

Maharashtra State Board Bookkeeping and Accountancy 11th

Solutions Chapter 5 Subsidiary Books

Objective Type Questions & Answers

1. Answer the following questions in one sentence.

Question 1.

What are Subsidiary Books?

Answer:

Subdivision of journals on the basis of nature of transactions is known as Subsidiary Books.

Question 2.

What is a Cash Book?

Answer:

The subsidiary book in which details of cash are received in the form of cash, cheques, drafts, etc., and details of payment made in the form of cash, cheques, drafts, etc. is called a cash book.

Question 3.

State the meaning of 'Contra entry'.

Answer:

The accounting entries which appear on both the sides of cash book are called contra entries.

Question 4.

State the meaning of the imprest system of Petty Cash Book.

Answer:

Imprest System of Petty cash book is a system in which head cashier gives fixed (imprest) amount to the petty cashier at the beginning of month/fortnight to meet the expenses of that period. Later on the shortfall after meeting the expenses is reimbursed by the head cashier.

Question 5.

Which transactions are recorded in Purchase Book?

Answer:

Goods purchased on credit for resale are only recorded in the Purchase Book.

Question 6.

Which sales are recorded in Sales Book?

Answer:

Credit sales of goods are recorded in Sales Book.

Question 7.

Which transactions are recorded in the Journal Proper?

Answer:

Journal Proper is meant for recording opening entries, closing entries, adjustment entries, transfer entries, and rectification entries.

Question 8.

Who is a Petty Cashier?

Answer:

A cashier in charge of recording transactions in a petty cash book is known as Petty Cashier.

2. Give a word/term or phrase for each of the following statements:

Question 1.

A person who maintains Petty Cash Book.

Answer:

Petty Cashier

Question 2.

A bank account which the businessman prefers to open.

Answer:

Current Account

Question 3.

Petty Cash Book in which the payment side is ruled in suitable columns.

Answer:

Analytical Petty Cash Book

Question 4.

Subsidiary book in which only credit purchases of goods are recorded.

Answer:

Purchase Book

Question 5.

Subsidiary book in which return of goods sold on credit is recorded.

Answer:

Sales Return Book

Question 6.

The entry is recorded on both sides of the cash book.

Answer:

Contra Entry

Question 7.

Name the account which encourages personal savings.

Answer:

Saving Account

Question 8.

A note was issued by the buyer to the seller giving full details of goods returned.

Answer:

Debit Note

Question 9.

A note was issued by the seller on receipt of defective goods from the customer.

Answer:

Credit Note

Question 10.

Name the bank account on which overdraft facility is given to the Account holder.

Answer:

Current Account

3. Select the most appropriate answers from the alternatives given below and rewrite the sentences.

Question 1.

Cash column of Cash Book can never have _____ balance.

- (a) credit
- (b) debit
- (c) zero
- (d) none of the above

Answer:

(a) credit

Question 2.

Any entry recorded on both sides of Cash Book is known as _____ entry.

- (a) opening
- (b) rectifying
- (c) transfer
- (d) contra

Answer:

(d) contra

Question 3.

The source document for recording in Sales book is _____

- (a) Inward Invoice
- (b) Outward Invoice
- (c) Voucher
- (d) Cash Memo

Answer:

(b) Outward Invoice

Question 4.

Credit purchase of Machinery is recorded in the _____

- (a) Purchase Book
- (b) Cash Book
- (c) Journal Proper
- (d) Returns Outward Book

Answer:

- (c) Journal Proper

Question 5.

Sub-division of journal is known as _____ book.

- (a) Subsidiary
- (b) Purchase Return
- (c) Purchase
- (d) Journal Proper

Answer:

- (a) Subsidiary

Question 6.

Additional cash introduced in business is recorded in _____

- (a) Purchase Book
- (b) Cash Book
- (c) Journal Proper
- (d) Returns Inwards Book

Answer:

- (b) Cash Book

Question 7.

Entry for bad debts is recorded in the _____

- (a) Sales Book
- (b) Purchase Book
- (c) Cash Book
- (d) Journal Proper

Answer:

- (d) Journal Proper

Question 8.

Direct deposit made by the customer into our bank is recorded in the _____ side of the Cash Book.

- (a) payments
- (b) credit
- (c) receipts
- (d) both

Answer:

- (c) receipts

Question 9.

The person who draws the cheque and signs on it is the _____

- (a) drawer
- (b) drawee
- (c) payee
- (d) all of the above

Answer:

- (a) drawer

Question 10.

A fixed amount is deposited for a fixed period in _____ deposit account.

