

Chapter 16 – Rectification of Errors

Question 1.

How will you rectify the following errors?

- Purchases Book is overcast by Rs.10,000.
- Purchases Return Book is overcast by Rs.1,000.
- Purchases Return Book's balance is carried forward in excess by Rs.100.
- Purchases Book's balance is carried forward in excess by Rs.1,000.

Note: The above errors have been detected before the preparation of Trial Balance.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c To Purchases A/c (Being purchase book was overcast by ₹10,000, now rectified)	Dr.	10,000	10,000
(ii)	Purchases Return A/c To Suspense A/c (Being purchase return book was overcast by ₹1,000, now rectified)	Dr.	1,000	1,000
(iii)	Purchases Return A/c To Suspense A/c (Being purchase return book's balance carried forward in excess of ₹100, now rectified)	Dr.	100	100
(iv)	Suspense A/c To Purchases A/c (Being purchase book's balance was carried forward in excess of ₹1,000 now rectified)	Dr.	1,000	1,000

Question 2.

How will you rectify the following errors?

- Sales Book is short casted by Rs.5,000.
- Sales Return Book is short casted by Rs.500.
- Balance of Sales Book is carried forward short by Rs.1,000.
- Balance of Sales Return Book is carried forward short by Rs.100.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c To Sales A/c (Being sales book was short by ₹5,000, now rectified)	Dr.	5,000	5,000
(ii)	Sales Return A/c To Suspense A/c (Being sales return book was short by ₹500, now rectified)	Dr.	500	500
(iii)	Suspense A/c To Sales A/c (Being sales book' balance carried forward was short by ₹1,000, now rectified)	Dr.	1,000	1,000
(iv)	Sales Return A/c To Suspense A/c (Being sales return book' balance carried forward was short by ₹100, now rectified)	Dr.	100	100

Question 3.

How will you rectify the following errors?

- i. Sales Book is overcast by Rs.5,000.
- ii. Sales Return Book is short casted by Rs.500.
- iii. Balance of Sales Book is carried forward in excess by Rs.1,000.
- iv. Balance of Sales Return Book is carried forward in excess by Rs.100.

Solution:

Journal

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Sales A/c Dr. To Suspense A/c (Being sales book was overcast by ₹5,000, now rectified)		5,000	5,000
(ii)	Sales Return A/c Dr. To Suspense A/c (Being sales book was short by ₹500, now rectified)		500	500
(iii)	Sales A/c Dr. To Suspense A/c (Being sales book's balance was carried forward in excess by ₹1,000, now rectified)		1,000	1,000
(iv)	Suspense A/c Dr. To Sales Return A/c (Being sales return book's balance was carried forward in excess by ₹100, now rectified)		100	100

Question 4.

Rectify the following errors assuming that there is no Suspense Account:

- i. Salary of Rs.5,000 paid to Rahul was not posted to Salaries Account.
- ii. Sales to Amrish of Rs.1,430 posted to his account as Rs.1,340.
- iii. Sales to Vijay of Rs.2,470 posted to his account as Rs.2,740.
- iv. Purchases from Pal of Rs.1,430 posted to his account as Rs.1,340.

Solution:

(i) Salary of ₹5,000 paid to Rahul was not posted to Salary A/c

Salaries Account

Dr.			Cr.
Particulars	₹	Particulars	₹
To salary paid not recorded	5,000		

(ii) Sales to Amrish of ₹1,430 posted to his account as ₹1,340

Amrish's Account

Dr.			Cr.
Particulars	₹	Particulars	₹
To short debit for sales	90		

(iii) Sales to Vijay of ₹2,470 posted to his account as ₹2,740

Vijay's Account

Dr.			Cr.
Particulars	₹	Particulars	₹
		By excess debit for sales	270

(iv) Purchases from Pal of ₹1,430 posted his account as ₹1,340

Pal's Account

Dr.			Cr.
Particulars	₹	Particulars	₹
		By short debit for purchases	90

Question 5.

Which of the following errors will affect the Trial Balance?

- i. The total of the Sales Book has not been posted to the Sales Account.
- ii. Rs.1,000 paid as installation charges of a new machine has been debited to Repairs Account.
- iii. Goods costing Rs.4,000 taken by the proprietor for personal use have been debited to Debtor's Account.
- iv. Rs.1,000 paid for repairs to building have been debited to Building Account.

[The total of the Sales Book has not been posted to Sales Account will affect the Trial Balance.]

Solution:

Total of Sales book has not been posted to Sales Account will affect the Trial Balance because due to undercast of Sales Accounts results in undercasting of credit side of the Trial Balance.

Question 6.

Rectify the following errors:

- i. The Sales Book of December was added short by Rs.500.
- ii. A periodical total of the Purchases Book was cast short by Rs.5,000.
- iii. The total of Purchases Return Book has been undercast by Rs.1,500.
- iv. The Sales Return Book is added Rs.200 short.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c To Sales A/c (Being sales book was added short, now rectified)	Dr.	500	500
(ii)	Purchases A/c To Suspense A/c (Being purchases book was undercast, now rectified)	Dr.	5,000	5,000
(iii)	Suspense A/c To Purchases Return A/c (Being purchases return book was cast short, now rectified)	Dr.	1,500	1,500
(iv)	Sales Return A/c To Suspense A/c (Being sales return book was undercast now rectified)	Dr.	200	200

Question 7.

Rectify the following errors assuming that there is no Suspense Account:

- The Returns Inward Book has been overcast by Rs.200.
- Purchases Book carried forward Rs.75 less.
- Sales Book carried forward Rs.41 less on Page 10 and Rs.43 more on Page 12
- Goods sold to Gautam were posted as Rs.215 instead of Rs.251.

Solution:

(i) The Returns Inward Book has been overcast by ₹200

Return Inwards Book

Dr.				Cr.			
Date	Particulars	L.F.	₹	Date	Particulars	L.F.	₹
					Over Casting of Return Inwards Book		200

(ii) Purchases Book carried forward ₹75 less.

Purchases Account

Dr.				Cr.			
Date	Particulars	L.F.	₹	Date	Particulars	L.F.	₹
	Carry forwarding of Purchases Book Less		75				

(iii) Sales Book carried forward ₹41 less on Page 10 and ₹43 more on Page 12

Sales Account

Dr.				Cr.			
Date	Particulars	L.F.	₹	Date	Particulars	L.F.	₹
	Net Carry forwarding of Sales Book excess		2				

(iv) Goods sold to Gautam were posted as ₹215 instead of ₹251

Sales Account

Dr.				Cr.			
Date	Particulars	L.F.	₹	Date	Particulars	L.F.	₹
					Difference in the amount posted		36

Gautam Account

Dr.				Cr.			
Date	Particulars	L.F.	₹	Date	Particulars	L.F.	₹
	Difference in the amount posted		36				

Question 8.

Following errors are discovered in the books of Sit Ram Lal. Make the necessary entries to rectify them:

- i. Purchases Journal was Rs.2,150.
- ii. Rs.500 received from K. Krishna was debited to his account.
- iii. An amount of Rs.3,000 withdrawn by the proprietor of the firm for his personal use was posted to the Travelling Expense Account.
- iv. An amount of Rs.175 for a credit sale to R. Gopalan correctly entered in the Sale Book, has been debited to his account as Rs.157

Solution:

Journal

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Purchases A/c Dr. To Suspense A/c (Being purchases book was under cast now rectified)		2,150	2,150
(ii)	Suspense A/c Dr. To K. Krishna (Bring received from K. Krishna was wrongly debited, now rectified)		1,000	1,000
(iii)	Drawings A/c Dr. To Travelling Expense A/c (Being amount withdrawn by proprietor for personal use wrongly posted to travelling expenses account, now rectified)		3,000	3,000
(iv)	R. Gopalan Dr. To Suspense A/c (Being R. gopalan's account was debited by ₹157 instead of ₹175, now rectified)		18	18

Question 9.

