

Maharashtra State Board Bookkeeping and Accountancy 11th

Solutions Chapter 3 Journal

1A. Answer in One Sentence:

Question 1.

What is Journal?

Answer:

Journal is a book of account in which all types of day-to-day business transactions are recorded in chronological order.

Question 2.

What is Narration?

Answer:

Explanation of transaction which is written just below the accounting entry in the particular column is called narration.

Question 3.

What is GST?

Answer:

GST is an abbreviated form of Goods and Service Tax that is levied by the Government on specific goods and services in the place of different taxes levied earlier.

Question 4.

In which year GST was imposed by the Central Government of India?

Answer:

In the year 2017 GST was imposed by the Central Government of India.

Question 5.

What is meant by simple entry?

Answer:

An entry in which only two accounts are affected viz. one account is debited and the other account is credited is called simple entry.

Question 6.

What is the meaning of combined entry?

Answer:

A journal entry that combines more than one debit or more than one credit or both is called a combined/compound entry.

Question 7.

Which account is debited, when rent is paid by Debit card?

Answer:

The rent account is debited when rent is paid by debit card.

Question 8.

Which discount is not recorded in the books of account?

Answer:

Trade discount is not recorded in the books of the account.

Question 9.

In which order monthly transactions are recorded in a Journal?

Answer:

In chronological (date wise) order monthly transactions are recorded in the journal.

Question 10.

Which account is credited, when goods are sold on credit?

Answer:

Sales account is credited, when goods are sold on credit.

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

Question 1.

A book of prime entry.

Answer:

Journal

Question 2.

The tax imposed by Central Government on Goods and Services.

Answer:

GST

Question 3.

A brief explanation of an entry.

Answer:

Narration

Question 4.

The process of recording transactions in the Journal.

Answer:

Journalising

Question 5.

The French word from which the word Journal is derived.

Answer:

Jour

Question 6.

Concession is given for immediate payment.

Answer:

Cash discount

Question 7.

Entry in which more than one accounts are be debited or credited.

Answer:

Combined Entry

Question 8.

Anything took by the proprietor from the business for his private use.

Answer:

Drawings

Question 9.

Tax payable to the Government on purchase of goods.

Answer:

Input Tax

Question 10.

Page number of the ledger.

Answer:

Ledger Folio

3. Select the most appropriate alternative from the alternatives given below and rewrite the statements.

Question 1.

_____ means explanation of the transactions recorded in the Journal.

(a) Narration

(b) Journalising

(c) Posting

(d) Casting

Answer:

(a) Narration

Question 2.

_____ discount is not recorded in the books of accounts.

(a) Trade

(b) Cash

(c) GST

(d) VAT

Answer:

(a) Trade

Question 3.

Recording of transaction in Journal is called _____

- (a) posting
- (b) journalising
- (c) narration
- (d) prime entry

Answer:

- (b) journalising

Question 4.

Every Journal entry require _____

- (a) casting
- (b) posting
- (c) narration
- (d) journalising

Answer:

- (c) narration

Question 5.

The _____ column of the Journal is not recorded at the time of journalising.

- (a) date
- (b) particulars
- (c) ledger folio
- (d) amount

Answer:

- (c) ledger folio

Question 6.

Goods sold on credit should be debited to _____

- (a) Purchase A/c
- (b) Customer A/c
- (c) Sales A/c
- (d) Cash A/c

Answer:

- (b) Customer A/c

Question 7.

Wages paid for installation of Machinery should be debited to _____

- (a) Wages A/c
- (b) Machinery A/c
- (c) Cash A/c
- (d) Installation A/c

Answer:

- (b) Machinery A/c

Question 8.

The commission paid to the agent should be debited to _____

- (a) Drawing A/c
- (b) Cash A/c
- (c) Commission A/c
- (d) Agent A/c

Answer:

- (c) Commission A/c

Question 9.

Loan taken from Dena Bank should be credited to _____

- (a) Capital A/c
- (b) Dena Bank A/c
- (c) Cash A/c
- (d) Dena Bank Loan A/c

Answer:

- (d) Dena Bank Loan A/c

Question 10.

Purchase of animals for cash should be debited to _____

- (a) Livestock A/c
- (b) Goods A/c
- (c) Cash A/c

(d) Bank A/c

Answer:

(a) Livestock A/c

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

Question 1.

Narration is not required for each and every entry.

Answer:

This statement is False.

Correct statement: Narration is required for each and every entry.

Reasons: Narration is a brief explanation of the Journal Entry. It is written in the bracket just below the accounting entry. By reading the narration, the reader understands the meaning and significance of accounting entry and the nature and type of business transactions.

Narration should be as short as possible and it should be simple and easy to understand.

Question 2.

A journal voucher is a must for all transactions recorded in the Journal.

Answer:

This statement is True.

Reasons: A voucher is a document that supports a payment made by the businessmen. It is legal evidence that a certain sum of money has been paid to a specific person or party. A Journal voucher is an original or basic voucher on the basis of which business transactions are journalized in the journal. Journal voucher provides legal proof for the business transactions. Therefore a journal voucher is necessary for all transactions recorded in the journal.

Question 3.

Cash discount allowed should be debited to discount A/c.

Answer:

This statement is True.

Reasons: Any allowance or reduction in payment allowed by the seller to the buyer or creditor to the debtor on payment of cash is called cash discount. It is the concession given to encourage prompt payment. The cash discount allowed is an expense or a loss to the receiver. Expenses or Losses are always to be debited. Cash discount allowed is an expense or loss and therefore it is debited to Discount A/c.

Question 4.

Journal is a book of prime entry.

Answer:

This statement is True.

Reasons: Journal is the most important book of accounts. It is a book of daily records. It is the main book of accounts in which transactions are recorded for the first time from source documents. Therefore this book is known as the book of original entry or first entry or prime entry. Business transactions are first entered in the journal and then they are recorded in other accounts book. For these reasons, the journal is called a book of prime entry.

Question 5.

Trade discount is recorded in the books of accounts.

Answer:

This statement is False.

Correct statement: Trade discount is never recorded in the books of accounts.