- (a) Current
- (b) Savings
- (c) Fixed
- (d) Recurring

Answer:

- (c) Fixed

4. State whether the following statements are True or False with reasons:

Question 1.

Journal is a book of secondary entry.

Answer:

This statement is False.

Journal is a book of prime entry.

Question 2.

Assets sold on credit are entered in Sales Journal.

Answer:

This statement is False.

Assets sold on credit are entered in Journal Proper.

Question 3.

Cash and credit purchases are entered in Purchase Book.

Answer:

This statement is False.

Only credit purchases are entered in Purchase Book.

Question 4.

Cash sales are entered in Sales Journal.

Answer:

This statement is False.

Cash sales are entered in the cash book.

Question 5.

Cash Book records transactions relating to receipts and payments of cash.

Answer:

This statement is True.

Cashbook is prepared for cash transactions only. All incomes are receipts and they are recorded on the debit side of Cashbook. All expenses are payments recorded to the credit side.

5. Do you agree with the following statements.

Question 1.

Trade discount is recorded in Cash Book.

Answer:

Disagree

Question 2.

Petty Cash Book is a book with having a record of big payments.

Answer:

Disagree

Question 3.

Cash received is entered on the debit side of the Cash Book.

Answer:

Agree

Question 4.

Transactions recorded on both debit and credit side of Cash Book is known as Contra Entry.

Answer:

Agree

Question 5.

Credit purchase of machinery is entered in Purchase Journal.

Answer:

Disagree

6. Complete the following sentences:

Question 1.

Cash Book is a _____ Journal.

Answer:

Subsidiary

Question 2.

In Journal Proper, only _____ discount is recorded.

Answer:

Cash

Question 3.

Return of goods purchased on credit to the suppliers will be entered in _____ Journal.

Answer:

Purchase return

Question 4.

Assets sold on credit are entered in _____

Answer:

Journal proper

Question 5.

Double column Cash Book records transactions relating to cash and _____

Answer:

Bank

Question 6.

Credit purchases of goods are recorded in _____

Answer:

Purchase Book

Question 7.

Cash Book does not record the _____ Transactions.

Answer:

Credit

Question 8.

Credit balance shown by a bank column in Cash Book is _____

Answer:

Overdraft

Question 9.

Petty Cash Book is used for recording _____ expenses.

Answer:

Petty

Question 10.

In Purchase Book goods purchased on _____ are recorded.

Answer:

Credit

7. Correct the following sentences and rewrite them the same.

Question 1.

Cash purchases of goods are recorded in the Purchase book.

Answer:

Cash purchases of goods are recorded in Cashbook.

Question 2.

Cash Book records cash transactions as well as credit transactions.

Answer:

Cash Book records only cash transactions.

Question 3.

Small and large business records all transactions in subsidiary books.

Answer:

Large business records all transactions in subsidiary books.

Question 4.

The person who maintains the Petty Cash Book is called Chief Cashier.

Answer:

The person who maintains the Petty Cash Book is called Petty Cashier.

8. Calculate the following.

Question 1.

Cash purchases for ₹ 1,60,000 at 10% T.D. and 5% C.D. What is the amount of Net purchases?

Answer:

Gross Price = ₹ 1,60,000

Less: 10% T.D. = ₹ 16,000

Net Price = ₹ 1,44,000

Less: 5% C.D. = ₹ 7,200

Net Purchases = ₹ 1,36,800

Question 2.

Purchased goods from Harish for ₹ 12,000 @ 7% T.D. What is the amount of Trade discount?

Answer:

Trade Discount = Purchases Price × Percentage of T.D.

= 12,000 × 7/100

= ₹ 840

Question 3.

Sold 50 Shirts at ₹ 300 per shirt and 40 Trousers at ₹ 600 each. What is the amount of sales?

Answer:

(1) 50 Shirts × ₹ 300 = ₹ 15,000

(2) 40 Trousers × ₹ 600 = ₹ 24,000

Total Sales = ₹ 39,000

Question 4.

Sold 30 Jackets at ₹ 500 per Jacket at 8% Trade discount, What is the amount of Trade discount?

Answer:

Sales Value = 30 Jackets × ₹ 500 = ₹ 15,000

Trade Discount = 15,000 × 8/100 = ₹ 1,200

9. Complete the following Table.

Question 1.

Cash Purchases		Credit purchases		Purchase Return		Net Purchases
35,000	+	55,000	-	?	=	88,000

Answer:

2,000

Question 2.