Pass the Journal entries rectifying the following errors:

- i. Purchases of Rs.10,000 was omitted to be recorded.
- ii. Purchases of office furniture of Rs.10,000 was recorded in Purchases Book.
- iii. Office Rent of Rs.15,000 was debited to the Personal Account of the landlord.
- iv. Old machine was sold for Rs.5,000 was credited to Sales Account.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Purchase A/c To Suspense A/c (Being purchase of goods worth ₹10,000 were omitted to be recorded now rectified)	Dr.	10,000	10,000
(ii)	Furniture A/c To Purchases A/c (Being purchase of office furniture was recorded in purchase book, now rectified)	Dr.	10,000	10,000
(iii)	Rent A/c To Landlord's A/c (Being office rent of ₹15,000 was debited to landlord's personal account, now rectified)	Dr.	15,000	15,000
(iv)	Sales A/c To Machinery A/c (Being sale of machinery costing ₹5,000 was credited to sales A/c, now rectified)	Dr.	5,000	5,000

Question 10.

Following errors affecting the accounts for the year 2015 were detected in the books of Dasand Co., Meerut:

- Sale of old furniture for Rs.5,000 was treated as sales of goods.
 - Rent of proprietor's residence Rs.6,000 was debited to Rent Account.
 - Cash received from Rajesh Rs.2,150 was credited to Brajesh.
- Pass the rectifying Journal entries. State the nature of each of these mistakes.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Nature - Error of Principle Sales A/c To Furniture A/c (Being sale of old furniture treated as sale of goods, now rectified)	Dr.	5,000	5,000
(ii)	Nature - Error of Principle Drawings A/c To Rent A/c (Being rent paid for proprietor's residence treated as rent paid, now rectified)	Dr.	6,000	6,000
(iii)	Nature - Error of Commission Brajesh's A/c To Rajesh's A/c (Being cash received from Rajesh, credited to Brajesh's, now rectified)	Dr.	2,150	2,150

Question 11.

Rectify the following errors:

- Purchases Book has been undercast by Rs.1,000.
- Credit sale to Anu Prakash Rs.7,000 was recorded in Purchases Book.
- Credit sale to Rahul Rs.7,000 was recorded as Rs.700.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Purchases A/c Dr. To Suspense A/c (Being purchases book was undercast by ₹1,000, now rectified)		1,000	1,000
(ii)	Anu Prakash A/c Dr. To Purchases A/c To Sales A/c (Being sales to Anu Prakash was recorded in purchases book, now rectified)		14,000	7,000 7,000
(iii)	Rahul's A/c Dr. To Sales A/c (Being sales to Rahul ₹7,000 was recorded as ₹700, now rectified)		6,300	6,300

Question 12.

Rectify the following errors:

- Total of one page of the Sales Book was carried forward to the next page as Rs.2,785 instead of Rs.2,587.
- A cheque of Rs.400 received from Mohan was dishonoured and had been posted to the debit side of the 'Allowance Account'.
- Return of goods worth Rs.5,000 by a customer was entered in the Purchase Return Book.
- Sum of Rs.200 owed by 'X' has been included in the list of Sundry Creditors.
- Sale of old furniture worth Rs.430 was credited to the Sales Account as Rs.340.

(KVS 2005)

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Sales A/c Dr. To Suspense A/c (Being carry forwarding ₹2,785 instead of ₹2,587, now rectified)		198	198
(ii)	Mohan A/c Dr. To Allowance A/c (Being a cheque received from Mohan was dishonoured but debited wrongly to allowance's account, now rectified)		400	400
(iii)	Sales Return A/c Dr. Purchases Return A/c Dr. To Customer A/c (Being goods return by a customer was recorded wrongly to purchase return book, now rectified)		5,000 5,000	10,000
(iv)	Sundry Creditors Dr. Sundry Debtors Dr. To X A/c (Being amount owed by X was included in sundry creditors, now rectified)		200 200	400
(v)	Sales A/c Dr. Suspense A/c Dr. To Furniture A/c (Being sale of old furniture ₹430 was wrongly debited to sales account for ₹340, now rectified)		340 90	430

Question 13.

Rectify the following errors:

- Purchases Book is overcast by Rs.500.
- Salary paid to an employee, Mr. Ajay, is debited to his Personal Account Rs.3,000.
- Goods sold to Shashi on credit Rs.300 have been wrongly passed through the Purchases Book.
- Total of returns inward has been added Rs.9 short.

v. Purchase of chair from Happy Traders for Rs.35 has been entered in the Purchases Book as Rs.53.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c Dr. To Purchases A/c (Being purchase book was over cast now rectified)		500	500
(ii)	Salaries A/c Dr. To Mr. Ajay A/c (Being salary paid to Mr. Ajay was debited wrongly to Mr. Ajay's account)		3,000	3,000
(iii)	Shashi A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to Shashi was wrongly passed through purchases book, now rectified)		600	300 300
(iv)	Return Inwards A/c Dr. To Suspense A/c (Being return inwards book was added short by ₹9, now rectified)		9	9
(v)	Furniture A/c Dr. Happy Traders A/c Dr. To Purchases A/c (Being purchase of chair ₹35 was recorded in the purchases book as ₹53, now rectified)		35 18	53

Question 14.

Correct the following errors in Mohan Lal's Book:

- A payment of Rs.5,000 for salaries (to Mr. Ram) has been posted twice to the Salaries Account.
- Rs.750 received from Rajesh are entered on the debit side of the Cash Book. No posting was done in Rajesh's Account.
- Sales Book was overcast by Rs.3,000.
- Goods (Cost Rs.2,000, Sales Price Rs.2,500) distributed as free samples among prospective customers were not recorded anywhere.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c Dr. To Salaries A/c (Being payment of salaries ₹5,000 was posted twice wrongly in salaries account, now rectified)		5,000	5,000
(ii)	Suspense A/c Dr. To Rajesh A/c (Being received ₹750 from Rajesh was omitted to be posted his account, now rectified)		750	750
(iii)	Sales A/c Dr. To Suspense A/c (Being sales was overcast, now rectified)		3,000	3,000
(iv)	Advertisement A/c Dr. To Purchases A/c (Being goods distributed as free sample were not recorded, now recorded)		2,000	2,000

Question 15.

Rectify the following errors:

- Sales to Vinod of Rs.143 posted to his account as Rs.134.
- Sales to Vinod of Rs.143 debited to his account as Rs.134.

iii. Sales to Vinod of Rs.143 credited to his account as Rs.134.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Vinod A/c Dr. To Suspense A/c (Being ₹9 was posted less in Vinod's account, now rectified)		9	9
(ii)	Vinod A/c Dr. To Suspense A/c (Being Vinod's account was wrongly debited with ₹9 less, now rectified)		9	9
(iii)	Vinod A/c (134 + 143) Dr. To Suspense A/c (Being sales to ₹143 was wrongly credited as ₹134, now rectified)		277	277

Question 16.

Give the rectifying entries of the following:

- Sales of Rs.20,000 to Manoj were recorded as Rs.2,000 in the Sales Book.
- An amount of Rs.25,000 spent for the extension of machinery has been debited to the Wages Account.
- Discount received from Ram and Co. Rs.350, has not been entered in the discount column of the Cash Book.
- Goods of Rs.3,000 sold to Mahesh were recorded in the Purchases Book.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Manoj A/c Dr. To Sales A/c (Being sales ₹20,000 was recorded wrongly as ₹2,000, now rectified)		18,000	18,000
(ii)	Machinery A/c Dr. To Wages A/c (Being amount spent on installation of machinery was debited wrongly to wages account, now rectified)		25,000	25,000
(iii)	Suspense A/c Dr. To Discount Received A/c (Being discount received not entered in the discount column, now rectified)		350	350
(iv)	Mahesh A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to Mahesh was recorded wrongly in purchases book now rectified)		6,000	3,000 3,000

Question 17.