Reasons: The discount which is allowed or given by the manufacturer to wholesalers and by wholesalers to retailers and retailers to customers on the bulk purchases is called trade discount. By custom or by law trade discount is calculated on the catalog or printed price of the goods. Trade discount is directly deducted from the printed price and net prices of the goods or services are recorded in the books of accounts. A trade discount is given to encourage the buyers to increase their purchases. It is given to traders to enable them to earn a sizeable profit on the printed prices.

Question 6.

Goods lost by theft are debited to the goods account.

Answer:

This statement is False.

Correct statement: Goods lost by theft is credited to the goods account.

Reasons: Goods account is a real account because unsold goods are the property of the business. If goods are purchased or acquired, the Goods account is debited and if goods are sold or lost from the business, they are credited. As per the traditional approach, goods lost means go away from the business, and whatever goes out an account of it is credited. As per the modern approach if loss of business increases account of such loss is credited in the books of account.

Question 7.

If rent is paid to the landlord, the landlord's A/c should be debited.

Answer:

This statement is False.

Correct Statement: If rent is paid to the landlord, the Rent account should be debited.

Reasons: Rent paid is an expense and hence it is a nominal account. When rent is paid to the landlord, the rent account is affected and not the landlord's account. Rent is an expense to a tenant who pays it and it is an income for the landlord. Such payment is not personally due to the landlord as there is no lending and borrowing of money between landlord and rent payer. As per the rule of nominal account, the rent account is debited because it is an expense. As cash goes out cash account is credited.

Question 8.

Book Keeping records monetary and non-monetary transactions.

Answer:

This statement is False.

Correct Statement: Book Keeping records only monetary transactions.

Reasons: According to the money measurement concept, in the books of accounts accountant records only those business transactions which are monetary or financial in nature and capable to be expressed in monetary terms. It means the qualitative and quantitative aspects which cannot be measured in terms of money are not recorded in the books of account personal or non-monetary transactions are not recorded, in the books of accounts e.g. giving lift from car to neighbour, drinking tea along with friends in the restaurant, etc. are not recorded in the books of account as these transactions are not monetary in nature.

Question 9.

Drawings made by the proprietor increase his capital.

Answer:

This statement is False.

Correct statement: Drawings made by the proprietor decreases his capital.

Reasons: Total amount of goods and services withdrawn by the proprietor from the business from time to time for personal use or family use is called drawings. Withdrawals made by a businessman for business purpose is not treated as drawings. Drawings are always adjusted or deducted from capital. Heavy withdrawals made by a businessman for self-use reduces capital in the business. If the businessman controls the drawings more funds are made available for the development of the business. Drawing made by the proprietor reduces his capital investment.

Question 10.

GST paid on the purchase of goods Input tax A/c should be debited.

Answer:

This statement is True.

Reasons: GST is abbreviated from Goods and Service Tax. GST is levied by the government on the purchases of Goods and Services at a specified rate. Since it is imposed on purchases of goods and services, it increases its cost. GST is added to the purchase price. Purchases are always debited and hence GST i.e. Input tax account is also debited along with purchases. In the case of sales of goods and services, the output tax account is credited.

5. Fill in the blanks.

Question 1.

The first book of original entry is the _____

Answer:

Journal

Question 2.

The process of recording transaction into journal is called _____

Answer:

Journalising

Question 3.

An explanation of the transaction recorded in the journal _____

Answer:

Narration

Question 4.

_____ discount is not recorded in the books of accounts.

Answer:

Trade

Question 5.

_____ is concession allowed for bulk purchase of goods or for immediate payment.

Answer:

Discount

Question 6.

Every Journal Entry requires _____

Answer:

Narration

Question 7.

_____ discount is always recorded in the books of accounts.

Answer:

Cash

Question 8.

_____ is the document on the basis of which the entry is recorded in the journal.

Answer:

Voucher

Question 9.

There are _____ parties to a cheque.

Answer:

Three

Question 10.

The _____ cheque is safer than other cheques as it cannot be encashed on the counter of the bank.

Answer:

Crossed.

6. Specimen and Proforma.

Question 1.

Prepare specimen of Tax Invoice.

Answer:

Specimen of Tax Invoice

Tax invoice								
Sunil General Stores								
Shop no. 5 Laxmi road, Pune								
Cash bill No.:				Date:				
G.S.T. I.N. No. :								
Name : (Customer Name) _____								
Address : _____								
Sr. No.	Particulars	HSN No.	Rate	Quantity	Taxable amount	CGST %	SGST %	Total Amount (₹)
Rupees (in words) _____					Bank Details : _____			
_____					Bank Name : _____			
_____					Branch IFSC Code : _____			
_____					A/c No. : _____			
E & O.E.					Signature _____			

Question 2.

Prepare specimen of Receipt.

RECEIPT

Balaji and Sons
Somwar Peth, NASIK

Receipt no-----
Date-----

G.S.T.IN. No. :-----

Received with thanks from M/s-----

a sum of ₹----- by cash/cheque D.D./NEFT/R.T.G.S.

No.----- Dated----- Drawn on-----

in part/full payment of bill No.-----

STAMP

Subject to realisation of cheque

Receivers Signature

DD MM YY

Pay _____ OR BEARER

RUPESS _____

A/C NO.											
---------	--	--	--	--	--	--	--	--	--	--	--

₹

State Bank of India,
M.G. Road, Mumbai.
IFSC No. SBIN1234001.

Signature

" 123456" 4111250351: 007964

CASH VOUCHER Nakul & Company		
Voucher no. :	Bandra Road, Mumbai	Date :
G.S.T. IN. No. :		
Pay to _____		
on account of _____		
Debit account _____		
Total ₹ _____ only		
Amount ₹	<div style="border: 1px solid black; width: 100px; height: 30px; display: inline-block;"></div>	
Prepared by	Receiver sign	Receiver sign

7

Answer:

Only monetary transactions are recorded in the Journal.

Question 2.

A cash discount is not recorded in the books of accounts.

Answer:

A cash discount is recorded in the books of accounts.

Question 3.

Journal is a book of Secondary entry.

Answer:

Journal is a book of Prime entry.

Question 4.

GST is imposed by the Government of India from 1st July 2018.

Answer:

GST is imposed by the Government of India from 1st July 2017.

Question 5.

The machinery purchased by the Proprietor decreases his capital.