Cash Sales		Credit Sales		Sales Return		Total Sales
?	+	60,000	-	3,000	=	1,02,000

Answer:

45,000

Question 3.

Cash Sales		Credit Sales		Trade discount		Total Sales
90,000	+	1,10,000	-	16,000	=	?

Answer:

1,84,000

Question 4.

Cash Purchases		Credit purchases		Trade discount		Net Purchases
70,000	+	?	-	18,000	=	1,62,000

Answer:

1,10,000

Question 5.

Opening cash Balance		Cash Receipts		Cash Payments		Total cash
?	+	60,000	-	45,000	=	23,000

Answer:
8,000

Question 6.

$$\begin{array}{ccccc} \text{Cash Sales} & & \text{Credit Sales} & & \text{Total Sales} & & \text{Total Debtors} \\ \boxed{1,20,000} & + & \boxed{1,40,000} & = & \boxed{2,60,000} & - & \boxed{?} \end{array}$$

Answer:
1,40,000

Question 7.

$$\begin{array}{ccccc} \text{Cash Purchases} & & \text{Credit purchases} & & \text{Total Purchases} & & \text{Total Creditors} \\ \boxed{80,000} & + & \boxed{?} & = & \boxed{1,90,000} & - & \boxed{1,10,000} \end{array}$$

Answer:
1,10,000

Question 8.

$$\begin{array}{ccccccc} \text{Opening Petty} & & \text{Petty Cash} & & \text{Petty Expenses} & & \text{Closing Petty} \\ \text{Cash Balance} & & \text{Received} & & \text{Paid} & & \text{Cash Balance} \\ \boxed{250} & + & \boxed{1,750} & - & \boxed{?} & = & \boxed{420} \end{array}$$

Answer:
1,580

Question 9.

$$\begin{array}{ccccccc} \text{Opening Petty} & & \text{Petty Cash} & & \text{Petty Expenses} & & \text{Closing Petty} \\ \text{Cash} & & \text{Received} & & \text{Paid} & & \text{Cash Balance} \\ \boxed{400} & + & \boxed{?} & - & \boxed{1,800} & = & \boxed{250} \end{array}$$

Answer:
1,650

Question 10.

$$\begin{array}{ccccccc} \text{Opening Petty} & & \text{Petty Cash} & & \text{Petty Expenses} & & \text{Closing Petty} \\ \text{Cash Balance} & & \text{Received} & & \text{Paid} & & \text{Cash Balance} \\ \boxed{?} & + & \boxed{1,800} & - & \boxed{2,250} & = & \boxed{150} \end{array}$$

Answer:
600

Practical Problems

Question 1.

Prepare a two-column Cash Book with the help of the following information for January 2018.

January 2018		Amt (₹)
01	Started business with cash	1,20,000
03	Cash paid into Bank of Baroda	50,000
05	Purchased goods from Sakshi on credit	20,000
06	Sold goods to Divakar and received a bearer cheque	20,000
10	Paid to Sakshi cash	20,000
14	Cheque received on December 06, 2018, deposited into Bank	
18	Sold goods to Shivaji on credit	12,000
20	Cartage paid in cash	500
22	Received cash from Shivaji	12,000
27	Commission received	5,000

30	Drew cash for personal use	2,000
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Solution:

In the books of _____

Dr.						Cash Book						Cr.	
Date	Receipts	R. No.	LF No.	Cash ₹	Bank ₹	Date	Payments	V. No.	LF No.	Cash ₹	Bank ₹		
2019 Jan. 1	To Capital A/c (Being business started with cash)			1,20,000	—	2019 Jan. 3	By Bank A/c (Being cash deposited into Bank of Baroda)		C	50,000	—		
3	To Cash A/c (Being cash deposited into Bank of Baroda)		C	—	50,000	10	By Sakshi A/c (Being cash paid to Sakshi)			20,000	—		

Note: Transactions dated 5th and 18th are credit transactions, hence not to be recorded in the cash book.

Question 2.

Prepare a two-column Cash Book from the following transaction for the year July 2018.