Correct the following errors in Mohan Lars Book:

- A sum of Rs.1,500 written off as depreciation on furniture has not been debited to the Depreciation Account.
- Returns Outward Journal has been overcast by Rs.85.
- Basudev returned goods worth Rs.500; his account was debited by this amount.
- Purchase from Krishna Mohan of Rs.2,250 has been debited to his account.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Depreciation A/c To Suspense A/c (Being amount of depreciation was not debited in depreciation account ,now recorded)	Dr.	1,500	1,500
(ii)	Return Outwards A/c To Suspense A/c (Being return outwards book was overcast, now rectified)	Dr.	85	85
(iii)	Suspense A/c To Basu Dev A/c (Being goods returned by Basu Dev was wrongly debited to his account, now rectified)	Dr.	1,000	1,000
(iv)	Suspense A/c To Krishna Mohan A/c (Being Krishna Mohan's account was wrongly debited, now rectified)	Dr.	4,500	4,500

Question 18.

Correct the following errors in Hari's Books:

- Credit sale of Rs.132 to R. Krishan correctly entered in Sales Journal but posted to his account as Rs.312.
- The total of the credit side of Ramesh's Account was overcast by Rs.2,000.
- Total of the Purchases Journal of Rs.5,250 has been posted to Purchases Account as Rs.5,205.
- Printer purchased from R. Ltd. for Rs.4,000 on credit was entered in the Purchases Book.
- An item of 2,000 entered in the Sales Return Book was posted to the debit of Pandey who had returned the goods.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c To R. Krishan (Being goods sold to R. Krishan of ₹132 was posted as ₹312 in his account, now rectified)	Dr.	180	180
(ii)	Ramesh A/c To Suspense A/c (Being credit side of Ramesh's account overcast, now rectified)	Dr.	2,000	2,000
(iii)	Purchases A/c To Suspense A/c (Being total of purchases book was posted less by ₹45, now rectified)	Dr.	45	45
(iv)	Printer A/c To Purchases A/c (Being purchase of printer was wrongly posted to purchases account, now rectified)	Dr.	4,000	4,000
(v)	Suspense A/c To Pandey's Ac (Being amount wrongly debited to Pandey's account for goods returned by him. now rectified)	Dr.	4,000	4,000

Question 19.

Rectify the following errors:

- A purchase of Rs.5,000 from Ram was omitted to be entered in the Purchases Book.
- A credit sale of Rs.257 to Messrs. Goodluck and Co. was recorded as Rs.275.
- A purchase of office furniture for Rs.500 from Salwan Furnitures was entered through the Purchases Book.
- Rent paid to Landlord Rs.500 was debited to his Personal Account.
- A debit balance of Rs.2000 on the Personal Account of Mr. John (correctly shown in the Ledger) has been omitted when extracting a Trial Balance.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Purchases A/c Dr. To Ram A/c (Being purchases from ram was omitted to be recorded , now recorded)		5,000	5,000
(ii)	Sales A/c Dr. To M/s Goodluck and Co A/c (Being sale of goods ₹257 to M/s Goodluck and Co was wrongly recorded as ₹275, now rectified)		18	18
(iii)	Office Furniture A/c Dr. To Purchase A/c (Being purchases of office furniture was wrongly recorded to purchases account, now rectified)		500	500
(iv)	Rent A/c Dr. To Landlord A/c (Being rent paid was debited wrongly to landlord account, now rectified)		500	500
(v)	₹2,000 will be shown in the debit column of Trial Balance			

Question 20.

Pass the Journal entries to rectify the following errors:

- Credit sales to Ram Rs.170 debited to his account as Rs.710.
- Credit purchases from Rs.229 recorded as Rs.292.
- Sales Book was undercast by Rs.200.
- Credit purchase of goods of Rs.2,100 from Sohan posted as Rs.1,200.
- An addition in the Returns (Inward) Book had been cast Rs.100 short.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c Dr. To Ram A/c (Being credit sale to ram ₹170 was debited to his account as ₹710, now rectified)		540	540
(ii)	Shyam A/c Dr. To Purchases A/c (Being credit purchases from Shyam ₹229 was recorded wrongly as ₹292, now rectified)		63	63
(iii)	Suspense A/c Dr. To Sales A/c (Being sales book was undercast, now rectified)		200	200
(iv)	Purchases A/c Dr. To Suspense A/c (Being purchase of ₹2,100 from Sohan was wrongly recorded as ₹1,200, now rectified)		900	900
(v)	Return Inwards A/c Dr. To Suspense A/c (Being return inwards book was undercast, now rectified)		100	100

Question 21.

Pass the rectifying entries for the following:

- Sales of goods Rs.6,000 to Madan were recorded as Rs.600 in the Sales Book.
- Credit purchase of goods from Mohan amounting to Rs.2,000 has been wrongly passed through the Sales Book.
- Return of goods worth Rs.500 by a customer was entered in 'Purchases Return Book'.
- Cheque of Rs.400 received from Ranjan was dishonoured and debited to the Discount Account.
- Bill for Rs.820 received from Ramesh for repair of machinery was entered in the Purchases Book as Rs.720.

(Delhi 2003)

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Madan A/c To Sales A/c (Being sale of goods to ₹6,000 was wrongly recorded as ₹600)	Dr.	5,400	5,400
(ii)	Sales A/c Purchases A/c To Mohan A/c (Being purchases of goods from Mohan was wrongly recorded in the sales book, now rectified)	Dr. Dr.	2,000 2,000	4,000
(iii)	Sales Return A/c Purchases Return A/c To Customer A/c (Being sales return was entered wrongly in purchases return book now rectified)	Dr. Dr.	500 500	1,000
(iv)	Rajan A/c To Discount A/c (Being discount account was debited wrongly on dishonour of Rajan's cheque, now rectified)	Dr.	400	400
(v)	Repair A/c To Purchases A/c To Suspense A/c (Being repair of machinery ₹820 was recorded wrongly to purchases book now rectified)	Dr.	820	720 100

Question 22.

Give rectifying Journal entries for the following errors:

- Sales of goods to Madan Rs.6,000 were entered in the Sales Book as Rs.600.
- Credit purchase of Rs.1,500 from Ajay has been wrongly passed through the Sales Book.
- Repairs to building Rs.300 were debited to Building Account.
- Rs.2,050 paid to Rohit is posted to the debit of Mohit's Account as Rs.5,020.
- Purchases Return Book is overcast by Rs.400.

(MSE Chandigarh 2007)

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Madan A/c To Sales A/c (Being sale of goods ₹6,000 to Madan was wrongly recorded as ₹600)	Dr.	5,400	5,400
(ii)	Purchases A/c Sales A/c To Ajay A/c (Being purchase of goods from Ajay was wrongly passed through sales book)	Dr. Dr.	1,500 1,500	3,000
(iii)	Repair A/c To Building A/c (Being repair of building ₹300 was wrongly debited to building account, now rectified)	Dr.	300	300
(iv)	Rohit A/c Suspense A/c To Mohit A/c (Being payment to Rohit ₹2,050 was wrongly debited Mohit's account as ₹5,020, now rectified)	Dr. Dr.	2,050 2,970	5,020
(v)	Purchases Return A/c To Suspense A/c (Being purchase return book was overcast now rectified)	Dr.	400	400

Question 23.

Give rectifying entries for the following:

- Rs.5,400 received from Mr. A was posted to the debit of his account.
- The total of Sales Return Book overcast by Rs.800.
- Rs.2,740 paid for repairs to motor car was debited to Motor Car Account as Rs.1,740.
- Returned goods to Shyam Rs.1,500 were passed through Returns Inward Book.

(MSE Chandigarh 2008)

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c Dr. To Mr. A A/c (Being received ₹5,400 from Mr A was wrongly debited to his account, now rectified)		10,800	10,800
(ii)	Suspense A/c Dr. To Sales Return A/c (Being sales return book was overcast, now rectified)		800	800
(iii)	Repair A/c Dr. To Motor Car A/c To Suspense A/c (Being repairs of motor cars ₹2,740 was wrongly debited to motor car account as ₹1,740, now rectified)		2,740	1,740 1,000
(iv)	Shyam A/c Dr. To Return Inwards A/c To Return Outwards A/c (Being return outward to Shyam was wrongly recorded in the return inwards book, now rectified)		3,000	1,500 1,500

Question 24.