Answer:

Machinery purchased by the proprietor increases his Capital.

8. Do you agree or disagree with the following statements.

Question 1.

Narration is required for every entry.

Answer:

Agree

Question 2.

GST stands for Goods and Sales Tax.

Answer:

Disagree

Question 3.

Trade discount is not recorded in the books of accounts.

Answer:

Agree

Question 4.

Wages paid for the installation of Machinery is debited to Wages Account.

Answer:

Disagree

Question 5.

The process of entering or recording the transactions in a Journal is called Journalising.

Answer:

Agree

9. Calculate the following:

Question 1.

Purchased Motor Car from Tata & Company worth ₹ 2,00,000 at 18% GST. Find out GST amount.

Solution:

Cost of the Motor Car = ₹ 2,00,000

GST @ 18% = $2,00,000 \times 18/100 = ₹ 36,000$

Net value of the Motor Car = ₹ 2,00,000 + ₹ 36,000 = ₹ 2,36,000

Question 2.

Paid Transport charges ₹ 10,000 @ 5% GST. Calculate CGST & SGST.

Solution:

Transport charges = ₹ 10,000 @ 5% GST.

CGST = Transport charges × 2.5%.

= $10,000 \times 2.5/100$

= $10,000 \times 25/1000$

= ₹ 250

SGST = Transport charges × 2.5%.

= 10,000 × 2.5100

= 10,000 × 251000

= ₹ 250

Net value = 10,000 + 250 + 250 = ₹ 10,500.

Question 3.

Bought goods from Ranjan ₹ 10,000 @ 5% GST and 10% cash discount. Calculate cash discount.

Solution:

Cost of the goods bought = ₹ 10,000 @ 5% GST and 10% cash discount.

GST on Goods Purchased = Cost of goods × 5%.

= 10,000 × 5100

= ₹ 500.

Net value of Goods Purchased = 10,000 + 500 = ₹ 10,500

Cash discount = Net value × 10%.

= 10,500 × 10100

= ₹ 1,050.

Question 4.

Received cheque of ₹ 90,000 from Kiran in full settlement of his account ₹ 1,00,000/-. Calculate discount rate.

Solution:

Discount allowed to Kiran = Amount due – Amount received

= 1,00,000 – 90,000

= ₹ 10,000.

Rate of discount allowed to Kiran = $100 \times \frac{\text{Total Discount allowed}}{\text{Amount on which discount allowed}}$

= $100 \times \frac{10,000}{1,00,000}$

= 10%

Question 5.

Sold goods of ₹ 1,00,000 at 10% Trade Discount and 10% cash discount to Ram and received 50% amount by cheque. Calculate the amount of cheque received.

Solution:

Trade Discount = Catalogue price × Rate of trade discount

= 1,00,000 × 10100

= ₹ 10,000

Net amount receivable = Catalogue price – Trade Discount

= 1,00,000 – 10,000

= ₹ 90,000

50% of net amount received.

∴ Amount receivable = 50% of 90,000

= 50100 × 90,000

= ₹ 45,000

Cash discount allowed = 10% on ₹ 45,000

= 10100 × 45,000

= ₹ 4,500

Amount of cheque received = 50% of total amount – Cash discount

= 45,000 – 4,500

= ₹ 40,500

Amount received by cheque = ₹ 40,500.

10. Complete the following table.

Question 1.

Sr. No.	Transactions	Debit Amount (₹)	Credit Amount (₹)
1	Paid Income Tax ₹ 5,000 by cheque	? -	- Bank A/c
2	Received from Sonali ₹ 20,000 by RTGS.	Bank a/c -	- ?
3	Sanjay became insolvent and not received ₹ 500	? -	- Sanjay A/c
4	Purchased Horse for ₹ 10,000	? -	- Cash A/c
5	Transferred from Fixed deposit A/c of proprietor to business Bank A/c ₹ 50,000	Bank A/c -	- ?

Answer:

1. Drawings A/c
2. Sonali's A/c
3. Bad debts A/c
4. Livestock A/c
5. Capital A/c

Practical Problems

Question 1.

Journalise the following transactions in the books of Anand General Merchants.

2019 April

1 Mr. Anand started the business with cash of ₹ 60,000.

5 Purchased goods for cash ₹ 30,000.

7 Sold goods of ₹ 10,000 to Suresh.

10 Purchased Furniture from Mr. Govind on credit ₹ 30,000.

15 Paid for Rent ₹ 3000 and paid by debit card.

21 Purchased goods from Urmila on credit ₹ 70,000.

27 Paid for Transport ₹ 1,000 to United Transport.

30 Paid to Urmila ₹ 20,000 on behalf of Sharmila.

Solution:

In the Journal of Anand General Merchants

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019 April 1	Cash A/c Dr. To Capital A/c (Being cash introduced into the business as capital)		60,000	60,000
5	Purchases A/c..... Dr. To Cash A/c (Being the goods purchased on cash)		30,000	30,000
7	Suresh A/c Dr. To Sales A/c (Being the goods sold on credit to Suresh)		10,000	10,000
10	Furniture A/c Dr. To Mr. Govind's A/c (Being the furniture purchased on credit from Govind)		30,000	30,000
15	Rent A/c Dr. To Bank A/c (Being the Rent paid by debit card)		3,000	3,000
21	Purchase A/c Dr. To Urmila's A/c (Being the goods purchased on credit)		70,000	70,000
27	Transport charges A/c Dr. To Cash A/c (Being transport charges paid by cash)		1,000	1,000
30	Sharmila's A/c Dr. To Cash A/c (Being cash paid to Urmila on behalf of Sharmila)		20,000	20,000
	Total		2,24,000	2,24,000

Question 2.

Journalise the following transactions in the books of Gajanan.