July 2018		Amt (₹)
01	Cash in hand	17,500
01	Cash at Bank	5,000
03	Purchased goods for cash	3,000
05	Received cheque from Arun	10,000
08	Sold goods for cash	8,000
10	Arun's cheque deposited into the bank	—
12	Purchased goods and paid by cheque	20,000
15	Paid establishment expenses through bank	1,000
18	Cash Sales	7,000
20	Deposited into bank	10,000
24	Paid General Expenses	500
27	Received commission by Cross cheque	6,000
29	Paid Rent	2,000
30	Withdrew cash for personal use	1,200
31	Wages paid	6,000

Solution:

In the books of _____

8	To Sales A/c (Being goods sold for cash)		8,000	–	12	By Purchases A/c (Being goods purchased and amount paid by cheque)		–	20,000
10	To Cash A/c (Being cheque of Arun deposited into bank)	C	–	10,000	15	By Establishment expenses A/c (Being Establishment expenses paid through bank)		–	1,000
18	To Sales A/c (Being goods sold for cash)		7,000	–	20	By Bank A/c (Being cash deposited into bank)	C	10,000	–
20	To Cash A/c (Being cash deposited into bank)	C	–	10,000	24	By General Expenses A/c (Being general expenses paid)		500	–
27	To Commission A/c (Being Commission received by cheque)		–	6,000	29	By Rent A/c (Being rent paid)		2,000	–
					30	By Drawing A/c (Being cash withdrawn for personal use)		1,200	–
					31	By wages A/c (Being wages paid)		6,000	–
					31	By Balance c/d		9,800	10,000
			42,500	31,000				42,500	31,000
Aug. 1	To Balance b/d		9,800	10,000					

Question 3.

Record the following transactions in the Cash Book of M/s Kamal Traders. Balance for the month of July 2018: Cash in hand ₹ 2,000 and balance in Bank Current account ₹ 8,000.

July 2018		Amt (₹)
03	Cash Sales	2,300
05	Purchased goods and amount paid by cheque	6,000
08	Cash Sales	10,000
12	Paid General Expenses	700
15	Sold goods and amount received by Cheque and deposited into Bank	20,000
18	Purchased Motor Car paid by Cheque	15,000
20	Cheque received from Mrunal deposited into Bank	10,000
22	Cash Sales	7,000
25	Mrunal's cheque returned dishonoured	
28	Paid Rent	2,000
29	Paid Telephone expenses by cheque	500

31	Cash is withdrawn from Bank for personal use	2,000
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Prepare a two-column Cash Book.

Solution:

In the books of M/s Kamal Traders

Dr.						Cr.					
Date	Receipts	R. No.	LF No.	Cash ₹	Bank ₹	Date	Payments	V. No.	LF No.	Cash ₹	Bank ₹
2018						2018					
July 1	To Balance b/d			2,000	8,000	July 5	By Purchases A/c (Being goods purchased and amount paid by cheque)			-	6,000
3	To Sales A/c (Being goods sold for cash)			2,300	-	12	By General expense A/c (Being general expenses paid)			700	-
8	To Sales A/c (Being goods sold for cash)			10,000	-	18	By Motor car A/c (Being purchase of Motor car)			-	15,000
15	To Sales A/c (Being goods sold and amt. received by cheque)			-	20,000	25	By Mrunal A/c (Being dishonour of Mrunal's cheque)			-	10,000
20	To Mrunal A/c (Being cheque received from Mrunal)				10,000	28	By Rent A/c (Being rent paid)			2,000	-
22	To Sales A/c (Being goods sold for cash)			7,000	-	29	By Telephone charges A/c (Being Telephone expenses paid by cheque)			-	500
						31	By Drawings A/c (Beings cash withdrawn for personal use)				2,000
						31	By Balance c/d			18,600	4,500
				21,300	38,000					21,300	38,000
Aug. 1	To Balance b/d			18,600	4,500						

Question 4.

Prepare Analytical Petty Cash Book from the following transactions in the books of Swarali General Stores, Kolhapur. The imprest amount is ₹ 1,500 received from the main cashier.

2018 January		Amt (₹)
01	Paid Cartage	50
02	Telephone Charges	40
02	Bus Fare	20
03	Postage	30
04	Refreshment to Employees	80
06	Courier Charges	30
08	Refreshment to Customers	50
10	Cartage	35
15	Taxi Fare to Manager	70
18	Purchased Stationery	65
20	Bus Fare	10
22	Xerox Charges	30
25	Internet Charges	35
27	Postage Stamps	200

29	Repair on Furniture	105
30	Cleaning Expenses	115
31	Miscellaneous Expenses	100

Solution:

Analytical Petty Cash Book of Swarali General Stores

Re- ceipts (₹)	C. B. F.	Date	Particulars	V. No.	Total Pay- ments (₹)	Print- ing and Station- ery A/c (₹)	Postage and Courier charges A/c (₹)	Travel- ing and Convey- ance A/c (₹)	Carriage and Cartage A/c (₹)	Sundry Exp. A/c (₹)	L. F.	Ledger Ac- counts (₹)
1,500		2018										
		Jan. 1	To Cash A/c		—							
		1	By Cartage		50				50			
		2	By Telephone charges		40					40		
		2	By Bus fare		20			20				
		3	By Postage		30		30					
		4	By Refreshments		80					80		
		6	By Courier charges		30		30					
		8	By Refreshments		50					50		
		10	By Cartage		35				35			
		15	By Taxi fare		70			70				
		18	By Stationery		65	65						
		20	By Bus fare		10			10				
		22	By Xerox charges		30	30						
		25	By Internet charges		35	35						
		27	By Postal stamps		200		200					
		29	By Repairs on Furniture		105					105		
		30	By Cleaning expenses		115					115		
		31	By Miscellaneous expenses		100					100		
			Total		1,065	130	260	100	85	490		
		31	By Balance c/d		435							
1,500					1,500							
435		Feb. 1	To Balance b/d		—							
1,065		1	To Cash A/c		—							

Question 5.

From the following information prepare Columnar Petty Cash Book kept on imprest system in the books of Manisha Books Stall, Beed.

2018 April		Amt (₹)
01	Opening petty cash balance	200
02	Received a bearer cheque to make up the imprest amount	1,200
03	Gave a tip to peon	40
04	Purchased stationery	150
05	Paid Taxi Fare	35
06	Purchased Stamp pad	140
07	Paid Cartage	40
08	Paid Bus Fare	30
11	Paid to sweeper	50
13	Purchased a box of pencils	40
14	Paid Mobile charges	35
15	Gave it to Sohan on account	250

19	Paid for Refreshment to staff	150
20	Paid Railway Fare	30
21	Paid Carriage	65

Solution:

Analytical Petty Cash Book of Manish a Books Stall, Beed

Re- ceipts (₹)	C. B. F.	Date	Particulars	V. No.	Total Pay- ments (₹)	Print- ing and Stationery A/c (₹)	Travel- ing & Convey- ance A/c (₹)	Carriage and Cartage A/c (₹)	Sundry Exp. A/c (₹)	L. F.	Ledger A c - counts (₹)
200		2018									
1,200		Apr. 1	To Balance b/d		—						
		1	To Cash A/c		—						
		3	By Tip to peon		40				40		
		4	By Stationery		150	150					
		5	By Taxi fare		35		35				
		6	By Stamp pad		140	140					
		7	By Cartage		40			40			
		8	By Bus fare		30		30				
		11	By Paid to sweeper		50				50		
		13	By Pencil box		40	40					
		14	By Mobile charges		35				35		
		15	By Sohan A/c		250						250
		19	By Refreshments		150				150		
		20	By Railway fare		30		30				
		21	By Carriage		65			65			
			Total		1,055	330	95	105	275		250
		30	By Balance c/d		345						
1,400					1,400						
345		May 1	To balance b/d		—						
1,055		1	To Cash A/c		—						

Question 6.

Prepare proper Subsidiary Books and post them to the ledger from the following transactions for the month of February 2018.

2018 February		Amt (₹)
01	Goods sold to Virat	5,000
04	Purchased goods from Khushboo Traders	2,480
06	Sold goods to Shankar Traders	2,100
07	Virat returned goods	600
08	Returns goods to Khusboo Traders	280
10	Sold goods to Mahesh	3,300
14	Purchased from Kunti Traders	5,200
15	Furniture purchased from Arun	3,200
17	Bought goods from Kunti Traders	4,060
20	Return goods to Kunti Traders	200
22	Return goods from Mahesh	250
24	Purchased goods from Kirti less 10% T.D.	5,700
25	Sold goods to Shri Surya goods less 5% T.D.	6,600
26	Sold goods to Prakash Brothers	4,000
28	Return goods to Kirti less 10% T.D.	1,000
28	Prakash Brothers returned goods	500

Solution:

In the books of _____

Purchase Book

Date	Name of Suppliers	Inward Invoice No.	L.F.	Amount (₹)
2018				
Feb. 4	Khushboo Traders			2,480
14	Kunti Traders			5,200
17	Kunti Traders			4,060
24	Kirti			5,130
	Total			16,870

Sales Book

Date	Name of Customers	Outward Invoice No.	L.F.	Amount (₹)
2018				
Feb. 1	Virat			5,000
6	Shankar Traders			2,100
10	Mahesh			3,300
25	Shri Surya			6,270
26	Prakash Brothers			4,000
	Total			20,670

