

# Chapter 9 – Special Purpose Books I – Cash Book

## Question 1.

Prepare Simple Cash Book from the following transactions of Mr. Ram Gopal of Delhi:

2016		₹			₹
April 1	Mr. Ram Gopal commenced business with cash	80,000	April 16	Sold goods for cash	15,000
April 3	He bought goods for cash	50,000	April 17	Paid for stationery	150
April 5	Sold goods for cash	1,000	April 18	Paid for office furniture	1,850
April 6	Received cash from Mr. Manohar Lal	3,600	April 21	Received from Mr. Kailash Chand	6,800
April 9	Paid into Bank	30,000	April 22	Paid for advertising	900
April 13	Paid cash to Hari Krishan	2,150	April 25	Purchased postage stamps	80
			April 28	Paid rent	1,000
			April 30	Paid electricity charges	150

## Solution:

In the Books of Mr. Ram Gopal  
Cash Book

Dr.					Cr.				
Date	Particulars	V. No.	L.F.	Cash ₹	Date	Particulars	V. No.	L.F.	Cash ₹
2016					2016				
Apr 01	To Capital A/c			80,000	Apr 03	By Purchases A/c			50,000
Apr 05	To Sales A/c			1,000	Apr 09	By Bank A/c			30,000
Apr 06	To Mr. Manohar Lal A/c			3,600	Apr 13	By Hari Krishan A/c			2,150
Apr 16	To Sales A/c			15,000	Apr 17	By Stationery A/c			150
Apr 21	To Mr. Kailash Chand A/c			6,800	Apr 18	By Office Furniture A/c			1,850
					Apr 22	By Advertising A/c			900
					Apr 25	By Postage Stamps A/c			80
					Apr 28	By Rent A/c			1,000
					Apr 30	By Electricity Charges A/c			150
					Apr 30	By Balance c/d			20,120
				1,06,400					1,06,400

**Question 2.**

Compile Simple Cash Book from the following transactions :

2016		₹	2016		₹
March 1	Mr. Ganesh Lal Commenced business with cash	65,000	March 17	Paid for miscellaneous expenses	450
March 3	Bought goods for cash	6,850	March 19	Received cash from Mr. Trilok Chand	4,850
March 4	Paid to Mr. Mohan Lal cash	950	March 22	Purchased a radio set	2,500
March 6	Deposited in Bank	40,000	March 22	Paid salary	4,000
March 6	Paid for office furniture in cash	4,650	March 25	Paid rent	900
March 9	Sold goods for cash	30,000	March 28	Paid electricity bill	350
March 12	Paid wages in cash	1,200	March 29	Paid for advertising	400
March 13	Paid for stationery	400	March 31	Paid into bank	25,000
March 15	Sold goods for cash	25,000			

**Solution:**

**Books of Ganesh Lal  
Cash Book**

Dr.					Cr.				
Date	Particulars	V. No.	L.F.	Amount ₹	Date	Particulars	V. No.	L.F.	Amount ₹
2016					2016				
Mar 01	To Capital A/c			65,000	Mar 03	By Purchases A/c			6,850
Mar 09	To Sales A/c			30,000	Mar 04	By Mr. Mohan Lal A/c			950
Mar 15	To Sales A/c			25,000	Mar 06	By Bank A/c			40,000
Mar 19	To Mr. Trilok Chand A/c			4,850	Mar 06	By Office Furniture A/c			4,650
					Mar 12	By Wages A/c			1,200
					Mar 13	By Stationery A/c			400
					Mar 17	By Miscellaneous Expenses A/c			450
					Mar 22	By Radio set A/c			2,500
					Mar 22	By Salary A/c			4,000
					Mar 25	By Rent A/c			900
					Mar 28	By Electricity Bill A/c			350
					Mar 29	By Advertising A/c			400
					Mar 31	By Bank A/c			25,000
					Mar 31	By Balance c/d			37,200
				1,24,850					1,24,850

**Question 3.**

Enter the following transactions in Single Column Cash Book :

2016		₹
April 1	Mr. Ashok commenced business with cash	3,50,000
April 2	Bought goods for cash	22,000
April 6	Purchased goods from Gupta and Co. on credit	20,000
April 8	Cash sales	75,000
April 10	Paid rent	1,200
April 18	Purchased building	3,00,000
April 21	Sold goods for cash	9,900
April 22	Sold goods to Vijay on credit	20,000
April 25	Paid salaries	10,000
April 28	Paid wages	5,500
April 30	Received from Vijay	12,000

**Solution:**

**Book Of Mr. Ashok  
Cash Book**

Dr.					Cr.				
Date	Particulars	V. No.	L.F.	Amount ₹	Date	Particulars	V. No.	L.F.	Amount ₹
2016					2016				
April 01	To Capital A/c			3,50,000	April 02	By Purchase A/c			22,000
April 08	To Sales A/c			75,000	April 10	By Rent A/c			1,200
April 21	To Sales A/c			9,900	April 18	By Building A/c			3,00,000
April 30	To Vijay A/c			12,000	April 25	By Salaries A/c			10,000
					April 28	By Wages A/c			5,500
					April 30	By Balance c/d			1,08,200
				4,46,900					4,46,900

**Working Note:**

1. Transaction of 6<sup>th</sup> April is not recorded being credit transaction.
2. Transaction of 22<sup>nd</sup> April is not recorded being credit transaction.

**Question 4.**

You are required to prepare Single Column Cash Book from the following transaction :

2016		₹
July 1	Balance from last month	62,500
July 3	Purchased goods for cash from Ram Lal	42,500
July 4	Received cash from Amar Nath	2,100
July 9	Paid cash for Sundry Trade Expenses	1,460
July 10	Paid for postage	120
July 12	Received from Kailash Bros.	13,370
	Discount allowed to them	1,130
July 18	Cash purchases	14,150
July 20	Paid rent	4,500
July 22	Paid Baldev Singh's account (Rs 2,500) less 10% Cash Discount	
July 23	Paid for furniture repair	500
July 26	Sold goods for cash	8,070
July 28	Paid for printing to Laxmi Press	450
July 30	Paid for general expenses	260
July 31	Drew cash for personal use	1,000

**Solution:**

**Cash Book**

Dr.					Cr.				
Date	Particulars	V. No.	L.F.	Cash ₹	Date	Particulars	V. No.	L.F.	Cash ₹
2016					2016				
July 01	To Balance b/d			62,500	July 03	By Purchase A/c			42,500
July 04	To Amar Nath A/c			2,100	July 09	By Sundry Trade Expenses A/c			1,460
July 12	To Kailash Bros A/c			13,370	July 10	By Postage A/c			120
July 26	To Sales A/c			8,070	July 18	By Purchases A/c			14,150
					July 20	By Rent A/c			4,500
					July 22	By Baldev Singh A/c			2,250
					July 23	By Furniture Repair A/c			500
					July 28	By Printing A/c			450
					July 30	By General Expenses A/c			260
					July 31	By Drawings A/c			1,000
					July 31	By Balance c/d			18,850
				86,040					86,040

**Question 5.**

Enter the following transactions in a Cash Book with cash and bank columns.

