Chapter 8: Journal and Ledger

Q. 1. From the following transactions, Prepare Journal Entries:

1. Ramesh started business and introduced capital Rs. 1,00,000.

Cash a/c Dr – comes in the business, Capital (owner – giver)

1. Purchased furniture for Rs 10,000, paid in cash.

Furniture a/c (R), CASH A/C

1. Paid rent (Office) Rs 3,000 in cash.

Rent a/c, - Dr Cash a/c (R) Cr.

1. Purchased goods for Rs 50,000 for cash. Hint; Purchase a/c(EXP.), CASH A/C
2. Interest received Rs 1,000 in cash . Cash a/c (R) comes in- Dr

Interest received(N) – incomes Cr

1. Paid a creditor(supplier) Rs 5,000. Creditor(P)- receiver- Dr, Cash- goes out
2. Paid Rs 9,500 to Mohan in full settlement of his account of RS10,000.
3. Received from Ram Rs 12,000 in cash and allowed him discount Rs 100. Hint: Cash a/c (In) –Dr 12,000, discount allowed (loss)- Dr100 , Ram a/c (giver) – cr 12,100
4. Mohan who owed Rs 2,000 has become insolvent. He pays only 60% in full and final settlement. Hint:

Bad debts a/c(loss) Dr(40% of 2000)= 800

Cash a/c Dr(60% of 2000)= 1200

To Mohan 2000

1. Received cash for a bad debt written off last year Rs 700

Hint:Bad debts recovered a/c (income) –Cr, Cash a/c (comes in) Dr

Cash a/c Dr

To Bad debts recovered

1. Purchased furniture for Rs 10,000 from (credit basis) Raj Furniture. (P)---Giver

Furniture a/c Dr

To Raj Furniture

Journal Entries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars | L.F | Dr(Rs) | Cr (Rs) |
| 1  2.  7.  8. | Cash a/c Dr.  To Capital a/c  (Beibg Ramesh Started the business with cash)  Furniture a/c Dr  To Cash a/c  (Purchased furniture , paid in cash)  Mohan a/c Dr.  To Cash a/c  To Dicount Received a/c  Cash a/c Dr  Dicount allowed a/c Dr  To Ram a/c |  | 1,00,000  10,000  10,000  12,000  100 | 1,00,000  10,000  9,500  500  12,100 |