Purchase Return Book

Date	Name of Suppliers	Debit Note No.	L.F.	Amount (₹)
2018				
Feb. 8	Khushboo Traders			280
20	Kunti Traders			200
28	Kirti			900
	Total			1,380

Sales Return Book

Date	Name of Customers	Credit Note No.	L.F.	Amount (₹)
2018				
Feb. 7	Virat			600
22	Mahesh			250
28	Prakash Brothers			500
	Total			1,350

In the books of _____

Dr. Purchase Account				Cr.			
Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018				2018			
Feb. 28	To Sundries as per Purchase Book		16,870	Feb. 28	By Balance c/d		16,870
			16,870				16,870
Mar. 1	To Balance b/d		16,870				

Dr. Sales Account				Cr.			
Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018				2018			
Feb. 28	To Balance c/d		20,670	Feb. 28	By Sundries as per Sales Book		20,670
			20,670				20,670
				Mar. 1	By Balance b/d		20,670

Dr. **Purchase Return Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 28	To Balance c/d		1,380	2018 Feb. 28	By Sundries as per Purchase Return Book		1,380
			1,380				1,380
				Mar. 1	By Balance b/d		1,380

Dr. **Sales Return Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 28	To Sundries as per Sales Return Book		1,350	2018 Feb. 28	By Balance c/d		1,350
			1,350				1,350
Mar. 1	To Balance b/d		1,350				

Dr. **Khushboo Traders Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 8 28	To Purchase Return A/c To Balance c/d		280 2,200	2018 Feb. 4	By Purchase A/c		2,480
			2,480				2,480
				Mar. 1	By Balance b/d		2,200

Dr. **Kunti Traders Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 20 28	To Purchase Return A/c To Balance c/d		200 9,060	2018 Feb. 14 17	By Purchase A/c By Purchase A/c		5,200 4,060
			9,260				9,260
				Mar. 1	By Balance b/d		9,060

Dr. **Kirti Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 28 28	To Purchase Return A/c To Balance c/d		900 4,230	2018 Feb. 24	By Purchase A/c		5,130
			5,130				5,130
				Mar. 1	By Balance b/d		4,230

Dr. **Virat Account** Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 1	To Sales A/c		5,000	2018 Feb. 7 28	By Sales Return A/c By Balance c/d		600 4,400
			5,000				5,000
Mar. 1	To Balance b/d		4,400				

Dr. Shankar Traders Account Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 6	To Sales A/c		2,100	2018 Feb. 28	By Balance c/d		2,100
			2,100				2,100
Mar. 1	To Balance b/d		2,100				

Dr. Mahesh Account Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 10	To Sales A/c		3,300	2018 Feb. 22	By Sales Return A/c		250
				28	By Balance c/d		3,050
			3,300				3,300
Mar. 1	To Balance b/d		3,050				

Dr. Shri Surya Account Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 25	To Sales A/c		6,270	2018 Feb. 28	By Balance c/d		6,270
			6,270				6,270
Mar. 1	To Balance b/d		6,270				

Dr. Prakash Brothers Account Cr.

Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)
2018 Feb. 26	To Sales A/c		4,000	2018 Feb. 28	By Sales Return A/c		500
				28	By Balance c/d		3,500
			4,000				4,000
Mar. 1	To Balance b/d		3,500				

Question 7.

Enter the following transactions in the books of Vijay in Purchase Book, Sales Book, Purchase Returns Book and Sales Returns Book and Journal Proper for the month of August 2018.

2018 August

01 Purchased goods from Vikas Stores ₹ 18,000 at 5% Trade Discount

02 Sold goods of ₹ 9,000 to Prabhakar Traders

05 Veena sold goods of ₹ 16,000 to us at 5% Trade Discount as per our order dated 28th July, 2018.

08 Sent a Debit Note to Vikas Stores ₹ 1,600 (Gross) for goods returned.

10 Sold goods of ₹ 12,000 on credit to Shamal & Sons at 6% Trade Discount.

18 Received Credit Note from Veena ₹ 900 (Gross) for goods returned.

22 Sent Credit Note to Prabhakar Traders for ₹ 1,500 for goods returned. Received Dedit note from Shamal & Sons for ₹ 1,200 (Net) for goods returned.

