Cash Book 5 marks

Types of Cash Book:

1. Simple Cash Book Or Single column Cash Book

OR

Cash Book with Cash or Bank column

1. Double Column Cash Book

Or

Cash Book with Cash and Bank Column

1. Triple Column Cash Book

Or

Cash Book with Cash, Bank and Discount Column

(A) Simple Cash Book

1. Enter the following transactions in a simple cash book for December 2016:

`

01 : Cash in hand 12,000 (Opening cash balance)

05 : Cash received from Bhanu 4,000

07 : Rent Paid 2,000

10: Purchased goods from Murari for cash 6,000

15: Sold goods for cash 9,000

18: Purchase stationery 300

22: Cash paid to Rahul on account (credit) 2,000

25: Goods purchase from Ramesh Rs 40,000. Not to be record

28: Paid salary 1,000

30 : Paid rent 500

(Ans. Cash in hand 13,200)

Soln.

Dr (Receipts) Simple Cash Book Cr (Payment)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | L.F. | Amount (Rs) | Date | Par.. | L.F. | Rs |
| Dec 1  5  15 | To balance b/d (cash in hand)  To Bhanu a/c  To Sales a/c |  | 12,000  4,000  9,000 | Dec 7  10  18  22  28  30  31 | By Rent a/c  By Purchase a/c  By Stationery a/c  By Rahul a/c  By Salary a/c  By Rent a/c  By balance c/d |  | 2,000  6,000  300  2,000  1,000  500  13,200  (bal.) |
|  |  |  | 25,000 |  |  |  | 25,000 |
| Jan. 1 | To balance b/d |  | 13,200 |  |  |  |  |

Receipts: Dr 25,000

Less: Payments: cr 11,800

By Balance c/d : 13,200

Contra Entry: Due to those transactions Bank a/c and Cash a/c both are affected at same time i.e. called contra entry transactions. Contra entry is denoted by ‘C’.

Eg. (i) Cash deposited into Bank Rs 50,000.

Bank a/c Dr 50,000

To Cash a/c 50,000

(ii) Cash withdrawn from Bank Rs 30,000

Cash a/c Dr 30,000

To Bank a/c 30,000

Q. 5

Prepare a double column cash book with the help of following information

for December 2016:

01 : Started business with cash 1,20,000 – Cash a/c Dr To Capital a/c

03: Cash paid into bank 50,000 – Bank Dr To Cash a/c

05: Purchased goods from Sushmita 20,000 – no record (hint)

06: Sold goods to Dinker and received a cheque 20,000 – Cash Dr To Sales.

10: Paid to Sushmita cash 20,000

14: Cheque received on December 06, 2016 deposited into bank-Bank Dr To CASH – cntra entry

18: Sold goods to Rani 12,000 – Rani Dr To Sales- No record

20: Cartage paid in cash 500- Cartage Dr To Cash

22:Received cash from Rani 12,000 – Cash Dr To Rani

27:Commission received 5,000- Cash Dr To commission

30:Drew cash for personal use 2,000 – Drawing A/c DR To Cash

(Ans. Cash in hand 64,500 : Cash at bank 70,000)

Soln.

Double Column Cash Book

Or Cash Book with Cash & Bank column

Dr (Receipts) For December (Payments) Cr

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | L.F | Cash  (Rs) | Bank  (Rs) | Date | Par.. | L.F | Cash  (Rs) | Bank  (Rs) |
| Dec 1  3  6  14  22  27 | To Capital  To Cash  To Sales (Cheque)  To CASH  To Rani  To Commi. | C  C | 120,000  20,000  12,000  5000 | 50,000  20,000 | Dec 3  10  14  20  30  31 | By bank  By Sushmita  By Bank  By Cartage  By Drawing  By balance c/d | C  C | 50,000  20,000  20,000  500  5000  61,500 | 70,000 |
|  | Total |  | 157,000 | 70,000 |  | Total |  | 157000 | 70,000 |
| Jan1 | To balance b/d |  | 61500 | 70000 |  |  |  |  |  |

