Types of Subsidiary Book 5 MARKS

1. Purchase Book
2. Sales Book
3. Purchase Return Book
4. Sales Return Book
5. Cash Book

4.2 Purchases (Journal) Book:

All credit purchases of goods are recorded in the purchases journal/Book

whereas cash purchases are recorded in the cash book.

It means cash purchases are not recorded in purchase book.

Other purchases such as purchases of office equipment, furniture, building, are recorded in the journal proper if purchased on credit or in the cash book if purchased for cash. The

Source documents for recording entries in the book are invoices or bills received

by the firm from the supplies of the goods. Entries are made with the net amount of the invoice. Trade discount and other details of the invoice need not be recorded in this book. The format of the purchases journal

In the books of......

Purchase Book

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Particulars | Invoice no. | L.F. | Details (Rs) | Amount (Rs) |
| 2019  Feb 1  4  5 | M/S Brown & co., Kolkatta  5 gross pencils @ Rs 1200 per gross.  2 dozen registers @ Rs 500 per dozen  Less: Trade discount 10% of 7000  **The Paper Co; Delhi**:  8 reams of white paper @ Rs 500 per ream.  10 reams of ruled paper @ Rs 600 per ream.  Less: Trade Discount @ 10% (10,000x 10/100)  **M/S Verma Bros., Delhi**.  80 Reynolds pen @ Rs 5 |  |  | 6,000  1,000  7000  700  4,000  6,000  10,000  1,000  ............ | 6,300  9,000  400 |
| 28 | Purchase A/c (Total) |  |  |  | 15,700 |

Q. 1

From the following information of M/s Narain & co., Delhi, Prepare the Purchase Book for the month of Ferbuary, 2019;

Feb 1: Purchased from M/S Brown & co., Kolkatta: (Credit)

5 gross pencils @ Rs 1200 per gross.

2 dozen registers @ Rs 500 per dozen.

Less: Trade discount @ 10%

Feb 2: Purchased for cash from the stationery Mart.

10 dozen exercise books@ 300 per dozen.

Journal: Purchase a/c Dr 3000

To Cash 3000

– it is cash transactions , so not recorded in Purchase book.

Feb 3: Purchased computer Printer for office use from M/S Office Goods Co. For Rs 20,000.

– It is other than goods so not recorded in P.B.

Feb 4: Purchased from The Paper Co; Delhi:

8 reams of white paper @ Rs 500 per ream.

10 reams of ruled paper @ Rs 600 per ream.

Less: Trade Discount @ 10%

Feb 5: Purchased 80 Reynolds pen (Goods) @ Rs 5 each from M/S Verma Bros., Delhi.

* In purchase account both cash & credit purchase of goods are recorded.

Dr Purchase Account Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Amount | D | P | JF | A |
| Feb 2  28 | To Cash  To Sundry Creditors |  | 3,000  15,700 | Feb 28 | By balance c/d |  | 18,700 |
|  |  |  | 18,700 |  |  |  | 18,700 |
| March 1 | To balance b/d |  | 18,700 |  |  |  |  |

Journal Folio (J.F.) Ledger Folio (L.F)

Q. 3. Following Purchase transactions are given:

Purchased from Hulas Traders of Plapa.

* 400 kg of Mansuli Rice @ Rs 35 per kg
* 250 Kg of Basmati Rice @ Rs 65 per kg
* Trade discount 5%

Purchase from Karnali suppliers of Dang:

* 200 kg of Potato @ Rs 20 per kg
* 100 kg of Onion @ Rs 15 per kg

Purchased Table Fan from Sagar Electronics for Rs 750 (it is not recorded in purchase book)

Required Purchase BOOK and Purchase A/c

Rs 34,237.5 Ans

Soln.

Purchase Book

(2) Sales BOOK

- Only credit sales are recorded in sales book.

- it means cash sales are not recorded in sales book.

- if other goods are sold also not recorded in sales book.

Format of Sales Book

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Par... | Invoice no. | L.F | DETAILS | AMOUNT |
| Bhadra 7  Bhadra 8 | **L.das of Janakpur**  20 Table fans @ Rs 1500 each  30 celling fans @ Rs 1600 each   * Trade discount @ 10%   **R.R. Store, Pokhara**  25 celling fans @ Rs 1700 each  25 Table fans @ Rs 1400 each  Trade discount @ 12% |  |  | 30,000  48,000  78,000  7,800  42,500  35,000  77,500  9,300 | 70,200  68,200 |
| Bhadra 30 | **Sales a/c** |  |  |  | 1,38,400 |

Q. 7. Consider the following transactions of Mr. Lokesh

Bhadra 7: Sold to L.das of Janakpur:

