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

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 To Capital A/c (Started business with cash)	Dr.		1,00,000	1,00,000
Jan. 02	Bank A/c To Cash A/c (paid into Bank)	Dr.		60,000	60,000
Jan. 03	Purchase A/c To M/s. S. Singh of Co. A/c (Purchased goods from M/s S. Singh and Co)	Dr.		20,000	20,000
Jan. 03	Cartage A/c To Cash A/c (Paid for Cartage)	Dr.		300	300
Jan. 04	Furniture A/c Office Equipments A/c Computer A/c To Bank A/c (Being Furniture, Office Equipments and Computer purchased through cheque)	Dr. Dr. Dr.		2,000 1,000 13,000	16,000
Jan. 04	HP Printers A/c To Bank A/c (Advance payment for placing an order for HP Printers)	Dr.		5,000	5,000
Jan. 06	Postage A/c To Cash A/c (Paid for postage)	Dr.		150	150
Jan. 08	Cash A/c To Sales A/c (Sold goods for Cash)	Dr.		4,000	4,000
Jan. 09	M/s. S. Sharda and Co. A/c To Sales A/c (Sold goods to M/s. S. Sharda and Co.)	Dr.		10,000	10,000
Jan. 15	M/s S. Singh and Co. A/c To Cash A/c (Paid to M/s S. Singh and Co.)	Dr.		17,500	17,500
Jan. 25	M/s. Ray and Co. A/c To Sales A/c (Sold goods to M/s. Ray and Co)	Dr.		5,600	5,600
Jan. 27	Bank A/c Discount Allowed A/c To M/s S. Sharda and Co A/c (Cash received from M/s S. Sharda and Co. and discount allowed)	Dr. Dr.		9,750 250	10,000
Jan. 31	Electricity Charges A/c Salary A/c To Cash A/c (Being electricity charges and salary paid)	Dr. Dr.		1,000 1,500	2,500
Jan. 31	Rent A/c Drawings A/c To Cash A/c (Rent paid half, of which related to personal use)	Dr. Dr.		2,500 2,500	5,000
Jan. 31	Drawings A/c To Cash A/c (Withdrawn for private use)	Dr.		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 Dr. To Bank A/c (Goods purchased from Vishal by cheque)		16,000	16,000
(ii)	Purchase A/c Dr. To Cash A/c (Goods purchased from Naman for cash)		17,000	17,000
(iii)	Purchase A/c Dr. To Amrit (Goods purchased from Amrik on credit)		24,000	24,000
(iv)	Purchase A/c Dr. To Cash A/c (Goods purchased for cash)		35,000	35,000
(v)	Amrit Dr. To Purchase Returns A/c (Goods returned by Amrik)		8,000	8,000
(vi)	Bank A/c Dr. To Sales A/c (Goods sold to Parul by cheque)		36,000	36,000
(vii)	Cash A/c Dr. To Sales A/c (Goods sold to Aman for cash)		27,000	27,000
(viii)	Pawan Dr. To Sales A/c (Goods sold to Pawan on credit)		18,000	18,000
(ix)	Yamini Dr. To Sales A/c (Goods sold to Yamini on credit)		23,000	23,000
(x)	Bhupesh Dr. To Sales A/c (Goods sold to Bhupesh on credit)		10,800	10,800
(xi)	Bank A/c Dr. To Sales A/c (Goods sold against cheque)		47,812.50	47,812.50
(xii)	Sales Returns A/c Dr. To Aman (Goods returned by Aman)		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 % 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.		20,000	
	Discount Allowed A/c	Dr.		500	
	To Bharat				20,500
	(Payment received from Bharat)				
(ii)	Bank A/c	Dr.		35,000	
	Discount Allowed A/c	Dr.		750	
	To Vikas				35,750
	(Payment received from Vikas)				
(iii)	Cash A/c	Dr.		38,000	
	Discount Allowed A/c	Dr.		2,000	
	To Akhil				40,000
	(Payment received from Akhil)				
(iv)	Bank A/c	Dr.		50,000	
	To Amrit				50,000
	(Payment received from Amrit)				
(v)	Suresh	Dr.		40,000	
	To Cash A/c				39,200
	To Discount Received A/c				800
	(Payment made to Suresh)				
(vi)	Mehar	Dr.		26,000	
	To Bank A/c				25,000
	To Discount Received A/c				1,000
	(Payment made to Meher)				
(vii)	Yogesh	Dr.		25,000	
	To Bank A/c				25,000
	(Payment made to Yogesh)				
(viii)	Purchases A/c	Dr.		97,000	
	To Bank A/c				97,000
	(Goods bought against cheque)				
(ix)	Purchases A/c	Dr.		60,000	
	To Akash & Co.				30,000
	To Cash A/c				29,100
	To Discount Received A/c				900
	(Goods bought from Akash & Co.)				
(x)	Bank A/c	Dr.		29,400	
	To Sales A/c				29,400
	(Goods sold against cheque)				
(xi)	Vimal	Dr.		30,000	
	Cash A/c	Dr.		29,400	
	Discount Allowed A/c	Dr.		600	
	To Sales A/c				60,000
	(Goods sold to Vimal)				