Bank Dr 50,000

To Cash 50,000 Contra entry (C)

6.Enter the following transactions in double column cash book of M/s Ambica

Traders for July 2017:

`

01: Commenced business with cash 50,000 : Cash Dr To Capital

03: Opened bank account with SBI Bank 30,000 : Bank a/c Dr To Cash – Contra Entry

05:Purchased goods for cash10,000 : Purchase Dr To Cash

10:Purchased office machine for cash 5,000: Machine Dr To cash

15:Sales goods on credit from Rohan and received cheque 7,000

Cash A/c Dr 7000 To Sales – post in dr side

18:Cash sales 8,000: Cash Dr To Sales- post in Dr side

20:Rohan’s cheque deposited into bank: Bank Dr To Cash a/c --- Contra entry Same as 3 but Rohan’s cheque amount Rs 7000

22 :Paid cartage by cheque 500 : Cartage Dr To Bank – Post in Cr side

25:Cash withdrawn for personal use 2,000: Drawings Dr To Cash – Post in Cr side, good

30:Paid rent by cheque 1,000 : Rent Dr To Bank –Post in Cr. Side

(Ans. Cash in hand ` 11,000, Cash at bank ` 35,500)

(Ans. Cash in hand ` 8,800, Bank overdraft ` 1,900)

8.Enter the following transaction in a double column cash book of M/s.Mohit

Traders for January 2017:

`

01Cash in hand 3,500 – To balance b/d – Side Dr- column Cash

Bank overdraft 2,300- By balance b/d – Cr side – Bank column

03:Goods purchased for cash 1,200 – By Purchase a/c – cash column

05 Paid wages 200 – By Wages- Cash column- Cr side

10 Cash sales 8,000 – To Salaes – Cash column- Dr side

15 Deposited into bank 6,000 –Bank a/c Dr To Cash – contra entry

22 Sold goods for cheque which was deposited into 2,000

bank same day – To Sales a/c – Bank column – Dr side

25 Paid rent by cheque 1,200- By Rent a/c – Bank column –Cr side

28 Drew from bank for personal use 1,000- By Drawings a/c – Bank column – Cr side

31 Bought goods by cheque 1,000- By Purchase a/c – Bank column – Cr side

(Ans. Cash in hand ` 4,100 Cash at bank ` 2,500)

Dr Cr

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Cash | Bank |  |  | Cash | Bank |
| 15 | To Cash (C)  To Sales a/c |  | 6,000  XXX |  | By Bank (C) | 6,000 |  |

10.M/s Ruchi trader started their cash book with the following balances on

July 2017: cash in hand `1,354 and balance in bank current account `7,560. Dr Side- To balance b/c- cash & Bank columns

He had the following transaction in the month of July 2017:

`

03:Cash sales 2,300- Dr side – To Sales a/c – Cash Column

05:Purchased goods, paid by cheque 6,000- Cr side – By Purchase a/c – Bank column

08:Cash sales 10,000 – Dr side

12:Paid trade expenses 700 – Cr side- By Trade expenses

15:Sales goods, received cheque (deposited same day) 20,000 –Dr side – To Sales a/c – Bank column

18:Purchased motor car paid by cheque 15,000 –Cr side – By Motor Car – For amount in Bank column

20:Cheque received from Manisha (deposited same day)10,000- Dr sIde- To Manisha a/c – Bank (Journal: Bank a/c Dr To Manisha)

22:Cash Sales 7,000 – Dr side

25:Manisha’s cheque returned dishonoured: Manisha a/c Dr To Bank- Reverse posting

Cr side- By Manisha a/c- Bank column 10,000

28:Paid Rent 2,000- Cr side

29:Paid telephone expenses by cheque 500- Cr

31:Cash withdrawn for personal use 2,000 – Cr Sde

Prepare bank column cash book

(Ans. Cash in hand ` 15,954 cash at bank ` 6,060

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. Other purchases such as

purchases of office equipment, furniture, building, are recoded 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

without GST:

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 |

Page n. 11.4 Illust. 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. – 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. Journal : Computer Printer Dr To Off. Goods. – 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.

