

Journal Entries Practice Worksheet

With Solutions

Problem 1 – Simple cash & capital

- Transactions:
 - 1. Owner invested cash ₹150,000
 - 2. Bought furniture for cash ₹18,000
 - 3. Paid rent ₹2,500
 - 4. Cash sales ₹36,000 (cost ₹22,000)
- Solutions:
 - 1) Bank Dr 150,000 / To Capital 150,000
 - 2) Furniture Dr 18,000 / To Bank 18,000

Problem 2 – Credit sales & purchases

- Transactions:
 - 1. Purchases from Rao (credit) ₹45,000
 - 2. Credit sales ₹62,000 (cost ₹38,000)
 - 3. Received from debtors ₹28,000
 - 4. Paid Rao by cheque ₹20,000
- Solutions:
 - 1) Purchases Dr 45,000 / To Rao 45,000
 - 2) Debtors Dr 62,000 / To Sales 62,000

Problem 3 — Returns & discounts

- Transactions:
- 1. Purchases from K Ltd ₹80,000 (credit)
- 2. Returned goods to K Ltd ₹5,000
- 3. Credit sales ₹95,000
- 4. Sales return ₹3,000
- 5. Discount allowed ₹1,200
- 6. Discount received ₹800
- Solutions:

Problem 4 – Loan & interest

- Transactions:
 - 1. Loan from bank ₹200,000
 - 2. Interest accrued ₹12,000
 - 3. Paid interest ₹12,000
 - 4. Repaid loan ₹200,000
- Solutions:
 - 1) Bank Dr 200,000 / To Loan 200,000
 - 2) Interest Expense Dr 12,000 / To Interest

Problem 5 – Bills of exchange

- Transactions:
 - 1. Sold goods to J Ltd ₹50,000; received bill
 - 2. On maturity, bill dishonoured
- Solutions:
 - 1) Debtors Dr 50,000 / To Sales 50,000
 - Bills Receivable Dr 50,000 / To Debtors 50,000
 - 2) Debtors Dr 50,000 / To Bills Receivable 50,000

Problem 6 – Depreciation & disposal

- Machine ₹480,000; scrap 80,000; life 8 yrs
- Depreciation per year = 50,000
- After 3 yrs, book value = 330,000; sold for 380,000
- Solutions:
 - 1) Depreciation Expense Dr 50,000 / To Acc. Dep 50,000
 - 2) Bank Dr 380,000

Problem 7 – Capital, drawings & salary

- Transactions:
 - 1. Owner adds cash 100,000 & vehicle 60,000
 - 2. Owner drawings 8,000
 - 3. Owner salary 12,000 (treated as expense)
- Solutions:
 - 1) Bank Dr 100,000; Vehicle Dr 60,000 / To Capital 160,000
 - 2) Drawings Dr 8,000 / To Bank 8,000