23 Purchased goods of ₹ 16,600 from Priya Stores and paid for Carriage ₹ 150.

25 Purchased goods from Sadhana Stores ₹ 12,000 and sold the same to Aradhana Stores at a profit of 20% on cost.

28 Aradhana Stores returned goods of ₹ 2,400 as they were defective and the same were returned to Sadhana Stores.

31 Purchased Furniture for office use ₹ 30,000 from Art Furniture Works on credit.

Solution:

In the books of Vijay

Purchase Book

Date	Name of Suppliers	Inward Invoice No.	L.F.	Amount (₹)
2018 Aug. 1	Vikas Stores			17,100
5	Veena			15,200
23	Priya Stores			16,600
25	Sadhana Stores			12,000
	Total			60,900

Sales Book

Date	Name of Customers	Outward Invoice No.	L.F.	Amount (₹)
2018 Aug. 2	Prabhakar Traders			9,000
10	Shamal & Sons			11,280
25	Aradhna Stores			14,400
	Total			34,680

Purchase Return Book

Date	Name of Suppliers	Debit Note No.	L.F.	Amount (₹)
2018				
Aug. 8	Vikas Stores (1600-80)			1,520
18	Veena (900 - 45)			855
28	Sadhana Stores			2,000
	Total			4,375

Sales Return Book

Date	Name of Customers	Credit Note No.	L.F.	Amount (₹)
2018				
Aug. 22	Prabhakar Traders			1,500
22	Shamal & Sons			1,200
28	Aradhana Stores			2,400
	Total			5,100

Journal Proper

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
2018				
Aug. 31	Furniture A/c Dr. To M/s. Art Furniture Works A/c (Being furniture purchased on credit)		30,000	30,000
	Total		30,000	30,000

Question 8.

Mr. Akash gives you the following information and asks you to prepare Purchase Book, Sales Book, Purchase Returns Book and Sales Return Book for the month of January 2018.

2018 January

01 Purchased goods on credit from Dhanal Traders for ₹ 15,000 and sold the same to Kunal Traders at a profit of 25% on cost.

05 Placed an order with Sunetra for goods of ₹ 10,000 less 5% Trade discount.

08 Purchased goods of ₹ 20,000 at 10% Trade Discount from Saurabha Traders.

13 Sold goods to Vinayak Stores ₹ 8,000 at 5% Trade Discount.

15 Vinayak Stores returned goods to us ₹ 200.

18 Sunetra executed our order placed on 5th Jan. 2018.

20 Sold goods to Vishnu Traders ₹ 21,000 less 5% Trade Discount.

22 Returned goods to Sunetra ₹ 1,000 (Gross).

28 Kunal Traders returned goods to us ₹ 500

30 Returned goods to Sourabh Traders ₹ 1,500.

Solution:

In the books of Mr. Akash

Purchase Book

Date	Name of Suppliers	Inward Invoice No.	L.F.	Amount (₹)
2018				
Jan. 1	Dhanal Traders			15,000
8	Saurabh Traders (20,000 - 2,000)			18,000
18	Sunetra (10,000 - 500)			9,500
	Total			42,500

Sales Book

Date	Name of Customers	Outward Invoice No.	L.F.	Amount (₹)
2018				
Jan. 1	Kunal Traders (15,000 + 3,750)			18,750
13	Vinayak Stores (8,000 - 400)			7,600
20	Vishnu Traders (21,000 - 1,050)			19,950
	Total			46,300

Purchase Return Book

Date	Name of Suppliers	Debit Note No.	L.F.	Amount (₹)
2018				
Jan. 22	Sunetra (1,000 - 50)			950
30	Saurabh Traders (1500 - 150)			1,350
	Total			2,300

Sales Return Book

Date	Name of Customers	Credit Note No.	L.F.	Amount (₹)
2018				
Jan. 15	Vinayak Stores (200 -10)			190
28	Kunal Traders			500
	Total			690

Question 9.

Enter the following transactions in the Subsidiary Book of Kamal Traders.

2018 April

- 01 Bought from Suhas goods of ₹ 12,000 as per his Invoice No. 41.
 04 Purchased from Virat goods of ₹ 11,870 less 10% Trade Discount vide Bill No. 12.
 07 Bought from Kuldip goods of ₹ 11,000 less 25% Trade Discount vide Bill No. 12.
 08 Bought from M/s. Art Furniture Works, Furniture for ₹ 13,000 vide Invoice No. 84.
 12 Sold to Dhiraj goods of ₹ 11,500 vide Sales Invoice No. 27
 13 Sold to Raja goods of ₹ 12,780 less 5% Trade Discount, vide invoice No. 88
 21 Sold to Suresh goods of ₹ 8,000 less 20% Trade Discount
 23 Dhiraj returned goods of ₹ 500 vide our Credit note No. 14
 26 Suresh returned goods of ₹ 150 (gross) vide our Credit Note No. 115
 28 Returned to Suhas goods ₹ 1,200 vide our Debit Note No. 09
 30 Returned to Virat goods of ₹ 1,300 (Gross) vide our Debit Note No. 10.
 30 Returned to Kuldip goods of ₹ 1,100 (Gross) vide our Debit Note No. 11.