Pass Journal entries rectifying the following errors:

- A cheque for Rs.10,000 was received from Ranjan on which Rs.200 Cash Discount was allowed. The cheque was not honoured on due date and the amount of discount was credited to Discount Received Account.
- Rs.2,000 paid as wages for machinery installation was debited to Wages Account.
- Rs.5,000 received from Rakesh were credited to his Personal Account. The amount had been written off as bad debt earlier.
- Repair bill of machinery was recorded as Rs.100 against the bill amount of Rs.1,000.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Discount Received A/c Dr. To Discount Allowed A/c (Being on dishonour of Ranjan's cheque, instead of crediting discount allowed account, discount received account was wrongly credited, now rectified)		200	200
(ii)	Machinery A/c Dr. To Wages A/c (Being wages paid for installation of machinery was debited wrongly to wages account, now rectified)		2,000	2,000
(iii)	Rakesh A/c Dr. To Bad Debt Recovered A/c (Being cash received from Rakesh was credited wrongly to Rakesh's account was previously written off as bad debt, now rectified)		5,000	5,000
(iv)	Repair A/c Dr. To Cash A/c (Being repair bill ₹1,000 was recorded as ₹100, now rectified)		900	900

Question 25.

Rectify the following errors:

- Sales Book has been totaled Rs.1,000 short.
- Goods worth Rs.1,500 returned by Green and Co. have not been recorded anywhere.
- Goods purchased worth Rs.2,500 have been posted to the debit of the supplier, Gupta and Co.
- Furniture purchased from Gulaband Co. worth Rs.10,000 has been entered in Purchases Book.
- Cash received from A Rs.2,500 has not been posted in his account.

(KVS 2008)

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c To Sales A/c (Being sales book was undercast, now rectified)	Dr.	1,000	1,000
(ii)	Sales Return A/c To Green and CoA/c (Being goods returned by green and Co was not recorded, now recorded)	Dr.	1,500	1,500
(iii)	Suspense A/c To Gupta and CoA/c (Being goods purchased of ₹2,500 from Gupta and Co was wrongly debited to his account, now rectified)	Dr.	2,500	2,500
(iv)	Furniture A/c To Purchases A/c (Being purchase of goods ₹ 10,000 was debited wrongly to Purchases Book, now rectified)	Dr.	10,000	10,000
(v)	Suspense A/c To A A/c (Being cash received from a was not posted to his account, now rectified)	Dr.	2,500	2,500

Question 26.

How will you rectify the following errors?

- Rs.500 spent on building repairs has been debited to the Building Account.
- Furniture worth Rs.5,000 purchased from X on credit omitted from being recorded in the books.
- Total of Returns Inward Book was added by Rs.200 instead of Rs.250.
- Sales Book was overcast by Rs.500.
- Sale of old machinery amounting to Rs.600 has been credited to the Sales Account.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Repair A/c To Building A/c (Being repair of building was debited wrongly to building account, now rectified)	Dr.	500	500
(ii)	Furniture A/c To X A/c (Being furniture purchased from X was omitted to be recorded, now recorded)	Dr.	5,000	5,000
(iii)	Return Inwards A/c To Suspense A/c (Being return inwards book was added short, now rectified)	Dr.	50	50
(iv)	Sales A/c To Suspense A/c (Being sales book was overcast, now rectified)	Dr.	500	500
(v)	Sales A/c To Machinery A/c (Being sale of machinery was credited wrongly to sales book, now rectified)	Dr.	600	600

Question 27.

Pass Journal entries to rectify the errors in the following cases:

- i. A purchase of goods from David amounting to Rs.150 has been wrongly passed through the Sales Book.
- ii. A credit sale of goods of Rs.120 to Peter has been wrongly passed through the Purchases Book.
- iii. Rs.200, salary paid to Cashier, B. Naidu, stands wrongly debited to his Personal Account.
- iv. Rs.100 received from Shaw and Co. have been wrongly entered as from Shah and Co.
- v. Ramesh's Account was credited with Rs.840 twice instead of once.

Solution:

Journal					
Date	Particulars	L.F.	Dr. ₹	Cr. ₹	
(i)	Purchases A/c Dr. Sales A/c Dr. To David A/c (Being purchase of goods from David was wrongly passed through sales book, now rectified)		150 150		300
(ii)	Peter A/c Dr. To Sales A/c To Purchases A/c (Being sale of goods to Peter was wrongly passed through purchases book, now rectified)		240		120 120
(iii)	Salaries A/c Dr. To B. Naidu A/c (Being salary paid to B. Naidu was passed wrongly to his account: now rectified)		200		200
(iv)	Shah and Co A/c Dr. To Shaw and Co A/c (Being received ₹ 100 from Shaw and Co was wrongly entered in Shah and Co's account, now rectified)		100		100
(v)	Ramesh A/c Dr. To Suspense A/c (Being amount credited twice to Ramesh's account, now rectified)		840		840

Question 28.

A. What are the different causes that make a Trial Balance incorrect?

B. Pass the rectifying Journal entries:

- i. A credit sale of goods for Rs.2,500 to Krishna has been wrongly passed through the Purchases Book.
- ii. Rs.5,000 paid for freight on machinery purchased was debited to the Freight Account as Rs.500.
- iii. The Returns Inward Book has been wrongly overcast by Rs.100.
- iv. An amount of Rs.500 due from Ramesh which had been written off as bad debt in previous year was recovered and had been posted to the Personal Account of Ramesh.
- v. A sum of Rs.460 owed by Hari had not been included in the list of debtors.

(MSE Chandigarh 2003)

Solution:

(i) The following are the causes that make a Trial Balance incorrect.

- a. Incomplete posting of Journal Entry
- b. Posting in the wrong side of Account.
- c. Wrong totalling of Subsidiary Books
- d. Wrong balance of Account
- e. Omission of total of Subsidiary book into Account
- f. Wrong totalling of the Trial Balance

(ii)

Journal

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(a)	Krishna A/c Dr. To Sales A/c To Purchases A/c (Being credit sale of goods to Krishna was posted wrongly to purchases book, now rectified)		5,000	2,500 2,500
(b)	Machinery A/c Dr. To Freight A/c To Suspense A/c (Being freight ₹5,000 paid on machinery was wrongly recorded in freight account as ₹500)		5,000	500 4,500
(c)	Suspense A/c Dr. To Return Inwards A/c (Being return inwards book was overcast, now rectified)		100	100
(d)	Ramesh A/c Dr. To Bad Debt Recovered A/c (Being received ₹500 which previously written off as bad debt wrongly credited to Ramesh account, now rectified)		500	500
(e)	Sundry Debtors A/c Dr. To Hari A/c (Being Hari which was not in the List of sundry debtors, now recorded)		460	460

Question 29.

Rectify the following errors:

- i. Wages paid for the construction of office debited to the Wages Account, Rs.5,000.
- ii. Machinery purchased for Rs.35,000 was passed through the Purchases Book.
- iii. Old furniture sold for Rs.1,000, passed through the Sales Book.
- iv. Rs.2,000 paid to Mehta Bros. against acceptance were debited to Malhotra Bros Account.
- v. Sales of Rs.204 to Ram debited to his account as Rs.402 and purchases of Rs.1,012 from Shyam credited to his account as Rs.1,210.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Building A/c To Wages A/c (Being wages paid for construction of office was debited wrongly to wages account, now rectified)	Dr.	5,000	5,000
(ii)	Machinery A/c To Purchases A/c (Being purchase of machinery was recorded wrongly in invoice book, now rectified)	Dr.	35,000	35,000
(iii)	Sales A/c To Furniture A/c (Being sale of old furniture was passed wrongly to sales book, now rectified)	Dr.	1,000	1,000
(iv)	Bills Payable A/c To Malhotra Bros A/c (Being amount paid against acceptance to Mehta bros was wrongly debited to Malhotra bros, now rectified)	Dr.	2,000	2,000
(v)	Shyam A/c To Ram A/c (Being sales to ram ₹ 204 was debited to his account as ₹402 and purchase from Shyam ₹1,012 was credited to his account as ₹1,210, now rectified)	Dr.	198	198

Question 30.

