

Chapter 13 Rectification of Errors

Question 1.

How will you rectify the following errors?

- (i) Purchases Book is overcast by ₹ 10,000.
- (ii) Purchases Return Book is overcast by ₹ 1,000.
- (iii) Purchases Return Book's balance is carried forward in excess by ₹ 100.
- (iv) Purchases Book's balance is carried forward in excess by ₹ 1,000.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Purchases A/c (Being purchase book was overcast by Rs.10,000, now rectified)	Dr.	10,000	10,000
(ii)	Purchases Return A/c To Suspense A/c (Being purchase return book was overcast by Rs.1,000, now rectified)	Dr.	1,000	1,000
(iii)	Purchases Return A/c To Suspense A/c (Being purchase return book's balance carried forward in excess of Rs.100, now rectified)	Dr.	100	100
(iv)	Suspense A/c To Purchases A/c (Being purchase book's balance was carried forward in excess of Rs.1,000 now rectified)	Dr.	1,000	1,000

Question 2.

How will you rectify the following errors?

- (i) Sales Book is short casted by ₹ 5,000.
- (ii) Sales Return Book is short casted by ₹ 500.
- (iii) Balance of Sales Book is carried forward short by ₹ 1,000.
- (iv) Balance of Sales Return Book is carried forward short by ₹ 100.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Sales A/c (Being sales book was short by Rs.5,000, now rectified)	Dr.	5,000	5,000
(ii)	Sales Return A/c To Suspense A/c (Being sales return book was short by Rs.500, now rectified)	Dr.	500	500
(iii)	Suspense A/c To Sales A/c (Being sales book' balance carried forward was short by Rs.1,000, now rectified)	Dr.	1,000	1,000
(iv)	Sales Return A/c To Suspense A/c (Being sales return book' balance carried forward was short by Rs.100, now rectified)	Dr.	100	100

Question 3.

How will you rectify the following errors?

- (i) Sales Book is overcast by ₹ 5,000.
- (ii) Sales Return Book is short casted by ₹ 500.
- (iii) Balance of Sales Book is carried forward in excess by ₹ 1,000.
- (iv) Balance of Sales Return Book is carried forward in excess by ₹ 100.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c Dr. To Suspense A/c (Being sales book was overcast by Rs.5,000, now rectified)		5,000	5,000
(ii)	Sales Return A/c Dr. To Suspense A/c (Being sales book was short by Rs.500, now rectified)		500	500
(iii)	Sales A/c Dr. To Suspense A/c (Being sales book's balance was carried forward in excess by Rs.1,000, now rectified)		1,000	1,000
(iv)	Suspense A/c Dr. To Sales Return A/c (Being sales return book's balance was carried forward in excess by Rs.100, now rectified)		100	100

Question 4.

Rectify the following errors assuming that there is no Suspense Account:

- (i) Salary of ₹ 5,000 paid to Rahul was not posted to Salaries Account.
- (ii) Sales to Amrish of ₹ 1,430 posted to his account as ₹ 1,340.
- (iii) Sales to Vijay of ₹ 2,470 posted to his account as ₹ 2,740.
- (iv) Purchases from Pal of ₹ 1,430 posted to his account as ₹ 1,340.

Solution:

(i) Salary of Rs.5,000 paid to Rahul was not posted to Salary A/c

Salaries Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Cash A/c	5,000		

(ii) Sales to Amrish of Rs.1,430 posted to his account as Rs.1,340

Amrish's Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Sales A/c	90		

(iii) Sales to Vijay of Rs.2,470 posted to his account as Rs.2,740

Vijay's Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
		By Sales A/c	270

(iv) Purchases from Pal of Rs.1,430 posted his account as Rs.1,340

Pal's Account

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
		By Purchase A/c	90

Question 5.

Which of the following errors will affect the Trial Balance?

- (i) The total of the Sales Book has not been posted to the Sales Account.
- (ii) ₹ 1,000 paid as installation charges of a new machine has been debited to Repairs Account.
- (iii) Goods costing ₹ 4,000 taken by the proprietor for personal use have debited to Debtors Account.
- (iv) ₹ 1,000 paid for repairs to building have been debited to Building Account.

Solution:

The correct answer is option (i).

Total of Sales book has not been posted to Sales Account will affect the Trial Balance because due to undercast of Sales Accounts results in undercasting of credit side of the Trial Balance.

Question 6.

Rectify the following errors:

- (i) The Sales Book of December was added short by ₹ 500.
- (ii) A periodical total of the Purchases Book was cast short by ₹ 5,000.
- (iii) The total of Purchases Return Book has been undercast by ₹ 1,500.
- (iv) The Sales Return Book is added ₹ 200 short.

Solution:

Journal					
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.	
(i)	Suspense A/c To Sales A/c (Being sales book was added short, now rectified)	Dr.	500	500	
(ii)	Purchases A/c To Suspense A/c (Being purchases book was undercast, now rectified)	Dr.	5,000	5,000	
(iii)	Suspense A/c To Purchases Return A/c (Being purchases return book was cast short, now rectified)	Dr.	1,500	1,500	
(iv)	Sales Return A/c To Suspense A/c (Being sales return book was undercast now rectified)	Dr.	200	200	

Question 7.

Rectify the following errors assuming that there is no Suspense Account:

- (i) The Returns Inward Book has been overcast by ₹ 200.
- (ii) Purchases Book carried forward ₹ 75 less.
- (iii) Sales Book carried forward ₹ 41 less on Page 10 and ₹ 43 more on Page 12.
- (iv) Goods sold to Gautam were posted as ₹ 215 instead of ₹ 251.

Solution:

(i) The Returns Inward Book has been overcast by Rs.200

Return Inwards Book

Dr.				Cr.			
Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
					Over Casting of Return Inwards Book		200

(ii) Purchases Book carried forward Rs.75 less.

Purchases Account

Dr.				Cr.			
Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
	Carry forwarding of Purchases Book Less		75				

(iii) Sales Book carried forward Rs.41 less on Page 10 and Rs.43 more on Page 12

Sales Account

Dr.				Cr.			
Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
	Net Carry forwarding of Sales Book excess		2				

(iv) Goods sold to Gautam were posted as Rs.215 instead of Rs.251

Sales Account

Dr.				Cr.			
Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
					Difference in the amount posted		36

Gautam Account

Dr.				Cr.			
Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
	Difference in the amount posted		36				

Question 8.

Following errors are discovered in the books of Sh. Ram Lal. Make the necessary entries to rectify

them:

(i) Purchases Journal was undercast by ₹ 2,150.

(ii) ₹ 500 received from K. Krishna was debited to his account.

(iii) An amount of ₹ 3,000 withdrawn by the proprietor of the firm for his personal use was posted to the Travelling Expense Account.

(iv) An amount of ₹ 175 for a credit sale to R. Gopalan correctly entered in the Sales Book, has been debited to his account as ₹ 157.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c Dr. To Suspense A/c (Being purchases book was under cast now rectified)		2,150	2,150
(ii)	Suspense A/c Dr. To K. Krishna A/c (Bring received from K. Krishna was wrongly debited, now rectified)		1,000	1,000
(iii)	Drawings A/c Dr. To Travelling Expense A/c (Being amount withdrawn by proprietor for personal use wrongly posted to travelling expenses account, now rectified)		3,000	3,000
(iv)	R. Gopalan Dr. To Suspense A/c (Being R. gopalan's account was debited by Rs.157 instead of Rs.175, now rectified)		18	18

Question 9.

Pass the Journal entries rectifying the following errors:

(i) Purchases for ₹ 10,000 was omitted to be recorded.

(ii) Purchases of office furniture of ₹ 10,000 was recorded in Purchases Book.

(iii) Office Rent of ₹ 15,000 was debited to the Personal Account of the landlord.