2019 May

3 Purchased goods for ₹ 90,000 and amounts paid by Bank directly.

7 Sold goods to Satish on credit ₹ 30,000.

9 Paid for Postage ₹ 10,000.

12 Paid for Wages ₹ 15,000.

15 Received cheque of ₹ 30,000 from Satish.

21 Received Dividend ₹ 5000.

25 Purchased Laptop of ₹ 40,000 and paid by cheque.

28 Deposited cash ₹ 10,000 into State Bank of India.

31 Purchased goods for ₹ 40,000 and paid by RTGS.

Solution:

Journal of Gajanan

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019				
May 3	Purchases A/c Dr. To Bank A/c (Being goods purchased and amount paid by Bank directly)		90,000	90,000
7	Satish's A/c Dr. To Sales A/c (Being goods sold to Satish on credit)		30,000	30,000
9	Postage A/c Dr. To Cash A/c (Being postage paid by cash)		10,000	10,000
12	Wages A/c Dr. To Cash A/c (Being the wages paid in cash)		15,000	15,000
15	Bank A/c Dr. To Satish's A/c (Being cheque received from Satish)		30,000	30,000
21	Bank A/c Dr. To Dividend A/c (Being dividend received in cash)		5,000	5,000
25	Laptop / Computer A/c Dr. To Bank A/c (Being Laptop purchased and amount paid by cheque)		40,000	40,000
28	State Bank of India's A/c Dr. To Cash A/c (Being the cash deposited into the Bank)		10,000	10,000
31	Purchases A/c Dr. To Bank A/c (Being the goods purchased and amount paid by RTGS)		40,000	40,000
	Total		2,70,000	2,70,000

Question 3.

Journalise the following transactions in the books of Ashok General Stores.

2019 May

1 Received ₹ 5,000 from Ram on behalf of Bharat.

4 Purchased Goods for cash ₹ 55,000.

8 Paid for Salary ₹ 8,000.

12 Purchased goods from Ganesh ₹ 30,000 on credit.

17 Sold goods to Mrs. Neha ₹ 60,000 on credit.

20 Purchased Machinery of ₹ 80,000 @ 12% GST and amount paid by cheque.

25 Paid to SG & Sons by cheque ₹ 30,000.

28 Received Commission ₹ 10,000 from Ganesh.

30 Paid Rent ₹ 5000.

31 Purchased Shares of Atul Company Ltd. for ₹ 10,000 through Demat account.

Solution:

Journal of Ashok General Stores

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019				
May 1	Cash A/c Dr. To Bharat's A/c (Being cash received from Ram on behalf of Bharat)		5,000	5,000
4	Purchases A/c Dr. To Cash A/c (Being goods purchased on cash)		55,000	55,000
8	Salary A/c Dr. To Cash A/c (Being salary paid in cash)		8,000	8,000
12	Purchases A/c Dr. To Ganesh's A/c (Being goods purchases on credit from Ganesh)		30,000	30,000

17	Mrs. Neha's A/c Dr. To Sales A/c (Being goods sold to Mrs. Neha on credit)	60,000	60,000
20	Machinery A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being the machinery purchased with 12% GST and amount paid by cheque)	80,000 4,800 4,800	89,600
25	SG & Sons A/c Dr. To Bank A/c. (Being the amount paid by cheque to SG & Sons)	30,000	30,000
28	Cash A/c Dr. To Commission A/c. (Being commission received in cash from Ganesh)	10,000	10,000
30	Rent A/c Dr. To Cash A/c (Being rent paid in cash)	5,000	5,000
31	Shares A/c Dr. To Bank A/c. (Being Shares of Atul Co. Ltd. purchased through Demat A/c)	10,000	10,000
	Total	3,02,600	3,02,600

Working Note:

Dated 20th May 2019:

Calculation of CGST and SGST on Machinery

Catalogue price of ₹ 80,000 @ 12%.

CGST i.e. Central Goods and Services Tax = $12\% \times 12 = 6\%$.

CGST = Price of Machinery $\times 6\%$.

= $80,000 \times 6100$

= ₹ 4,800.

SGST i.e. State Goods and Service Tax = $12\% \times 12 = 6\%$.

SGST = $80,000 \times 6100 = ₹ 4,800$.

Question 4.

Journalise the following transactions in the books of Sanjay General Stores.

2019 June

1 Started business with cash ₹ 50,000, Bank ₹ 1,00,000, Goods worth ₹ 50,000.

5 Purchased goods from Mohan on credit ₹ 80,000 at 10% Trade Discount.

9 Sold goods to Urmila ₹ 30,000 at 5% Trade Discount.

12 Paid into Dena Bank ₹ 40,000.

15 Goods worth ₹ 5000 were distributed as a free samples.

22 Paid for Commission ₹ 5,000 to Anand.

24 Received ₹ 28,000 from Urmila in full settlement of her account by Debit Card.

29 Paid for Advertisement ₹ 9,000.

30 Purchased Laptop for ₹ 20,000 @ 28% GST and amount paid by NEFT.

Solution:

Journal of Sanjay General Stores

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019 June 1	Cash A/c Dr. Bank A/c Dr. Goods A/c Dr. To Capital A/c (Being the business started with cash, bank balance and stock of goods)		50,000 1,00,000 50,000	2,00,000
5	Purchases A/c Dr. To Mohan's A/c (Being the goods purchased on credit at 10% trade discount)		72,000	72,000
9	Urmila's A/c Dr. To Sales A/c (Being goods sold on credit @ 5% trade discount)		28,500	28,500
12	Dena Bank A/c Dr. To Cash A/c (Being cash paid into Dena Bank,		40,000	40,000
15	Advertisement A/c Dr. To Goods distributed as free samples A/c. (Being the goods distributed as free samples)		5,000	5,000
22	Commission A/c Dr. To Cash A/c (Being commission paid to Anand)		5,000	5,000
24	Bank A/c Dr. Discount A/c Dr. To Urmila's A/c (Being amount received through debit card and discount allowed)		28,000 500	28,500
29	Advertisement A/c Dr. To Cash A/c. (Being advertisement expenses paid in cash)		9,000	9,000
30	Laptop / Computer A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being Laptop purchased with 28% GST and amount paid by NEFT)		20,000 2,800 2,800	25,600
	Total		4,13,600	4,13,600

Working Note:

5th June 2019:

Calculation of Trade discount

Purchased goods for ₹ 80,000 @ 10% Trade discount

Trade discount = $80,000 \times \frac{10}{100} = ₹ 8,000$

Net Purchase Price = $80,000 - 8,000 = ₹ 72,000$

24th June 2019:

Discount allowed to Urmila = Amount due – Amount received

= $28,500 - 28,000$

= ₹ 500

30th June 2019:

Calculation of CGST and SGST

Price of Laptop = ₹ 20,000 @ 28% GST.