2008		₹
Dec. 1	Started business with cash	50,000
Dec. 2	Pays into bank	29,000
Dec. 3	Received cheque from Raja and co.	800
Dec. 5	Withdrew cash from bank for private use	240
Dec. 14	Received cheque from Kamla	395
	Discount allowed	15
Dec. 16	Kamla's cheque endorsed to Bala in full settlement of her account of ₹425	
Dec. 29	Paid bills payable by cheque	1,000
Dec. 30	Deposited into bank, balance of cash in excess of ₹450	

**Solution:****Cash Book**

Dr.

Cr.

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2008					2008				
Dec 01	To Capital A/c		50,000		Dec 02	By Bank A/c	C	29,000	
Dec 02	To Cash A/c	C		29,000	Dec 05	By Drawings A/c			240
Dec 03	To Raja and Co. A/c			800	Dec 29	By Bills Payable			1,000
Dec 30	To Cash A/c	C		20,550	Dec 30	By Bank A/c	C	20,550	
					Dec 30	By Balance c/d		450	49,110
			50,000	50,350				50,000	50,350

**Working Note:**

1. Since, No information is specified about the deposit of the cheque received from Raja and Co. So it has been assumed that the cheques have been deposited in the bank on the same day.

2. Cheque received from Kamla and discount allowed is recorded by way of journal entry:

Dec 14	Cheque-in-Hand A/c	Dr.	₹ 395		₹
	Discount Allowed A/c	Dr.	5		
	To Kamla A/c				400
	(Being Received cheque from kamla and discount allowed)				

3. Kamla's cheque endorsed to Bala is recorded by way of journal entry:

Dec 16	Bala A/c	Dr.	₹ 425		₹
	To Cheque-in-Hand A/c				395
	To Discount Received A/c				30
	(Being Kamla's cheque endorsed to Bala and discount received)				

**Question 6.**

Record the following transactions in a suitable Cash Book and find out the cash and bank balances:

- Commenced business with cash Rs.50,000.
- Deposited in bank Rs.40,000.
- Received cash from Mohan Rs.950.
- Bought goods for cash Rs.10,000.
- Bought goods by cheque Rs.15,000.
- Sold goods by cheque for Rs.20,000 and deposited in bank on the same day.
- Paid to Arun by cheque Rs.1,900.
- Drew from bank for office use Rs.1,000.

**Solution:**

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
(i)	To Capital A/c		50,000		(ii)	By Bank A/c	C	40,000	
(ii)	To Cash A/c	C		40,000	(iv)	By Purchases A/c		10,000	
(iii)	To Mohan A/c		950		(v)	By Purchases A/c			15,000
(vi)	To Sales A/c			20,000	(vii)	By Arun A/c			1,900
(viii)	To Bank A/c	C	1,000		(viii)	By Cash A/c	C		1,000
						By Balance c/d		1,950	42,100
			51,950	60,000				51,950	60,000

**Question 7.**

Record the following transactions in a suitable Cash Book and find out the cash and bank balances:

2016		₹
Jan. 1	Cash in Hand	5,000
Jan. 1	Bank overdraft	1,000
Jan. 2	Paid wages	1,500
Jan. 3	Deposited into bank	2,000
Jan. 4	Cash sales	7,500
Jan. 5	Sold goods for cheque which was deposited in bank on the same day	5,000
Jan. 6	Purchased goods from Hari on credit	4,000
Jan. 7	Drew from bank for personal use	1,000
Jan. 8	Paid to Hari on account	3,500
Jan. 9	Received from Ram, who owes ₹5,000, ₹2,000 only on account	

**Solution:**

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		5,000		Jan 01	By Balance b/d			1,000
Jan 03	To Cash A/c	C		2,000	Jan 02	By wages A/c		1,500	
Jan 04	To Sales A/c		7,500		Jan 03	By Bank A/c	C	2,000	
Jan 05	To Sales A/c			5,000	Jan 07	By Drawings A/c			1,000
Jan 09	To Ram A/c		2,000		Jan 08	By Hari A/c		3,500	
					Jan 31	By Balance c/d		7,500	5,000
			14,500	7,000				14,500	7,000

**Working Notes:**

- Transaction of 6<sup>th</sup> January is not recorded being credit transaction.

### Question 8.

Record the following transactions in a Double Column Cash Book with Cash and Bank Columns and balance the book on 31<sup>st</sup> January, 2016 :

2016		₹	2016		₹
Jan. 1	Cash in Hand	567	Jan. 15	Deposited into bank	1,000
Jan. 1	Cash in Bank	12,675	Jan. 17	Purchased a motor car and paid by cheque	5,240
Jan. 2	Deposited in bank	500	Jan. 17	Paid by cheque to D and received discount	367 3
Jan. 5	Received from A allowed discount	790 10	Jan. 19	Withdrew from bank for office use	250
Jan. 7	Purchased furniture for cash	250	Jan. 22	Purchased goods for cash	350
Jan. 8	Paid to B by cheque and received discount	745 5	Jan. 25	Paid establishment expenses through bank	450
Jan. 13	Received from C by cheque and deposited into bank	500	Jan. 31	Paid rent in cash	50
Jan. 15	Cash sales	785			

**Solution:**

#### Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		567	12,675	Jan 02	By Bank A/c	C	500	
Jan 02	To Cash A/c	C		500	Jan 07	By Furniture A/c		250	
Jan 05	To A A/c		790		Jan 08	By B A/c			745
Jan 15	To C A/c			500	Jan 15	By Bank A/c	C	1,000	
Jan 15	To Sales A/c		785		Jan 17	By Motor Car A/c			5,240
Jan 15	To Cash A/c	C		1,000	Jan 17	By D A/c			367
Jan 19	To Bank A/c	C	250		Jan 19	By Cash a/c	C		250
					Jan 22	By Purchase A/c		350	
					Jan 25	By Establishment Expenses A/c			450
					Jan 31	By Rent A/c		50	
					Jan 31	By Balance c/d		242	7,623
			2,392	14,675				2,392	14,675

### Question 9.

Prepare a Bank Column Cash Book from the following transactions :

2016		₹	2016		₹
June 1	Cash balance	500	June 21	Drew from bank	500
June 1	Bank balance	1,750	June 29	Paid office salaries in cash	400
June 5	Cash received from sale of shares	5,500	June 30	Sold goods for cash and banked the same	800
June 6	Paid into bank	5,000	June 30	Paid rent by cheque	100
June 7	Paid S. Bose by cheque	1,250	June 30	Paid into bank	750
June 9	Paid wages in cash	300			
June 20	Received from A. Mukherji by a cheque and sent to bank	600			

**Solution:**

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jun 01	To Balance b/d		500	1,750	Jun 06	By Bank A/c	C	5,000	
Jun 05	To Investment A/c		5,500		Jun 07	By S. Bose A/c			1,250
Jun 06	To Cash A/c	C		5,000	Jun 09	By Wages A/c		300	
Jun 20	To A Mukherji A/c			600	Jun 21	By Cash A/c	C		500
Jun 21	To Bank A/c	C	500		Jun 29	By Office Salaries A/c		400	
Jun 30	To Sales A/c			800	Jun 30	By Rent A/c			100
Jun 30	To Cash A/c	C		750	Jun 30	By Bank A/c	C	750	
					Jun 30	By Balance c/d		50	7,050
			6,500	8,900				6,500	8,900