(iv) Old machine was sold for ₹ 5,000 was credited to Sales Account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchase A/c Dr. To Suspense A/c (Being purchase of goods worth Rs.10,000 were omitted to be recorded now rectified)		10,000	10,000
(ii)	Furniture A/c Dr. To Purchases A/c (Being purchase of office furniture was recorded in purchase book, now rectified)		10,000	10,000
(iii)	Rent A/c Dr. To Landlord's A/c (Being office rent of Rs.15,000 was debited to landlord's personal account, now rectified)		15,000	15,000
(iv)	Sales A/c Dr. To Machinery A/c (Being sale of machinery costing Rs.5,000 was credited to sales A/c, now rectified)		5,000	5,000

Question 10.

Following errors affecting the accounts of the year 2016-17 were detected in the books of Das & Co., Meerut:

(i) Sale of old furniture for ₹ 5,000 was treated as sales of goods.

(ii) Rent of proprietor's residence ₹ 6,000 was debited to Rent Account.

(iii) Cash received from Rajesh ₹ 2,150 was credited to Brajesh.

Pass the rectifying Journal entries. State the nature of each of these mistakes.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Nature - Error of Principle Sales A/c Dr. To Furniture A/c (Being sale of old furniture treated as sale of goods, now rectified)		5,000	5,000
(ii)	Nature - Error of Principle Drawings A/c Dr. To Rent A/c (Being rent paid for proprietor's residence treated as rent paid, now rectified)		6,000	6,000
(iii)	Nature - Error of Commission Brajesh's A/c Dr. To Rajesh's A/c (Being cash received from Rajesh, credited to Brajesh's, now rectified)		2,150	2,150

Question 11.

Rectify the following errors:

- (i) Purchases Book has been undercast by ₹ 1,000.
- (ii) Credit sale to Anu Prakash ₹ 7,000 was recorded in Purchases Book.
- (iii) Credit sale to Rahul ₹ 7,000 was recorded as ₹ 700.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c Dr. To Suspense A/c (Being purchases book was undercast by Rs.1,000, now rectified)		1,000	1,000
(ii)	Anu Prakash A/c Dr. To Purchases A/c To Sales A/c (Being sales to AnuPrakash was recorded in purchases book, now rectified)		14,000	7,000 7,000
(iii)	Rahul's A/c Dr. To Sales A/c (Being sales to Rahul Rs.7,000 was recorded asRs.700, now rectified)		6,300	6,300

Note: In the book, this transaction is incomplete, thus it has been assumed that Credit sales to Rahul was recorded as Rs.700 instead of Rs.7,000

Question 12.

Rectify the following errors:

- (i) Total of one page of the Sales Book was carried forward to the next page as ₹ 2,785 instead of ₹ 2,587.
- (ii) A cheque of ₹ 400 received from Mohan was dishonoured and had been posted to the debit side of the 'Allowance Account'.
- (iii) Return of goods worth ₹ 5,000 by a customer was entered in the Purchases Return Book.
- (iv) Sum of ₹ 200 owed by 'X' has been included in the list of Sundry Creditors.
- (v) Sale of old furniture worth ₹ 430 was credited to the Sales Account as ₹ 340.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c Dr. To Suspense A/c (Being carry forwarding Rs.2,785 instead of Rs.2,587, now rectified)		198	198
(ii)	Mohan A/c Dr. To Allowance A/c (Being acheque received from Mohan was dishonoured but debited wrongly to allowance's account, now rectified)		400	400
(iii)	Sales Return A/c Dr. Purchases Return A/c Dr. To Customer A/c (Being goods return by a customer was recorded wrongly to purchase return book, now rectified)		5,000 5,000	10,000
(iv)	Sundry Creditors Dr. Sundry Debtors Dr. To X's A/c (Being amount owed by X's was included in sundry creditors, now rectified)		200 200	400
(v)	Sales A/c Dr. Suspense A/c Dr. To Furniture A/c (Being sale of old furniture Rs.430 was wrongly debited to sales account for Rs.340, now rectified)		340 90	430

Question 13.

Rectify the following errors:

(i) Purchases Book is overcast by ₹ 500.

(ii) Salary paid to an employee, Mr. Ajay, is debited to his Personal account ₹ 3,000.

(iii) Goods sold to Shashi on credit ₹ 300 have been wrongly passed through the Purchases Book.

(iv) Total of returns inward has been added ₹ 9 short.

(v) Purchase of chair from Happy Traders for ₹ 35 has been entered in the Purchases Books as ₹ 53.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Purchases A/c (Being purchase book was over cast now rectified)		500	500
(ii)	Salaries A/c Dr. To Mr. Ajay A/c (Being salary paid to Mr. Ajay was debited wrongly to Mr. Ajay's account)		3,000	3,000
(iii)	Shashi A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to Shashi was wrongly passed through purchases book, now rectified)		600	300 300
(iv)	Return Inwards A/c Dr. To Suspense A/c (Being return inwards book was added short by Rs.9, now rectified)		9	9
(v)	Furniture A/c Dr. Happy Traders A/c Dr. To Purchases A/c (Being purchase of chair Rs.35 was recorded in the purchases book asRs.53, now rectified)		35 18	53

Question 14.

Correct the following errors in Mohan Lal's Book:

(i) A payment of ₹ 5,000 for salaries (to Mr. Ram) has been posted twice to the Salaries Account.

(ii) ₹ 750 received from Rajesh are entered on the debit side of the Cash Book. No posting was done in Rajesh's Account.

(iii) Sales Book was overcast by ₹ 3,000.

(iv) Goods (Cost ₹ 2,000, Sales Price ₹ 2,500) distributed as free samples among prospective customers were not recorded anywhere.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Salaries A/c (Being payment of salaries Rs.5,000 was posted twice wrongly in salaries account, now rectified)	Dr.	5,000	5,000
(ii)	Suspense A/c To Rajesh A/c (Being received Rs.750 from Rajesh was omitted to be posted his account, now rectified)	Dr.	750	750
(iii)	Sales A/c To Suspense A/c (Being sales was overcast, now rectified)	Dr.	3,000	3,000
(iv)	Advertisement A/c To Purchases A/c (Being goods distributed as free sample were not recorded, now recorded)	Dr.	2,000	2,000

Question 15.

Rectify the following errors:

(i) Sales to Vinod of ₹ 143 posted to his account as ₹ 134.

(ii) Sales to Vinod of ₹ 143 debited to his account as ₹ 134.

(iii) Sales to Vinod of ₹ 143 credited to his account as ₹ 134.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Vinod A/c To Suspense A/c (Being Rs.9 was posted less in Vinod's account, now rectified)	Dr.	9	9
(ii)	Vinod A/c To Suspense A/c (Being Vinod's account was wrongly debited with Rs.9 less, now rectified)	Dr.	9	9
(iii)	Vinod A/c (134 +143) To Suspense A/c (Being sales to Vinod of Rs.143 was wrongly credited asRs.134, now rectified)	Dr.	277	277

Question 16.

Give the rectifying entries of the following:

(i) Sales of ₹ 20,000 to Manoj were recorded as ₹ 2,000 in the Sales Book.

(ii) An amount of ₹ 25,000 spent for the extension of machinery has been debited to the Wages Account.

(iii) Discount received from Ram & Co. ₹ 350, has not been entered in the discount column of the Cash Book.

(iv) Goods of ₹ 3,000 sold to Mahesh were recorded in the Purchases Book.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Manoj A/c Dr. To Sales A/c (Being sales Rs.20,000 was recorded wrongly as Rs.2,000, now rectified)		18,000	18,000
(ii)	Machinery A/c Dr. To Wages A/c (Being amount spent on installation of machinery was debited wrongly to wages account, now rectified)		25,000	25,000
(iii)	Ram and Co. A/c Dr. To Discount Received A/c (Being discount received from Ram and Co. not been entered in the cash book, now rectified)		4,750	4,750
(iv)	Mahesh A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to Mahesh was recorded wrongly in purchases book now rectified)		6,000	3,000 3,000

Question 17.