CGST = (Price of Laptop) × Rate of CGST

= $20,000 \times \frac{14}{100}$

= ₹ 2,800

SGST = (Price of Laptop) × Rate of SGST

= $20,000 \times \frac{14}{100}$

= ₹ 2,800

Question 5.

Journalise the following transactions in the books of Kunal Stores.

2018 August

1 Purchased goods of ₹ 90,000 at 10% Trade Discount and 10% Cash Discount from Rakesh and 1/3rd amount paid by cheque.

5 Opened current account in State Bank of India by depositing ₹ 60,000.

8 Cash purchases ₹ 85,000.

10 Goods sold on credit to Tushar ₹ 20,000 @ 10% Trade Discount.

12 Paid Salary ₹ 4,000.

16 Tushar returned goods of ₹ 250.

17 Goods taken by Kunal for his private use ₹ 2,000.

20 Purchased Laptop of ₹ 40,000 from Joshi Electronics @ 18% GST and paid by cheque.

22 Rent paid by cheque ₹ 15,000.

25 Purchased Motor car worth ₹ 2,00,000 for cash @ 18% GST and paid by Bank.

26 Goods distributed as free sample ₹ 4,000.

28 Purchased goods from Amit of ₹ 60,000 on credit.

30 Paid by ECS cash to Amit ₹ 58,500, who allowed us a discount of ₹ 1,500.

30 Sold goods ₹ 5,000 at a loss of ₹ 1,000

31 Sold goods for ₹ 20,000.

Solution:

Journal of Kunal Stores

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2018				
August 1	Purchases A/c Dr. To Bank A/c To Discount A/c To Rakesh's A/c (Being the goods Purchased @ 10% T.D. and 10 % C.D., 1/3 rd amount paid by cheque)		81,000	24,300 2,700 54,000
5	State Bank of India's A/c Dr. To Cash A/c (Being the cash deposited into the bank to open current A/c)		60,000	60,000
8	Purchases A/c Dr. To Cash A/c (Being the goods purchased and cash paid)		85,000	85,000
10	Tushar's A/c Dr. To Sales A/c (Being the goods sold on credit @ 10% T. D.)		18,000	18,000
12	Salary A/c Dr. To Cash A/c (Being salary paid in cash)		4,000	4,000
16	Sales Return A/c Dr. To Tushar's A/c (Being the goods returned by Tushar)		250	250
17	Drawings A/c Dr. To Goods withdrawn by Proprietors A/c (Being the goods withdrawn by the Proprietor for personal use)		2,000	2,000
20	Laptop/Computer A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being Laptop purchase with 18% GST and amount paid by cheque)		40,000 3,600 3,600	47,200
22	Rent A/c Dr. To Bank A/c (Being Rent paid by cheque)		15,000	15,000
25	Motor Car A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being motor car purchased with 18% GST and amount paid by cheque)		2,00,000 18,000 18,000	2,36,000
26	Advertisement A/c Dr. To Goods distributed as free sample A/c (Being the goods distributed as free samples)		4,000	4,000
28	Purchases A/c Dr. To Amit's A/c (Being the goods purchased from Amit on credit)		60,000	60,000
30	Amit's A/c Dr. To Bank A/c To Discount A/c (Being the amount paid and discount earned)		60,000	58,500 1,500
30	Cash A/c Dr. Loss on Sale of Goods A/c Dr. To Sales A/c (Being the goods sold on cash at a loss of ₹ 1000)		4,000 1,000	5,000
31	Cash A/c Dr. To Sales A/c (Being the goods sold on cash basis)		20,000	20,000
	Total		6,97,450	6,97,450

Working Notes:

1. 2018 Aug. 1st:

Trade discount = 10% on Purchase catalogue price

= $10/100 \times 90,000$

= ₹ 9,000

Net Purchase price = $90,000 - 9,000 = ₹ 81,000$

Amount paid = $13 \times 81,000 = ₹ 27,000$

Cash discount = 10% on 27,000

= $10/100 \times 27,000$

= ₹ 2700

Amount paid by cheque = 27,000 – 2700 = ₹ 24,300

2. Aug. 10th:

Net price of Goods sold to Tushar = 20,000 – 10% Trade discount

= 20,000 – $10 \times 20,000$

= 20,000 – 2,000

= ₹ 18,000

3. 20th Aug. 2018:

Calculation of GST

CGST = 9% on ₹ 40,000

= $9 \times 40,000$

= ₹ 3,600

SGST = 9% on ₹ 40,000

= $9 \times 40,000$

= ₹ 3,600

4. 25th Aug. 2018:

Calculation of GST

CGST = 9% on ₹ 2,00,000

= $9 \times 2,00,000$

= ₹ 18,000

SGST = 9% on ₹ 2,00,000

= $9 \times 2,00,000$

= ₹ 18,000

Question 6.

Journalise the following transactions in the books of Nina General Stores.

2018 Sept

1 Sold goods of ₹ 50,000 at 10% Trade Discount and 10% Cash Discount to Raj and received 50% by cheque and 20% by cash.

3 Bought goods worth ₹ 60,000 from Prashant at 7.5% Trade Discount and half amount paid by cash.

5 Returned goods worth ₹ 550 to Prashant.

7 Sold goods worth ₹ 90,000 to Ranvir on credit at 10% Trade Discount.

12 Received Commission ₹ 4,500.

15 Received cheque of ₹ 80,000 from Ranvir in full settlement of his account.

18 Purchased Computer worth ₹ 80,000 from Reliance Company by cheque at 28% GST.

22 Wages paid ₹ 13,000.

23 Paid for Life Insurance premium ₹ 17,000.

27 Sold goods worth ₹ 28,000 to Tushar who paid us ₹ 18,000 immediately

Solution:

