

JOURNAL, LEDGER, SUBSIDIARY BOOKS AND TRIAL BALANCE

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Refernce: Financial Accounting

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Journal:

1. Journalise the following transactions of M/s. Radha & Sons.

- 1.1.2000 Business Started with Rs.2,50,000 and cash deposited with Bank – 1,50,000
- 3.1.2000 Purchased machinery on credit from Rangan – 50,000
- 6.1.2000 Bought furniture from Ramesh for cash – 25,000
- 12.1.2000 Goods sold to Yesodha – 22,500
- 13.1.2000 Goods returned by Yesodha – 2,500
- 15.1.2000 Goods sold for cash – 50,000
- 17.1.2000 Bought goods for cash – 25,000
- 20.1.2000 Cash received from Yesodha – 10,000
- 21.1.2000 Cash paid to Ramola – 20,000
- 25.1.2000 Cash withdrawn from bank – 50,000
- 29.1.2000 Paid advertisement expenses – 12,500
- 30.1.2000 Bought office stationery for cash – 5,000
- 31.1.2000 Cash withdrawn from bank for personal use of the proprietor – 6,250
- 31.1.2000 Paid salaries – 15,000
- 31.1.2000 Paid rent – 2,500

Solution:

Books of M/s.Radha & Sons

Journal

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
1.1.2000	Cash A/c To Capital A/c (Being cash brought in as capital)	Dr.	2,50,000	2,50,000
1.1.2000	Bank A/c To Cash A/c (Being cash deposited into bank)	Dr.	1,50,000	1,50,000
3.1.2000	Machinery A/c To Rangan's A/c (Being machinery bough on credit from Rangan)	Dr.	50,000	50,000
6.1.2000	Furniture A/c To Cash A/c (Being goods sold to Yesodha on credit)	Dr.	25,000	25,000
12.1.2000	Yesodha's A/c To Sales A/c (Being goods sold to Yesodha on credit)	Dr.	22,500	22,500

13.1.2000	Sales Returns A/c To Yesodha's A/c (Being goods returned by Yesodha)	Dr.		2,500	2,500
15.1.2000	Cash A/c To Sales A/c (Being goods sold for cash)	Dr.		50,000	50,000
17.1.2000	Purchases A/c To Cash A/c (Being goods purchased for cash)	Dr.		25,000	25,000
20.1.2000	Cash A/c To Yesodha's A/c (Being cash received from Yesodha)	Dr.		10,000	10,000
21.1.2000	Ramola A/c To Cash A/c (Being cash paid to Ramola)	Dr.		20,000	20,000
25.1.2000	Cash A/c To Bank A/c (Being cash withdrawn from bank)	Dr.		50,000	50,000
29.1.2000	Advertisement Expenses A/c To Cash A/c (Being advertisement expenses paid)	Dr.		12,500	12,500
30.1.2000	Office stationery A/c To Cash A/c (Being stationery purchased for cash)	Dr.		5,000	5,000
31.1.2000	Drawings A/c To Bank A/c (Being cash withdrawn from bank for personal use)	Dr.		6,250	6,250
31.1.2000	Salaries A/c Rent A/c To Cash A/c (Being salaries and rent paid)	Dr. Dr.		15,000 2,500	17,500

LEDGER:

2. Record the following transactions in the personal account of Kapil:

- 1.4.2000 Sold goods to Kapil – 6,000
 5.4.2000 Cash received from Kapil – 5,800
 and allowed him discount – 200
 18.4.2000 Kapil purchased goods – 8,000
 30.4.2000 Received cash from Kapil on account – Rs.4,500
 1.5.2000 Balance from last month b/d – 3,500
 12.5.2000 Sold goods to Kapil – 12,000
 22.5.2000 Received cash from Kapil – 4,850
 and allowed him discount – 150
 31.5.2000 Received cash in full settlement of Kapil's A/c – 10,250

Solution:

Kapil's A/c

Date	Particulars	Rs.	Date	Particulars	Rs.
1.4.2000	To Sales	6,000	5.4.2000	By cash	5,800
18.4.2000	To Sales	8,000		By Discount allowed	200
			30.4.2000	By Cash	4,500
			30.4.2000	By Balance C/d	3,500
		14,000			14,000
1.5.2000	To Balance b/d	3,500	22.5.2000	By Cash	4,850
12.5.2000	To Sales	12,000		By Discount allowed	150
			31.5.2000	By Cash	10,250
				By Discount allowed (Bal.fig)	250
		15,500			15,500