Correct the following errors in Mohan Lal's Book:

- (i) A sum of ₹ 1,500 written off as depreciation on furniture has not been debited to the Depreciation Account.
- (ii) Returns Outward Journal has been overcast by ₹ 85.
- (iii) Basudev returned goods worth ₹ 500; his account was debited by this amount.
- (iv) Purchase from Krishna Mohan of ₹ 2,250 has been debited to his account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Depreciation A/c Dr. To Suspense A/c (Being amount of depreciation was not debited in depreciation account, now recorded)		1,500	1,500
(ii)	Return Outwards A/c Dr. To Suspense A/c (Being return outwards book was overcast, now rectified)		85	85
(iii)	Suspense A/c Dr. To Basu Dev A/c (Being goods returned by Basu Dev was wrongly debited to his account, now rectified)		1,000	1,000
(iv)	Suspense A/c Dr. To Krishna Mohan A/c (Being Krishna Mohan's account was wrongly debited, now rectified)		4,500	4,500

Question 18.

Correct the following errors in Hari's Books:

- (i) Credit sale of ₹ 132 to R. Krishan correctly entered in Sales Journal but posted to his account as ₹ 312.
- (ii) The total of the credit side of Ramesh's Account was overcast by ₹ 2,000.
- (iii) Total of the Purchases Journal of ₹ 5,250 has been posted to Purchases Account as ₹ 5,205.
- (iv) Printer purchased from R. Ltd. for ₹ 4,000 on credit was entered in the Purchases Book.
- (v) An item of ₹ 2,000 entered in the Sales Return Book was posted to the debit of Pandey who had returned the goods.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To R. Krishan (Being goods sold to R. Krishan of Rs.132 was posted as Rs.312 in his account, now rectified)	Dr.	180	180
(ii)	Ramesh A/c To Suspense A/c (Being credit side of Ramesh's account overcast, now rectified)	Dr.	2,000	2,000
(iii)	Purchases A/c To Suspense A/c (Being total of purchases book was posted less by Rs.45, now rectified)	Dr.	45	45
(iv)	Printer A/c To Purchases A/c (Being purchase of printer was wrongly posted to purchases account, now rectified)	Dr.	4,000	4,000
(v)	Suspense A/c To Pandey's A/c (Being amount wrongly debited to Pandey's account for goods returned by him. now rectified)	Dr.	4,000	4,000

Question 19.

Rectify the following errors:

- (i) A purchase of ₹ 5,000 from Ram was omitted to be entered in the Purchases Book.
- (ii) A credit sale of ₹ 257 to Messrs Goodluck & Co. was recorded as ₹ 275.
- (iii) A purchase of office furniture for ₹ 500 from Salwan Furnitures was entered through the Purchases Book.
- (iv) Rent paid to Landlord ₹ 500 was debited to his Personal Account.
- (v) A debt balance of ₹ 2,000 on the Personal Account of Mr. John (correctly shown in the Ledger) has been omitted when extracting a Trial Balance.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c To Ram A/c (Being purchases from ram was omitted to be recorded , now recorded)	Dr.	5,000	5,000
(ii)	Sales A/c To M/s Goodluck and Co A/c (Being sale of goods Rs.257 to M/s Goodluck and Co was wrongly recorded as Rs.275, now rectified)	Dr.	18	18
(iii)	Office Furniture A/c To Purchase A/c (Being purchases of office furniture was wrongly recorded to purchases account, now rectified)	Dr.	500	500
(iv)	Rent A/c To Landlord A/c (Being rent paid was debited wrongly to landlord account, now rectified)	Dr.	500	500
(v)	Rs.2,000 will be shown in the debit column of Trial Balance			

Question 20.

Mukesh found that the Trial Balance did not agree. He found the following errors:

- (i) In the Sales Book for the month of January, total of Page No. 3 was carried forward to Page No. 4 as ₹ 1,000 instead of ₹ 1,200 and total of Page No. 7 was carried forward to Page No. 8 as ₹ 5,600 instead of ₹ 5,000.
- (ii) Goods returned to Anshuka ₹ 10,000 were recorded in the Sales Book.
- (iii) Bill Receivable for ₹ 800 from Riya was dishonoured and posted to the debit of Allowances

Account.
Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Sales A/c (Being sales book balance wrongly carried forward by less amount, now rectified)		200	200
	Sales A/c Dr. To Suspense A/c (Being sales book balance wrongly carried forward by more amount, now rectified)		600	600
(ii)	Sales A/c Dr. To Purchases Return A/c (Being goods return wrongly recorded in sales book, now rectified)		10,000	10,000
(iii)	Riya A/c Dr. To Allowances A/c (Being discounted wrongly posted to the debit of allowances account, now rectified)		10,000	10,000

Question 21.

Pass the rectifying entries for the following:

- Sales of goods ₹ 6,000 to Madan were recorded as ₹ 600 in the Sales Book.
- Credit purchase of goods from Mohan amounting to ₹ 2,000 has been wrongly passed through the Sales Book.
- Return of goods worth ₹ 500 by a customer was entered in 'Purchases Return Book'.
- Cheque of ₹ 400 received from Ranjan was dishonoured and debited to the Discount Account.
- Bill for ₹ 820 received from Ramesh for repair of machinery was entered in the Purchases Book as ₹ 720.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Madan A/c Dr. To Sales A/c (Being sale of goods to Madan Rs.6,000 was wrongly recorded asRs.600)		5,400	5,400
(ii)	Sales A/c Dr. Purchases A/c Dr. To Mohan A/c (Being purchases of goods from Mohan was wrongly recorded in the sales book, now rectified)		2,000 2,000	4,000
(iii)	Sales Return A/c Dr. Purchases Return A/c Dr. To Customer A/c (Being sales return was entered wrongly in purchases return book now rectified)		500 500	1,000
(iv)	Rajan A/c Dr. To Discount A/c (Being discount account was debited wrongly on dishonour of Rajan's cheque, now rectified)		400	400
(v)	Repair A/c Dr. To Purchases A/c To Suspense A/c (Being repair of machinery Rs.820 was recorded wrongly to purchases book now rectified)		820	720 100

Question 22.

Give rectifying Journal entries for the following errors:

- Sales of goods to Madan ₹ 6,000 were entered in the Sales Book as ₹ 600.
- Credit purchase of ₹ 1,500 from Ajay has been wrongly passed through the Sales Book.
- Repairs to building ₹ 300 were debited to Building Account.
- ₹ 2,050 paid to Rohit is posted to the debit of Mohit's Account as ₹ 5,020.
- Purchases Return Book is overcast by ₹ 400

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Madan A/c To Sales A/c (Being sale of goods Rs.6,000 to Madan was wrongly recorded as Rs.600)	Dr.	5,400	5,400
(ii)	Purchases A/c Sales A/c To Ajay A/c (Being purchase of goods from Ajay was wrongly passed through sales book)	Dr. Dr.	1,500 1,500	3,000
(iii)	Repair A/c To Building A/c (Being repair of building Rs.300 was wrongly debited to building account, now rectified)	Dr.	300	300
(iv)	Rohit A/c Suspense A/c To Mohit A/c (Being payment to Rohit Rs.2,050 was wrongly debited Mohit's account as Rs.5,020, now rectified)	Dr. Dr.	2,050 2,970	5,020
(v)	Purchases Return A/c To Suspense A/c (Being purchase return book was overcast now rectified)	Dr.	400	400

Question 23.

Give rectifying entries for the following:

- ₹ 5,400 received from Mr. A was posted to the debit of his account.
- The total of Sales Return Book overcast by ₹ 800.
- ₹ 2,740 paid for repairs to motor car was debited to Motor Car Account as ₹ 1,740.
- Returned goods to Shyam ₹ 1,500 were passed through Returns Inward Book.

Solution:

Journal				
Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Mr. A A/c (Being received Rs.5,400 from Mr A was wrongly debited to his account, now rectified)	Dr.	10,800	10,800
(ii)	Suspense A/c To Sales Return A/c (Being sales return book was overcast, now rectified)	Dr.	800	800
(iii)	Repair A/c To Motor Car A/c To Suspense A/c (Being repairs of motor cars Rs.2,740 was wrongly debited to motor car account as Rs.1,740, now rectified)	Dr.	2,740	1,740 1,000
(iv)	Shyam A/c To Return Inwards A/c To Return Outwards A/c (Being return outward to Shyam was wrongly recorded in the return inwards book, now rectified)	Dr.	3,000	1,500 1,500

Question 24.