Journal of Nina General Stores

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2018 Sept. 1	Bank A/c Dr. Cash A/c Dr. Discount A/c Dr. Raj's A/c Dr. To Sales A/c (Being the goods sold at 10% T.D. and 10% C. D. 50% of the amount and 20% of the amount received by cheque and cash respectively)		20,250 8,100 3,150 13,500	45,000
3	Purchases A/c Dr. To Cash A/c To Prashant's A/c (Being goods purchased @ 7.5% T.D. from Prashant and half of the amount paid in cash)		55,500	27,750 27,750
5	Prashant's A/c Dr. To Purchase Returns A/c (Being the goods return to Prashant)		550	550
7	Ranvir's A/c Dr. To Sales A/c (Being the goods sold to Ranvir on credit @ 10% T.D.)		81,000	81,000
12	Cash A/c Dr. To Commissions A/c (Being commission received in cash)		4,500	4,500
15	Bank A/c Dr. Discount A/c Dr. To Ranvir's A/c (Being cheque received and discount allowed)		80,000 1,000	81,000
18	Computer A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being computer purchased with 28% GST and amount paid by cheque)		80,000 11,200 11,200	1,02,400
22	Wages A/c Dr. To Cash A/c (Being wages paid in cash)		13,000	13,000
23	Drawings A/c Dr. To Cash A/c (Being life insurance premium paid in cash)		17,000	17,000
27	Cash A/c Dr. Tushar's A/c Dr. To Sales A/c (Being goods sold partly on cash and partly on credit basis)		18,000 10,000	28,000
	Total		4,27,950	4,27,950

Working Notes:

1. 1st Sept. 2018:

Selling (invoice) price = ₹ 50,000

Trade Discount = 10% on ₹ 50,000

= $10/100 \times 50,000$

= ₹ 5,000

Net selling price = 50,000 – 5,000 = ₹ 45,000

50% of the Net selling price received by cheque

Amount of cheque received = 50% of Net selling price – Cash discount

= $50/100 \times 45,000 - 10\% \text{ on } ₹ 22,500$

= 22,500 – 2,250

= ₹ 20,250

20% of Net selling price received by cash.

Net amount of cash received = 20% of Net selling price – Cash discount

= $20/100 \times 45,000 - \text{Cash discount}$

= 9,000 – $10/100 \times 9,000$

= 9,000 – 900

= ₹ 8,100

30% of Net Selling price is not received

∴ Amount not received = $30/100 \times 45,000 = ₹ 13,500$

Total of cash discount = 2,250 + 900 = ₹ 3,150

2. 3rd Sept. 18:

Trade discount = 7.5% on 60,000

= $7.5/100 \times 60,000$

= ₹ 4,500

Net Purchase price = 60,000 – 4,500 = ₹ 55,500

3. 18th Sept. 18:

Calculation of GST

CGST = (Purchase Price of Computer) × 14%

= 80,000 × 14/100

= ₹ 11,200

SGST = 80,000 × 14/100 = ₹ 11,200

Net Purchase price of Computer = 80,000 + 11,200 + 11,200 = ₹ 1,02,400

Question 7.

Journalise the following transactions in the books of Varun

2018 Oct.

1 Purchased Machinery of ₹ 95,000 and paid ₹ 5,000 for freight.

3 Purchased goods for ₹ 1,50,000 and amount paid by Bank.

6 Purchased Laptop from Nagesh & Co. worth ₹ 1,80,000 @ 18% GST.

10 Paid into Bank of Baroda ₹ 70,000.

12 Paid for Rent ₹ 4,000 and Commission ₹ 3,000.

15 Bought goods from Tushar Company Ltd. ₹ 1,20,000 at 12% GST and paid 1/2 amount by RTGS.

16 Cash purchases ₹ 50,000 amount paid by cheque.

20 Invoiced goods to Satish ₹ 80,000 at 12% GST and the amount received by cheque.

25 Paid for Telephone charges ₹ 90,000

27 Mrs. Varsha bought goods from us ₹ 90,000 at a 12% Trade Discount.

28 Purchased goods from Abhijeet & Sons ₹ 1,50,000 at 18% GST.

30 Paid to Abhijeet & Sons and received 10% Cash Discount by cheque.

31 Paid for Advertisement ₹ 8,000 and Brokerage ₹ 12,000.

Solution:

Journal of Varun

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2018				
Oct. 1	Machinery A/c Dr. To Cash A/c (Being the machinery purchased on cash and freight paid)		1,00,000	1,00,000
3	Purchases A/c Dr. To Bank A/c (Being goods purchased and amount paid by cheque)		1,50,000	1,50,000
6	Laptop (Computer) A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Nagesh and Co's A/c (Being the laptop purchased with GST on credit from Nagesh and Co.)		1,80,000 16,200 16,200	2,12,400
10	Bank of Baroda A/c Dr. To Cash A/c (Being cash deposited into the Bank)		70,000	70,000
12	Rent A/c Dr. Commission A/c Dr. To Cash A/c (Being rent and commission paid in cash)		4,000 3,000	7,000
15	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c To Tushar company Ltd's A/c (Being goods purchased with 12% GST and half of the amount paid by RTGS)		1,20,000 7,200 7,200	67,200 67,200
16	Purchases A/c Dr. To Bank A/c (Being goods purchased and amount paid by cheque)		50,000	50,000
20	Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Being goods sold with 12% GST and amount received by cheque)		89,600	80,000 4,800 4,800
25	Telephone Charges A/c Dr. To Cash A/c (Being telephone charges paid in cash)		90,000	90,000
27	Mrs. Varsha's A/c Dr. To Sales A/c (Being goods sold on credit at 12% Trade discount)		79,200	79,200
28	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Abhijeet & Sons A/c (Being goods purchased with 18% GST on credit)		1,50,000 13,500 13,500	1,77,000
30	Abhijeet & Sons A/c Dr. To Bank A/c To Discount A/c (Being amount due to Abhijeet and sons paid by cheque and earn 10% cash discount)		1,77,000	1,59,300 17,700
31	Advertisement A/c Dr. Brokerage A/c Dr. To Cash A/c (Being advertisement and brokerage paid in cash)		8,000 12,000	20,000
	Total		13,56,600	13,56,600

Question 8.