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With GST:

Purchase Book/ Journal (with GST)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | Invoice no. | L.F. | Details | Cost | Input CGST | Input  SGST | Input  IGST | Freight/  Carriage | Total |
|  | M/S Brown & co., Kolkatta:  5 gross pencils @ Rs 1200 per gross.  2 dozen registers @ Rs 500 per dozen.  Less: Trade discount @ 10%  Add, IGST 5% of 6300  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%  Add, CGST 2.5%  SGST 2.5%  M/S Verma Bros., Delhi.  80 Reynolds pen @ Rs 5  Add, CGST 2.5 of 400  SGST |  |  | 6,000  1,000  7,000  700  6300  315  6615  4000  6000  10000  1000  9000  225  225  9450  400  10  10  420 | 6300  9000  400 | 225  10 | 225  10 | 315 |  | 6615  9450  420 |
| Feb 28 | Total |  |  |  | 15700 | 235 | 235 | 315 | --- | 16485 |

2. Sales Book:

* When goods sold on credit then only recorded in Sales Book.
* When goods sold on Cash then not recorded in Sales Book.
* When Fixed assets (like Furniture) sold either on credit or cash are not recorded in sales book.

Without GST:

Format: M/S. Kishore & Sons, Delhi

Sales Book

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Particulars | Invoice no. | L.F. | Details | Amount |
| April 1  10  20 | M/S Gupta & Verma, Delhi  30 shirts@ Rs 400 each  20 trousers @ Rs 600 each  Less: Trade discount @ 10%  M/S Jain & Sons, Kanpur:  50 shirts @ Rs 400 each  M/S Mathur & Jain, Kolkatta:  100 shirts @ Rs 400 each  10 overcoats @ Rs 1,000 each  Less: Trade discount @ 10% |  |  | 12,000  12,000  24,000  2,400  50x400  40,000  10,000  50,000  5000 | 21,600  20,000  45,000 |
| 31 | Sales a/c (Total) |  |  |  | 86,600 |

Record the following transactions of M/S. Kishore & Sons, Delhi in their Sales Book:

April 1:Sold to M/S Gupta & Verma, Delhi:

30 shirts@ Rs 400 each

20 trousers @ Rs 600 each

Less: Trade discount @ 10%

April 5: Sold old Furniture to M/S Sehgal & Co. Delhi for Rs 8,000.

April 10:Sold 50 shirts to M/S Jain & Sons, Kanpur @ Rs 400 each

April 20: Sold to M/S Mathur & Jain, Kolkatta:

100 shirts @ Rs 400 each

10 overcoats @ Rs 1,000 each

Less: Trade discount @ 10%

With GST:

Sales Book or Sale Journal

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | Invoice  No. | L.F. | Details | Sales  value | Output  CGST | Output  SGST | Output  IGST | Freight | Total |
| March 1 | M/s. Gayatri Tea, Assam:  3 chests of tea@ Rs 5,000 per chest less Trade discount @ 5% a  Add, IGST  12%  M/s Mohan & Sons, Kolkata:  20 kg Amul Butter @ Rs 250 per kg less Trade discount @ 5%  Add,CGST 6%  SGST6  M/s. Garry Sons, Delhi:  20 kg Assam Tea @ Rs 600 per kg less Trade discou  nt 5%  Add,IGST 12%  Add, Freight |  |  | 15,000  750  14,250  1,710  15,960  5000  250  4,750  285  285  5320  12000  600  11400  1368  12768  1600  14368 | 14,250  4750  11400 | 285 | 285 | 1710  1368 | 1600 | 15960  5320  14368 |
| March 31 |  |  |  |  | 30400 | 285 | 285 | 3078 | 1600 | 35648 |

Illustration 5

From the following transactions of M/s. Ridhima Sales, Kolkta, prepare Sales Book:

2019

March 1: Sold to M/s. Gayatri Tea, Assam, vide Invoice no. 2005, 3 chests of tea for Rs 5,000 per chest less Trade discount @ 5% and IGST is charged @ 12%.