There was an error in the Trial Balance of Ram Gopal on 31st March, 2013 and the difference in books was carried to the Suspense Account. On going through the books, you find that:

- Rs.540 received from M. Mehta was posted to the debit side of his account.
- Rs.100 being purchases return was posted to the debit of the Purchases Account.
- Discount of Rs.300 received was posted to the debit of the Discount Account.
- Rs.374 paid for motor car repairs was debited to the Motor Car Account as Rs.717
- Rs.400 paid to C. Das was debited to the account of G. Dass.

Pass the Journal entries to rectify the above errors and state what amount was carried to the Suspense Account.

Solution:

Journal

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Suspense A/c Dr. To M. Mehta (Being cash received from M. Mehta was wrongly posted to the debit of his account, now rectified)		1,080	1,080
(ii)	Suspense A/c Dr. To Purchases A/c To Purchases Return A/c (Being purchases return ₹100 was wrongly debited to purchases account now rectified)		200	100 100
(iii)	Suspense A/c Dr. To Discount A/c (300+300) (Being discount received ₹300 was wrongly posted to the debit of discount account, now rectified)		600	600
(iv)	Motor Car Repair A/c Dr. To Motor Car A/c To Suspense A/c (Being paid ₹374 for motor car repair was wrongly debited to motor car account as ₹174, now rectified)		347	174 200
(v)	C. Das A/c Dr. To G. Das A/c (Being amount paid to C. das was wrongly debited to G. das, now rectified)		400	400

Suspense Account

Dr			Cr		
Date	Particulars	₹	Date	Particulars	₹
(i)	To M. Mehta A/c	1,080	(iv)	By Motor Car Repair A/c	200
(ii)	To Purchases A/c	100		By Balance c/d	1,680
	To Purchases Return A/c	100			
(iii)	To Discount A/c	600			
		1,880			1,880

Question 31.

Trial Balance of a bookkeeper shows an excess of debits over credits by Rs.261. This difference is placed in a Suspense Account to facilitate books closure. Later on the following errors were discovered:

- i. A credit item of Rs.349 has been debited to a Personal Account as Rs.439.
- ii. A sum of Rs.625 written off from fixtures as depreciation has not been posted to Depreciation Account.
- iii. Rs.9,000 paid for furniture bought have been charged to the Purchases Account.
- iv. A discount allowed to a customer has been credited to him as Rs.145 in place of Rs.154.
- v. A sale of Rs.594 was posted as Rs.495 in the Sales Account.
- vi. The total of Returns Inward Book has been added Rs.10 short.

Pass the Journal entries to correct these errors and prepare the Suspense Account.

Solution:

Journal					
Date	Particulars	L.F.	Dr. ₹	Cr. ₹	
(i)	Suspense A/c To Personal A/c (Being credit item was wrongly debited to a personal account, now rectified)	Dr.	788		788
(ii)	Depreciation A/c To Suspense A/c (Being depreciation on Fixtures was not posted to depreciation account, now rectified)	Dr.	625		625
(iii)	Furniture A/c To Purchases A/c (Being purchase of furniture was wrongly charged to purchases account, now rectified)	Dr.	9,000		9,000
(iv)	Suspense A/c To Customer A/c (Discount allowed to Customer ₹154 was Credited wrongly as ₹145, now rectified)	Dr.	9		9
(v)	Suspense A/c To Sales A/c (Being sale of ₹594 was wrongly posted as ₹495, now rectified)	Dr.	99		99
(vi)	Return Inwards A/c To Suspense A/c (Being return inwards book was undercasted, now rectified)	Dr.	10		10

Suspense Account					
Dr			Cr		
Date	Particulars	₹	Date	Particulars	₹
(i)	To Personal A/c	788		By Balance b/d	261
(iv)	To Customer A/c	9	(ii)	By Depreciation A/c	625
(v)	To Sale A/c	99	(vi)	By Return Inwards A/c	10
		896			896

Question 32.

The accountant of a firm finds that the Trial Balance as on 31st December, 2015 is out by an excess debit of Rs.283. He placed the amount in the Suspense Account. In the first week of January, 2016, he discovered the following errors. Pass the Journal entries necessary to rectify these errors and show the Suspense Account as it would appear at the end of the week. Have you any comment to make?

- Cash paid to Amar Nath, Rs.75, was posted to the credit of Amar Singh's Account as Rs.57.
- Discount allowed by Brijesh of Rs.5 was not entered in the Cash Book but Brijesh stands debited correctly.
- No entry was made for goods worth Rs.40 taken away by proprietor for personal use.
- Rs.500 received from Jhaveri Bros. for interest on loan advanced to them were recorded in the Cash Book. But the entry was not posted in the Ledger.
- The total of Returns Outward Book was short by Rs.100.

Solution:**Journal**

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Amar Nath A/c Amar Singh A/c To Suspense A/c (Being cash paid to Amar Nath Rs.75 was wrongly credited to Amar Singh as Rs.57, now rectified)	Dr. Dr.	75 57	132
(ii)	Suspense A/c To Discount Received A/c (Being discount received by Brijesh was omitted to be recorded in discount column but was recorded in Brijesh's account, now rectified)	Dr.	5	5
(iii)	Drawings A/c To Purchases A/c (Being goods drawn by proprietor was not recorded, now recorded)	Dr.	40	40
(iv)	Suspense A/c To Interest on Advance A/c (Being interest on advances received from Jhaveri bros was not posted into ledger, now rectified)	Dr.	500	500
(v)	Suspense A/c To Return Outwards A/c (Being return outwards book undercasted now rectified)	Dr.	100	100

Suspense Account

Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(ii)	To Discount Received A/c	5		By Balanced b/d	283
(iv)	To Interest on Advances A/c	500	(i)	By Amar Nath A/c	75
(v)	To Return Outwards A/c	100	(i)	By Amar Singh A/c	57
				By Balance c/d	190
		605			605

As the Suspense account has not tallied, there are errors still to be rectified.

Question 33.

You are presented with a Trial Balance showing a difference which has been carried to the Suspense Account and the following errors are revealed:

- Rs.1,700 paid in cash for an office equipment was charged to Office Expenses Account.
- A cash sale of Rs.5,000 to Black, correctly entered in the Cash Book, was posted to the credit of Black's Account in the Ledger.
- Goods amounting to Rs.800, returned by Blue, were entered in the Sales Book and posted there from to the credit of Blue's Account.
- Furniture purchased for Rs.8,100 was posted to Furniture Account as Rs.810.
- Goods amounting to Rs.10,000 sold to Red were correctly entered in Sales Book but posted to Red's Account for Rs.18,000.
- Sales Return Book was overcast by Rs.100.

You are required to pass the necessary rectification entries in respect of the above.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Typewriter A/c Dr. To Office Expenses A/c (Being purchase of typewriter was wrongly charged to office expense account, now rectified)		1,700	1,700
(ii)	Black A/c Dr. To Sales A/c (Being cash sale to black was entered in the cash book but was wrongly posted to the credit of black's account, now rectified)		5,000	5,000
(iii)	Sales Return A/c Dr. Sales A/c Dr. To Suspense A/c (Being goods returned by blue was wrongly entered in the sales book but correctly posted in blue's account, now rectified)		800 800	1,600
(iv)	Furniture A/c Dr. To Suspense A/c (Being furniture purchased posted as ₹810 instead of ₹8,100, now rectified)		7,290	7,290
(v)	Suspense A/c Dr. To Red A/c (Being goods sold to red ₹10,000 was entered in sales book but posted in red A/c ₹18,000, now rectified)		8,000	8,000
(vi)	Suspense A/c Dr. To Sales Return A/c (Being sales return book was over cast)		100	100

Question 34.