SUBSIDIARY BOOKS

3. Record the following transactions for the month of January 1999 in the purchase book of M/s.

Narain Electronics:

- Jan 4 Purchased from M/s Brown Electronics:
 20 Black & White T.Vs @ Rs.5,200 per piece.
 10 Colour T.Vs @ Rs.12,000 per piece.
 Trade discount on all items @ 12%
 Jan 10 Purchased from M/s Mani Electronics;
 12 Video tapes @ Rs. 600 per piece.
 8 Philips tape recorders @ Rs.2,500 per piece.
 Jan 19 Purchased from M/s Sehgal Electronics:

10 LG Steros @ Rs. 3,500 per piece
 8 LG Colour T.Vs @ Rs.25,000 per piece.
 Trade discount @ 15%

Jan 24 Purchased from M/s. Gupta Electronics:
 200 Audio Cassettes @ Rs.25 per piece
 30 Equity toasters @ Rs.500 per piece

Also show posting of the above transactions into ledger accounts from purchase book.

Solution:

Books of M/s. NARAIN ELECTRONICS

PURCHASES BOOK

Date	Name of the supplier	L.F.	Inward Invoice No.	Details Rs.	Amount Rs.
4.1.99	M/s. Brown Electronics: 20 B/W T.Vs @ Rs.5,200 per piece. 10 Colour T.Vs at Rs.12,000 per piece.			1,04,000 <u>1,20,000</u> 2,24,000	
	Less: Trade discount @ 12%			<u>26,880</u>	1,97,120
10.1.99	M/S. Mani Electronics: 12 Video tapes @ Rs.600 per piece. 8 Philips tape Recorders at Rs.2,500 per piece			7,200 <u>20,000</u>	27,200
19.1.99	M/S. Sehgal Electronics: 10 LG Stereos @ Rs.3,500 per piece. 8 LG Colour T.Vs @ 25,000 per piece.			35,000 <u>2,00,000</u>	
	Less: Trade discount @ 15%			2,35,000	
24.1.99	M/s. Gupa Electronics: 200 Audio Cassettes at Rs.25 per piece 30 Equity toasters @ Rs.500 per piece			<u>35,250</u> 5,000 <u>15,000</u>	1,99,750 <u>20,000</u>
	Total				4,44,070

LEDGER ACCOUTS

Purchases A/c

31.1.99	To Sundries (as per purchase book)	4,44,070			
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M/s. Brown Electronic A/c

			4.1.99	By Purchases A/c	1,97,120
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M/s. Mani Electronics A/c

			10.1.99	By Purchases A/c	27,200
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M/s. Sehgal Electronics A/c

			19.1.99	By Purchases A/c	1,99,750
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M/s. Gupta Electronics A/c

			24.1.99	By Purchases A/c	20,000
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4. Enter the following transactions in the Sales book of M/s. Saran Raj & Sons and post them into ledger:

2.5.99 Sold to M/s. Ragul Bros:

200 pieces long cloth at Rs.90 per piece

300 pieces shirting @ Rs.110 per piece

5.5.99 Sold to M/s. Gupta & Verma:

20 pieces Coating at Rs.250 per piece

16.5.99 Sold to M/s. Mathur & Jain:

250 blankets @ Rs.50 each

120 blankets @ Rs.75 each

20.5.99 Sold 20 shirts to cheap stores @ Rs.30 each for cash

25.5.99 Sold old furniture to M/s Santhosh & Co. on credit Rs.800

It is the practice followed by M/s. Saran Raj & Sons to allow 10% trade discount on all sales.

Solution:

Books of M/s. Saran Raj & Sons

SALES BOOK

Date	Name of the customer	L.F.	Outward Invoice No.	Details	Amount Rs.
2.5.99	M/s. Ragul Bros: 200 Pieces long cloth @ Rs.90 300 Pieces shirting at Rs.110 Less: Trade discount @ 10%			18,000 <u>33,000</u> 51,000 <u>5,100</u>	45,900

5.5.99	M/s. Gupta & Verma: 20 pieces coating at Rs.250 Less : Trade discount @ 10%		5,000 <u>500</u>		4,500
16.5.99	M/s.Mathur & Jain: 250 blankets @ Rs.50 120 blankets at Rs.75 Less: Trade discount at 10%		12,500 <u>9,000</u> 21,500 <u>2,150</u>		<u>19,350</u>
	Total				69,750

