**Ledger**

In an account, transactions of one nature are posted or summarised. All the accounts put together becomes a ‘Ledger’. A Ledger may be defined as a “book or register which contains, in a summarised and classified form, a permanent record of all transactions.” It is the most important book of accounts, since Trial Balance is drawn from it and from the Trial Balance, Financial Statements are prepared. Hence, the Ledger is called the Principal Book.

Format of Account

..... Account

Dr Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Particulars | J.F. | Amount  (Rs) | Date | Particulars | J.F. | Amount  (Rs) |
|  |  |  |  |  |  |  |  |

Q. 2.

(i) Started business with cash Rs 80,000.

(ii) Purchased goods Rs 10,000 on cash.

(iii) Purchase goods from Hari Rs 20,000.

(iv) Cash Paid to Hari Rs 18,000.

Journal

1. Cash a/c Dr 80,000

To Capital a/c

(ii) Purchase a/c Dr 10,000

To Cash a/c 10,000

(iii) Purchase a/c Dr 20,000

To Hari a/c 20,000

(iv) Hari a/c Dr 18,000

To Cash 18,000

Ledgers:

1. Cash a/c 2. Capital a/c 3. Purchase a/c 4. Hari a/c

Dr (comes in) Cash a/c goes out , Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par... | J.F | Rs | Date | Pa.. | J.F. | Rs |
| (i) | To Capital a/c |  | 80,000 | (ii)  (iv)  Jan -31 | By Purchase a/c  By Hari a/c  By balance c/d (80,000- 28,000) |  | 10,000  18,000  52,000 |
|  | total |  | 80,000 |  | total |  | 80,000 |
| Feb 1 | To balance b/d |  | 52,000 |  |  |  |  |

Dr. Capital a/c Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Rs | Date | Par.. | J.F. | Rs |
|  | To balance c/d |  | 80,000 | (i) | By Cash a/c |  | 80,000 |
|  | total |  | 80,000 |  |  |  | 80,000 |
|  |  |  |  |  | By balance b/d |  | 80,000 |

Capital a/c shows Cr. Balance Rs 80,000

3 . Dr Purchase a/c Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Rs | Date | Par.. | J.F. | Rs |
| (ii)  (iii) | To Cash a/c  To Hari a/c |  | 10,000  20,000 |  | By balance c/d |  | 30,000 |
|  |  |  | 30,000 |  |  |  | 30,000 |
|  | To balance b/d |  | 30,000 |  |  |  |  |

4. Hari a/c

Dr Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Rs | Date | Par.. | J.F. | Rs |
| (iv) | To Cash a/c  To balance c/d |  | 18,000  2,000 | (iii) | By Purchase a/c |  | 20,000 |
|  |  |  | 20,000 |  |  |  | 20,000 |
|  |  |  |  |  | By balance b/d |  | 2,000 |

c/d – carried down (closing balance)

b/d – borrowed down (opening balance)

Trial Balance

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.n | Name of Accounts | L.F. | Dr. Balance | Cr.balance |
| 1.  2.  3.  4. | Cash a/c  Capital a/c  Purchase a/c  Hari a/c |  | 52,000  ----  30,000 | ----  80,000  2,000 |
|  | Total |  | 82,000 | 82,000 |

Trial Balance

As on 31st March, 2019

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S.n | Name of Accounts | L.F. | Dr. Balance | Cr.balance |
| 1.  2.  3.  4.  5. | Assets a/c  Capital a/c  Liabilities a/c  Incomes a/c  Expenses a/c |  | XXX (always)  XXX (always) | -----  XXX (always)  XXX (always)  XXX(always) |

Debtors shows either Dr balance or nil.

Creditors shows either Cr. Balance or nil.

Q. 4. The transactions relating to Kabi are;

1st January, debit amount of Kabi’s account Rs 2, 30,000.

No journal

4 : Goods sold to Kabi Rs 50,000. Kabi a/c Dr To Sales a/c

7: Cash received from Kabi Rs 32,000. Cash a/c Dr To Kabi a/c

15: Cheque received from Kabi Rs 1,45,000 and discount given Rs 5,000. Bank Dr 1,45,000 , Discount allowed Dr 5000 To Kabi 1,50,000[i

20: Goods sold to Kabi Rs 1,30,000.

Required: Kabi Account and amount receivable from Kabi.

Soln. Kabi Account (Customers)

Dr Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Rs | Date | Par.. | J.F. | Rs |
| Jan 1  4.  20. | To balance b/d (Debit balance)  To Sales  a/c  To Sales a/c |  | 2,30,000  50,000  1,30,000 | Jan 7  15  Jan 31 | By Cash a/c  By Bank  By Dis.  Allowed  By balance c/d  (Dr-Cr) |  | 32,000  1,45,000  5,000  2,28,000 |
|  |  |  | 4,10,000 |  |  |  | 4,10,000 |
| Feb 1 | To balance b/d |  | 2,28,000 |  |  |  |  |

4,10,000 -1,82,000 =

Q. 5. July, 1: Opening credit balance of Raman account is Rs 2,30,000.

10: Purchased goods from Raman Rs 2,00,000.

15: Cheque issued to Raman Rs 3, 40,000 and discount received RS 10,000. Raman a/c Dr 3,50,000 To Bank 340,000 To Dis. Rec. 10,000

25: Purchase from Raman Rs 2, 00,000.

29: Goods return to Raman Rs 10,000. Raman a/c Dr To Purchase Return

Required: Raman account.

Q. 6. On 1st July:Thapa started Business on cash Rs 2,00,000 and Computer Rs 50,000. Cash a/c Dr 2,00,000 Computer Dr 50,000 To Capital 2,50,000

5: Cash deposited into Bank Rs 50,000.

10: Purchased goods on Cash Rs 1, 00,000.

15: Sold goods Rs 40,000 to Riya and payment received by cheque 15,000 and balance in cash.

26: Purchased goods of Rs 40,000 from Bhim and payment made by cheque Rs 25,000.

Ledger: Journal

1. Cash a/c, and Bank a/c and Others a/c
2. Trial balance

Bank Dr 15,000

Cash Dr 25,000

To Sales 40,000