

12	Cash		95,000	95,000
	Sales (To record sales for cash)			
13	Telephone Expense		1,500	1,500
	Cash (To record payment for telephone bill)			

**Note:**

- 1) No need to mention the name of buyer or seller in the case of cash purchase or cash sale, as money is simply exchanged for goods handed over
- 2) Cash purchase, cash sale and all transactions where the word 'paid' is mentioned are obviously cash transactions
- 3) When goods are purchased or sold for cash, the name of the supplier or customer is immaterial. Therefore it is to be ignored at the time of recording transaction.
- 4) Return of goods by customer (sales returns) is recorded in the Sales Return and Allowance Account or Sales Return Account
- 5) Return of goods to the supplier (purchase return) is recorded in the Purchase Return and Allowance Account or Purchase Return Account

**Cash Transactions****Question - 4**

Journalise the following transactions of Mr. Wafa for the month of June 2005:

- |  |         |
|--|---------|
| 1. Mr. Wafa Started business with cash   | 450,000 |
| 2. Mr. Wafa purchased goods on cash from MP Traders, a supplier, for the purpose of resale | 153,000 |
| 3. Sold goods to Waqar & Co., a customer, for cash   | 162,000 |
| 4. Mr. Wafa returned defected goods to MP Traders  | 9,000   |
| 5. Waqar & Co. returned defected goods to Mr. Wafa for cash                                | 3,600   |
| 6. Purchased office furniture for cash   | 21,600  |
| 7. Cash paid for office rent   | 7,200   |
| 8. Mr. Wafa purchased stationery for office use  | 900     |
| 9. Mr. Wafa purchased goods on cash for the purpose of resale                              | 99,000  |
| 10. Mr. Wafa paid cartage expenses   | 630     |
| 11. Mr. Wafa paid salary to his staff  | 14,400  |
| 12. Mr. Wafa sold goods to the customer for cash   | 171,000 |
| 13. Mr. Wafa paid cash for telephone bill  | 2,700   |

**Solution:** Try yourself as same as Q - 3 above

**Question - 5**

Journalise the following transactions:

1. Saleem started his business with Rs.50,000
2. Purchased goods for Rs.35,000
3. Sold goods for Rs.48,000
4. Purchased goods from Kamran Rs.6,000
5. Sold goods to Zeeshan for Rs.7,200
6. Zeeshan returned goods for Rs.1,200
7. Returned goods to Kamran Rs.1,000
8. Received from Zeeshan on account Rs.5,500
9. Paid salary to Ameen Rs.5,000

**Solution:**

**Saleem  
General Journal**

Date	Particulars	P.R.	Debit	Credit
1	Cash Capital (To record the cash brought into business)		50,000	50,000
2	Purchases Cash (To record Goods purchased for cash)		35,000	35,000
3	Cash Sales (To record sales for cash)		48,000	48,000