000. |
| April | |
| 5 | Placed an amount in Fixed Deposit at Bank by transfer from Current Account ₹ 5,000. |
| April | |
| 10 | Received a cheque from Shiv & Co. to whom goods were sold for ₹ 3,000 last year. Allowed him 2% discount. |
| April | |
| 14 | Shiv & Co.'s cheque deposited into bank. |
| April | |
| 16 | Shiv & Co.'s cheque dishonoured (Bank charges ₹ 10) |
| April | |
| 17 | Shiv & Co. settled his account by means of a cheque for ₹ 3,000, ₹ 40 being interest charged. |

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|--------|--|------|------------------------|-------------------------|
| 2019 | | | | |
| Apr-01 | Bank A/c Dr. To Cash A/c (Paid into bank for opening a Current A/c) | | 21,000 | 21,000 |
| Apr-02 | Drawings A/c Dr. To Cash A/c (Withdrawn for private expenses) | | 5,000 | 5,000 |
| Apr-04 | Cash A/c Dr. To Bank A/c (Withdrawn from bank for office use) | | 3,000 | 3,000 |
| Apr-05 | Fixed Deposit A/c Dr. To Bank A/c (Placed on FD by transfer from Current A/c) | | 5,000 | 5,000 |
| Apr-10 | Cheques in Hand A/c Dr. Discount Allowed A/c Dr. To Shiv & Co. A/c (Received from Shiv & Co. and allowed 2% discount) | | 2,940 60 | 3,000 |
| Apr-14 | Bank A/c Dr. To Cheques in Hand A/c (Shiv & Co.'s cheque banked) | | 2,940 | 2,940 |
| Apr-16 | Shiv & Co. A/c Dr. To Bank A/c (Shiv & Co.'s cheque dishonoured) | | 2,950 | 2,950 |
| Apr-17 | Bank A/c Dr. To Shiv & Co. A/c To Interest A/c (Shiv & Co. settled his account) | | 3,000 | 2,950 50 |



Q.25 Journalise the following in the books of Amit Saini, Gurugram (Haryana):

- (i) Goods of ₹ 5,000 were taken by him for personal use.
 - (ii) ₹ 2,000 due from Sohan were bad debts.
 - (iii) Goods of ₹ 6,000 were destroyed by fire and were not insured.
 - (iv) Paid ₹ 4,000 in cash as wages on installation of machine. (GST is not to be levied).
 - (v) Sold goods to Arjun of Delhi of list price ₹ 20,000. Trade discount @ 10% and cash discount of 5% was allowed. He paid the amount on the same day and availed the cash discount.
 - (vi) Received ₹ 2,000 from Ramesh, whose account was written off as bad debts.
 - (vii) Goods costing ₹ 1,000 given as charity.
 - (viii) Received ₹ 9,750 from Ramesh in full settlement of his account of ₹ 10,000.
 - (ix) Paid rent in advance ₹ 4,000.
- CGST and SGST is to be levied on intra-state sale @ 6% each and IGST @ 12% on inter-state sale.**

The solution for this question is as follows:



Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|--------|---|------------|------------------------|-------------------------|
| (i) | Drawings A/c To Purchases A/c To Input CGST A/c To Input SGST A/c (Goods used for personal use) | Dr. | 5,600 | 5,000 300 300 |
| (ii) | Bad Debts A/c To Sohan's A/c (Debtors proved bad) | Dr. | 2,000 | 2,000 |
| (iii) | Loss of Stock by Fire A/c To Purchases A/c To Input CGST A/c To Input SGST A/c (Uninsured goods lost by fire) | Dr. | 6,720 | 6,000 360 360 |
| (iv) | Machine A/c To Cash A/c (Wages paid for installation of machine) | Dr. | 4,000 | 4,000 |
| (v) | Cash A/c Discount Allowed A/c To Sales A/c To Output IGST A/c (Goods sold and discount allowed) | Dr. Dr. | 19,152 1,008 | 18,000 2,160 |
| (vi) | Cash A/c To Bad Debts Recovered A/c (Ramesh's debt written-off previously recovered) | Dr. | 2,000 | 2,000 |
| (vii) | Charity A/c To Purchases A/c To Input CGST A/c To Input SGST A/c (Goods given as charity) | Dr. | 2,200 | 1,000 600 600 |
| (viii) | Cash A/c Discount Allowed A/c To Ramesh's A/c (Received from Ramesh in full settlement) | Dr. Dr. | 9,750 250 | 10,000 |
| (ix) | Prepaid Rent A/c To Cash A/c (Paid rent in advance) | Dr. | 4,000 | 4,000 |