Pass Journal entries rectifying the following errors:

- A cheque for ₹ 10,000 was received from Ranjan on which ₹ 200 Cash Discount was allowed. The cheque was not honoured on due date and the amount of discount was credited to Discount Received Account.
- ₹ 2,000 paid as wages for machinery installation was debited to Wages Account.
- ₹ 5,000 received from Rakesh were credited to his Personal Account. The amount had been written off as bad debt earlier.
- Repair bill of machinery was recorded as ₹ 100 against the bill amount of ₹ 1,000.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Discount Received A/c Dr. To Discount Allowed A/c (Being on dishonour of Ranjan's cheque, instead of crediting discount allowed account, discount received account was wrongly credited, now rectified)		200	200
(ii)	Machinery A/c Dr. To Wages A/c (Being wages paid for installation of machinery was debited wrongly to wages account, now rectified)		2,000	2,000
(iii)	Rakesh A/c Dr. To Bad Debt Recovered A/c (Being cash received from Rakesh was credited wrongly to Rakesh's account was previously written off as bad debt, now rectified)		5,000	5,000
(iv)	Repair A/c Dr. To Cash A/c (Being repair bill Rs.1,000 was recorded as Rs.100, now rectified)		900	900

Question 25.

Rectifying the following errors:

- Sales Book has been totalled ₹ 1,000 short.
- Goods worth ₹ 1,500 returned by Green & Co. have not been recorded anywhere.
- Goods purchased worth ₹ 2,500 have been posted to the debit of the supplier, Gupta & Co.
- Furniture purchased from Gulab & Co. worth ₹ 10,000 has been entered in Purchases Book.
- Cash received from A ₹ 2,500 has not been posted in his account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Sales A/c (Being sales book was undercast, now rectified)		1,000	1,000
(ii)	Sales Return A/c Dr. To Green and Co A/c (Being goods returned by green and Co was not recorded, now recorded)		1,500	1,500
(iii)	Suspense A/c Dr. To Gupta and Co A/c (Being goods purchased of Rs.2,500 from Gupta and Co was wrongly debited to his account, now rectified)		2,500	2,500
(iv)	Furniture A/c Dr. To Purchases A/c (Being purchase of goods Rs. 10,000 was debited wrongly to Purchases Book, now rectified)		10,000	10,000
(v)	Suspense A/c Dr. To A's A/c (Being cash received from a was not posted to his account, now rectified)		2,500	2,500

Question 26.

How will you rectify the following errors?

- ₹ 500 spent on building repairs has been debited to the Building Account.
- Furniture worth ₹ 5,000 purchased from X on credit omitted from being recorded in the books.
- Total of Returns Inward Book was added by ₹ 200 instead of ₹ 250.
- Goods purchased from Mohan for ₹ 5,000 was passed through Returns Inward Book.
- Goods returned to Ram was passed through Sales Book.
- Bills payable of ₹ 5,000 accepted in favour of Murari, was passed through bills receivable book with ₹ 500 but Murari's account was correctly debited.

Solution:

Journal				
Date	Particulars	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
(i)	Repairs A/c To Building (Repairs to building debited to Building A/c, now rectified)	Dr.	500	500
(ii)	Furniture A/c To X's A/c (Furniture purchased on credit omitted to be recorded, now rectified)	Dr.	5,000	5,000
(iii)	Returns Inward A/c To Suspense A/c (Total of Returns Inward Book casted short by Rs 50, now rectified)	Dr.	50	50
(iv)	Purchases A/c To Returns Inward A/c (Goods purchased passed through Returns Inward Book, now rectified)	Dr.	5,000	5,000
(v)	Sales A/c To Purchases Return A/c (Goods returned passed through Sales Book, now rectified)	Dr.		
(vi)	Suspense A/c To Bills Receivable A/c To Bills Payable A/c (Bills Payable passed through Bills Receivable Book, now rectified)	Dr.	5,500	500 5,000

Question 27.

Pass Journal entries to rectify the errors in the following cases:

- A purchase of goods from David amounting to ₹ 150 has been wrongly passed through the Sales Book.
- A credit sale of goods of ₹ 120 to Peter has been wrongly passed through the Purchases Book.
- ₹ 200, salary paid to Cashier, B. Naidu, stands wrongly debited to his Personal Account.
- A credit sales of ₹ 4,230 to Krishan entered as purchase from Kishan ₹ 4,320.
- Ramesh's Account was credited with ₹ 840 twice instead of once.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c Sales A/c To David A/c (Being purchase of goods from David was wrongly passed through sales book, now rectified)	Dr. Dr.	150 150	300
(ii)	Peter A/c To Sales A/c To Purchases A/c (Being sale of goods to Peter was wrongly passed through purchases book, now rectified)	Dr.	240	120 120
(iii)	Salaries A/c To B. Naidu A/c (Being salary paid to B. Naidu was passed wrongly to his account: now rectified)	Dr.	200	200
(iv)	Krishan A/c To Sales A/c (Being credit sale to Kirshan)	Dr.	4,230	4,230
	Kishan A/c To Purchase A/c (Being credit purchases to Kishan)	Dr.	4,320	4,320
(v)	Ramesh A/c To Suspense A/c (Being amount credited twice to Ramesh's account, now rectified)	Dr.	840	840

Question 28.

(i) What are the different causes that make a Trial Balance incorrect?

(ii) Pass the rectifying Journal entries:

(a) A credit sale of goods for ₹ 2,500 to Krishna has been wrongly passed through the Purchases Book.

(b) ₹ 5,000 paid for freight on machinery purchased was debited to the Freight Account as ₹ 500.

(c) The Returns Inward Book has been wrongly overcast by ₹ 100.

(d) An amount of ₹ 500 due from Ramesh which had been written off as bad debt in previous year was recovered and had been posted to the Personal Account of Ramesh.

(e) A sum of ₹ 460 owed by Hari had not been included in the list of debtors.

Solution:

(i) The following are the causes that make a Trial Balance incorrect.

(a) Incomplete posting of Journal Entry

(b) Posting in the wrong side of Account.

(c) Wrong totalling of Subsidiary Books

(d) Wrong balance of Account

(e) Omission of total of Subsidiary book into Account

(f) Wrong totalling of the Trial Balance

(ii)

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(a)	Krishna A/c Dr. To Sales A/c To Purchases A/c (Being credit sale of goods to Krishna was posted wrongly to purchases book, now rectified)		5,000	2,500 2,500
(b)	Machinery A/c Dr. To Freight A/c To Suspense A/c (Being freight Rs.5,000 paid on machinery was wrongly recorded in freight account as Rs.500)		5,000	500 4,500
(c)	Suspense A/c Dr. To Return Inwards A/c (Being return inwards book was overcast, now rectified)		100	100
(d)	Ramesh A/c Dr. To Bad Debt Recovered A/c (Being received Rs.500 which previously written off as bad debt wrongly credited to Ramesh account, now rectified)		500	500
(e)	Sundry Debtors A/c Dr. To Hari A/c (Being Hari which was not in the List of sundry debtors, now recorded)		460	460

Question 29.

Rectify the following errors:

- (i) Wages paid for the construction of office debited to the Wages Account, ₹ 5,000
- (ii) Machinery purchased for ₹ 35,000 was passed through the Purchases Book.
- (iii) Old furniture sold for ₹ 1,000, passed through the Sales Book.
- (iv) ₹ 2,000 paid to Mehta Bros. against acceptance were debited to Malhotra Bros. Account.
- (v) Sales of ₹ 204 to Ram debited to his account as ₹ 402 and purchases of ₹ 1,012 from Shyam credited to his account as ₹ 1,210.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Building A/c Dr. To Wages A/c (Being wages paid for construction of office was debited wrongly to wages account, now rectified)		5,000	5,000
(ii)	Machinery A/c Dr. To Purchases A/c (Being purchase of machinery was recorded wrongly in invoice book, now rectified)		35,000	35,000
(iii)	Sales A/c Dr. To Furniture A/c (Being sale of old furniture was passed wrongly to sales book, now rectified)		1,000	1,000
(iv)	Bills Payable A/c Dr. To Malhotra Bros A/c (Being amount paid against acceptance to Mehta bros was wrongly debited to Malhotra bros, now rectified)		2,000	2,000
(v)	Shyam A/c Dr. To Ram A/c (Being sales to ram Rs. 204 was debited to his account as Rs.402 and purchase from Shyam Rs.1,012 was credited to his account as Rs.1,210, now rectified)		198	198

Question 30.