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 paisa 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.		500	
	To Purchases A/c			500
	(Goods given as charity)			
(ii)	Bank A/c Dr.		25,000	
	Mayank A/c Dr.		75,000	
	To Sales A/c			1,00,000
	(Goods sold partly through cheque and partly through credit)			
(iii)	Cash A/c Dr.		975	
	Discount Allowed A/c Dr.		25	
	To Harikrishna A/c			1,000
	(Cash received from Harikrishna in full and final settlement)			
(iv)	Cash A/c Dr.		600	
	Bad Debts A/c Dr.		400	
	To Rajan A/c			1,000
	(First and final dividend received from Rajan in full settlement of his debt)			
(v)	Drawings A/c Dr.		1,500	
	To Interest on Drawings A/c			1,500
	(Interest on drawings charged)			
(vi)	Cash A/c Dr.		40,000	
	To Sales A/c			40,000
	(Goods sold to Anil at 25% profit on cost and 20% Trade Discount)			
	Cartage A/c Dr.		100	
	To Cash A/c			100
	(Cartage paid)			

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

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

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

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

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

The solution for this question is as follows:

Journal

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

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

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

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.		16,800	
	To Sales A/c				15,000
	To Output IGST A/c				1,800
	(Goods sold @ 25% trade discount)				
Jan-14	Cash A/c	Dr.		8,400	
	To Gupta Shawls A/c				8,400
	(50% payment received)				
Feb-10	Cash A/c	Dr.		8,400	
	To Gupta Shawls A/c				8,400
	(Balance 50% payment received)				

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

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

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

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

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

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	Dr.		25,000	
	To Advance from Ak & Co.				25,000
	(Advance received for order)				
(iii)	Outstanding Salary A/c	Dr.		40,000	
	To Cash A/c				40,000
	(Payment of outstanding salaries)				
(iv)	Bharat's A/c	Dr.		11,200	
	To Sales A/c				10,000
	To Output IGST A/c				1,200
	(Goods sold)				
	Sales Return A/c	Dr.		2,000	
	Output IGST A/c	Dr.		240	
	To Bharat's A/c				2,240
	(1/5th goods returned by Bharat)				
(v)	Feroz's A/c	Dr.		20,000	
	To Bank A/c				20,000
	(Cheque issued by Feroz dishonoured)				
(vi)	Cash A/c	Dr.		8,000	
	Bad Debts A/c	Dr.		12,000	
	To Feroz's A/c				20,000
	(Received 40 paise in a rupee as full and final settlement from Feroz)				
(vii)	Cheque in Hand A/c	Dr.		25,000	
	To Mohan's A/c				25,000
	(Received cheque from Mohan)				
(viii)	Purchases A/c	Dr.		10,000	
	Input IGST A/c	Dr.		1,200	
	To Barun's A/c				11,200
	(Goods purchased)				
	Arun's A/c	Dr.		22,400	
	To Sales A/c				20,000
	To Output IGST A/c				2,400
	(Goods sold)				
(ix)	Sales Return A/c	Dr.		6,000	
	Output IGST A/c	Dr.		720	
	To Arun's A/c				6,720
	(Goods returned by Arun)				
	Barun's A/c	Dr.		6,720	
	To Purchases Return A/c				6,000
	To Input IGST A/c				720
	(Goods returned to Barun)				
(x)	TV A/c	Dr.		2,00,000	
	Input IGST A/c	Dr.		24,000	
	To Cash A/c				2,24,000
	(TV purchased)				
	Cash A/c	Dr.		2,80,000	
	To TV A/c				2,00,000
	To Profit on Sale of TV A/c				50,000
	To Output CGST A/c				15,000
	To Output SGST A/c				15,000
	(TV sold)				
(xi)	Insurance A/c	Dr.		12,000	
	Input CGST A/c	Dr.		720	

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

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

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

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 Amount (₹)**	**Credit 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)				