Q.26 Journalise the following transactions in the books of Mohan, Delhi:

- (i) Raj of Alwar, Rajasthan who owed Mohan ₹ 25,000 became insolvent and received 60 paise in a rupee as full and final settlement.
- (ii) Mohan owes to his landlord ₹ 10,000 as rent.
- (iii) Charge depreciation of 10% on furniture costing ₹ 50,000.
- (iv) Salaries due to employees ₹ 20,000.
- (v) Sold to Sunil goods in cash of ₹ 10,000 less 10% trade discount plus CGST and SGST @ 6% each and received a net of ₹ 8,500.
- (vi) Provided interest on capital of ₹ 1,00,000 @ 10% per annum.
- (vii) Goods lost in theft ₹ 5,000, which were purchased paying IGST @ 12% from Alwar, Rajasthan.

The solution for this question is as follows:

| Journal | | | | |
|---------|--|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| (i) | Cash A/c Dr. Bad-Debts A/c Dr. To Raj's A/c (Received 60 paise in full and final settlement) | | 15,000 10,000 | 25,000 |
| (ii) | Rent A/c Dr. To Rent Outstanding A/c (Owed rent to landlord) | | 10,000 | 10,000 |
| (iii) | Depreciation A/c Dr. To Furniture A/c (10% depreciation charged on furniture) | | 5,000 | 5,000 |
| (iv) | Salaries A/c Dr. To Salaries Outstanding A/c (Salaries due to employees) | | 20,000 | 20,000 |
| (v) | Cash A/c Dr. Discount Allowed A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold) | | 8,500 1,580 | 9,000 540 540 |
| (vi) | Interest on Capital A/c Dr. To Capital A/c (Interest on capital allowed @ 10% p.a.) | | 10,000 | 10,000 |
| (vii) | Loss of Stock by Theft A/c Dr. To Purchases A/c To Input IGST A/c (Goods lost by theft) | | 5,600 | 5,000 600 |



Q.27 Pass Journal entries in the books of Puneet, Delhi for the following:

- (i) Received an order from Karan & Co. for supply of goods of ₹ 50,000.**
- (ii) Received an order from AK & Co. for goods of ₹ 1,00,000 along with a cheque for ₹ 25,000 as advance.**
- (iii) Paid to staff ₹ 40,000 against outstanding salary of ₹ 60,000.**
- (iv) Sold goods to Bharat, Kaithal (Haryana) of ₹ 10,000 *plus* IGST @ 12% out of which 1/5th were returned being defective.**
- (v) Cheque of ₹ 20,000 issued by Feroz was dishonoured.**
- (vi) Received 40 paise in a rupee from Feroz against the above dues.**
- (vii) Received a cheque of ₹ 25,000 from Mohan after banking hours.**
- (viii) Purchased goods from Barun of Chandigarh of ₹ 10,000 *plus* IGST @ 12% and sold them to Arun of Shimla (HP) at ₹ 22,400, including IGST @ 12%.**
- (ix) Arun returned goods of ₹ 6,720, including IGST which were returned to Barun.**
- (x) ABC & Co. purchased 10 TV sets @ ₹ 20,000 per set and paid IGST @ 12%. It sold all the sets @ ₹ 25,000 per set *plus* CGST and SGST @ 6% each.**
- (xi) Paid insurance of ₹ 12,000 *plus* CGST and SGST @ 6% each for a period of one year.**
- (xii) Sold personal car for ₹ 1,00,000 and invested the amount in the firm.**
- (xiii) Goods costing ₹ 1,00,000 were destroyed in fire. Insurance company admitted the claim for ₹ 75,000. These goods were purchased within Delhi.**
- (xiv) Purchased machinery for ₹ 56,000 including IGST of ₹ 6,000 and paid cartage thereon ₹ 5,000 and installation charges ₹ 10,000.**
- (xv) Goods costing ₹ 40,000 sold to Mr. X at a profit of 20% on sales *less* 10% Trade Discount *plus* CGST and SGST @ 6% each and received a cheque under 2% cash discount.**
- (xvi) Purchased machinery from New Machinery House for ₹ 50,000 and paid it by means of a bank draft purchased from bank. Paid charges ₹ 500.**