There was an error in the Trial Balance of Ram Gopal on 31st March, 2018 and the difference in books was carried to the Suspense Account. On going through the books, you find that:

- (i) ₹ 540 received from M. Mehta was posted to the debit side of his account.
- (ii) ₹ 100 being purchases return was posted to the debit of the Purchases Account.
- (iii) Discount of ₹ 300 received was posted to the debit of the Discount Account.
- (iv) ₹ 374 paid for motor car repairs was debited to the Motor Car Account as ₹174.

(v) ₹ 400 paid to C. Das was debited to the account of G. Dass.

Pass the Journal entries to rectify the above errors and state what amount was carried to the Suspense Account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To M. Mehta (Being cash received from M. Mehta was wrongly posted to the debit of his account, now rectified)	Dr.	1,080	1,080
(ii)	Suspense A/c To Purchases A/c To Purchases Return A/c (Being purchases return Rs.100 was wrongly debited to purchases account now rectified)	Dr.	200	100 100
(iii)	Suspense A/c To Discount A/c (300+300) (Being discount received Rs.300 was wrongly posted to the debit of discount account, now rectified)	Dr.	600	600
(iv)	Motor Car Repair A/c To Motor Car A/c To Suspense A/c (Being paid Rs.374 for motor car repair was wrongly debited to motor car account as Rs.174, now rectified)	Dr.	347	174 200
(v)	C. Das A/c To G. Das A/c (Being amount paid to C. das was wrongly debited to G. das, now rectified)	Dr.	400	400

Suspense Account					
Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To M. Mehta A/c	1,080		By Motor Car Repair A/c	200
	To Purchases A/c	100		By Balance c/d	1,680
	To Purchases Return A/c	100			
	To Discount A/c	600			
		1,880			1,880

Question 31.

Trial Balance of a bookkeeper shows an excess of debits over credits by ₹ 261. This difference is placed in a Suspense Account to facilitate books closure. Later on the following errors were discovered:

(i) A credit item of ₹ 349 has been debited to a Personal Account as ₹ 439.

(ii) A sum of ₹ 625 written off from fixtures as depreciation has not been posted to the Depreciation Account.

(iii) ₹ 9,000 paid for furniture bought have been charged to the Purchases Account.

(iv) A discount allowed to a customer has been credited to him as ₹ 145 in place of ₹ 154.

(v) A sale of ₹ 594 was posted as ₹ 495 in the Sales Account.

(vi) The total of Returns Inward Book has been added ₹ 10 short.

Pass the Journal entries to correct these errors and prepare the Suspense Account.

Solution:

Journal

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c To Personal A/c (Being credit item was wrongly debited to a personal account, now rectified)	Dr.	788	788
(ii)	Depreciation A/c To Suspense A/c (Being depreciation on Fixtures was not posted to depreciation account, now rectified)	Dr.	625	625
(iii)	Furniture A/c To Purchases A/c (Being purchase of furniture was wrongly charged to purchases account, now rectified)	Dr.	9,000	9,000
(iv)	Suspense A/c To Customer A/c (Discount allowed to Customer Rs.154 was Credited wrongly as Rs.145, now rectified)	Dr.	9	9
(v)	Suspense A/c To Sales A/c (Being sale of Rs.594 was wrongly posted as Rs.495, now rectified)	Dr.	99	99
(vi)	Return Inwards A/c To Suspense A/c (Being return inwards book was undercasted, now rectified)	Dr.	10	10

Suspense Account

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Personal A/c	788		By Balance b/d	261
	To Customer A/c	9		By Depreciation A/c	625
	To Sale A/c	99		By Return Inwards A/c	10
		896			896

Question 32.

The accountant of a firm finds that the Trial Balance as on 31st December, 2017 is out by as excess debit of ₹ 283. He placed the amount in the Suspense Account. In the first week of January, 2018, he discovered the following errors. Pass the Journal entries necessary to rectify these errors and show the Suspense Account as it would appear at the end of the week. Have you any comment to make?

- (i) Cash paid to Amar Nath, ₹ 75, was posted to the credit of Amar Singh's Account as ₹ 57.
- (ii) Discount allowed by Brijesh of ₹ 5 was not entered in the Cash Book but Brijesh stands debited correctly.
- (iii) No entry was made of goods worth ₹ 40 taken away by proprietor for personal use.
- (iv) ₹ 500 received from Jhaveri Bros. for interest on loan advanced to them were recorded in the Cash Book. But the entry was not posted in the Ledger.
- (v) The total of Returns Outward Book was short by ₹ 100.

Solution:

Journal

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Amar Nath A/c Dr. Amar Singh A/c Dr. To Suspense A/c (Being cash paid to Amar Nath Rs.75 was wrongly credited to Amar Singh as Rs.57, now rectified)		75 57	132
(ii)	Suspense A/c Dr. To Discount Received A/c (Being discount received by Brijesh was omitted to be recorded in discount column but was recorded in Brijesh's account, now rectified)		5	5
(iii)	Drawings A/c Dr. To Purchases A/c (Being goods drawn by proprietor was not recorded, now recorded)		40	40
(iv)	Suspense A/c Dr. To Interest on Advance A/c (Being interest on advances received from Jhaveri bros was not posted into ledger, now rectified)		500	500
(v)	Suspense A/c Dr. To Return Outwards A/c (Being return outwards book undercasted now rectified)		100	100

Suspense Account

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Discount Received A/c	5		By Balanced b/d	283
	To Interest on Advances A/c	500		By Amar Nath A/c	75
	To Return Outwards A/c	100		By Amar Singh A/c	57
				By Balance c/d	190
		605			599

As the Suspense account has not tallied, there are errors still to be rectified.

Question 33.

You are presented with a Trial Balance showing a difference which has been carried to the Suspense Account and the following errors are revealed:

- (i) ₹ 1,700 paid in cash for an office equipment was charged to Office Expenses Account.
- (ii) A cash sale of ₹ 5,000 to Black, correctly entered in the Cash Book, was posted to the credit of Black's Account in the Ledger.
- (iii) Goods amounting to ₹ 800, returned by Blue, were entered in the Sales Book and posted therefrom to the credit of Blue's Account.
- (iv) Furniture purchased for ₹ 8,100 was posted to Furniture Account as ₹ 810.
- (v) Goods amounting to ₹ 10,000 sold to Red were correctly entered in Sales Book but posted to Red's Account for ₹ 18,000.
- (vi) Sales Return Book was overcast by ₹ 100.

You are required to pass the necessary rectification entries in respect of the above.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Typewriter A/c Dr. To Office Expenses A/c (Being purchase of typewriter was wrongly charged to office expense account, now rectified)		1,700	1,700
(ii)	Black A/c Dr. To Sales A/c (Being cash sale to black was entered in the cash book but was wrongly posted to the credit of black's account, now rectified)		5,000	5,000
(iii)	Sales Return A/c Dr. Sales A/c Dr. To Suspense A/c (Being goods returned by blue was wrongly entered in the sales book but correctly posted in blue's account, now rectified)		800 800	1,600
(iv)	Furniture A/c Dr. To Suspense A/c (Being furniture purchased posted as Rs.810 instead of Rs.8,100, now rectified)		7,290	7,290
(v)	Suspense A/c Dr. To Red A/c (Being goods sold to red Rs.10,000 was entered in sales book but posted in red A/c Rs.18,000, now rectified)		8,000	8,000
(vi)	Suspense A/c Dr. To Sales Return A/c (Being sales return book was over cast)		100	100

Question 34.