**Question 10.**

Enter the following transactions in a Double Column Cash Book :

2016		₹	2016		₹
Feb. 1	Cash in Hand	415	Feb. 8	Cash sales	150
Feb. 1	Cash at Bank	2,530	Feb. 10	Interest allowed by bank	200
Feb. 2	Paid wages by cheque	950	Feb. 10	Purchased furniture by cheque	300
Feb. 3	Goods purchased for cash	150	Feb. 15	Received cheque from Sethi Bros.	250
Feb. 3	Received cheque from Khanna Bros.	530	Feb. 15	Paid into bank	300
Feb. 6	Paid to Kohli and Sons by cheque	400			

**Solution:**

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Feb 01	To Balance b/d		415	2,530	Feb 02	By Wages A/c			950
Feb 03	To Khanna Bros. A/c			530	Feb 03	By Purchase A/c		150	
Feb 08	To Sales A/c		150		Feb 06	By Kohli and Sons A/c			400
Feb 10	To Interest A/c			200	Feb 10	By Furniture A/c			300
Feb 15	To Sethi Bros.			250	Feb 15	By Bank A/c	C	300	
Feb 15	To Cash A/c	C		300	Feb 29	By Balance c/d		115	2,160
			565	3,810				565	3,810

Working Note :

1. Since, No information is specified about the deposit of the cheque received from Khanna Bros. and Sethi Bros. So it has been assumed that the cheques have been deposited in the bank on the same day.



**Question 11.**

Enter the following transactions in a Two-Column Cash Book and find out the cash and bank balances :

2012		₹
Jan. 1	Started business with cash	20,000
Jan. 2	Opened current account with the SBI	8,000
Jan. 3	Bought goods by Cheque	150
Jan. 4	Received cheque from Rama	200
Jan. 5	Sold goods for cash	40
Jan. 7	Paid into bank	
	Cash	₹30
	Cheque	₹200
		230
Jan. 8	Paid to Shyam by cheque	345
Jan. 8	Paid carriage by cheque	180
Jan. 10	Drew from bank cash for office	200
Jan. 30	Paid wages by cheque	60

**Solution:****Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2012					2012				
Jan 01	To Capital A/c		20,000		Jan 02	By Bank A/c	C	8,000	
Jan 02	To Cash A/c	C		8,000	Jan 03	By Purchase A/c			150
Jan 04	To Rama A/c		200		Jan 07	By Bank A/c	C	230	
Jan 05	To Sales A/c		40		Jan 08	By Shayam A/c			345
Jan 07	To Cash A/c	C		230	Jan 08	By Carriage A/c			180
Jan 10	To Bank A/c	C	200		Jan 10	By Cash A/c	C		200
					Jan 30	By Wages A/c			60
					Jan 31	By Balance c/d		12,210	7,295
			20,440	8,230				20,440	8,230

Working Notes:

1. Cheque received of ₹200 on 4<sup>th</sup> January is deposited in bank on 7<sup>th</sup> January (included in ₹230 so it is treated as cash received on 4<sup>th</sup> January).

**Question 12.**

Entre the following transactions in a Cash Book with Cash and Bank columns :

2012		₹
Jan. 1	Cash in Hand	800
Jan. 1	Bank overdraft	5,700
Jan. 5	Received a cheque from Ram	3,250
Jan. 7	Deposited Ram's cheque into bank	
Jan. 10	Paid to Sohan by cheque	2,425
Jan. 15	Ram's cheque returned dishonoured	
Jan. 20	Withdrew from bank for office use	250
Jan. 25	Cheque received from Hari	1,200
Jan. 28	Hari's cheque was endorsed in favour of Mukesh	
Jan. 30	Rent paid by cheque	150
Jan. 31	Bank charges	25



**Solution:****Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		800		Jan 01	By Balance b/d (Overdraft)			5,700
Jan 07	To Cheque-in-Hand A/c			3,250	Jan 10	By Sohan A/c			2,425
Jan 20	To Bank A/c	C	250		Jan 15	By Ram A/c			3,250
					Jan 20	By Cash A/c	C		250
					Jan 30	By Rent A/c			150
					Jan 31	By Bank Charges A/c			25
Jan 31	To Balance c/d (Overdraft)			8,550	Jan 31	By Balance c/d		1,050	
			1,050	11,800				1,050	11,800

**Working Note:**

1. Cheque received from Ram recorded by the way of journal entry:

Jan 05	Cheque-in-Hand A/c	Dr	3,250	
	To Ram A/c			3,250
	(Being Received cheque from Ram but not deposited on the same day)			

2. Cheque received from Hari recorded by the way of journal entry:

Jan 25	Cheque-in-Hand A/c	Dr	1,200	
	To Hari A/c			1,200
	(Being received cheque from Hari)			

3. Cheque endorsed to Mukesh recorded by the way of journal entry:

Jan 28	Mukesh A/c	Dr	1,200	
	To Cheque-in-Hand A/c			1,200
	(Being cheque received from Hari endorsed in favour of Mukesh)			

**Question 13.**

Enter the following transactions in a Cash Book with Cash and Bank columns :

2012		₹
June 1	Cash in Hand ₹800, bank overdraft ₹5,700	
June 7	Received a cheque from Bharati	3,250
June 9	Deposited the above cheque into Bank	
June 15	Cheque received from Panna Lal	1,200
June 20	Bharati's cheque returned dishonoured	
June 28	Panna Lal's cheque was endorsed to Kamal	
June 30	Income tax paid by cheque	150

**Solution:****Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2012					2012				
June 01	To Balance b/d		800		June 01	By Balance b/d (Overdraft)			5,700
June 09	To Cheque-in-Hand A/c			3,250	June 20	By Bharati A/c			3,250
June 30	To Balance c/d (Overdraft)			5,850	June 30	By Income Tax A/c			150
					June 30	By Balance c/d		800	
			800	9,100				800	9,100

**Working Note:**

1. Journal Entry for cheque received from Bharati:

June 07	Cheque-in-Hand A/c	Dr	3,250	
	To Bharati A/c			3,250
	(Being Received cheque from Bharati not yet deposited)			

2. Journal Entry for cheque received from Panna Lal:

June 15	Cheque-in-Hand A/c	Dr	1,200	
	To Panna Lal A/c			1,200
	(Being received cheque from Panna Lal)			

3. Journal Entry for cheque endorsed to Kamal:

June 28	Kamal A/c	Dr	1,200	
	To Cheque-in-Hand A/c			1,200
	(Being cheque received from Hari endorsed in favour of Mukesh)			

**Question 14.**

Prepare a Cash Book with Cash and Bank Columns from the following transactions :

2012		₹
March 1	Cash in Hand ₹5,000, Bank overdraft ₹1,000	
March 2	General expenses paid	500
March 3	Deposited into bank	2,000
March 7	Purchased goods from Hari on credit	4,000
March 8	Drew from bank for personal use	100
March 10	Paid to Hari in full settlement	3,500
March 15	Recovered from Ravi, who owes ₹5,000, ₹2,000	