Solution:

In the books of Kamal Traders

Purchase Book

Date	Name of Suppliers	Inward Invoice No.	L.F.	Amount (₹)
2018				
Apr. 1	Suhas	41		12,000
4	Virat (11,870 - 1,187)	12		10,683
7	Kuldip (11,000 - 2,750)	12		8,250
	Total			30,933

Sales Book

Date	Name of Customers	Outward Invoice No.	L.F.	Amount (₹)
2018				
Apr. 12	Dhiraj	27		11,500
13	Raja (12,780 - 639)	88		12,141
21	Suresh (8,000 - 1,600)	-		6,400
	Total			30,041

Purchase Return Book

Date	Name of Suppliers	Debit Note No.	L.F.	Amount (₹)
2018				
Apr. 28	Suhas	09		1,200
30	Virat (1,300 - 130)	10		1,170
30	Kuldip (1,100 - 275)	11		825
	Total			3,195

Sales Return Book

Date	Name of Customers	Credit Note No.	L.F.	Amount (₹)
2018				
Apr. 23	Dhiraj	14		500
26	Suresh (150 - 30)	115		120
	Total			620

Journal Proper

Date	Particulars	L.F.	Debit. (₹)	Credit. (₹)
2018				
Apr. 8	Furniture A/c Dr. To M/s. Art Furniture Works A/c (Being furniture purchased on credit vide invoice no. 84)		13,000	13,000
	Total		13,000	13,000

Question 10.

Enter the following transactions in the Subsidiary Books of Navyug Traders:

2018 March

01 Sold to Bharat Patil goods ₹ 10,000 at 10% Trade discount.

04 Purchased from Naresh goods of ₹ 11,000 less 10% Trade discount.

06 Purchased Furniture from M/s. Sham Furniture Works, of ₹ 15,000 for office use.

07 Bharat Patil returned 20% of the goods bought by him on 1st March above and we gave him fresh goods in exchange.

08 Sold to Sundar goods of ₹ 13,000 less 15% Trade Discount.

10 Sold to Sumit Computer for ₹ 23,800 with a book value of ₹ 24,000.

12 Placed an order with Sajan for goods of ₹ 12,000.

17 Purchased from Naresh goods of ₹ 14,000 and sold them to Kamesh for ₹ 16,000.

19 Kamesh returned us goods of ₹ 1,600 and immediately returned the same to Naresh.

23 Sold to Rakesh for ₹ 4,500 old Furniture with a book value of ₹ 4,800.

26 Returned to M/s. Sham Furniture Works, office Furniture of ₹ 4,500.

28 Sajan executed our order dated 12th March, 2018.

Solution:

In the books of Navyug Traders

Purchase Book

Date	Name of Suppliers	Inward Invoice No.	L.F.	Amount (₹)
2018				
Mar. 4	Naresh (11,000 - 1,100)			9,900
17	Naresh			14,000
28	Sajan			12,000
	Total			35,900

Sales Book

Date	Name of Customers	Outward Invoice No.	L.F.	Amount (₹)
2018				
Mar. 1	Bharat Patil (10,000 - 1,000)			9,000
8	Sundar (13,000 - 1,950)			11,050
17	Kamlesh			16,000
	Total			36,050

Purchase Return Book

Date	Name of Suppliers	Debit Note No.	L.F.	Amount (₹)
2018				
Mar. 19	Naresh			1,400
	Total			1,400

Sales Return Book

Date	Name of Customers	Credit Note No.	L.F.	Amount (₹)
2018				
Mar. 19	Kamlesh			1,600
	Total			1,600

Journal Proper

Date	Particulars	L.F.	Debit (₹)	Credit (₹)
2018				
Mar. 6	Furniture A/c Dr. To M/s. Sham Furniture works A/c (Being furniture purchased on credit)		15,000	15,000
10	Sumit A/c Dr. Loss on sale of Computer A/c Dr. To Computer A/c (Being computer sold on credit)		23,800 200	24,000
23	Rakesh A/c Dr. Loss on Sale of Furniture A/c Dr. To Furniture A/c (Being furniture sold on credit)		4,500 300	4,800
26	M/s. Sham Furniture works A/c Dr. To Furniture A/c (Being office furniture returned)		4,500	4,500
	Total		48,300	48,300