Rectify the following errors found in the books of Mr. B. Trial Balance had ₹ 930 excess credit. The difference has been posted to a Suspense Account:

- The total of Returns Inward Book has been cast ₹ 1,000 short.
- The purchase of an office table costing ₹ 3,000 has been passed through Purchases Book.
- ₹ 3,750 paid for wages to workmen for making showcases had been charged to the Wages Account.
- A purchases of ₹ 670 had been posted to the Creditors Account as ₹ 600.
- A cheque for ₹ 2,000 received from Mr. P.C. Joshi had been dishonoured and was passed to the debit of the Allowances Account.
- An amount of ₹ 15,720 due from Prasad written off as had in a previous year, was recovered and credited to the Personal Account of Prasad.

After rectification reflect the transactions in the Suspense Account.

Solution:

Journal

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Return Inwards A/c To Suspense A/c (Being return inwards was undercast, now rectified)	Dr.	1,000	1,000
(ii)	Furniture A/c To Purchases A/c (Being purchase of office furniture was wrongly entered in purchases book now rectified)	Dr.	3,000	3,000
(iii)	Furniture A/c To Wages A/c (Being wages paid for making showcases was wrongly charged to wages account, now rectified)	Dr.	3,750	3,750
(iv)	Suspense A/c To Creditors A/c (Being purchase of Rs.670 was credited to creditors as Rs.600, now rectified)	Dr.	70	70
(v)	Mr. P. C Joshi A/c To Allowances A/c (Being Mr. P. C. Joshi cheque was dishonoured and was wrongly debited to allowances account, now rectified)	Dr.	2,000	2,000
(vi)	Prasad A/c To Bad Debts Recovered A/c (Being bad debts recovered)	Dr.	15,720	15,720

Suspense Account

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Balance b/d	930		By Return Inwards A/c	1,000
	To Creditors A/c	70			
		1,000			1,000

Question 35.

Pass the rectification entries for the following transactions:

- (i) An amount of ₹ 2,000 received from Mohan on 1st April, 2017 had been entered in the Cash Book as having been received on 31st March, 2017.
- (ii) The balance in the account of Mr. Rahim ₹ 1,000 had been written off as bad but no other account has been debited.
- (iii) An addition in the Returns Inward Book had been cast ₹ 100 short.
- (iv) A cheque for ₹ 200 drawn for the Petty Cash Account has been posted in the account of Asif.
- (v) A discounted Bill of Exchange for ₹ 20,000 returned by the firm's bank had been credited to the Bank Account and debited to Bills Receivable Account. A cheque was received later from the customer for ₹ 20,000 and duly paid.
- (vi) Ramesh's Account was credited with ₹ 840 twice instead of once.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Mohan A/c To Cash A/c (Being cash received from Mohan on April 01, 2013 but was wrongly passed on March 31, 2013)	Dr.	2,000	2,000
(ii)	Bad Debts A/c To Suspense A/c (Being bad debt of Rahim was not posted to bad debts account, now rectified)	Dr.	1,000	1,000
(iii)	Return Inwards A/c To Suspense A/c (Being return inwards book was undercast, now rectified)	Dr.	100	100
(iv)	Petty Cash A/c To Asif A/c (Being cheque drawn for petty cash was wrongly debited to Asif's account, now rectified)	Dr.	200	200
(v)	Customer A/c To Bills Receivable A/c (Being bills received)	Dr.	20,000	20,000
(vi)	Ramesh A/c To Suspense A/c (Being ramesh's account was credited twice, now rectified)	Dr.	840	840

Question 36.

The Trial Balance of M/s. Gupta & Sons shows a difference of ₹ 52,200. To prepare the Final Account on 31st March, 2009, this difference is placed in a Suspense Account. Afterwards the following errors were disclosed. Pass the necessary entries to rectify them and show the Suspense Account.

(i) Purchases Book total had been undercasted by ₹ 20,000.

(ii) A cheque received from Vasudev for ₹ 7,800 had been debited in the Cash Book but not posted in Vasudev's Personal Account.

(iii) Returns Outward Book had been overcasted by ₹ 10,000.

(iv) Goods returned by Yash Pal worth ₹ 15,000 have been entered in Returns Outward Book. However, Yash Pal's Account is correctly posted.

Solution:

Journal

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchases A/c Dr. To Suspense A/c (Being purchases was undercast, now rectified)		20,000	20,000
(ii)	Suspense A/c Dr. To Vasudev A/c (Being cheque received from Vasudev was not recorded in his account now recorded)		7,800	7,800
(iii)	Return Outwards A/c Dr. To Suspense A/c (Being return outwards book was overcast, now rectified)		10,000	10,000
(iv)	Return Inward A/c Dr. Return Outwards A/c Dr. To Suspense A/c (Being goods returned by Yash Pal was wrongly entered in the return outwards book but correctly posted to his account, now rectified)		15,000 15,000	30,000

Suspense Account

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Difference in Trial Balance A/c	52,200		By Purchases A/c	20,000
	To Vasudev A/c	7,800		By Return Outwards A/c	10,000
				By Return Inwards A/c	15,000
				By Return Outwards A/c	15,000
		60,000			60,000

Question 37.

A Trial Balance disclosed a difference of ₹ 417 placed on the credit side of the Suspense Account. Later on the following errors were located:

- (i) Goods worth ₹ 200 purchased from Sohan had been posted to his account as ₹ 250.
- (ii) A purchase of furniture for ₹ 500 was recorded in the Purchases Book.
- (iii) Instead of crediting Gian's Account with ₹ 512, it was debited with ₹ 215.
- (iv) Goods worth ₹ 130 returned by Gian were entered in the Sales Book and posted therefrom to the credit of Gian's Personal Account.

Pass the rectifying entries and prepare a Suspense Account.

Solution:

Journal

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sohan A/c Dr. To Suspense A/c (Being goods purchased from Sohan Rs.200 was posted to his account as Rs.250, now rectified)		50	500
(ii)	Furniture A/c Dr. To Purchases A/c (Being purchase of furniture was entered in purchases book, now rectified)		500	500
(iii)	Suspense A/c Dr. To Gian A/c (Being Gian's account was debited by Rs.215 instead of crediting Rs.512, now rectified)		727	727
(iv)	Sales Return A/c Dr. Sales A/c Dr. To Suspense A/c (Being sale returned by Gian was wrongly entered in the sales book, now rectified)		130 130	260

Suspense Account

Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Gian A/c	727		By Balance b/d	417
				By Sohan A/c	50
				By Sales Return A/c	130
				By Sales A/c	130
		727			727

Question 38.

There was a difference of ₹ 720 in the Trial Balance which has been transferred to the credit side of the Suspense Account. Pass the rectifying entries and prepare a Suspense Account to rectify the following errors:

- (i) An amount of ₹ 375 now posted on the debit side of the Commission Account instead of ₹ 275.
- (ii) Credit amount of ₹ 260 posted to the debit of the Personal Account as ₹ 360.
- (iii) Goods sold to Surinder recorded in Purchases Book ₹ 300.
- (iv) D's bill for erection of godown at a cost of ₹ 1,200 has been charged to the Repairs Account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Commission A/c (Being commission Rs.275 was debited as Rs.375, now rectified)		100	100
(ii)	Suspense A/c Dr. To Personal A/c (260+360) (Being credit amount Rs.260 was wrongly posted to the debit Rs.360 in personal account, now rectified)		620	620
(iii)	Surinder A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to Surinder was wrongly recorded in the purchases book, now rectified)		600	300 300
(iv)	Building A/c Dr. To Repair A/c (Being cost of erection of godown Rs.1,200 was debited to repair account. now rectified)		1,200	1,200

Suspense Account					
Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Commission A/c	100		By Balance b/d	720
	To Personal A/c	620			
		720			720

Question 39.

