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# FUNDAMENTALS OF ACCOUNTING

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MCA Semester - I



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## Unit 2: Recording of Business Transactions

### JOURNAL

CW 1: Journalize the following transactions:

<b>2023 October</b>	<b>Transactions</b>
1	Started Business with Cash ₹50,000, Building 100,000 and Machinery ₹50,000.
2	Owner withdrawn cash ₹25,000 for his personal use.
3	Cash deposited in Bank account of ₹100,000.
4	Money was needed, so ₹50,000 withdrawn from bank account.
5	Purchased goods worth ₹50,000 from Shahrukh, half amount paid by cheque.
6	Goods sold to Salman worth ₹75,000.
7	Salman returned goods worth ₹25,000.
8	Defective goods worth 20,000 returned to Shahrukh.
9	Salary paid to Shahid of ₹25,000.
10	Rent of ₹50,000 received from Ranbir.

Note: The example can be in 2 columnar formats (Date and Transaction).

PW 1: Journalize the following transactions: (All Purchase related)

<b>2023 October</b>	<b>Transactions</b>	<b>Amount (₹)</b>
1	Bought goods	10,000
2	Purchased goods from Ram	20,000
3	Purchased goods from Sohan with 10% trade discount	30,000
4	Bought goods from Jaymal at 20% Cash discount	34,000
5	Purchased goods from Jay at 10% trade and 10% cash discount.	30,000
6	Bought goods from Mohan with 20% trade discount and 2% cash discount and paid 40% amount by cheque.	1,25,000
7	Bought goods from Mohan with 25% trade discount and 3% cash discount and paid 45% amount by cheque.	2,50,000
8	Rejected and return 10% goods supplied by Ram	
9	Rejected and return 10% goods supplied by Sohan	

Note: The example can be in 3 columnar formats (Date, Transaction and Amount).

PW 2 - Journalize the following transactions in the books of Raj Enterprise (All Sales related)

2023 January	Transactions	Amount (₹)
1	Sold goods	10,000
2	Sold goods to Sachin	20,000
5	Sold goods to Ami against a current dated cheque at 10% trade discount	30,000
8	Sold goods to Atul at 10% Cash discount, cash received immediately.	34,000
10	Sold goods to Sunil with 15% of trade discount and 10% of Cash discount.	30,000
12	Sold goods costing ₹ 50,000 to Anjana for cash at a profit of 25% on cost and paid carriage 200 (not to be charged from customer)	
13	Sold goods costing ₹ 1,00,000 to Anil for at a profit of 20% on sales less 15% trade discount and paid carriage ₹ 100 (to be charged from customer)	
20	Sachin returned 10% goods	
22	Atul returned 12% goods	

CW 2 - Journalize the following transactions.

1. Paid rent of building ₹ 12,000 half of the building is used by the proprietor for residential use.
2. Goods purchased from Vedant ₹20,000.
3. Goods purchased from Suhan with 10% trade discount ₹30,000.
4. Goods bought from Jaymal at 20% cash discount ₹34,000 amount paid in cash.
5. Bought goods from Mohan of ₹1,25,000 with 20% trade discount and 2% cash discount and paid 40% amount by cheque.
6. Rejected and returned 10% goods supplied by Vedant.
7. Rejected and returned 10% goods supplied by Suhan.
8. Goods sold to Sachin ₹20,000.
9. Sold goods to Swati against a current dated cheque at 10% trade discount ₹30,000.
10. Sold goods to Akshay at 10% cash discount ₹34,000 amount received in cash.
11. Sold goods of ₹30,000 to Prabhas with 15% of trade discount and 10% of cash discount amount received in cash.
12. Sachin returned 10% goods.
13. Akshay returned 12% goods.
14. Paid life insurance premium ₹2,000.
15. Paid Income tax ₹3,000.
16. Salary paid to clerk ₹5,000.
17. Charge depreciation on furniture @10% p.a. for one month (furniture of ₹1,20,000).
18. Provide interest on capital (₹60,000) @15% p.a. for six months.
19. Charge interest on drawing (₹30,000) @18% p.a. for six months.
20. Provide interest on loan of Balram (₹100,000) @18% p.a. for two months.
21. Charge interest on loan to Shyam (₹200,000) @18% p.a. for two months.
22. Received commission ₹500.
23. Brokerage paid ₹500.