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|--------|---|------------|---------------------|--|
| (i) | No Entry | | | |
| (ii) | Cash A/c To Advance from Ak & Co. (Advance received for order) | Dr. | 25,000 | 25,000 |
| (iii) | Outstanding Salary A/c To Cash A/c (Payment of outstanding salaries) | Dr. | 40,000 | 40,000 |
| (iv) | Bharat's A/c To Sales A/c To Output IGST A/c (Goods sold) | Dr. | 11,200 | 10,000 1,200 |
| | Sales Return A/c Output IGST A/c To Bharat's A/c (1/5th goods returned by Bharat) | Dr. Dr. | 2,000 240 | 2,240 |
| (v) | Feroz's A/c To Bank A/c (Cheque issued by Feroz dishonoured) | Dr. | 20,000 | 20,000 |
| (vi) | Cash A/c Bad Debts A/c To Feroz's A/c (Received 40 paise in a rupee as full and final settlement from Feroz) | Dr. Dr. | 8,000 12,000 | 20,000 |
| (vii) | Cheque in Hand A/c To Mohan's A/c (Received cheque from Mohan) | Dr. | 25,000 | 25,000 |
| (viii) | Purchases A/c Input IGST A/c To Barun's A/c (Goods purchased) | Dr. Dr. | 10,000 1,200 | 11,200 |
| | Arun's A/c To Sales A/c To Output IGST A/c (Goods sold) | Dr. | 22,400 | 20,000 2,400 |
| (ix) | Sales Return A/c Output IGST A/c To Arun's A/c (Goods returned by Arun) | Dr. Dr. | 6,000 720 | 6,720 |
| | Barun's A/c To Purchases Return A/c To Input IGST A/c (Goods returned to Barun) | Dr. | 6,720 | 6,000 720 |
| (x) | TV A/c Input IGST A/c To Cash A/c (TV purchased) | Dr. Dr. | 2,00,000 24,000 | 2,24,000 |
| | Cash A/c To TV A/c To Profit on Sale of TV A/c To Output CGST A/c To Output SGST A/c (TV sold) | Dr. | 2,80,000 | 2,00,000 50,000 15,000 15,000 |
| (xi) | Insurance A/c Input CGST A/c | Dr. Dr. | 12,000 720 | |

| | | | | |
|--------|---|------------|------------------|----------------------------|
| | Input SGST A/c To Cash A/c (Paid insurance) | Dr. | 720 | 13,440 |
| (xii) | Cash A/c To Capital A/c (Sold personal car and invested the proceeds into business) | Dr. | 1,00,000 | 1,00,000 |
| (xiii) | Insurance Company A/c To Purchases A/c To Input CGST A/c To Input SGST A/c (Claim lodged with insurance company, including CGST and SGST) | Dr. | 1,12,000 | 1,00,000 6,000 6,000 |
| | Bank A/c Loss of Stock by Fire A/c To Insurance Company A/c | Dr. Dr. | 75,000 37,000 | 1,12,000 |
| (xiv) | Machinery A/c Input IGST A/c To Cash A/c (Purchased machinery) | Dr. Dr. | 65,000 6,000 | 71,000 |
| (xv) | Bank A/c Discount Allowed A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold @ 10% trade discount, 2% cash discount) | Dr. Dr. | 47,416 968 | 43,200 2,592 2,592 |
| (xvi) | Machinery A/c Bank Charges A/c To Bank A/c (Purchased machinery and paid by bank draft) | Dr. Dr. | 50,000 500 | 50,500 |



Q.28 D. Chadha, Delhi commenced business on 1st January, 2019. His transactions for the month are given below. Journalise them. He will close his books on 31st March each year.

