

Chapter- 5 Journal

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

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

The solution for this question is as follows:

Journal

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

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

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

Working Notes

1. Sales Price Calculation

Sales price = 10000 + 20% of 10000

$$= 10000 + 2000$$

$$= 12000$$

Final Sales Price = Sales Price – Trade Discount

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

$$= 12000 - 1200$$

$$= 10800$$

2. Calculating Purchase price and sales price

Purchase price = 50000 – 15% of 50000

$$= 50000 - 7500$$

$$= 42500$$

Sales Price = 42500 + 25% of 42500

$$= 42500 + 10625$$

$$= 53125$$

Final Sale Price = 53125 – 10% of 53125

$$= 53125 - 5312.5$$

$$= 47812.5$$

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

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

The solution for this question is as follows:

Journal

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

Q.5 Journalise the following transactions:

₹

- (i) Shyam became insolvent. A first and final compensation of 75 paise in a rupee was received from his Official Receiver. He owed us 10,000
- (ii) Received cash for bad debts written off last year. 5,000
- (iii) Rent due to landlord. 8,000
- (iv) Salaries due to clerks. 10,000
- (v) Placed an order with Rakesh Mohan for the supply of goods of the list price of ₹ 1,00,000. In this connection, Raman paid 10% of the list price as an advance by cheque.

The solution for this question is as follows:

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

Q.6 Journalise the following entries:

(i) Goods costing ₹ 500 given as charity.

(ii) Sold goods to Mayank of ₹ 1,00,000, payable 25% by cheque at the time of sale and balance after 30 days of sale.

(iii) Received ₹ 975 from Harikrishna in full settlement of his account of ₹ 1,000.

(iv) Received a first and final dividend of 60 paise in a rupee from the Official Receiver of Rajan, who owed us ₹ 1,000.

(v) Charge interest on Drawings ₹ 1,500.

(vi) Sold goods costing ₹ 40,000 to Anil for cash at a profit of 25% on cost /less 20% trade discount and paid cartage ₹ 100, which is not to be charged from customer.

The solution for this question is as follows:

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

Q.7 Journalise the following transactions:

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

Journal

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

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

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

The solution for this question is as follows:

Journal

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

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

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

The solution for this question is as follows:

Journal

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

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

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

The solution for this question is as follows:

Journal

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

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

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

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

The solution for this question is as follows:

Journal

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

Journal

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

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

The solution for this question is as follows:

Journal

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

Working Notes

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

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

The solution for this question is as follows:

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

Working Notes:

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

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

The solution for this question is as follows:

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

Working Notes:

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

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

Pass Journal entries for the above transactions.

The solution for this question is as follows:

Journal

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

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

The solution for this question is as follows:

Journal

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

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

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

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

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

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

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

The solution for this question is as follows:

Journal

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

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

2019		₹
April 1	Suresh paid into bank as Capital*	60,000
April 2	He bought goods and paid by cheque	24,000
April 3	Sold goods to Mukand & Co., Delhi	6,700
April 4	Sold goods for cash	10,900
April 5	Paid sundry expenses in cash*	3,000
April 8	Paid for office furniture and fittings by cheque	4,000
April 9	Bought goods from Ramesh & Bros., Faridabad (Haryana)	10,600
April 11	Returned goods to Ramesh & Bros.	1,500
April 12	Issued cheque to Ramesh & Bros. in full settlement*	9,500
April 30	Bank charged interest*	200
April 30	Borrowed from Ridhi @ 10% per annum interest*	50,000
April 30	Received from Mahendra on account*	6,000
April 30	Sold household furniture and paid the amount into business*	2,000
April 30	Sold goods costing ₹ 5,000 to Anita for cash at a profit of 20% on cost, 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. To Capital A/c (Paid into Bank as Capital)		60,000	60,000
Apr-02	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Bought goods for cheque @ 6% CGST and SGST)		24,000 1,440 1,440	26,880
Apr-03	Mukand & Co. Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold Goods to Mukand & Co. @ 6% CGST and SGST)		7,504	6,700 402 402
Apr-04	Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods for Cash @ 6% CGST and SGST)		12,208	10,900 654 654
Apr-05	Sundry Expenses A/c Dr. To Cash A/c (Paid Sundry Expenses)		3,000	3,000
Apr-08	Furniture A/c Dr. To Bank A/c (Bought Office furniture by cheque)		4,000	4,000
Apr-09	Purchases A/c Dr. Input IGST A/c Dr. To Ramesh and Bros. (Bought goods from Ramesh and Bros. @ 12% IGST)		10,600 1,272	11,872
Apr-11	Ramesh and Bros. Dr. To Purchase Return A/c To Input IGST A/c (Good returned to Ramesh and Bros. and IGST @12% reversed)		1,680	1,500 180
Apr-12	Ramesh Bros. A/c Dr. To Bank A/c To Discount Received A/c (Cheque sent to Ramesh and Bros. and discount received)		10,192	9,500 692
Apr-30	Interest A/c Dr. To Bank A/c (Bank charged Interest)		200	200
Apr-30	Cash A/c Dr. To Loan from Ridhi A/c (Borrowed from Ridhi @10% per annum)		50,000	50,000
Apr-30	Cash A/c Dr. To Mahendra (Received from Mahendra on account)		6,000	6,000
Apr-30	Cash A/c Dr. To Capital A/c (Sold household furniture and paid the amount into business)		2,000	2,000
Apr-30	Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods for Cash @ 6% CGST and SGST)		5,376	4,800 288 288
Apr-30	Sunil Dr. To Sales A/c To Output CGST A/c To Output SGST A/c To Cartage A/c (Sold goods to Anil @ 6% CGST and SGST and cartage charges levied; profit on sales is 20% i.e. profit on cost is 25%)		22,550	20,000 1,200 1,200 150

Q.24 Journalise the following transactions:

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

The solution for this question is as follows:

Journal

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

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

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

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

The solution for this question is as follows:

Journal

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

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

Journal

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

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

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

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

The solution for this question is as follows:

Books of D. Chadha

Journal

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

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

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

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

The solution for this question is as follows:

**Books of Manoj Store
Journal**

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

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

The solution for this question is as follows:

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

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

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

The solution for this question is as follows:

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

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

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

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

The solution for this question is as follows:

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