Chapter :- 9
Journal

- Journal is a book of original entry in which transactions are recorded in the order in which they occur i.e., in chronological order

- Opening Entry is a compound entry which carries forward all the balances of assets and liabilities of previous year to the current year.

- Compound Journal Entry :- Sometimes, two or more transactions relating to one particular account take place on the same date. In such cases, instead of passing separate entries for all such transactions, only one entry is passed.

✱ Format

Date	Particulars	Ledger Folio	Amount Dr	Amount Cr

☆ **Distinction between Trade discount & Cash Discount**

Basis	Trade Discount	Cash Discount
Meaning	Trade discount is allowed by wholesaler or manufacturer to retailers at a fixed percentage on the printed price list	Cash discount is allowed if the customer makes the payment immediately or neithin a fixed period.
When allowed?	It is allowed when goods are purchased in a specified quantity	It is allowed when payment is made on or before a specified date.
Object	It is allowed to attract the customers	It is allowed to encourage quick or prompt payment.
Recording in the books of Accounts	It is not recorded separately in the books of accounts	It is recorded separately in the books of accounts
Deduction from invoice	It is deducted from the invoice	It is not deducted from the invoice