Journalise the following transactions in the books of Dhoni Auto Car Centre

2018 Nov

- 1 Sold 1,000 shares for ₹ 100 each and paid brokerage @ 1% and the amount credited to our account.
- 4 Purchased goods from Ashish & Co. of ₹ 2,00,000.
- 6 Sold goods to Virat & Co. ₹ 1,50,000.
- 8 Paid for Advertisement ₹ 30,000 to Times of India.
- 10 Paid for Printing and Stationery ₹ 7,000.
- 12 Purchased goods from Prakash & Co. ₹ 1,50,000 @ 18% GST.
- 15 Paid for Transport charges ₹ 10,000 @12% GST.
- 20 Purchased goods from Vikram & Sons ₹ 1,20,000 @ 18% GST and paid half the amount immediately.
- 25 Paid to Prakash & Co. less 10% discount.
- 30 Invoiced Goods to Sanjay ₹ 60,000.
- 31 Sanjay returned goods of ₹ 10,000.
- 31 Sanjay became insolvent and recovered only 50 paise in a rupee as a final settlement from him.

Solution:

Journal of Dhoni Auto Car Centre

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2018				
Nov. 1	Bank A/c Dr. Brokerage A/c Dr. To Shares A/c (Being shares sold and brokerage paid)		99,000 1,000	1,00,000
4	Purchases A/c Dr. To Ashish & Co's A/c (Being goods purchased on credit from Ashish & Co.)		2,00,000	2,00,000
6	Virat & Co's A/c Dr. To Sales A/c (Being the goods sold to Virat & company on credit)		1,50,000	1,50,000
8	Advertisement A/c Dr. To Cash A/c (Being Advertisement bill paid to Times of India)		30,000	30,000
10	Printing and Stationery A/c Dr. To Cash A/c (Being printing and stationery bill paid in cash)		7,000	7,000
12	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Prakash & Co's A/c (Being goods purchased on credit with 18% GST from Prakash & company)		1,50,000 13,500 13,500	1,77,000
15	Transport charges A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Cash A/c (Being transport charges with GST paid in cash)		10,000 600 600	11,200
20	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Cash A/c To Vikram & Sons A/c (Being goods purchase with 18% GST from Vikram & Sons and paid half of the amount)		1,20,000 10,800 10,800	70,800 70,800
25	Prakash & Co's A/c Dr. To Cash A/c To Discount A/c (Being cash paid to Prakash & Co and earned 10% cash discount)		1,77,000	1,59,300 17,700
30	Sanjay's A/c Dr. To Sales A/c (Being goods sold to Sanjay on Credit)		60,000	60,000
30	Sales Return A/c Dr. To Sanjay's A/c (Being goods returned by Sanjay)		10,000	10,000
30	Cash A/c Dr. Bab debts A/c Dr. To Sanjay's A/c (Being 50% of the amount due recovered from the estate of Sanjay)		25,000 25,000	50,000
	Total		11,13,800	11,13,800

Working Notes:

1. 2018, Nov. 1:

Amount credited to Bank A/c = Sales proceed – Brokerage @ 1%

= $1,000 \times 100 - 100 \times 1,000 \times 100$

= $1,00,00 - 1,000$

= ₹ 99,000

2. Nov. 12:

Net Purchase price = Purchase price + 9% CGST + 9% SGST

= $1,50,000 + 900 \times 1,50,000 + 900 \times 1,50,000$

= $1,50,000 + 13,500 + 13,500$

= ₹ 1,77,000

3. Nov. 20:

Net Purchase price = Purchase price + 9% CGST + 9% SGST

= $1,20,000 + 900 \times 1,20,000 + 900 \times 1,20,000$

= $1,20,000 + 10,800 + 10,800$

= ₹ 1,41,600

Amount paid = 12 of 1,41,600 = ₹ 70,800 and credit purchased = ₹ 70,800.

4. Nov. 25:

Cash discount = Amount due to Prakash & Co × 10%

$$= 1,77,000 \times \frac{10100}{100}$$

$$= ₹ 17,700$$

5. Bad debts = Amount due from Sanjay – Amount recovered

$$= 50,000 - 50\% \text{ of } 50,000$$

$$= 50,000 - 25,000$$

$$= ₹ 25,000$$

Question 9.

Journalise the following transactions in the books of Hero Enterprises.

Balance on 1st April 2019

Cash at Bank ₹ 80,000, Sundry Debtors Ram ₹ 20,000, Rahim ₹ 30,000, Stock ₹ 55,000, Building ₹ 1,50,000.

Credit Balances on 1st April 2019

Sundry Creditors Swapna ₹ 20,000, Rohit ₹ 30,000, Bank Loan ₹ 50,000.

2019 April

1 Purchased goods worth ₹ 1,50,000 from Prashant & Co., less 10% Trade Discount.

4 Sold goods to Mr. Amit Sharma ₹ 70,000 at 10% Trade Discount on credit.

9 Purchased goods for cash ₹ 2,00,000 @ 28% GST amount paid by NEFT.

12 Sold Goods to Aditya Ray of ₹ 90,000 @ 28% GST.

15 Paid for Rent ₹ 5000 and Salary ₹ 18,000.

17 Paid for Proprietor's house Rent ₹ 12,000.

20 Sold half of the goods purchased on 9th April at 20% Profit and 28% GST.

25 Paid for Wages ₹ 1,500.

25 Purchased Furniture ₹ 1,80,000 @ 12% GST and amount paid by RTGS.

28 Sold an old Furniture of ₹ 20,000 for ₹ 12,000.

30 Sold shares of ₹ 10,000 for ₹ 15,000 and the amount received by cheque.

Solution:

Journal of Hero Enterprises

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019				
April 1	Bank A/c Dr.		80,000	
	Sundry Debtors A/c Dr.		50,000	
	Stock of Goods A/c Dr.		55,000	
	Building A/c Dr.		1,50,000	
	To Sundry Creditors A/c			50,000
	To Bank Loan A/c			50,000
	To Capital A/c			2,35,000
	(Being the balances of previous year brought forward)			
1	Purchases A/c Dr.		1,35,000	
	To Prashant & Co.'s A/c			1,35,000
	(Being the goods purchased on credit from Prashant & Co. at 10% T.D.)			
4	Mr. Amit Sharma's A/c Dr.		63,000	
	To Sales A/c			63,000
	(Being goods purchased on credit from Mr. Amit Sharma @ 10%T.D.)			
9	Purchases A/c Dr.		2,00,000	
	Input CGST A/c Dr.		28,000	
	Input SGST A/c Dr.		28,000	
	To Bank A/c			2,56,000
	(Being goods purchased with 28% GST and amount paid by NEFT)			