| 2019 | | ₹ |
|---------|--|----------|
| Jan. 1 | Commenced business with Cash | 25,000 |
| Jan. 2 | Opened Bank Account with cheque from his Savings Account | 2,25,000 |
| Jan. 3 | Bought goods from Ramesh & Co., Delhi, plus CGST and SGST @ 6% each | 54,000 |
| Jan. 3 | Sold goods to Rajesh of ₹ 60,000, charged CGST and SGST @ 6% each | |
| Jan. 7 | Bought goods from Rahul, Chennai, plus IGST @ 12% | 65,000 |
| Jan. 8 | Paid wages in cash (GST not levied) | 8,000 |
| Jan. 8 | Sold goods to Mahesh, Kochi of ₹ 60,000; charged IGST @ 12% | |
| Jan. 10 | Received cheque from Rajesh (Discount allowed ₹ 1,200) | 66,000 |
| Jan. 11 | Paid to Ramesh & Co. (Discount received ₹ 2,700) | 51,300 |
| Jan. 12 | Paid rent @ ₹ 15,000 per month for three months up to March, <i>plus</i> CGST and SGST @ 6% each | |
| Jan. 15 | Paid office expenses in cash | 700 |
| Jan. 21 | Sold to Rakesh, Delhi goods of ₹ 25,000, charged CGST and SGST @ 6% each | |
| Jan. 22 | Paid office expenses in cash | 500 |
| Jan. 22 | Paid to Rahul by cheque (discount ₹ 3,200) | 61,300 |
| Jan. 25 | Received cheque from Mahesh Kochi (discount ₹ 1,500) | 65,700 |
| Jan. 27 | Rakesh, Delhi returned goods (being not as per sample) | 2,000 |
| Jan. 31 | Paid salaries for the month | 20,000 |

The solution for this question is as follows:

Books of D. Chadha
Journal

| Date | Particulars | L.F | Debit Amount ₹ | Credit Amount ₹ |
|----------------|---|-------------------|--------------------------|--------------------------|
| 2019 Jan.01 | Cash A/c To Capital A/c (Started business with Cash) | Dr. | 25,000 | 25,000 |
| Jan.02 | Bank A/c To Cash A/c (Opened Bank Account with his Savings Bank Account Cheque) | Dr. | 2,25,000 | 2,25,000 |
| Jan.03 | Purchases A/c Input CGST A/c Input SGST A/c To Ramesh & Co (Bought goods from Ramesh & Co @ 6% CGST and SGST) | Dr. Dr. Dr. | 54,000 3,240 3,240 | 60,480 |
| Jan.03 | Rajesh To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods to Rajesh @ 6% CGST and SGST) | Dr. | 67,200 | 60,000 3,600 3,600 |
| Jan.07 | Purchases A/c Input IGST A/c To Rahul (Bought goods from Rahul @ 12% IGST) | Dr. Dr. | 65,000 7,800 | 72,800 |
| Jan.08 | Wages A/c To Cash A/c (Paid Wages) | Dr. | 800 | 800 |
| Jan.08 | Mahesh To Sales A/c To Output IGST A/c (Sold goods to Mahesh @ 12% IGST) | Dr. | 67,200 | 60,000 7,200 |
| Jan.10 | Bank A/c Discount Allowed A/c To Rajesh (Received cheque from Rajesh and discount allowed) | Dr. Dr. | 66,000 1,200 | 67,200 |



| | | | | |
|--------|---|-----|--------|--------|
| Jan.11 | Ramesh & Co | Dr. | 54,000 | |
| | To Cash A/c | | | 51,300 |
| | To Discount Received | | | 2,700 |
| | (Paid to Ramesh & Co and Discount Received) | | | |
| Jan.12 | Prepaid Rent A/c | Dr. | 15,000 | |
| | Input CGST A/c | Dr. | 900 | |
| | Input SGST A/c | Dr. | 900 | |
| | To Cash A/c | | | 16,800 |
| | (Paid rent in advance upto March plus 6% CGST and SGST) | | | |
| Jan 15 | Expenses A/c | Dr. | 700 | |
| | To Cash A/c | | | 700 |
| | (Paid office expenses in cash) | | | |
| Jan.21 | Rakesh | Dr. | 28,000 | |
| | To Sales A/c | | | 25,000 |
| | To Output CGST A/c | | | 1,500 |
| | To Output SGST A/c | | | 1,500 |
| | (Sold goods to Rakesh) | | | |
| Jan.22 | Expenses A/c | Dr. | 500 | |
| | To Cash A/c | | | 500 |
| | (Paid office expenses) | | | |
| Jan.22 | Rahul | Dr. | 64,500 | |
| | To Bank A/c | | | 61,300 |
| | To Discount Received A/c | | | 3,200 |
| | (Paid to Rahul and discount received) | | | |
| Jan.25 | Bank A/c | Dr. | 65,700 | |
| | Discount Allowed A/c | Dr. | 1,500 | |
| | To Mahesh | | | 67,200 |
| | (Received Cheque from Mahesh, Kochi and discount allowed) | | | |
| Jan.27 | Sales Return A/c | Dr. | 2,000 | |
| | Output CGST A/c | Dr. | 120 | |
| | Output SGST A/c | Dr. | 120 | |
| | To Rakesh | | | 2,240 |
| | (Goods returned by Rakesh and GST @ 6% reversed) | | | |
| Jan 31 | Salaries A/c | Dr. | 20,000 | |
| | To Cash A/c | | | 20,000 |
| | (Paid office expenses and salaries in cash) | | | |