Note: The example can be in simple sentence format.

PW 3 - Journalize the following transactions (All Expenses related)

1. Paid rent of building ₹ 12,000 half of the building is used by the proprietor for residential use.
2. Paid fire insurance of the above building in advance ₹ 1,000.
3. Paid life insurance premium ₹ 2,000.
4. Paid income tax ₹ 3,000.
5. Salary due to clerk ₹ 5,000.
6. Charges depreciation on furniture @ 10% p.a. for one month (furniture of ₹ 1,20,000).
7. Provide interest on capital (₹ 60,000) @ 15% p.a. for six months.
8. Charge interest on drawing (₹ 30,000) @18% p.a. for six months.
9. Provide interest on loan Balram (₹ 1,00,000) @ 18% p.a. for two months.
10. Charge interest on loan Shyam (₹ 2, 00,000) @18% p.a. for two months.
11. Received commission ₹ 1,000 half of which is in advance.
12. Brokerage due to us 500.

CW 3 – From the following transactions of Mr. Jack, pass the necessary journal entries.

1. Jack started business by introducing the following assets:
  - Cash            ₹10,000
  - Furniture      ₹20,000
  - Plant           ₹30,000
  - Goods          ₹20,000
2. He purchased goods of the invoice value of ₹10,000 at 10% trade discount from Suresh.
3. He supplied goods costing ₹1,000 to Ramesh at an invoice price of 10% above cost at a trade discount of 5%.
4. He installed further machinery of ₹20,000 and paid wages for installation ₹2,000. The machinery was supplied by M/s Surya Brothers.
5. He purchased stationery for business purpose ₹500.
6. He sold goods to Sidharth for ₹5,000.
7. He withdrew goods for personal use costing ₹5,000.
8. He distributes goods costing ₹2,000 as free sample.
9. Sidharth became insolvent and the whole money due from him was considered as a bad debt.
10. He sold goods for cash ₹20,000.
11. Amount due from Sidharth earlier written off bad debts recovered in full.
12. Amount paid to Suresh ₹8,500 in full satisfaction.
13. Income tax liability of Ram ₹1,000 paid in cash.

### LEDGER

CW 1 - Following Information are received from Raj Traders, journalize their transactions and post the entries in ledger.

<b>2023 May</b>	<b>Transactions</b>	<b>Amount (₹)</b>
1.	Raj Traders started his business with cash 70,000, Furniture 20,000 and Machinery 30,000	
4.	Borrowed from Rakesh	25,000
5.	Deposited in to Bank	10,000
5.	Purchased Fixed Assets	27,000
7.	Bought Goods for	6,000
9.	Sold goods for cash	15,300
10.	Purchased goods from Mahesh on credit	18,000
12.	Sold goods on credit to Amit	12,000
14.	Received ₹11,880 from Amit after allowing him cash discount of ₹120	



PW 1 – Journalize the following transactions in the books of Tony and prepare his Ledger.

<b>2023 April</b>	<b>Transactions</b>	<b>Amount (₹)</b>
1.	Tony started his business with cash.	50,000
2.	Purchased goods	7,000
3.	Purchased goods for cash.	10,000
4.	Purchased goods from Mr. Bruce Wayne on credit basis.	15,000
5.	Goods Sold	6,000
6.	Sold goods for cash	12,000
9.	Purchased goods from Mr. Johnson	10,000
10.	Purchased goods from Ms. Jenifer on credit	20,000
15.	Sold goods to Mr. Morgan	12,500
17.	Sold goods on credit to Ms. Margret	25,000
20.	Withdrew for personal use	1,000
22.	Withdrew goods for private use (cost 500, selling price 600)	
24.	Paid salary to Mr. Kevin	500
29.	Paid rent to Mr. Michael.	200
30.	Received dividend of Vedanta Ltd.	750