12	Aditya Ray's A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Being goods sold on credit with 28% GST to Aditya Ray)		1,15,200	90,000 12,600 12,600
15	Rent A/c Dr. Salary A/c Dr. To Cash A/c (Being rent and salary paid in cash)		5,000 18,000	23,000
17	Drawings A/c Dr. To Cash A/c (Being proprietor's house rent paid from business fund)		12,000	12,000
20	Cash A/c Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Being the goods sold at 20% profit with 28% GST)		1,53,600	1,20,000 16,800 16,800
25	Wages A/c Dr. To Cash A/c (Being the wages paid in cash)		1,500	1,500
25	Furniture A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being furniture purchased with 12% GST and amount paid by RTGS)		1,80,000 10,800 10,800	2,01,600
28	Cash A/c Dr. Loss on sale of furniture A/c Dr. To Furniture A/c (Being furniture sold at a loss)		12,000 8,000	20,000
30	Bank A/c Dr. To Shares A/c To Profit on sale of shares A/c (Being shares sold at a profit)		15,000	10,000 5,000
	Total		13,30,900	13,30,900

Working Notes:

1. 2019 April, 20:

Cost of Goods sold = 12 of purchases on 9th April, 2019

= 12 × 2,00,000

= ₹ 1,00,000

Selling price of Goods sold = 120100 × ₹ 1,00,000 = ₹ 1,20,000

2. April, 28:

Loss on sale of furniture = Cost of furniture – Selling price

= 20,000 - 12,000

= ₹ 8,000

3. April, 30:

Profit on sale of shares = Selling price – Cost of shares

= 15,000 – 10,000

= ₹ 5,000

Question 10.

Journalise the following transactions in the books of Harbhajan & Co. for the month of 1st April 2019.

Balance on 1st April 2019

Cash in hand ₹ 35,000, Cash at Bank ₹ 25,000, Furniture ₹ 1,50,000, Laptop ₹ 1,00,000

Debtors: Sangita ₹ 40,000, Viru ₹ 30,000

Creditors: Ganesh ₹ 10,000, Garima ₹ 40,000, Bank loan ₹ 50,000.

2019 April

1 Purchased goods from Ajay Kumar worth ₹ 2,50,000 at 10% Trade discount @ 18% GST and paid 1/4 amount in Cash.

5 Purchased shares of Infosys Company ₹ 50,000 and ₹ 500 paid as a brokerage for Demat A/c.

8 Sold goods to Raj worth ₹ 90,000 at 10% Trade discount and 1/3 amount received by cash and 5% cash discount is allowed.

12 Paid house rent of proprietor ₹ 9,000 and office rent ₹ 5,000.

15 Purchased Laptop of ₹ 60,000 @ 18% GST and paid amount by cheque.

20 Paid transport charges on the above Laptop ₹ 1,000 @ 18% GST.

25 Paid Commission ₹ 20,000 to Ram.

26 Paid Telephone Charges ₹ 1,000.

28 Transferred from private Bank A/c of proprietor to business Bank A/c ₹ 40,000.

30 Bought goods for ₹ 1,50,000 @ 12% as GST by cheque.

30 Exchanged our Furniture of ₹ 30,000 against a Motor car of the same value for business.

Solution:

Journal of Harbhajan & Co.

Date	Particulars	L.F. No.	Debit Amount (₹)	Credit Amount (₹)
2019				
April 1	Cash A/c Dr. Bank A/c Dr. Furniture A/c Dr. Laptop (Computer) A/c Dr. Debtor A/c Dr. To Creditors A/c To Bank Loan A/c To Capital A/c (Being the balances of assets and liabilities brought forward and difference is transferred to capital A/c)		35,000 25,000 1,50,000 1,00,000 70,000	50,000 50,000 2,80,000
1	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Cash A/c To Ajay Kumar's A/c (Being goods purchased @ 10% T.D. with 18% GST and 1/4 amount paid in cash)		2,25,000 20,250 20,250	66,375 1,99,125
5	Investments in shares of Infosys A/c Dr. To Bank A/c (Being shares of Infosys Company Purchased and brokerage paid)		50,500	50,500
8	Cash A/c Dr. Discount A/c Dr. Raj's A/c Dr. To Sales A/c (Being goods sold @10% T.D. and 5% C.D. 1/3 amount received in cash)		25,650 1,350 54,000	81,000
12	Drawings A/c Dr. Office Rent A/c Dr. To Cash A/c (Being proprietors house rent and office rent paid in cash)		9,000 5,000	14,000
15	Laptop (Computer) A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being Laptop with 18% GST purchased and amount paid by cheque)		60,000 5,400 5,400	70,800
20	Laptop (Computer) A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Cash A/c (Being transport charges with GST @ 18% paid in cash)		1,000 90 90	1,180
25	Commission A/c Dr. To Cash A/c (Being commission paid in cash)		20,000	20,000
26	Telephone charges A/c Dr. To Cash A/c (Being telephone charges paid in cash)		1,000	1,000
28	Bank A/c Dr. To Capital A/c (Being the amount from private bank of proprietor transferred to business Bank A/c)		40,000	40,000
30	Purchases A/c Dr. Input CGST A/c Dr. Input SGST A/c Dr. To Bank A/c (Being goods purchased with 12% GST and amount paid by cheque)		1,50,000 9,000 9,000	1,68,000
30	Motor Car A/c Dr. To Furniture A/c (Being furniture exchanged for businesses motor car)		30,000	30,000
	Total		11,21,980	11,21,980

Working Notes:

1. 8 April 2019:

Net selling price = Selling price – 10% Trade discount

= 90,000 – 10% on 90,000

= 90,000 – 9,000

= ₹ 81,000

Cash received = 1/3 of 81,000

= 1/3 × 81,000

= ₹ 27,000

Net cash received = 27,000 – Cash discount @ 5%

= 27,000 – 5/100 × 27,000

= 27,000 – 1,350

= ₹ 25,650

Credit sale = 2/3 of 81,000

Allguidesite -
- Arjun
- Digvijay
= 23 × 81,000
= ₹ 54,000

ALLguidesite