The bookkeeper of a firm found that his Trial Balance was out (excess credit) by Rs.742. He placed the amount in a Suspense Account and subsequently found the following errors:

- A discount of Rs.178 was allowed to Ramesh but in his account only Rs.100 is recorded.
- The total of the Purchases Book was Rs.1,000 short.
- A sale of Rs.375 to Kohli was entered in the Sales Book as Rs.735.
- From the Purchases Book, Bose's Account was debited with Rs.175.
- Cash Rs.250 received from Maitra against debt previously written off was credited to his account.
- Purchase of office furniture worth Rs.750 on credit from Delhi Furnitures was entered in the Purchases Book.
- While carrying forward the total of the Sales Book from one page to another the amount of Rs.11,358 was written as Rs.11,538.
- The proprietor took goods of the value of Rs.150 for his domestic consumption. No record of it has been made in the books.
- Repairs bill for the proprietor's personal car Rs.410, has been paid by the firm and debited to the Repairs Account.
- A sale to Kassim of Rs.700 has been entered in the Purchases Book.

Rectify the errors by means of suitable Journal entries and show the Suspense Account.

Solution:

Journal

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Ramesh A/c (Being discount allowed Rs.178 to Ramesh was wrongly entered as Rs.100 in his account, now rectified)	Dr.	78	78
(ii)	Purchases A/c To Suspense A/c (Being purchases book was undercast, now rectified)	Dr.	1,000	1,000
(iii)	Sales A/c To Kohli A/c (Being sale of goods Rs.375 was wrongly entered as Rs.735 in sales book. now rectified)	Dr.	360	360
(iv)	Suspense A/c To Bose A/c (Being purchases from Bose Rs.175 was debited to his account, now rectified)	Dr.	350	350
(v)	Maitra A/c To Bad Debt Recovered A/c (Being cash received from Maitra which had been previously written off as bad debt, was credited to account, now rectified)	Dr.	250	250
(vi)	Furniture A/c To Purchases A/c (Being purchases of office furniture was wrongly entered in the purchases book, now rectified)	Dr.	750	750
(vii)	Sales A/c To Suspense A/c (Being total of sales book carry forward by excess amount, now rectified)	Dr.	180	180
(viii)	Drawings A/c To Purchases A/c (Being goods drawn by proprietor was not recorded, now rectified)	Dr.	150	150
(ix)	Drawings A/c To Repair A/c (Being repair of proprietor's personal car was wrongly debited to repairs account, now rectified)	Dr.	410	410
(x)	Kassim A/c To Sales A/c To Purchases A/c (Being sale to Kassim was wrongly entered in the purchases book, now rectified)	Dr.	1,400	700 700

Suspense Account

Dr			Cr		
Date	Particulars	₹	Date	Particulars	₹
	To Balance b/d	742	(ii)	By Purchases A/c	1,000
(i)	To Ramesh A/c	78	(vii)	By Sales A/c	180
(iv)	To Bose A/c	350			
	To Balance c/d	10			
		1,180			1,180

Question 35.

Rectify the following errors found in the books of Mr. B. Trial Balance had Rs.930 excess credit. The difference has been posted to a Suspense Account:

- The total of Returns Inward Book has been cast Rs.1,000 short.
- The purchase of an office table costing Rs.3,000 has been passed through the Purchases Book.
- Rs.3,750 paid for wages to workmen for making showcases had been charged to the Wages Account.
- A purchase of Rs.670 had been posted to the Creditors Account as Rs.600.
- A cheque for Rs.2,000 received from Mr. P.C. Joshi had been dishonoured and was passed to the debit of the Allowances Account.

After rectification reflect the transactions in the Suspense Account.

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Return Inwards A/c To Suspense A/c (Being return inwards was undercast, now rectified)	Dr.	1,000	1,000
(ii)	Furniture A/c To Purchases A/c (Being purchase of office furniture was wrongly entered in purchases book now rectified)	Dr.	3,000	3,000
(iii)	Furniture A/c To Wages A/c (Being wages paid for making showcases was wrongly charged to wages account, now rectified)	Dr.	3,750	3,750
(iv)	Suspense A/c To Creditors A/c (Being purchase of Rs.670 was credited to creditors as Rs.600, now rectified)	Dr.	70	70
(v)	Mr. P. C Joshi A/c To Allowances A/c (Being Mr. P. C. Joshi cheque was dishonoured and was wrongly debited to allowances account, now rectified)	Dr.	2,000	2,000

Suspense Account					
Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(iv)	To Balance b/d	930	(i)	By Return Inwards	1,000
	To Creditors	70			
		<u>1,000</u>			<u>1,000</u>

Question 36.

Pass the rectification entries for the following transactions:

- An amount of Rs.2,000 received from Mohan on 1st April, 2013 had been entered in the Cash Book as having been received on 31st March, 2013.
- The balance in the account of Mr. Rahim Rs.1,000 had been written off as bad but on other account has been debited.
- An addition in the Returns Inward Book had been cast Rs.100 short.
- A cheque for Rs.200 drawn for the Petty Cash Account has been posted in the account of Asif.
- A cheque of Rs.150 received from Sharad has been dishonoured and debited in the Discount Account.
- Ramesh's Account was credited with Rs.840 twice instead of once.

Solution:

Journal				
Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Mohan A/c To Cash A/c (Being cash received from Mohan on April 01,2013 but was wrongly passed on March 31, 2013)	Dr.	2,000	2,000
(ii)	Bad Debts A/c To Suspense A/c (Being bad debt of Rahim was not posted to bad debts account, now rectified)	Dr.	1,000	1,000
(iii)	Return Inwards A/c To Suspense A/c (Being return inwards book was undercast, now rectified)	Dr.	100	100
(iv)	Petty Cash A/c To Asif A/c (Being cheque drawn for petty cash was wrongly debited to Asif's account, now rectified)	Dr.	200	200
(v)	Sharad A/c To Discount A/c (Being Sharad's cheque dishonoured was wrongly debited to discount account, now rectified)	Dr.	150	150
(vi)	Ramesh A/c To Suspense A/c (Being ramesh's account was credited twice, now rectified)	Dr.	840	840

Question 37.

The Trial Balance of M/s. Gupta and Sons shows a difference of Rs.52,200. To prepare the Final Account on 31st March, 2009, this difference is placed in a Suspense Account Afterwards the following errors were disclosed. Pass the necessary entries to rectify them and show the Suspense Account.

- i. Purchases Book total had been undercasted by Rs.20,000.
- ii. A cheque received from Vasudev for Rs.7,800 had been debited in the Cash Book but not posted in Vasudev's Personal Account.
- iii. Returns Outward Book had been overcasted by Rs.10,000.
- iv. Goods returned by Yash Pal worth Rs.15,000 have been entered in Returns Outward Book. However, Yash Pal's Account is correctly posted.

(Delhi 2006)

Solution:**Journal**

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c To Suspense A/c (Being purchases was undercast, now rectified)	Dr.	20,000	20,000
(ii)	Suspense A/c To Vasudev A/c (Being cheque received from Vasudev was not recorded in his account now recorded)	Dr.	7,800	7,800
(iii)	Return Outwards A/c To Suspense A/c (Being return outwards book was overcast, now rectified)	Dr.	10,000	10,000
(iv)	Return Inward A/c Return Outwards A/c To Suspense A/c (Being goods returned by Yash Pal was wrongly entered in the return outwards book but correctly posted to his account, now rectified)	Dr. Dr.	15,000 15,000	30,000

Suspense Account

Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(ii)	To Difference in Trial Balance	52,200	(i)	By Purchases A/c	20,000
	To Vasudev A/c	7,800	(iii)	By Return Outwards A/c	10,000
			(iv)	By Return Inwards A/c	15,000
				By Return Outwards A/c	15,000
		60,000			60,000

Question 38.

A Trial Balance disclosed a difference of Rs.417 placed on the credit side of the Suspense Account. Later on the following errors were located:

- i. Goods worth Rs.200 purchased from Sohan had been posted to his account as Rs.250.
- ii. A purchase of furniture for Rs.500 was recorded in the Purchases Book.
- iii. Instead of crediting Gian's Account with Rs.512, it was debited with Rs.215.
- iv. Goods worth Rs.130 returned by Gian were entered in the Sales Book and posted therefrom to the credit of Gian's Personal Account.