* 20 Table fans @ Rs 1500 each
* 30 celling fans @ Rs 1600 each
* Trade discount @ 10%

Bhadra 8 : Sold to R.R. Store, Pokhara

25 celling fans @ Rs 1700 each

25 Table fans @ Rs 1400 each

Trade discount @ 12%

Dr Sales Account Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Amount | D | P | JF | A |
| Bhadra 30 | To balance c/d |  | 1,38,400 | Bhadra 30 | By Sundry Debtors |  | 1,38,400 |
|  |  |  | 1,38,400 |  |  |  | 1,38,400 |
|  |  |  |  | Asoj 1 | By balance b/d |  | 1,38,400 |

(3) **Purchase Return Book or Return outward Book**

Or Return (Cr)

* If goods return to suppliers
* Journal: Suppliers/ Creditors a/c DR

To Purchase Return a/c

Format

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Par... | Debit note no. | L.F | DETAILS | AMOUNT |
| Bai. 3  Bai 8 | Hari:  2 Tape records@ Rs 1,000 each  5 Radios @ Rs 500 each  Trade discount 20% |  |  | 2,000  2,500  4,500  9,00  15,000  8,000 | 3,600  23,000  26,600 |
| Narayan:  3 telephone sets @Rs 5000 each  4 Heaters @Rs2000 each  Total/ Purchase Return a/c |
|  |  |  |  |  |  |

Dr Purchase Return Account Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Amount | D | P | JF | A |
| Bai 30 | To balance c/d |  | 26,600 | Bai 30 | By Sundry Creditors a/c |  | 26,600 |
|  |  |  | 26,600 |  |  |  | 26,600 |
|  |  |  |  | Jestha 1 | By balance b/d |  | 26,600 |

Q. 15. Following purchase return transactions are given

Baisakh 3: Returned to Hari:

2 Tape records@ Rs 1,000 each

5 Radios @ Rs 500 each

Trade discount 20%

Baisakh 8: Return to Narayan

3 telephone sets @Rs 5000 each

4 Heaters @Rs2000 each

Prepare return outward book . Ans 23,600

16. Consider the following information of Bikash:

March 11: Returned from Bishal:

* 2 quintal Wheat @ Rs. 1,200 per quintal
* 20 kg Rice @ Rs. 40 per kg
* Journal: Sales Return a/c Dr To Bishal a/c

March 23: Returned from Jagadish:

* 4 kg Ghee @ Rs. 200 per kg
* 30 liter Oil @ Rs. 80 per liter

Required: Sales return book

Ans: Rs. 6,400

Sales Return Book/ Return inwards Book

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Par... | Credit note no. | L.F | DETAILS | AMOUNT |
| March  11 | Bishal:   * 2 quintal Wheat @ Rs. 1,200 per quintal * 20 kg Rice @ Rs. 40 per kg |  |  | 2,400  8,00  800  2400 | 3,200  3200 |
| Jagadish:   * 4 kg Ghee @ Rs. 200 per kg * 30 liter Oil @ Rs. 80 per liter |
| March 31 | Sales Return a/c |  |  |  | 6400 |

Dr Sales Return a/c Account Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F. | Amount | D | P | JF | A |
| March  31 | To Sundry  Debtors |  | 6400 | March  31 | By balance c/d |  | 6400 |
|  |  |  | 6400 |  |  |  | 6400 |
| April 1 | To balance b/d |  | 6400 |  |  |  |  |

18. Enter the following transaction of Vinayak Electronics in the proper books:

July 5 sold on credit to Seti & Co.

* 10 Electric Irons @ Rs. 250
* 5 Electric Stoves @ Rs. 150

July 8 Purchased on credit from Hari & Sons Co.

* 25 Heaters @ Rs. 400
* 10 Water Heaters @ Rs. 200

July 10 Purchased for cash from Mahesh & Co.

* 10 Electric Kettles @ Rs. 300

July 15 Sold to Rajesh & Co. On credit:

* 10 Heaters @ Rs. 500
* 5 Water Heaters @ Rs. 250

July 18 Returned to Hari & Sons. Co.

* 5 Heaters being defective

July 20 Purchased from Koshi & Co.

* 10 Toasters @ Rs. 200
* 10 Toasters @ Rs. 300

July 26 Rajesh & Co. Return one Water Heater as defective.

You are also required to post the transaction in the necessary ledgers.

Ans: Purchase book Rs. 17,000; purchase account Rs. 20,000 Sales book and account Rs. 9,500 Return outwards Book and account Rs. 2.000; Return inward book and account Rs. 250