**Solution:****Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2012					2012				
Mar 01	To Balance b/d		5000		Mar 01	By Balance b/d (Overdraft)			1,000
Mar 03	To Cash A/c	C		2,000	Mar 02	By General Expenses A/c		500	
Mar 15	To Ravi Lal A/c		2,000		Mar 03	By Bank A/c	C	2,000	
					Mar 08	By Drawings A/c			100
					Mar 10	By Hari A/c		3,500	
					Mar 31	By Balance c/d		1,000	900
			7,000	2,000				7,000	2,000

**Working Notes:**1. Transaction of 7<sup>th</sup> March is not recorded being credit transaction.

**Question 15.**

Enter the following transactions in a suitable Cash Book of Mr. Kapil and show the balance of cash and bank :

2016	
Jan. 1	Balance of Cash in Hand ₹200 and at Bank ₹1,800
Jan. 3	Received ₹800 from Gopalan in cash and deposited ₹500 out of it into bank
Jan. 4	Cash sales ₹600
Jan. 5	Paid salaries by cheque ₹800
Jan. 6	Repairs of typewriters ₹300
Jan. 8	Paid ₹600 to Modern Co., half cash and half in cheque
Jan. 9	Withdrew ₹200 from bank. Paid packing charges ₹30
Jan. 10	Sold goods for cash ₹2,800 and paid half the proceeds into bank
Jan. 12	Cash purchases ₹800 less Trade Discount 5%

**Solution:**

In the books of Mr. Kapil  
Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		200	1,800	Jan 05	By Salaries A/c			800
Jan 03	To Gopalan A/c		300	500	Jan 06	By Repairs of Typewriters A/c		300	
Jan 04	To Sales A/c		600		Jan 08	By Modern Co. A/c		300	300
Jan 09	To Bank A/c	C	200		Jan 09	By Cash A/c	C		200
Jan 10	To Sales A/c		1,400	1,400	Jan 09	By Packing Charges A/c		30	
					Jan 12	By Purchases A/c		760	
					Jan 31	By Balance c/d		1,310	2,400
			2,700	3,700				2,700	3,700

**Question 16.**

Record the following transactions in a suitable Cash Book of Mr. Gupta and show the closing balances of cash and bank:

2016	
Jan. 1	Balance of cash ₹50, bank ₹3,800
Jan. 2	Received from Raman ₹900 and allowed him discount ₹50
Jan. 3	Sold goods for cash ₹5,000 and paid half the amount into bank
Jan. 4	Paid salaries ₹2,500 in cash
Jan. 5	Recovered from the Manager ₹200 being excess travelling allowances drawn by him
Jan. 6	Settled a debt of ₹1,200 by cheque receiving a discount of 5%
Jan. 7	Drew ₹500 from bank and paid a donation to the Workers' Club
Jan. 8	Discounted a 3 months maturity bill receivable for ₹1,000 at 6% discount

**Solution:**

In the books of Mr. Gupta  
Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		50	3,800	Jan 04	By Salaries A/c		2,500	
Jan 02	To Raman A/c		900		Jan 06	By Creditors A/c (Settlement of Debt)			1,140
Jan 03	To Sales A/c		2,500	2,500	Jan 07	By Donation A/c			500
Jan 05	To Travelling Allowances Recovered A/c		200		Jan 31	By Balance c/d		1,150	5,645
Jan 08	To Bill Receivable A/c			985					
			3,650	7,285				3,650	7,285

**Question 17.**

Record the following transactions in a suitable Cash Book:

2012		₹
Jan. 1	Cash in Hand	3,150
Jan. 1	Cash at Bank	91,400
Jan. 2	Discounted a bill of ₹1,000 at 1% through bank	
Jan. 5	Bought goods for ₹2,000	
	Paid cheque for them, discount allowed 1%	
Jan. 15	Paid trade expenses	120
Jan. 16	Paid taxes	400
Jan. 17	Paid insurance charges	100
Jan. 25	Sold goods for ₹12,500	
	Received cheque for them, discount allowed 1%	
Jan. 28	Received cheque from John and Co.	6,000
Jan. 30	Purchased 100 war bonds for ₹100 each at ₹95 each and paid for them by cheque	

**Solution:****Cash Book**

Dr.					Cr.				
Date	Particular	L.F.	Cash ₹	Bank ₹	Date	Particular	L.F.	Cash ₹	Bank ₹
2012					2012				
Jan 01	To Balance b/d		3,150	91,400	Jan 05	By Purchases A/c			1,980
Jan 02	To Bill Receivable A/c			990	Jan 15	By Trade Expenses A/c		120	
Jan 25	To Sales A/c			12,375	Jan 16	By Taxes A/c		400	
Jan 28	To John and Co.			6,000	Jan 17	By Insurance Charge A/c		100	
					Jan 30	By Investment A/c			9,500
					Jan 31	By Balance c/d		2,530	99,285
			3,150	1,10,765				3,150	1,10,765

**Question 18.**

The transactions for the month of March, 2012 of M/s. Gupta and Co. are furnished here. You are required to enter the same in an appropriate Cash Book :

2012	
March 1	Cash in Hand ₹415 and Cash at Bank ₹2,530
March 2	Paid wages by cheque ₹950
March 5	Made cash purchases ₹150
March 15	Received ₹530 by cheque from Krishna and allowed him discount ₹20
March 16	Paid cheque to Mohan ₹400 in full settlement of his account ₹415
March 18	Cash sales amounted to ₹150
March 20	Bought furniture for ₹300, paid by cheque
March 22	Bank credited the account with ₹200 for interest
March 25	Received a cheque for ₹250 from Suresh and allowed him discount ₹10
March 30	Deposited cash into bank ₹300

**Solution:**

In the books of M/s. Gupta and Co.

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2012					2012				
Mar 01	To Balance c/d		415	2,530	Mar 02	By Wages A/c			950
Mar 15	To Krishna A/c			530	Mar 05	By Purchases A/c		150	
Mar 18	To Sales A/c		150		Mar 16	By Mohan A/c			400
Mar 22	To Interest A/c			200	Mar 20	By Furniture A/c			300
Mar 25	To Suresh A/c			250	Mar 30	By Bank A/c	C	300	
Mar 30	To Cash A/c	C		300	Mar 31	By Balance c/d		115	2,160
			565	3,810				565	3,810

**Question 19.**

Enter the following transactions in the Double Column Cash Book with cash and bank column of Shri Raman:

2016	
Jan. 1	Cash at office ₹123, and bank balance (Cr.) ₹2,575
Jan. 2	Cash sales ₹1,570
Jan. 3	Deposited into bank ₹1,500
Jan. 5	Mohan settled his account for ₹750 by giving a cheque for ₹730
Jan. 7	Mohan's cheque deposited into bank
Jan. 10	Bought goods for ₹450 and paid by cheque
Jan. 13	Purchased stationery for ₹75
Jan. 18	Mohan's cheque returned dishonoured
Jan. 20	Received a cheque for ₹1,500 from Prabhu which is deposited into bank
Jan. 25	Withdrew for office use ₹475
Jan. 31	Paid salary by cheque ₹1,000 and rent in cash ₹150