Pass the rectifying entries and prepare a Suspense Account.

(MSE Chandigarh 2006)

Solution:**Journal**

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
(i)	Sohan To Suspense A/c (Being goods purchased from Sohan ₹200 was posted to his account as ₹250, now rectified)	Dr.	50	500
(ii)	Furniture A/c To Purchases A/c (Being purchase of furniture was entered in purchases book, now rectified)	Dr.	500	500
(iii)	Suspense A/c To Gian A/c (Being Gian's account was debited by ₹215 instead of crediting ₹512, now rectified)	Dr.	727	727
(iv)	Sales Return A/c Sales A/c To Suspense A/c (Being sale returned by Gian was wrongly entered in the sales book, now rectified)	Dr. Dr.	130 130	260

Suspense Account

Dr			Cr		
Date	Particulars	₹	Date	Particulars	₹
(iii)	To Gian A/c	727		By Balance b/d	417
			(i)	By Sohan A/c	50
			(iv)	By Sales Return A/c	130
				By Sales A/c	130
		727			727

Question 39.

There was a difference of Rs.720 in the Trial Balance which has been transferred to the credit side of the Suspense Account. Pass the rectifying entries and prepare a Suspense Account to rectify the following errors:

- An amount of Rs.375 now posted on the debit side of the Commission Account instead of Rs.275.
- Credit amount of Rs.260 posted to the debit of the Personal Account as Rs.360.
- Goods sold to Surinder recorded in Purchases Book Rs.300.
- D's bill for erection of godown at a cost of Rs.1,200 has been charged to the Repairs Account.

(MSE Chandigarh 2005)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Commission A/c (Being commission Rs.275 was debited as Rs.375, now rectified)	Dr.	100	100
(ii)	Suspense A/c To Personal Account A/c (260+360) (Being credit amount Rs.260 was wrongly posted to the debit Rs.360 in personal account, now rectified)	Dr.	620	620
(iii)	Surinder A/c Sales A/c To Purchases A/c (Being goods sold to Surinder was wrongly recorded in the purchases book, now rectified)	Dr.	600	300 300
(iv)	Building A/c To Repair A/c (Being cost of erection of godown Rs.1,200 was debited to repair account. now rectified)	Dr.	1,200	1,200

Suspense Account					
Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(i)	To Commission A/c	100		By Balance b/d	720
(ii)	To Personal Account A/c	620			
		720			720

Question 40.

Rectify the following errors by means of Journal entries:

- A cheque of Rs.5,000 received from Ashish was dishonoured and was debited to Discount Account.
 - Purchases of Rs.540 from Ramneek was written in Sales Book but was correctly posted to correct side of Ramneek's Account.
 - Salary paid to Miss Yugakshi Rs.1,000 was debited to her Personal Account as Rs.900.
 - Furniture costing Rs.500, purchased from Jyoti, was wrongly entered in Purchases Book as Rs.450.
- (Delhi 2008)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Ashish A/c To Discount A/c (Being Ashish's cheque was debited to discount account, now rectified)	Dr.	5,000	5,000
(ii)	Purchases A/c Sales A/c To Suspense A/c (Being bought goods from Ramneek was recorded in sales book and credited to his account, now rectified)	Dr. Dr.	540 540	1,080
(iii)	Salary A/c To Yugakshi A/c To Suspense A/c (Being salary Rs.1,000 to Yugakshi was debited to her account as Rs.900, now rectified)	Dr.	1,000	900 100
(iv)	Furniture A/c To Purchase A/c To Suspense A/c (Being purchase of furniture Rs.500 was posted to purchase book Rs.450, now rectified)	Dr.	500	450 50

Question 41.

The Trial Balance of S. Sen did not agree and the difference in books was carried to a Suspense Account. Pass the entries required to rectify the following errors which accounted for the difference. Also, prepare the Suspense Account:

- A Sales Invoice for Rs.1,000 for goods sold on credit to B. Basu was entered in the Purchases Book but in the Ledger, the amount was correctly debited to the account of B. Basu.

- ii. Goods bought on credit from Ram Lal for Rs.1,500 were wrongly debited to his account as Rs.5,100.
 - iii. An amount of Rs.275 was posted as Rs.325 to the debit side of the Commission Account.
 - iv. The Sales Book for the month of April was undercast by Rs.100.
 - v. Rs.460 paid for building repairs was debited to the Building Account as Rs.640.
- [Suspense Account opened with a Credit of Rs.8,930]

Solution:

**Books of S.Sen
Journal**

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Sales A/c To Purchases A/c (Being goods sold to B Basu was entered in Purchases book and debited to his account, now rectified)	Dr.	2,000	1,000 1,000
(ii)	Suspense A/c To Ram Lal (Being goods bought from Ram Lal Rs.1,500 was wrongly debited to his account as Rs.5,100, now rectified)	Dr.	6,600	6,600
(iii)	Suspense A/c To Commission A/c (Being commission Rs.275 was wrongly debited a Rs.325, now rectified)	Dr.	50	50
(iv)	Suspense A/c To Sales A/c (Being Sale Book undercast, now rectified)	Dr.	100	100
(v)	Building Repair A/c Suspense A/c To Building A/c (Being building repair Rs.460 was debited to Building Account as Rs.640, now rectified)	Dr. Dr.	460 180	640

Suspense Account

Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(i)	To Sale A/c	1,000		By Balance c/d	8,930
	To Purchases A/c	1,000			
(ii)	To Ram Lal A/c	6,600			
(iii)	To Commission A/c	50			
(iv)	To Sales A/c	100			
(v)	To Building A/c	180			
		<u>8,930</u>			<u>8,930</u>

Question 42.

Rectify the following errors:

- i. Sale of old furniture worth Rs.3,000 treated as sales of goods.
 - ii. Sales Book added Rs.5,000 short.
 - iii. Rent of proprietor's residence, Rs.6,500 debited to Rent Account.
 - iv. Goods worth Rs.11,970 returned by Manav posted to his debit as Rs.11,790.
- (Delhi 2010)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c To Furniture A/c (Being sale of old furniture was wrongly treated as sales of goods, now rectified)	Dr.	3,000	3,000
(ii)	Suspense A/c To Sales A/c (Being sales book was undercast, now rectified)	Dr.	5,000	5,000
(iii)	Drawings A/c To Rent A/c (Being rent of proprietor's residence was wrongly debited to rent account, now rectified)	Dr.	6,500	6,500
(iv)	Suspense A/c To Manav A/c (Being goods returned by Manav Rs.11,970 was wrongly posted to the debit of his account as Rs.11,790, now rectified)	Dr.	23,760	23,760

Question 43.

There was a difference in the Trial Balance of M/s. Jain and Sons, prepared for the year ended 31st March, 2009. The accountant put the difference in Suspense Account. The following errors were found:

- Purchases Return Book total Rs.400 has not been posted to Ledger Account.
- Rs.5,100 spent on legal expense for the newly acquired Building was debited to the Building Account as Rs.1,500.
- A sale of Rs.6,540 to Rajat has been credited to his account.

Rectify the errors and show the Suspense Account with Nil closing balance.

(KVS 2010)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Purchases Return A/c (Being purchase return book total was not posted to purchase return account, now rectified)	Dr.	400	400
(ii)	Building A/c To Suspense A/c (Being legal expenses Rs.5,100 on acquiring a building was recorded as Rs.1,500 in building account, now rectified)	Dr.	3,600	3,600
(iii)	Rajat A/c To Suspense A/c (Being sale of Rajat Rs.6,540 was posted wrongly to credit of his account now rectified)	Dr.	13,080	13,080

Suspense Account					
Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
(i)	To Purchases Return A/c	400		By Building A/c	3,600
	Difference in the trial balance	16,280		By Rajat A/c	13,080
		16,680			16,680

Question 44.