March 4: Sold to M/s Mohan & Sons, Kolkata vide Invoice no. 2006, 20 kg Amul Butter @ Rs 250 per kg less Trade discount @ 5% and charged CGST and SGST @ 6% each.

March 5: Sold to M/s. Garry Sons, Delhi Vide Invoice no. 2007, 20 kg Assam Tea @ Rs 600 per kg less Trade discount 5%, charged IGST @ 12%. Freight & Packing charges were separately charged in the invoice at Rs 1600.

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# Purchase Return Book or Return Outward Book:

Eg. Purchase goods from Hari Rs 20,000.

Journal: Purchase a/c Dr (goods in) 20,000

To Hari a/c 20,000

Out of above goods some goods are damaged then

Goods returned to Hari Rs 5000.

Journal: Hari a/c Dr 5000 (Debit )

To Purchase Return a/c (Goods out ) 5000

Format:

Purchase Return Book

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | Debit note no. | L.F. | Details | Cost | Input CGST  (Cr) | Input SGST  (Cr) | Input  IGST  (Cr) | Total |
| April 15  20 | Ram Krishan & Sons: Less,  Trade discount 10%, Add,CGST and SGST was paid @ 6% each  Gopalsons: Add,IGST 12% |  |  | 2000  200  1800  108  108  2016  5,000  600  5600 | 1800  5000 | 108 | 108 | 600 | 2016  5600 |
| 31 | Purchase Return a/c |  |  |  | 6800 | 108 | 108 | 600 | 7616 |

Illustration 6:

Purchase Return Book of Shri Govind:

2019

April 15: Returned goods to Ram Krishan & Sons Rs 2,000, Trade discount 10%, CGAT and SGST was paid @ 6% each.

Journal: Ram Krishan a/c Dr 2016

To Purchase Return a/c 1800

To Input CGST A/C (1800x 6/100) 108

To Input SGST A/c 108

April 20: Returned goods to Gopalsons for Rs 5000, IGST were paid @ 12% at the time of purchase.

Journal: Gopalsons A/c Dr 5600

To Purchase Return a/c 5,000

To Input IGST a/c 12% of 5000 = 600

Illust 7, 10 Hw.

# Sales Return Book/Return Inward Book:

Eg. Sold goods to Rakesh Rs 30,000 on Credit.

Journal: Rakesh a/c Dr 30,000

To Sales a/c

Out above goods some goods were damaged so

Rakesh returned the goods to us Rs 6,000.

Journal: Sales Return a/c Dr 6,000

To Rakesh (giver)

Format: In the books of Lal & Co, Delhi

Sales Return Book

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | Credit  Note  No. | L.F | Details | Value | Output  CGST  Dr | Output  SGST  Dr | Output  IGST  Dr | Total |
| April  6  12 | Ganga Prasad & Co, Delhi:  2 tale Fans @ Rs 1,000 each  Less: Trade discount 15%  Add, CGST  Add, SGST  Prabhat Electricals, Agra:  Room Cooler  Add, IGST  12% |  |  | 2000  300  1700  102  102  1904  4250  510  4760 | 1700  4250 | 102 | 102 | 510 | 1904  4760 |
| 30 | Total |  |  |  | 5950 | 102 | 102 | 510 | 6664 |

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Illust. 8 ; April 6: Goods returned by Ganga Prasad & Co, Delhi

2 tale Fans @ Rs 1,000 each.

Less: Trade discount 15%

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Illustration 10: Page 11.22

Record the following transactions of Harry Marketing, Amritsar into proper subsidiary books, close the subsidiary books on 31st January and post them into Ledger Accounts.

2019

Jan 1: Purchased Readymade Clothes from Mahendra of Delhi of the list price of Rs 40,000 less 10% Trade Discount plus IGST @12%.

40,000- 10% of 40,000= 36,000

Journal: Purchase A/c Dr 36,000

Input IGST a/c Dr 12% of 36,000 = 4320

To Mahendra a/c 40,320

Jan 5: Sold Readymade Clothes to Mohan, Amritsar for Rs 10,000 less Trade discount 10%, charged CGST and SGST @ 6% each.