**Solution:**

In the books of Shri Raman

**Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		123		Jan 01	By Balance b/d (Overdraft)			2,575
Jan 02	To Sales A/c		1,570		Jan 03	By Bank A/c	C	1,500	
Jan 03	To Cash A/c	C		1,500	Jan 10	By Purchases A/c			450
Jan 07	To Cheque-in-Hand A/c			730	Jan 13	By Stationery A/c		75	
Jan 20	To Prabhu A/c			1,500	Jan 18	By Mohan A/c			730
Jan 25	To Bank A/c	C	475		Jan 25	By Cash A/c	C		475
					Jan 31	By Salary A/c			1,000
					Jan 31	By Rent A/c		150	
Jan 31	To Balance c/d (Overdraft)			1,500	Jan 31	By Balance c/d		443	
			2,168	5,230				2,168	5,230

**Working Note:**

1. Cheque received from Mohan and discount allowed is recorded by way of journal entry:

Jan 05	Cheque-in-Hand A/c	Dr.	730	
	Discount Allowed	Dr.	20	
	To Mohan A/c			750
(Being Received cheque from Mohan and discount allowed but not deposited on the same day)				

### Question 20.

Record the following transactions in the Cash Book of Rahman and show the closing balance of Cash and Bank Account :

2016		₹
March 1	He had Cash in Hand	35,000
March 5	Opened a Bank Account	28,000
March 12	Received from Shri Sunil	9,000
	Paid to Shri Rakesh by cheque	6,000
March 18	Purchases made in cash	4,000
	Paid rent	500
	Withdrawn from bank	8,000
March 26	Received cheque from Shri Gupta	12,000
March 27	Paid salaries	3,000
March 28	Purchased a typewriter and paid by cheque	5,000
	Purchases in cash	1,500
March 29	Sent to bank a cheque received from Shri Misra	5,600
	Paid electricity bill	400
March 30	Cash sales	9,800
	Purchased from Shri N. Ray	5,000
March 31	Sold to Shri Bhola	4,000
	Purchased stationary	200
	Deposited in Bank Account	5,500

### Solution:

#### In the books of Rahman Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Mar 01	To Balance b/d		35,000		Mar 05	By Bank A/c	C	28,000	
Mar 05	To Cash A/c	C		28,000	Mar 12	By Shri Rakesh A/c			6,000
Mar 12	To Shri Sunil A/c		9,000		Mar 18	By Purchases A/c		4,000	
Mar 18	To Bank A/c	C	8,000		Mar 18	By Rent A/c		500	
Mar 26	To Shri Gupta A/c			12,000	Mar 18	By Cash A/c	C		8,000
Mar 29	To Shri Misra A/c			5,600	Mar 27	By Salaries A/c		3,000	
Mar 30	To Sales A/c		9,800		Mar 28	By Typewriter A/c			5,000
Mar 31	To Cash A/c	C		5,500	Mar 28	By Purchases A/c		1,500	
					Mar 29	By Electricity Bill A/c		400	
					Mar 31	By Stationery A/c		200	
					Mar 31	By Bank A/c	C	5,500	
					Mar 31	By Balance c/d		18,700	32,100
			61,800	51,100				61,800	51,100

#### Working Note:

- Transaction of 30<sup>th</sup> March (i.e., Purchased from Shri N. Ray) is not recorded being a credit transaction.
- Transaction of 31<sup>st</sup> March (i.e., Sold to Shri Bhola) is not recorded being a credit transaction

### Question 21.

Enter the following transactions in a suitable cash book of Bhaskar Reddy and strike the balance at the end of the month :

2016		₹
Jan. 1	Cash in Hand	50,000
Jan. 2	Opened a bank account and deposited office cash therein	37,500
Jan. 3	Purchased office furniture and paid off by a cheque	2,500
Jan. 6	Purchased stationery	500
Jan. 8	Cash purchases	2,000
Jan. 9	Paid to Mani Lal as price for goods by cheque	10,000
Jan. 10	Received from Katar Singh payment for goods in cash ₹5,000 and ₹12,500 and deposited into bank	
Jan. 12	Cash Sales	17,500
Jan. 16	Kartar Singh's cheque returned dishonoured by the bank	3,500
Jan. 18	Cash purchases (in cash ₹5,000 and by cheque ₹4,500)	9,500
Jan. 20	Withdrew cash from Bank for personal use	1,000
Jan. 22	Sold goods for cash and deposited the cash into bank	12,000
Jan. 27	Kartar Singh paid cash in lieu of dishonoured cheque	12,500
Jan. 28	Paid office rent	5,000
Jan. 30	Paid salary to staff	10,000

**Solution:**

In the books of Bhaskar Reddy  
Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Jan 01	To Balance b/d		50,000		Jan 02	By Bank A/c	C	37,500	
Jan 02	To Cash A/c	C		37,500	Jan 03	By Office Furniture A/c			2,500
Jan 10	To Kartar Singh A/c			17,500	Jan 06	By Stationery A/c		500	
Jan 12	To Sales A/c		3,500		Jan 08	By Purchases A/c		2,000	
Jan 22	To Sales A/c			12,000	Jan 09	By Purchases A/c			10,000
Jan 27	To Kartar Singh A/c		12,500		Jan 16	By Kartar Singh A/c			12,500
					Jan 18	By Purchases A/c		5,000	4,500
					Jan 20	By Drawings A/c			1,000
					Jan 28	By Office Rent A/c		5,000	
					Jan 30	By Salary A/c		10,000	
					Jan 31	By Balance c/d		6,000	36,500
			66,000	67,000				66,000	67,000

**Question 22.**

Record the following transactions in a cash book with cash and bank columns:

2008		₹
Jan. 1	Bank Overdraft	12,000
	Cash in Hand	2,300
Jan. 7	Cheque received from Ram ₹ 4,000 and discount allowed ₹200	
Jan. 8	Deposited the above cheque into Bank	4,000
Jan. 12	Banked	200
Jan. 15	Received a money order	500
Jan. 16	Money withdrawn from Bank for office use	300
Jan. 18	Bank Charges	20
Jan. 20	Interest on bank overdraft	1,000

**Solution:**

Cash Book

Dr.					Cr.				
Date	Particular	L.F.	Cash ₹	Bank ₹	Date	Particular	L.F.	Cash ₹	Bank ₹
2008					2008				
Jan 01	To Balance b/d		2,300		Jan 01	By Balance b/d (Overdraft)			12,000
Jan 08	To Cheques-in-Hand A/c			4,000	Jan 12	By Bank A/c	C	200	
Jan 12	To Cash A/c	C		200	Jan 16	By Cash A/c	C		300
Jan 15	To Customer A/c (Money Order)		500		Jan 18	By Bank Charges A/c			20
Jan 16	To Bank A/c	C	300		Jan 20	By Interest on Bank Overdraft A/c			1,000
Jan 31	To Balance c/d (Overdraft)			9,120	Jan 31	By Balance c/d		2,900	
			3,100	13,320				3,100	13,320