Give the Journal entries to rectify the following errors:

- Purchases Book was overcast by Rs.1,000.
- Installation charges on new machinery purchased Rs.500 were debited to Sundry Expenses Account as Rs.50.
- Radhey Shyam returned goods worth Rs.500 which was entered in the Purchases Return Book.
- Goods taken by the proprietor for Rs.5,000 have not been entered in the books at all.

(Delhi 2011)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Purchases A/c (Being purchases book was overcast, now rectified)	Dr.	1,000	1,000
(ii)	Machinery A/c To Sundry Expense A/c To Suspense A/c (Being installation charges of machinery Rs.1,500 was wrongly debited as Rs.50 in sundry expenses account, now rectified)	Dr.	500	50 450
(iii)	Sales Return A/c Purchases Return A/c To Radhey Shyam A/c (Being goods returned by Radhey Shyam was wrongly entered in purchases return book, now rectified)	Dr. Dr.	500 500	1,000
(iv)	Drawings A/c To Purchases A/c (Being goods taken by proprietor was not recorded, now rectified)	Dr.	5,000	5,000

Question 45.

Rectify the following errors:

- The total of one page of Sales Book was carried forward as Rs.371 instead of Rs.317.
- Rs.540 received from Yatin was posted to the debit of his Account.
- Purchases Returns Book was overcast by Rs.300.
- An item of Rs.1,062 entered in Sales Return Book had been posted to the debit of customer who returned the goods.
- Rs.1,500 paid for furniture purchased had been charged to ordinary Purchase Account.

(MSE Chandigarh 2011)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c To Suspense A/c (Being one page of sale book Rs.317 was wrongly forwarded as Rs.371, now rectified)	Dr.	54	54
(ii)	Suspense A/c To Yatin A/c (Being received Rs.540 from Yatin posted wrongly to the debit side of his account, now rectified)	Dr.	1,080	1,080
(iii)	Purchases Return A/c To Suspense A/c (Being purchases return book was overcast, by now rectified)	Dr.	300	300
(iv)	Suspense A/c To Customer A/c (Being goods return by customer Rs.1,062 was posted wrongly to the debit of his account, now rectified)	Dr.	2,124	2,124
(v)	Furniture A/c To Purchases A/c (Being amount paid for purchase of furniture wrongly debited to purchases account, now rectified)	Dr.	1,500	1,500

Question 46.

Rectify the following errors by passing Journal entries:

- Old furniture sold for Rs.500 has been credited to Sales Account.
- Machinery purchased on credit from Raman for Rs.2,000 recorded through PurchaS Book as Rs.16,000.
- Cash received from Rajat Rs.5,000 was posted to the debit of Bhagat as Rs.6,000.
- Depreciation provided on machinery Rs.3,000 was posted to Machinery Account Rs.300.

(MSE Chandigarh 2013)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c To Furniture A/c (Being sale of old furniture was wrongly treated as sales of goods, now rectified)	Dr.	500	500
(ii)	Machinery A/c Raman A/c To Purchases Ac (Being machinery purchased on credit of Rs. 2,000 was wrongly recorded in the purchase book as Rs.16,000, now rectified)	Dr. Dr.	2,000 14,000	16,000
(iii)	Suspense A/c To Rajat A/c To Bhagat A/c (Being cash received from Rajat Rs.5,000 was wrongly posted to the debit of Bhagat as Rs.6,000, now rectified)	Dr.	11,000	6,000 5,000
(iv)	Suspense A/c To Machinery A/c (Being depreciation provided on machinery Rs.3,000 was posted to machinery A/c as Rs.300, now rectified)	Dr.	2,700	2,700

Question 47.

Rectify the following errors by passing Journal entries:

- A sum of Rs.470 received from Ganga was posted to her debit as Rs.740.
- A debit balance of Rs.550 in the personal account of Mr. John was undercast.
- Bills Receivable from Brown for Rs.3,000 posted to the credit of Bills Payable Account and credited to Brown's Account.
- Goods returned by Mridul Rs.225 have been entered in the Returns Outward Book.

(MSE Chandigarh 2015)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c (740+ 470) To Ganga's A/c (Being Rs. 470 received from Ganga was posted to her debit as Rs.740, now rectified)	Dr.	1,210	1,210
(ii)	Mr. John's A/c To Suspense A/c (Being debit balance of Mr. John's personal account was undercasted by Rs.550, now rectified)	Dr.	550	550
(iii)	Bills Receivable A/c Bills Payable A/c To Suspense A/c (Being bills receivable from brown, posted to credit of bills payable and credited to brown's account, now rectified)	Dr. Dr.	3,000 3,000	6,000
(iv)	Sales Return A/c Purchases Return A/c To Mridul's A/c (Being goods returned by Mridul was entered in the return outward book, now rectified)	Dr.	225 225	450

Question 48.

Pass the rectification entries for the following transactions:

- A builder's bill for Rs.25,000 for erection of a small shed was debited to Repairs Account.
- Repairs to plant amounting to Rs.2,000 had been charged to Plant and Machinery Account.
- Wages paid to the firm's workmen for making certain additions to machinery amounting to Rs.1,340 were debited to Wages Account.
- A cheque for Rs.7,500 received from S. Desai was credited to the account of R. Gupta.
- Goods to the value of Rs.7,000 returned by X were included in closing stock, but no entry was made in the books.
- Goods costing Rs.5,000 were purchased for various members of the staff and the cost was included in Purchases'. A similar amount was deducted from the salaries of the staff members concerned and the net payments to them debited to Salaries Account.
- Goods sold to Rs.4,750 have been wrongly entered in the Sales Journal as Rs.7,450.

viii. Debit and Credit totals of discount columns in the Cash Book which come to Rs.400 and Rs.370 respectively have not been posted to Discount Accounts.

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Building A/c To Repair A/c (Being erection of small shed was wrongly debited to repair account, now rectified)	Dr.	25,000	25,000
(ii)	Repairs A/c To Plant and Machinery A/c (Being repair to plant was wrongly charged to plant and Machinery Account, now rectified)	Dr.	2,000	2,000
(iii)	Machinery A/c To Wages A/c (Being wages paid to workmen for certain addition to machinery wrongly debited to wages account, now rectified)	Dr.	1,340	1,340
(iv)	R. Gupta A/c To S. Desai A/c (Being cheque of Rs.7,500 received from S. Desai was wrongly credited to R Gupta's account, now rectified)	Dr.	7,500	7,500
(v)	Sales Return A/c To X A/c (being goods returned by X had not recorded in the book now rectified)	Dr.	7,000	7,000
(vi)	Salaries A/c To Purchases A/c (Being goods purchased for staff was wrongly debited to purchases account, now rectified)	Dr.	5,000	5,000
(vii)	Sales A/c To Z A/c (Being sale of Rs.4,750 to Z was wrongly recorded as Rs.7,450, now rectified)	Dr.	2,700	2,700
(viii)	Discount Allowed A/c To Suspense A/c (Being discount allowed omitted to be recorded now recorded)	Dr.	400	400
	Suspense A/c To Discount Received A/c (Being discount received omitted to be recorded now recorded)	Dr.	370	370

Question 49.

While trying to close his books for the year ended 31st March, 2014, Mahesh found that t Trial Balance did not agree. He traced the following errors:

- In the Sales Book for the month of January total of Page No. 2 was carried forward to Page No. 3 as Rs.1,000 instead of Rs.1,200 and total of Page No. 6 was carried forward to Page No. 7 as Rs.5,600 instead of Rs.5,000.
- Goods returned to Ram Rs.1,000 were recorded in the Sales Book.
- Bill Receivable for Rs.1,600 from Noor was dishonoured and posted to debit of Allowances Account. Rectify the above errors.

(KVS 2015)

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c To Suspense A/c (Being sale book was undercasted by Rs. 200 and overcastted by Rs. 600, now rectified)	Dr.	400	400
(ii)	Sales A/c To Purchases Return A/c (Being goods returned to ram recorded in sales book, now rectified)	Dr.	1,000	1,000
(iii)	Noor's A/c To Allowances A/c (Being bills receivable from Noor dishonoured and recorded to allowances account, now rectified)	Dr.	1,600	1,600