Q.29 Journalise the following transactions in the books of Manoj Store:

- (i) Purchased goods from Ramesh ₹ 20,000 *less* Trade Discount at 20% *plus* IGST @ 12% .
- (ii) Sold goods costing ₹ 7,000 to Krishna for ₹ 9,000 *plus* IGST @ 12%.
- (iii) Sold goods for ₹ 10,000 and charged IGST @ 12% against cheque.
- (iv) ₹ 5,000 were deposited into Savings Account.
- (v) Machinery costing ₹ 4,00,000 for which order was placed earlier paying advance of ₹ 40,000. The balance amount was paid as follows:
 - (a) An old machine (personal) valued at ₹ 30,000 was given in exchange;
 - (b) Issued a cheque from his savings account for ₹ 1,30,000; and
 - (c) Balance by issue cheque from firm's bank account.
- (vi) Paid wages ₹ 2,500 for installation of machine.

The solution for this question is as follows:

Books of Manoj Store
Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|-------|--|------|---------------------|--------------------------------|
| (i) | Purchases A/c Dr. Input IGST A/c Dr. To Ramesh's A/c (Goods purchased from Ramesh at 20% trade discount plus IGST @ 12%) | | 18,000 2,160 | 20,160 |
| (ii) | Krishna's A/c Dr. To Sales A/c To Output IGST A/c (Goods worth ₹ 7,000 sold to Krishna for ₹ 9,000 plus IGST @ 12%) | | 10,080 | 9,000 1,080 |
| (iii) | Bank A/c Dr. To Sales A/c To Output IGST A/c (Goods worth ₹ 10,000 sold and IGST charged @ 12%) | | 11,200 | 10,000 1,200 |
| (iv) | Bank A/c Dr. To Cash A/c (Cash deposited into Savings A/c) | | 5,000 | 5,000 |
| (v) | Machinery A/c Dr. To Advance (on order) To Capital A/c (Note) To Bank A/c (Machinery purchased for exchange of personal machine and by issuing cheque) | | 4,00,000 | 40,000 1,60,000 2,00,000 |
| (vi) | Machinery A/c Dr. To Cash A/c (Wages paid for installation of machine) | | 2,500 | 2,500 |



Q.30 On 1st April, 2019, the position of Rahman was as follows: Cash-in Hand ₹ 11,200; Cash at bank ₹ 2,57,600; Bills Receivable ₹ 68,800; Jai Ram (Dr.) ₹ 16,000; Ram Kumar (Dr.) ₹ 48,080; Office Furniture ₹ 52,800; Stock-in-Trade ₹ 4,16,000; Doulat Ram (Cr.) ₹ 1,74,720, Hari Ram (Cr.) ₹ 2,16,960; Bills Payable ₹ 80,000. What was the amount of capital of Rahman on that date? Pass the Journal entry to Open his books.