**Working Note:**

1. Cheque received from Ram and discount allowed is recorded by way of journal entry:

Jan 07	Cheque-in-Hand A/c	Dr.	4,000	
	Discount Allowed	Dr.	200	
	To Ram A/c			4,200
	(Being Received cheque from Ram and discount allowed but not deposited on the same day)			



**Question 23.**

Write-up Double Column Cash Book with cash and bank columns from the following transactions :

2016	
March 1	Cash in Hand ₹15,000
March 3	Purchased goods for cash ₹6,000
March 5	Deposited into bank ₹5,000
March 7	Cash sales ₹10,000
March 10	Cash withdrew from bank for office use ₹2,000
March 12	Cash received from Ramesh ₹3,000
March 15	Received cheque from Raj ₹2,000 and deposited in the bank on the same day
March 18	Received cheque from Deepak for ₹5,000 (not banked)
March 20	Cheque received from Deepak deposited in bank
March 22	Paid to Chandra by cheque ₹2,500
March 25	Withdrew from bank for personal use ₹1,500
March 28	Sold goods on credit to Ashok Mitra ₹4,000
March 30	Purchased goods on credit from Chander ₹5,000
March 31	Received cheque from Ashok Mitra ₹2,000 and deposited in bank
March 31	Bank charges for the month ₹ 100

**Solution:****Cash Book**

Dr.					Cr.				
Date	Particular	L.F.	Cash ₹	Bank ₹	Date	Particular	L.F.	Cash ₹	Bank ₹
2016					2016				
Mar 01	To Balance b/d		15,000		Mar 03	By Purchase A/c		6,000	
Mar 05	To Cash A/c	C		5,000	Mar 05	By Bank A/c	C	5,000	
Mar 07	To Sales A/c		10,000		Mar 10	By Cash A/c	C		2,000
Mar 10	To Bank A/c	C	2,000		Mar 22	By Chandra A/c			2,500
Mar 12	To Ramesh A/c		3,000		Mar 25	By Drawings A/c			1,500
Mar 15	To Raj A/c			2,000	Mar 31	By Bank Charges A/c			100
Mar 20	To Cheque-in-Hand A/c			5,000					
Mar 31	To Ashok Mitra A/c			2,000	Mar 31	By Balance c/d		19,000	7,900
			30,000	14,000				30,000	14,000

**Working Note:**

1. Cheque received from Deepak is recorded by way of journal entry:

Mar 18	Cheque-in-Hand A/c	Dr.	5,000	
	To Ram A/c			5,000
	(Being Received cheque from Deepak but not deposited on the same day)			

2. Transaction of 28<sup>th</sup> March (i.e., goods sold on credit to Ashok Mitra) is not recorded being credit transaction.

3. Transaction of 30<sup>th</sup> March (i.e., purchased goods on credit from Chander) is not recorded being credit transaction.

### Question 24.

Record the following transactions in Cash Book with cash and bank columns :

2016		₹
March 1	Cash balance	25,000
	Bank balance	20,000
March 4	Paid insurance premium by cheque	14,200
March 7	Net Cash sales after allowing cash discount of ₹ 800	12,000
March 9	Payment for cash purchases	21,000
	Cash discount	900
March 10	Cash deposited into bank	15,000
March 11	Telephone bill paid by cheque	2,300
March 14	Withdrew from bank for personal use	6,000
March 15	Withdrew from bank for official use	14,500
March 20	Received cheque from Dinesh in full and final settlement and deposited the same into bank	10,700
March 23	Cash received from Mohan	6,850
	Discount allowed	150
March 24	Stationery purchased for cash	1,800
March 24	Cartage paid in cash	350
March 24	Cheque received from Gupta	4,500
March 28	Cheque received from Gupta deposited into bank	4,500
March 31	Cheque deposited on March 28 dishonoured and returned by the bank	
March 31	Rent paid by cheque	4,000
March 31	Paid cash for postage	220
March 31	Paid wages to watchman in cash	3,000

### Solution:

#### Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Mar 01	To Balance b/d		25,000	20,000	Mar 04	By Insurance Premium A/c			14,200
Mar 07	To Sales A/c		12,000		Mar 09	By Purchases A/c		21,000	
Mar 10	To Cash A/c	C		15,000	Mar 10	By Bank A/c	C	15,000	
Mar 15	To Bank A/c	C	14,500		Mar 11	By Telephone Bill A/c			2,300
Mar 20	To Dinesh A/c			10,700	Mar 14	By Drawings A/c			6,000
Mar 23	To Mohan A/c		6,850		Mar 15	By Cash A/c	C		14,500
Mar 28	To Cheque-in-Hand A/c			4,500	Mar 24	By Stationery A/c		1,800	
					Mar 24	By Cartage A/c		350	
					Mar 31	By Gupta A/c			4,500
					Mar 31	By Rent A/c			4,000
					Mar 31	By Postage A/c		220	
					Mar 31	By Wages to Watchman A/c		3,000	
					Mar 31	By Balance c/d		16,980	4,700
			58,350	50,200				58,350	50,200

### Working Note:

1. Cheque received from Gupta is recorded by way of journal entry:

Mar 24	Cheque-in-Hand A/c	Dr.	4,500	
	To Gupta A/c			4,500
(Being Received cheque from Gupta but not deposited on the same day)				

**Question 25.**

Enter the following into Sudhir and Sons Cash Book with cash and bank columns :

2016		₹	2016		₹
April 1	Opening cash balance	2,250	April 17	Received cash from K. Prasad	2,650
	Bank overdraft	4,000		Allowed him discount	50
April 2	Cash sales ₹5,000 out of which deposited in Bank	1,500	April 18	Bought furniture from Mohan and paid him by cheque	3,000
April 3	Paid to Suresh by cheque	1,400	April 19	Drew from Bank	900
April 5	Received cheque from Jaswant and sent it to Bank	8,000	April 20	Paid advertisement expenses	530
April 6	Paid wages	2,450	April 21	Received cheque from Subhash	2,550
April 6	Cash purchases	1,100		Allowed him discount	50
April 8	Paid office exp. By cheque	1,600	April 24	Deposited the above cheque into the bank	
April 9	Cash sales	2,000	April 25	Paid Salary	1,550
April 10	Paid rent	1,200	April 25	Subhash's cheque was returned dishonoured	
April 12	Received cheque from Dinesh in full settlement of his account of ₹3,700 and deposited it in Bank	3,600	April 26	Paid octroi by cheque	100
April 15	Paid to Ram by cheque	1,650	April 27	Cash deposited in Bank	1,000
	He allowed us discount	50	April 29	Withdrew by cheque for domestic expenses	400

