

## ILLUSTRATION 11.

Pass Journal Entries for the following :—

(1) Received ₹20,000 from Subhash, which were written off as bad-debts in the previous year.

(2) Salaries due to clerks ₹50,000.

(3) Out of the rent paid this year, ₹10,000 is related to next year.

(4) Provide 10% depreciation on furniture costing ₹50,000.

(5) Provide 12% interest on capital amounting to ₹10,00,000.

(6) Charge interest on drawings ₹8,000.

### SOLUTION :

### JOURNAL

Date	Particulars	L. F.	Amount Dr.	Amount Cr.
(1)	Cash A/c Dr. To Bad Debts Recovered A/c (Cash received from Subhash, previously written off as bad-debts.)		₹ 20,000	₹ 20,000
(2)	Salaries A/c Dr. To Outstanding Salaries A/c (Salaries due to clerks)		50,000	50,000
(3)	Prepaid Rent A/c Dr. To Rent A/c (Rent paid in advance)		10,000	10,000
	C/F		80,000	80,000

# BOOKS OF ORIGINAL ENTRY — JOURNAL

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	B/F			
			80,000	80,000
(4)	Depreciation A/c To Furniture A/c (Depreciation provided on furniture)	Dr.	5,000	5,000
(5)	Interest on Capital A/c To Capital A/c (Interest provided on capital)	Dr.	1,20,000	1,20,000
(6)	Drawings A/c To Interest on Drawings A/c (Interest charged on drawings)	Dr.	8,000	8,000
	Total	₹	2,13,000	2,13,000

## SOLUTION :

## JOURNAL OF Dr. CHANDAN

Date	Particulars	L. F.	Amount Dr.	Amount Cr.
S. No.			₹	₹
(i)	Cash A/c Dr. Discount Allowed A/c Dr. To Krishan Swaroop (Cash received from Krishan Swaroop after allowing him discount of ₹2,000)		38,000 2,000	40,000
(ii)	Cash A/c Dr. To Dushyant (Cash received from Dushyant on account)		38,000	38,000
(iii)	Cash A/c Dr. Bad-debts A/c Dr. To Biroo (Cash received and Bad-debts written off)		9,750 5,250	15,000
(iv)	Cash A/c Dr. Discount Allowed A/c Dr. To Sales A/c (Goods of the list price of ₹20,000 sold at 10% trade discount and 5% cash discount)		17,100 900	18,000
(v)	Shakuntla Dr. To Sales A/c (Goods sold to Shakuntla at 10% above cost and allowed 5% trade discount)		6,270 <sup>(1)</sup>	6,270
	Total ₹		1,17,270	1,17,270

Note 1 :— Cost of Goods  
Add : 10% of 6,000

Less :  $6,600 \times \frac{5}{100}$

₹  
6,000  
600  
6,600  
330  
6,270



## ILLUSTRATION 16.

Pass Journal Entries for the following :—

(1) Proprietor withdrew for his personal use cash ₹20,000 and goods worth ₹10,000.

(2) Goods for ₹50,000 were given away as charity. (Sale price ₹60,000)

(3) Goods worth ₹25,000 were distributed as free samples.

(4) Goods worth ₹50,000 and cash ₹20,000 were stolen by an employee.

(5) Goods worth ₹1,00,000 were destroyed by fire. Insurance Company admitted and paid claim for 60% amount.

### SOLUTION :

Date	Particulars	L. F.	Amount Dr.	Amount Cr.
S. No. (1)	Drawings A/c Dr. To Cash A/c To Purchases A/c (Cash and goods taken away for personal use)		₹ 30,000	₹ 20,000 10,000
	C/F		30,000	30,000

# BOOKS OF ORIGINAL ENTRY - JOURNAL

9.33

	B/F		
(2)	Dr.	30,000	30,000
Charity A/c			
To Purchases A/c		50,000	
(Goods given away as charity)			
(3)	Dr.	25,000	25,000
Advertisement Expenses A/c			
To Purchases A/c			
(Goods distributed as free samples)			
(4)	Dr.	70,000	50,000
Loss by theft A/c			20,000
To Purchases A/c			
To Cash A/c			
(Goods and Cash stolen by an employee)			
(5)	Dr.	1,00,000	1,00,000
Loss by Fire A/c			
To Purchases A/c			
(Goods destroyed by fire)			
	Dr.	1,00,000	
Insurance Company			
To Loss by Fire A/c			
(Insurance claim lodged with the Insurance Company)			
	Dr.	60,000	
Bank A/c			
Profit and Loss A/c	Dr.	40,000	
To Insurance Company A/c			
(Insurance claim of ₹ 1,00,000, accepted and received at ₹ 60,000)			1,00,000
Total	₹	4,75,000	4,75,000