Rectify the following errors by means of Journal entries:

- A cheque of ₹ 5,000 received from Ashish was dishonoured and was debited to Discount Account.
- Purchases of ₹ 540 from Ramneek was written in Sales Book but was correctly posted to correct side to Ramneek's Account.
- Salary paid to Miss Yugakshi ₹ 1,000 was debited to her Personal Account as ₹ 900.
- Furniture costing ₹ 500, purchased from Jyoti, was wrongly entered in Purchases Book as ₹ 450.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Ashish A/c Dr. To Discount A/c (Being Ashish's cheque was debited to discount account, now rectified)		5,000	5,000
(ii)	Purchases A/c Dr. Sales A/c Dr. To Suspense A/c (Being bought goods from Ramneek was recorded in sales book and credited to his account, now rectified)		540 540	1,080
(iii)	Salary A/c Dr. To Yugakshi A/c To Suspense A/c (Being salary Rs.1,000 to Yugakshi was debited to her account as Rs.900, now rectified)		1,000	900 100
(iv)	Furniture A/c Dr. To Purchase A/c To Suspense A/c (Being purchase of furniture Rs.500 was posted to purchase book Rs.450, now rectified)		500	450 50

Question 40.

The Trial Balance of S. Sen did not agree and the difference in books as carried to a Suspense

Account. Pass the entries required to rectify the following errors which accounted for the difference. Also, prepare the Suspense Account:

- (i) A Sales Invoice for ₹ 1,000 for goods sold on credit to B. Basu was entered in the Purchases Book but in the Ledge, the amount was correctly debited to the account of B. Basu.
- (ii) Goods bought on credit from Ram Lal for ₹ 1,500 were wrongly debited to his account as ₹ 5,100.
- (iii) An amount of ₹ 275 was posted as ₹ 325 to the debit side of the Commission Account.
- (iv) The Sales Book for the month of April was undercast by ₹ 100.
- (v) ₹ 460 paid for building repairs was debited to the Building Account as ₹ 640.

Solution:

**In the books of S. Sen
Journal**

Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Sales A/c To Purchases A/c (Being goods sold to B Basu was entered in Purchases book and debited to his account, now rectified)		2,000	1,000 1,000
(ii)	Suspense A/c Dr. To Ram Lal A/c (Being goods bought from Ram Lal Rs.1,500 was wrongly debited to his account as Rs.5,100, now rectified)		6,600	6,600
(iii)	Suspense A/c Dr. To Commission A/c (Being commission Rs.275 was wrongly debited a Rs.325, now rectified)		50	50
(iv)	Suspense A/c Dr. To Sales A/c (Being Sale Book undercast, now rectified)		100	100
(v)	Building Repair A/c Dr. Suspense A/c Dr. To Building A/c (Being building repair Rs.460 was debited to Building Account as Rs.640, now rectified)		460 180	640

Suspense Account

Dr			Cr		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Sale A/c	1,000		By Balance c/d	8,930
	To Purchases A/c	1,000			
	To Ram Lal A/c	6,600			
	To Commission A/c	50			
	To Sales A/c	100			
	To Building A/c	180			
		8,930			8,930

Question 41.

Rectify the following errors:

- (i) Sale of old furniture worth ₹ 3,000 treated as sales of goods.
- (ii) Sales Book added ₹ 5,000 short.
- (iii) Rent of proprietor's residence, ₹ 6,500 debited to Rent Account.
- (iv) Goods worth ₹ 11,970 returned by Manav posted to his debit as ₹ 11,790.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c Dr. To Furniture A/c (Being sale of old furniture was wrongly treated as sales of goods, now rectified)		3,000	3,000
(ii)	Suspense A/c Dr. To Sales A/c (Being sales book was undercast, now rectified)		5,000	5,000
(iii)	Drawings A/c Dr. To Rent A/c (Being rent of proprietor's residence was wrongly debited to rent account, now rectified)		6,500	6,500
(iv)	Suspense A/c Dr. To Manav A/c (Being goods returned by Manav Rs.11,970 was wrongly posted to the debit of his account as Rs.11,790, now rectified)		23,760	23,760

Question 42.

There was a difference in the Trial Balance of M/s. Jain & Sons, prepared for the year ended 31st March, 2009. The accountant put the difference in Suspense Account.

The following errors were found:

- (i) Purchases Return Book total ₹ 400 has not been posted to Ledger Account.
- (ii) ₹ 5,100 spent on legal expense for the newly acquired Building was debited to the Building Account as ₹ 1,500.
- (iii) A sale of ₹ 6,540 to Rajat has been credited to his account.

Rectify the errors and show the Suspense Account with Nil closing balance.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Purchases Return A/c (Being purchase return book total was not posted to purchase return account, now rectified)		400	400
(ii)	Building A/c Dr. To Suspense A/c (Being legal expenses Rs.5,100 on acquiring a building was recorded as Rs.1,500 in building account, now rectified)		3,600	3,600
(iii)	Rajat A/c Dr. To Suspense A/c (Being sale of Rajat Rs.6,540 was posted wrongly to credit of his account now rectified)		13,080	13,080

Suspense Account					
Dr.			Cr.		
Date	Particulars	Rs.	Date	Particulars	Rs.
	To Purchases Return A/c	400		By Building A/c	3,600
	To Difference in the trial balance	16,280		By Rajat A/c	13,080
		16,680			16,680

Question 43.

Give the Journal entries to rectify the following errors:

- (i) Purchases Book was overcast by ₹ 1,000.
- (ii) Installation charges on new machinery purchased ₹ 500 were debited to Sundry Expenses Account as ₹ 50.
- (iii) Radhey Shyam returned goods worth ₹ 500 which was entered in the Purchases Return Book.
- (iv) Goods taken by the proprietor for ₹ 5,000 have not been entered in the books at all.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c Dr. To Purchases A/c (Being purchases book was overcast, now rectified)		1,000	1,000
(ii)	Machinery A/c Dr. To Sundry Expense A/c To Suspense A/c (Being installation charges of machinery Rs.1,500 was wrongly debited as Rs.50 in sundry expenses account, now rectified)		500	50 450
(iii)	Sales Return A/c Dr. Purchases Return A/c Dr. To Radhey Shyam A/c (Being goods returned by Radhey Shyam was wrongly entered in purchases return book, now rectified)		500 500	1,000
(iv)	Drawings A/c Dr. To Purchases A/c (Being goods taken by proprietor was not recorded, now rectified)		5,000	5,000

Question 44.

Rectify the following errors:

- The total of one page of Sales Book was carried forward as ₹ 371 instead of ₹ 317.
- ₹ 540 received from Yatin was posted to the debit of his Account.
- Purchases Returns Book was overcast by ₹ 300.
- An item of ₹ 1,062 entered in Sales Return Book had been posted to the debit of customer who returned the goods.
- ₹ 1,500 paid for furniture purchased had been charged to ordinary Purchase Account.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c Dr. To Suspense A/c (Being one page of sale book Rs.317 was wrongly forwarded as Rs.371, now rectified)		54	54
(ii)	Suspense A/c Dr. To Yatin A/c (Being received Rs.540 from Yatin posted wrongly to the debit side of his account, now rectified)		1,080	1,080
(iii)	Purchases Return A/c Dr. To Suspense A/c (Being purchases return book was overcast, by now rectified)		300	300
(iv)	Suspense A/c Dr. To Customer A/c (Being goods return by customer Rs.1,062 was posted wrongly to the debit of his account, now rectified)		2,124	2,124
(v)	Furniture A/c Dr. To Purchases A/c (Being amount paid for purchase of furniture wrongly debited to purchases account, now rectified)		1,500	1,500

Question 45.