**Solution:**

**In the books of Sudhir and Sons  
Cash Book**

Dr.					Cr.				
Date	Particulars	L.F.	Cash Rs.	Bank Rs.	Date	Particulars	L.F.	Cash Rs.	Bank Rs.
2016					2016				
Apr 01	To Balance b/d		2,250		Apr 01	By Balance b/d (Overdraft)			4,000
Apr 02	To Sales A/c		3,500	1,500	Apr 03	By Suresh A/c			1,400
Apr 05	To Jaswant A/c			8,000	Apr 06	By Wages A/c		2,450	
Apr 09	To Sales A/c		2,000		Apr 06	By Purchases A/c		1,100	
Apr 12	To Dinesh A/c			3,600	Apr 08	By Office Expenses A/c			1,600
Apr 17	To K. Prasad A/c		2,650		Apr 10	By Rent A/c		1,200	
Apr 19	To Bank A/c	C	900		Apr 15	By Ram A/c			1,650
Apr 24	To Cheque-in-Hand A/c			2,550	Apr 18	By Furniture A/c			3,000
Apr 27	To Cash A/c	C		1,000	Apr 19	By Cash A/c	C		900
						By Advertisement Expenses A/c		530	
					Apr 20				
					Apr 25	By Salary A/c		1,550	
					Apr 25	By Subhash A/c			2,550
					Apr 26	By Octroi A/c			100
					Apr 27	By Bank A/c	C	1,000	
					Apr 29	By Drawings A/c			400
					Apr 30	By Balance c/d		3,470	1,050
			11,300	16,650				11,300	16,650

**Working Note:**

1. Cheque received from Subhash and discount allowed to him is recorded by way of journal entry:

Apr 24	Cheque-in-Hand A/c	Dr.	2,550	
	Discount Allowed A/c	Dr.	50	
	To Subhash A/c			2,600
(Being received cheque from Subhash and discount allowed to him but not deposited on the same day)				

### Question 26.

Prepare a Double Column Cash Book from the following transactions:

2016		₹
Oct. 1	Cash in Hand	1,800
Oct. 1	Cash at Bank	11,000
Oct. 5	Discounted a Bill of Exchange at 1% through bank	4,000
Oct. 7	Bought goods by cheque	7,000
Oct. 8	Bought goods for cash	500
Oct. 10	Honoured our own acceptance by cheque	5,000
Oct. 14	Paid trade expenses	105
Oct. 16	Paid into bank	1,000
Oct. 18	Ramesh who owed ₹500 became bankrupt and paid us 50 paise in the rupee	
Oct. 20	Received cash from Manohar	400
	Allowed discount	10
Oct. 23	Withdrew from bank	400
Oct. 24	Paid to Ghanshyamdas and Co	300
	Allowed discount	10
Oct. 24	Received ₹2,000 for a Bill of Exchange from Hari Ram and deposited the same into bank	
Oct. 25	Withdrew from bank for private expenses	300
Oct. 27	Sold goods for cash	200
Oct. 28	Received cheque for goods sold	9,000
Oct. 29	Received repayment of a loan of ₹5,000 and deposited ₹3,000 out of it into bank	
Oct. 30	Bank charges as per Pass Book	60

**Solution:**

#### Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
Oct 01	To Balance b/d		1,800	11,000	Oct 07	By Purchases A/c			7,000
Oct 05	To Bill Receivable A/c			3,960	Oct 08	By Purchases A/c		500	
Oct 16	To Cash A/c	C		1,000	Oct 10	By Bill Payable A/c			5,000
Oct 18	To Ramesh A/c		250		Oct 14	By Trade Expenses A/c		105	
Oct 20	To Manohar A/c		400		Oct 16	By Bank A/c	C	1,000	
Oct 23	To Bank A/c	C	400		Oct 23	By Cash A/c	C		400
Oct 24	To Bill Receivable A/c			2,000	Oct 24	By Ghanshyamdas and Co. A/c		300	
Oct 27	To Sales A/c		200		Oct 25	By Drawings A/c			300
Oct 28	To Sales A/c			9,000	Oct 30	By Bank Charges A/c			60
Oct 29	To Loan A/c		2,000	3,000	Oct 31	By Balance c/d		3,145	17,200
			5,050	29,960				5,050	29,960

### Question 27.

Enter the following transactions in the Two Column Cash Book (Cash and Bank) of M/s. Hariram General Store :

2016		₹
July 1	Cash in Hand	20,600
July 1	Bank Overdraft	7,400
July 2	Additional Capital introduced ₹30,000 out of which ₹25,000 deposited into bank	
July 3	Purchased goods on credit from Rajesh of the list price of ₹15,000. He allowed us a trade discount of 20%.	15,000
July 5	Settled the account of Rajesh by paying cash	11,600
July 7	Bad debts recovered which were written off as bad debts in 2015-16	2,500
July 9	Cash withdrawn from bank	7,500
July 9	Purchased from Ashok ₹2,500 and sold to Mahesh ₹2,000	
July 10	Withdrew from bank for personal use ₹3,000 and for income Tax ₹800	
July 12	Sale of old furniture for cash	500
July 14	Cash received from Mohan on behalf of Sohan	2,200
July 20	Cheque received from Mukul ₹4,210 in full settlement of his account of ₹4,350	
July 21	Mukul's cheque deposited into bank	
July 24	M/s. Ashok Bros. became insolvent, a dividend of 50 paise in rupee is received. He owed us	8,000
July 25	Sold goods for cash ₹3,600, out of which ₹2,000 is deposited into bank	
July 25	Mukul's cheque dishonoured, bank debited as bank charge for this cheque	20
July 31	Interest debited by bank	650
July 31	Deposited with the bank the entire cash balance after retaining for business use	10,000

**Solution:**

In the books of M/s Hariram General Store  
Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2016					2016				
July 01	To Balance b/d		20,600		July 01	By Balance b/d (Overdraft)			7,400
July 02	To Capital A/c		5,000	25,000	July 05	By Rajesh A/c		11,600	
July 07	To Bad Debts Recovered A/c		2,500		July 09	By Cash A/c	C		7,500
July 09	To Bank A/c	C	7,500		July 10	By Drawings A/c			3,800
July 12	To Furniture A/c		500		July 25	By Mukul's A/c			4,210
July 14	To Sohan A/c		2,200		July 25	By Bank Charges A/c			20
July 21	To Cheque-in-Hand A/c			4,210	July 31	By Interest A/c			650
July 24	To M/s Ashok Bros. A/c		4,000		July 31	By Bank A/c	C	22,300	
July 25	To Sales A/c		1,600	2,000					
July 31	To Cash A/c	C		22,300	July 31	By Balance c/d		10,000	29,930
			43,900	53,510				43,900	53,510

**Working Note:**

- Transaction of 3rs July (i.e., purchased goods on credit from Rajesh) is not recorded being a credit transaction.
- Transaction of 9<sup>th</sup> July (i.e., Purchased from Ashok and sold to Mahesh) will not be recorded in the Cash Book because these are credit transactions.
- Cheque received from Mukul and discount allowed to him is recorded by way of journal entry:

July 20	Cheque-in-Hand A/c	Dr.	4,210	
	Discount Allowed A/c	Dr.	140	
	To Mukul's A/c			2,350
	(Being cheque received from Mukul and allowed discount but not deposited on the same day)			

**Question 28.**

Mr. Ghosh maintains cash book with two bank columns. Enter the following transactions of 5th May, 2016 in the cash book and balance the same:

- Balance in the beginning of the day:
 

Cash	₹ 1,150
State Bank of India	35,000
Bank of India (overdraft)	3,000
- Received a cheque of ₹5,350 from Khara Bros., in full settlement of invoice for ₹5,500. The cheque was deposited in Bank of India, which charged ₹ 10 as collection charges.
- Cash purchases ₹10,000. Paid bearer cheque on Bank of India.
- Transferred ₹5,000 from State Bank of India to Bank of India.
- Withdrew ₹5,000 from State Bank of India- ₹3,000 for office use and ₹2,000 for personal use.
- Paid advance salary to Manager ₹1,000 by bearer cheque on Bank of India.

