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- (iii) Purchase office equipment Rs.15,500 recorded as purchases.
- (iv) Credit sales to Mr. Amjad Rs.12,000 recorded as cash sales.
- (v) Sale of merchandise Rs.15,000 on account to Mr. Jamil but was recorded as Rs.1,500.
- (vi) Rent of owner's house paid by cheque Rs.10,000 recorded as Rent Expense.

REQUIRED: Record Correcting entries in G. Journal.

6. Mr. Dabloo Khan, a sole trader uses three columns Cash Book. On February 01, 2017 he has cash on hand Rs.50,000 and cash at bank Rs.30,000, During the month of February 2017, he completed the following transactions.

February:

- 03: Purchased merchandise for Rs.10,000 paid 30% by cash and Balance by cheque.
- 07: Purchased furniture for cash Rs.15,000.
- 14: Sold goods for cash Rs.55,000. $\frac{1}{4}$ of which deposited in the Bank same day.
- 19: Advice received from bank that a customer Mr. Hasan Masroor has made direct deposit in bank Rs.10,000.
- 22: Paid owner's home utility bills Rs.5,000 by cash.
- 24: Withdrew cash from bank Rs.8,000 for office use.
- 26: Received cash Rs.13,500 from Mr. Owais Shah in full settlement of his account of Rs.14,000.
- 28: Issued a cheque to Mr. Akber Khan for Rs.11,000 in full settlement of his account of Rs.12,000.

REQUIRED:

- (a) Enter the opening balances on February 01, 2017 and record the transaction in the Cash book.
- (b) Balance the Cash book on February 28, 2017, Close it & bring down Cash and Bank Balance on March 01, 2017.

7. A study of Cash book (Bank Column) and the Bank Statement of Sarfaraz and Company for the month of April, 2017 revealed the following:

- (i) Balance as per Cash book (Cr.) Rs.6,300.
- (ii) Cheque Rs.10,000 deposit on April 30, 2017 not shown by bank.
- (iii) Debit memo for a cheque Rs.1,700 of Mr. Yasir Aziz marked NSF.
- (iv) Balance as per Bank Statement (Dr.) Rs.14,600.
- (v) Cheques deposit into the bank Rs.32,600. The bank cleared only Rs.10,000 cheques.