10,000- 10% of 10,000 = 9000

Journal:

Mohan a/c Dr 10,080

To Sales a/c 9,000

To Output CGST A/C(6% of 9000= 540

To OUPUT SGST A/C 540

Jan 6: Returned goods to Mahendra of the list price of Rs 5,000.

5,000 – Trade discount (5000x 10/100) i.e. 500 = 4500

Journal:

Mahedra a/c Dr 5040

To Purchase Return a/c 4,500

To Input IGST a/c 4500 x12/100 = 540

Jan 7: Shyam Singh, Delhi sold Readymade (Men) Clothes to us for Rs 30,000 plus IGST @ 12% .

Journal:

Purchase a/c Dr 30,000

Input IGST A/C Dr 12%= 3600

To Shyam Singh a/c 33,600

Jan8: Sold Readymade Clothes (Men) to Harish, Amritsar for Rs 12,000. Charged CGST and SGST @ 6% each.

Journal:

Harish a/c Dr 13,440

To Sales a/c 12,000

To Output CGST(6%) 720

To Output SGST 720

Jan 19 : Sold Readymade Clothes to Mohan, Amritsar for Rs 6,000. Trade discount 10% Plus Charged CGST and SGST @ 6% each .

Journal:

Moahan a/c Dr 6048

To Sales a/c (6,000- 10% of 6000) = 5400

To Output CGST(6%) 324

To Output SGST 324

Jan 27 : Sold Readymade Clothes to Mahesh, Varanasi for Rs 8,000. Charged IGST @ 12%.

Journal:

Mahesh a/c Dr 8960

To Sales a/c 8,000

To Output IGST A/C(12%) 960

Soln. Purchase Book with GST

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | Invoice  No. | Details | Cost | Input  CGST | Input  SGST | Input  IGST | Total |
| Jan 1  Jan 7 | Mahendra of Delhi:  Readymade Clothes  Less: Trade discount 10%  Add, Input IGST 12%  Shyam Singh, Delhi sold Readymade (Men) Clothes plus IGST @ 12% .  Add, IGST |  | 40,000  4000  36,000  4,320  40,320  30,000  3600  33,600 | 36,000  30,000 |  |  | 4,320  3600 | 40,320  33600 |
|  |  |  |  |  |  |  | 7920 |  |

Sales Book & Purchase Return Book

Shyam Singh A/c

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F | Rs | Date | Par. | J.F | Rs |
| Jan 31 | To balance c/d |  | 33,600 | Jan 7 | By Purchase a/c  By Input IGST A/C |  | 30,000  3600 |
|  |  |  | 33,600 |  |  |  | 33,600 |
|  |  |  |  | Feb 1 | By balance b/d |  | 33,600 |

Harish a/c

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F | Rs | Date | Par. | J.F | Rs |
| Jan | To Sales a/c  To Output CGST(6%) To Output SGST |  | 12,000  720  720 | Jan31 | By balance c/d |  | 13,440 |
|  |  |  | 13440 |  |  |  | 13440 |
| Feb 1 | To balance b/d |  | 13440 |  |  |  |  |

Input IGST a/c

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F | Rs | Date | Par. | J.F | Rs |
| Jan 1 | To Mahendra a/c  To Shyam singh a/c |  | 4320  3600 | Jan 6  Jan 31 | By Mahendra a/c  By balance c/d |  | 540  7,380 |
|  |  |  | 7,920 |  |  |  | 7920 |
| Feb 1 | To balance b/d |  |  |  |  |  |  |

Or

Input IGST a/c

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Date | Par.. | J.F | Rs | Date | Par. | J.F | Rs |
| Jan 31 | To **Sundries as per Purchase** Book |  | 7,920 | Jan 31  Jan 31 | By **Sundries as per Purchase** Book  By balance c/d |  | 540 |
|  |  |  | 7,920 |  |  |  | 7920 |
| Feb 1 | To balance b/d |  |  |  |  |  |  |

Input CGST A/C, Input SGST A/C, Output CGST A/C, Output SGST A/C