The solution for this question is as follows:

| Journal | | | | |
|---------|---|------|---------------------|----------------------|
| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
| 2019 | | | | |
| Apr-01 | Cash-in-Hand A/c | Dr. | 11,200 | |
| | Cash at Bank A/c | Dr. | 2,57,600 | |
| | Bills Receivable A/c | Dr. | 68,800 | |
| | Jai Ram's A/c | Dr. | 16,000 | |
| | Ram Kumar's A/c | Dr. | 48,080 | |
| | Office Furniture A/c | Dr. | 52,800 | |
| | Stock-in-Trade A/c | Dr. | 4,16,000 | |
| | To Doulat Ram's A/c | | | 1,74,720 |
| | To Hari Ram's A/c | | | 2,16,960 |
| | To Bills Payable A/c | | | 80,000 |
| | To Capital A/c (Balancing Figure) | | | 3,98,800 |
| | (Being the balances of assets, liabilities and capital brought forward) | | | |

Therefore, the amount of Capital of Rahman on 1st April, 2019 is ₹3,98,800.

Q.31 On 1st April, 2019, the position of Tendulkar was as follows: Stock-in-Hand ₹ 2,88,000; Bills Payable ₹ 48,000; Cash at Bank ₹ 2,16,000; Plant and Machinery ₹ 1,20,000; Debtors ₹ 60,000; Creditors ₹ 96,000; Investment ₹ 2,40,000, Loan from Suresh ₹ 1,80,000. What was the amount of Tendulkar's capital on the date? Pass an opening Journal entry.

The solution for this question is as follows:

Journal

| Date | Particulars | L.F. | Debit Amount (₹) | Credit Amount (₹) |
|----------------|---|------|------------------------|-------------------------|
| 2019 Apr-01 | Stock-in-Hand A/c | Dr. | 2,88,000 | |
| | Cash at Bank A/c | Dr. | 2,16,000 | |
| | Plant & Machinery A/c | Dr. | 1,20,000 | |
| | Debtors A/c | Dr. | 60,000 | |
| | Investments A/c | Dr. | 2,40,000 | |
| | To Bills Payable A/c | | | 48,000 |
| | To Creditors A/c | | | 96,000 |
| | To Loan from Suresh A/c | | | 1,80,000 |
| | To Capital A/c (Balancing Figure) | | | 6,00,000 |
| | (Being the balances of assets, liabilities and capital brought forward) | | | |

Therefore, the amount of Capital of Tendulkar on 1st April, 2019 is ₹6,00,000.



Q.32 Pass the Opening Entry from the following Balance Sheet as at 31st March, 2019 of Vikas:

| Liabilities | | ₹ | Assets | | ₹ |
|--------------------------|----------|----------|----------------------------|--|-----------------|
| Capital A/c: | | | Land and Building | | 1,50,000 |
| Opening Balance | 5,05,115 | | Plant and Machinery | | 2,50,750 |
| Add: Profit for the year | 1,20,115 | | Chandra & Sons | | 71,270 |
| | 6,25,230 | | Closing Stock | | 56,250 |
| Less: Drawings | 60,000 | 5,65,230 | Cash in Hand | | 15,700 |
| Salary Payable | | 15,000 | Cash at Bank | | 75,250 |
| Magic Trades | | 27,220 | Input CGST | | 5,000 |
| Babbar & Co. | | 11,770 | | | |
| Output SGST | | 5,000 | | | |
| | | 6,24,220 | | | 6,24,220 |
| | | | | | |

The solution for this question is as follows:

| Books of Vikas | | | | | |
|----------------|--------------------------------------|-----|------|----------|--------|
| Journal | | | | | |
| Date | Particulars | | L.F. | Debit | Credit |
| | | | | Amount | Amount |
| | | | | (₹) | (₹) |
| 2019 | | | | | |
| Apr-01 | Land & Building A/c | Dr. | | 1,50,000 | |
| | Plant & Machinery A/c | Dr. | | 2,50,750 | |
| | Chandra & Son's A/c | Dr. | | 71,270 | |
| | Closing Stock A/c | Dr. | | 56,250 | |
| | Cash A/c | Dr. | | 15,700 | |
| | Bank A/c | Dr. | | 75,250 | |
| | Input CGST A/c | Dr. | | 5,000 | |
| | To Salary Payable A/c | | | 15,000 | |
| | To Magic Traders's A/c | | | 27,220 | |
| | To Babbar & Co.Ltd's A/c | | | 11,770 | |
| | To Output SGST A/c | | | 5,000 | |
| | To Capital A/c (Balancing Figure) | | | 5,65,230 | |
| | (Opening entry made) | | | | |
| | | | | | |