Rectify the following errors by passing Journal entries:

- Old furniture sold for ₹ 500 has been credited to Sales Account.
- Machinery purchased on credit from Raman for ₹ 2,000 recorded through Purchases Book as ₹ 16,000.
- Cash received from Rajat ₹ 5,000 was posted to the debit of Bhagat as ₹ 6,000.
- Depreciation provided on machinery ₹ 3,000 was posted to Machinery Account as ₹ 300.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c Dr. To Furniture A/c (Being sale of old furniture was wrongly treated as sales of goods, now rectified)		500	500
(ii)	Machinery A/c Dr. Raman A/c Dr. To Purchases Ac (Being machinery purchased on credit of Rs.2,000 was wrongly recorded in the purchase book as Rs.16,000, now rectified)		2,000 14,000	16,000
(iii)	Suspense A/c Dr. To Rajat A/c To Bhagat A/c (Being cash received from Rajat Rs.5,000 was wrongly posted to the debit of Bhagat as Rs.6,000, now rectified)		11,000	5,000 6,000
(iv)	Suspense A/c Dr. To Machinery A/c (Being depreciation provided on machinery Rs.3,000 was posted to machinery A/c as Rs.300, now rectified)		2,700	2,700

Question 46.

Rectify the following errors by passing Journal entries:

- A sum of ₹ 470 received from Ganga was posted to her debit as ₹ 740.
- A debit balance of ₹ 550 in the personal account of Mr. John was undercast.
- Bills Receivable from Brown for ₹ 3,000 posted to the credit of Bills Payable Account and credited to Brown's Account.
- Goods returned by Mridul ₹ 225 have been entered in the Returns Outward Book.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Suspense A/c (740+ 470) Dr. To Ganga's A/c (Being Rs. 470 received from Ganga was posted to her debit as Rs.740, now rectified)		1,210	1,210
(ii)	Mr. John's A/c Dr. To Suspense A/c (Being debit balance of Mr. john's personal account was undercasted by Rs.550, now rectified)		550	550
(iii)	Bills Receivable A/c Dr. Bilk Payable A/c Dr. To Suspense A/c (Being bills receivable from brown, posted to credit of bills payable and credited to brown's account, now rectified)		3,000 3,000	6,000
(iv)	Sales Return A/c Dr. Purchases Return A/c Dr. To Mridul's A/c (Being goods returned by Mridul was entered in the return outward book, now rectified)		225 225	450

Question 47.

While trying to close his books for the year ended 31st March, 2014, Mahesh found that the Trial Balance did not agree. He traced the following errors:

- In the Sales Book for the month of January total of Page No. 2 was carried forward to Page No. 3 as ₹ 1,000 instead of ₹ 1,200 and total of Page No. 6 was carried forward to Page No. 7 as ₹ 5,600 instead of ₹ 5,000.
- Goods returned to Ram ₹ 1,000 were recorded in the Sales Book.
- Bills Receivable for ₹ 1,600 from Noor was dishonoured and posted to debit of Allowances Account.

Rectify the above errors.

Solution:

Journal				
Sr. No.	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Sales A/c To Suspense A/c (Being sale book was undercasted by Rs. 200 and overcasttd by Rs. 600, now rectified)	Dr.	400	400
(ii)	Sales A/c To Purchases Return A/c (Being goods returned to ram recorded in sales book, now rectified)	Dr.	1,000	1,000
(iii)	Noor's A/c To Allowances A/c (Being bills receivable from Noor dishonoured and recorded to allowances account, now rectified)	Dr.	1,600	1,600

Question 48.

Pass the rectification entries for the following transactions:

- (i) Repairs to plant amounting to ₹ 2,000 had been charged to Plant and Machinery Account.
- (ii) Wages paid to the firm's workmen for making certain additions to machinery amounting to ₹ 1,340 were debited to Wages Account.
- (iii) A cheque for ₹ 7,500 received from S. Desai was credited to the account of R. Gupta.
- (iv) Goods to the value of ₹ 7,000 returned by X were included in closing stock, but no entry was made in the books.
- (v) Goods costing ₹ 5,000 were purchased for various members of the staff and the cost was included in Purchases. A similar amount was deducted from the salaries of the staff members concerned and the net payments to them debited to Salaries Account.
- (vi) Credit purchase of old machinery from Sohan for ₹ 1,70,000 was entered in the Purchase Book as purchase from Mohan for ₹ 7,10,000. ₹ 30,000 paid as repairing charges on the reconditioning of a newly purchased second had machinery were debited to General Expenses Account.
- (vii) Debit and Credit totals of discount columns in the Cash Book which come to ₹ 400 and ₹ 370 respectively have not been posted to Discount Accounts.

Solution:

Journal				
Date	Particulars	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
(i)	Repairs A/c To Plant and Machinery A/c (Repairs made to Plant and Machinery debited to Plant and Machinery A/c, now rectified)	Dr.	2,000	2,000
(ii)	Machinery A/c To Wages A/c (Additions to machinery debited to Wages A/c, now rectified)	Dr.	1,340	1,340
(iii)	Sales Return A/c To X's A/c (Goods returned by X omitted from records, now rectified)	Dr.	7,000	7,000
(iv)	Salaries A/c To Purchases A/c (Goods distributed as salaries included in purchases, now rectified)	Dr.	5,000	5,000
(v)	Mohan's A/c Machinery A/c To Sohan's A/c To Purchases A/c To General Expenses A/c (Credit purchase of machinery from Sohan recorded as purchases from Mohan and repair charges on new machinery debited to General Expenses A/c, now rectified)	Dr. Dr.	7,10,000 2,00,000	1,70,000 7,10,000 30,000
(vi)	Discount Allowed A/c To Suspense A/c (Omission of posting of discount allowed, now rectified)	Dr.	400	400
	Suspense A/c To Discount Received A/c (Omission of posting of discount received, now rectified)	Dr.	370	370

Question 49.

The bookkeeper of a firm found that his Trial Balance was out (excess credit) by ₹ 742. He placed the amount in a Suspense Account and subsequently found the following errors:

- A discount of ₹ 178 was allowed to Ramesh but in his account only ₹ 100 is recorded.
- The total of the Purchases Book was ₹ 1,000 short.
- A sale of ₹ 375 to Kohli was entered in the Sales Book as ₹ 735.
- From the Purchases Book, Bose's Account was debited with ₹ 175.
- Cash ₹ 250 received from Maitra against debt previously written off was credited to his account.
- Purchase of office furniture worth ₹ 750 on credit from Delhi Furnitures was entered in the Purchases Book.
- While carrying forward the total of the Sales Book from one page to another the amount of ₹ 11,358 was written as ₹ 11,538.
- The proprietor took goods of the value of ₹ 150 for his domestic consumption. No record of it has been made in the books.
- Repairs bill for the proprietor's personal car, ₹ 410, has been paid by the firm and debited to the Repairs Account.

(x) A sale to Kassim of ₹ 700 has been entered in the Purchases Book.

Rectify the errors by means of suitable Journal entries and show the Suspense Account.

Solution:

Journal

Date	Particulars	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
(i)	Suspense A/c To Ramesh's A/c (Ramesh's A/c credited less, now rectified)	Dr.	78	78
(ii)	Purchases A/c To Suspense A/c (Total of Purchases Book casted short, now rectified)	Dr.	1,000	1,000
(iii)	Sales A/c To Suspense A/c (Sales Book wrongly overcasted, now rectified)	Dr.	360	360
(iv)	Suspense A/c To Bose's A/c (Bose, a creditor, wrongly debited, now rectified)	Dr.	350	350
(v)	Maitra's A/c To Bad Debts Recovered A/c (Bad debts written off previously now recovered credited to Debtor's A/c, now rectified)	Dr.	250	250
(vi)	Furniture A/c To Purchases A/c (Office furniture purchased passed through Purchases Book, now rectified)	Dr.	750	750
(vii)	Sales A/c To Suspense A/c (Sales Book overcasted, now rectified)	Dr.	180	180
(viii)	Drawings A/c To Purchases A/c (Goods withdrawn by proprietor omitted, now rectified)	Dr.	150	150
(ix)	Drawings A/c To Repairs A/c (Repair charges of personal car debited to Repairs A/c, now rectified)	Dr.	410	410
(x)	Kassim A/c To Sales A/c To Purchases A/c (Sale to Kassim passed through Purchases Book, now rectified)	Dr.	1,400	700 700