**Solution:**

In the Books of Mr. Ghosh  
Cash Book

Dr.					Cr.				
Date	Particulars	L.F.	Cash Rs.	Bank Rs.	Date	Particulars	L.F.	Cash Rs.	Bank Rs.
				S.B.I.    B.O.I.					S.B.I.    B.O.I.
2016					2016				
May 05	To Balance b/d		1,150	35,000	May 05	By Balance b/d (Overdraft)			3,000
May 05	To Khara Bros. A/c			5,350	May 05	By Collection Charges A/c			10
May 05	To S.B.I A/c	C		5,000	May 05	By Purchases A/c			10,000
May 05	To S.B.I A/c	C	3,000		May 05	By B.O.I A/c	C	5,000	
					May 05	By Cash A/c	C	3,000	
					May 05	By Drawings A/c		2,000	
					May 05	By Advance Salary A/c			1,000
May 05	To Balance c/d (overdraft)			3,660	May 05	By Balance c/d		4,150	25,000
			4,150	35,000				4,150	35,000
				14,010					14,010

### Question 29.

From the following information, prepare an Analytical Petty Cash Book :

2016		₹
April 1	Received for cash payment	2,000
April 2	Paid for postage	160
April 5	Paid for stationery	100
April 8	Paid for advertisement	200
April 12	Paid for wages	80
April 16	Paid for carriage	60
April 20	Paid for conveyance	88
April 25	Paid for travelling expenses	320
April 27	Paid for postage	48
April 28	Paid for office cleaning	40
April 29	Paid for telegram	80
April 30	Sent registered notice to landlord	19

**Solution:**

**Petty Cash Book**

Receipts Rs.	Date	Voucher No	Particulars	Total Payment Rs.	Postage and Telegram Rs.	Stationery Rs.	Conveyance and Travelling Expenses Rs.	Carriage Rs.	Sundries Rs.
	2016								
2,000	Apr 1		To Cash A/c						
	Apr 2		By Postage and Telegram A/c	160	160				
	Apr 5		By Stationery A/c	100		100			
	Apr 8		By Advertisement A/c	200					200
	Apr 12		By Wages A/c	80					80
	Apr 16		By Carriage A/c	60				60	
	Apr 20		By Conveyance and Travelling Expenses A/c	88			88		
	Apr 25		By Conveyance and Travelling Expenses A/c	320			320		
	Apr 27		By Postage and Telegram A/c	48	48				
	Apr 28		By Office Cleaning A/c	40					40
	Apr 29		By Postage and Telegram A/c	80	80				
	Apr 30		By Postage and Telegram A/c	19	19				
				1,195	307	100	408	60	320
	Apr 30		By Balance c/d	805					
2,000				2,000					

### Question 30.

The following transactions took place during the week ended 28<sup>th</sup> May, 2016. How will you record them in the Petty Cash Book which was maintained with a weekly 'float' of ₹ 300?

2016		₹
May 23	Postage	40
May 24	Casual labour	50
May 24	Taxi hire	60
May 26	Writing pads and registers	80
May 27	Cartage	20
May 28	Bus fare	30



**Solution:**

Petty Cash Book					
Amount Received ₹	Cash Book Folio	Date	Particulars	V. No.	Amount paid ₹
		2016			
300		May 23	To Cash A/c		
		May 23	By Postage A/c		40
		May 24	By Wages A/c		50
		May 24	By Travelling Expenses A/c		60
		May 26	By Stationery A/c		80
		May 27	By Cartage A/c		20
		May 28	By Travelling Expenses A/c		30
		May 28	By Balance c/d		20
300					300
20		May 29	To Balance b/d		
280		May 29	To Cash A/c		

**Question 31.**

A Petty Cashier in a firm received ₹ 1,500 as the petty cash imprest on 4<sup>th</sup> June, 2016. During the week, his expenses were as follows :

2016		₹
June 4	Conveyance charges for Manager's trip to the city	50
June 4	Wages to casual labourers	150
June 5	Bus fare to workmen sent to customer's premises	20
June 5	Stationery purchased	100
June 6	Sent documents to Head Office by registered post	40
June 6	Postage stamps purchased	100
June 6	Revenue stamps for payment of wages	50
June 7	Repair to typewriter	40
June 7	Paid electric lighting bill	170
June 8	Wages paid to coolies for shifting furniture, etc.	40
June 8	Taxi fare to Assistant Manager	50
June 8	Letters by registered post sent to different suppliers	100
June 8	Locks purchased	80
June 8	Stationery purchased	40
June 8	Refreshments to customers	20

Write up the Analytical Petty Cash Book and draft the necessary Journal entries for the payments made.

**Solution:**



**Petty Cash Books**

Receipts	Date	Voucher No	Particulars	Total Payment Rs.	Postage and Telegram Rs.	Stationery Rs.	Conveyance and Travelling Expenses Rs.	Carriage Rs.	Sundries Rs.
	2016								
1,500	Jun 04		To Cash A/c						
	Jun 04		By Conveyance and Travelling Expenses A/c	50			50		
	Jun 04		By Wages A/c	150					150
	Jun 05		By Conveyance and Travelling Expenses A/c	20			20		
	Jun 05		By Stationery A/c	100		100			
	Jun 06		By Postage and Telegram A/c	40	40				
	Jun 06		By Postage and Telegram A/c	100	100				
	Jun 06		By Postage and Telegram A/c	50	50				
	Jun 07		By Repair to typewriter A/c	40					40
	Jun 07		By Electricity Expenses A/c	170					170
	Jun 08		By Carriage A/c (Wages paid to Coolies)	40				40	
	Jun 08		By Conveyance and Travelling Expenses A/c	50			50		
	Jun 08		By Postage and Telegram A/c	100	100				
	Jun 08		By Locks purchased A/c	80					80
	Jun 08		By Stationery A/c	40		40			
	Jun 08		By Refreshment to Customers A/c	20					20
				<b>1,050</b>	<b>290</b>	<b>140</b>	<b>120</b>	<b>40</b>	<b>460</b>
	Jun 10		By Balance c/d	450					
<b>1,500</b>				<b>1,500</b>					
450	June 11		To Balance b/d						
1,050			To Cash A/c						

Alternatively,

**Journal Proper**

Date	Particulars	L.F.	Dr. ₹	Cr. ₹
2016				
June 04	Petty Cash A/c Dr. To Cash A/c (Being advance to petty cashier)		1,500	1,500
June 10	Postage and Telegram A/c Dr. Stationery A/c Dr. Conveyance and Travelling Expenses A/c Dr. Carriage A/c Dr. Sundries A/c To Petty Cash A/c (Being weekly expenses paid from the petty cash)		290 140 120 40 460	1,050
June 11	Petty Cash A/c Dr. To Cash A/c (Being money reimbursed to petty cashier)		1,050	1,050