LEDGER ACCOUNTS

Sales A/c

			31.5.99	By Sundries (as per Sales Book)	69,750
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M/s. Ragul & Sons A/c

2.5.99	To Sales A/c	45,900			
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M/s Gupta & Verma A/c

5.5.99	To Sales A/c	4,500			
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M/s. Mathur & Jain A/c

16.5.99	To Sales A/c	19,350			
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5. Prepare Purchase returns book and sales returns book from the following data:

- 1.8.1987 Purchased goods returned to Senthil – 205
- 3.8.1987 Received goods returned by Natarajan – 300
- 5.8.1987 Goods returned to Kannan – 500
- 7.8.1987 Sales returns of Rs.1,260 by Mathavan
- 15.8.1987 Returned defective goods to Rajan – 1,280
- 18.8.1987 Damaged goods returned by Murali – 1,120
- 23.8.1987 Outward returns to Kanagasabai - 275
- 29.8.1987 Inward returns by Swaminathan – 750

30.8.1987 **Returned inferior goods to Sankar -800**

31.8.1987 **Selvan returned goods to us – 1,330**

Solution:

Purchase Returns Book

Date	Name of the Supplier	Debit Note No.	L.F.	Amount Rs.
1.8.87	Senthil			205
5.8.87	Kannan			500
15.8.87	Rajan			1,280
23.8.87	Kanaga Sabai			275
30.8.87	Sankar			<u>890</u>
	Total			3,150

Sales Returns Book

Date	Name of the Customer	Credit Note No.	L.F.	Amount Rs.
3.8.87	Natarajan			300
7.8.87	Mathavan			1,260
18.8.87	Murali			1,120
29.8.87	Swaminathan			750
31.8.87	Selvan			<u>1,330</u>
	Total			4,760

6. Simple Cash Book

Enter the following transactions in a simple Cash Book of Shri. Subramanian 1999

1.4.99 Commenced business with Cash – 24,000

5.4.99 Bought goods for Cash -6,000

10.4.99 Goods Sold for Cash – 11,200

13.4.99 Paid into Bank – 2,500

14.4.99 Sold goods to Ganesan on Credit -9,000

15.4.99 Bought goods from Mohan on Credit -13,600

20.4.99 Purchased furniture -9,600

- 21.4.99 Purchased Stationery -160
- 23.4.99 Received Cheque from Ganesan – 9,000
- 25.4.99 Paid Mohan -13,600
- 26.4.99 Received Commission -740
- 27.4.99 Paid Telephone Chages -300
- 30.4.99 Drawn from Bank -3,800

Solution:

Cash Book of Shri. Subramanian (Stngle Column)

Date	Particulars	R.N.	L.F.	Amount	Date	Particulars	V.N.	L.F.	Amount
1.4.99	To Capital			24,000	1.4.99	By Purchases			6,000
10.4.99	To Sales			11,200	13.4.99	By Bank			2,500
23.4.99	To Ganesan			9,000	20.4.99	By Furniture			9,600
26.4.99	To Commission			740	21.4.99	By Stationery			160
30.4.99	To Bank			3,800	25.4.99	By Mohan			13,600
					27.4.99	By Telephone Charges			300
					30.4.99	By Balance C/ d			16,580
				48,740					48,740
1.5.99	To Balance c/d			16,580					

7. DOUBLE COLUMN CASH BOOK

Enter the following transactions in Rehan's Cash book with discount and Cash Columns

- 1.1.99** Cash balance – 18,500
- 3.1.99 Cash Sales – 33,000
- 7.1.99 Paid Dravid -15,850
Discount allowed by him – 150
- 13.1.99 Sold goods to Manohar on credit – 19,200
- 15.1.99 Cash withdrawn for personal expenses – 2,400
- 16.1.99 Purchased goods from Charles on credit – 14,300
- 22.1.99 Paid into Bank -22,750
- 25.1.99 Cash received from Manohar – 19,000

Allowed him discount – 200

26.1.99 Drew a Cheque for office use – 17,500

27.1.99 Paid Cash to Saravanan – 2,950

Discount received from him – 50

28.1.99 Paid Cash to Charles less discount -14,200

29.1.99 Cash Purchases – 13,500

30.1.99 Paid for Advertising – 600

31.1.99 Paid Salaries -12,000

Solution:

Cash Book of Mr. Rehan (Double Column)

Date	Particulars	R.N.	L.F.	D/A	Cash	Date	Particulars	R.N.	L.F.	D/R	Cash
1.1.99	To Bal b/d				18,500	7.1.99	By Draavid			150	15,850
3.1.99	To Sales				33,000	15.1.99	By Drawings				2,400
25.1.99	To Manohar			200	19,000	22.1.9	By Bank				22,750
26.1.99	To Bank				17,500	27.1.99	By Saravanan			50	2,950
						28.1.99	By Charles			100	14,200
						29.1.99	By Purchases				13,500
						30.1.99	By Advertising				600
						31.1.99	By Salaries				12,000
						31.1.99	By Bal c/d				3,750
				200	88,000					300	88,000
1.2.99	To Bal b/d				3,750						

8. TRIPLE COLUMN CASH BOOK

From the following transactions, prepare Three-Column Cash book of of Anand for the month of Aug.

1999

1.8.99 Cash balance – 20,000

- Bank balance -23,000
- 3.8.99 Paid rent by Cheque – 5,000
- 4.8.99 Cash received on account of Cash sales - 6,000
- 6.8.99 Payment for Cash purchases -2,000
- 8.8.99 Deposited into Bank – 8,000
- 9.8.99 Bought goods by Cheque -3,000
- 10.8.99 Sold goods to Nathan on Credit – 7,120
- 12.8.99 Received Cheque from Madan -2,900
Discount allowed to him – 100
- 13.8.99 Withdrew from Bank for office use -4,350
- 14.8.99 Purchased furniture by cheque -1,260
- 15.8.99 Received a cheque for Rs. 7,000 from Nathan in full settlement of his account, which is deposited into Bank.
- 17.8.99 Withdrew cash for personal use from the Bank – 1,200
- 18.8.99 Swamy, our customer has paid directly into our Bank A/c – 4,000
- 19.8.99 Parthi settled his account for Rs.1,250 by giving a Cheque for -1,230
- 20.8.99 Parthi's Cheque sent to Bank for Collection –
- 21.8.99 Received from Ravi a Currency note for Rs. 1,000 and gave him Change for it.
- 22.8.99** Received Cheque from Kamal for Rs. 6,000 in full settlement of his account of Rs.6,200
Deposited Kamal's Cheque into Bank.
- 25.8.99 Paid into Bank – 9,000
- 29.8.99 Parthi's Cheque returned dishonoured.
- 31.8.99** Paid Salaries – 10,000
- Solution:

Cash Book of Mr. Anand (Three Column)

Date	Particulars	R.N.	L.F.	D/A	Cash	Bank	Date	Particulars	V.N.	L.F.	D/R	Cash	Bank
1.8.99	To Bal b/d				20,000	23,000	3.8.99	By Rent					5,000
4.8.99	To Sales				6,000		6.8.99	By purchases				2,000	
8.8.99	To Cash (c)					8,000	8.8.99	By Bank (c)				8,000	
12.8.99	To Madan A/c			100	2,900		9.8.99	By Purchases					3,000
13.8.99	To Bank (c)				4,350		13.8.99	By Cash (c)					4,350
15.8.99	To Nathan A/c			120		7,000	14.8.99	By Furniture					1,260
18.8.99	To Swamy A/c					4,000	17.8.99	By Drawings A/c					1,200
19.8.99	To Parthi A/c			20	1,230		20.8.99	By Bank (c)				1,230	
20.8.99	To Cash (c)					1,230	25.8.99	By Bank (c)				9,000	
22.8.99	To Kamal A/c			200		6,000	29.8.99	By Parthi A/c					1,230
25.8.99	To Cash (c)					9,000	31.8.99	By salaries				10,000	
							31.8.99	By Bal c/d				4,250	42,190
				440		34,480	58,230					34,480	58,230
1.9.99	To Bal b/d					4,250	42,190						

9. PETTY CASH BOOK

Petty Cashier received Rs. 600 on April 1, 1999 from the head cashier. Prepare a Petty cash book on the imprest system for the month of April 1999 from the following items:

- 3.4.99 Stamps – 50
- 5.4.99 Taxi fare – 100
- 6.4.99 Pencils & Pads -75
- 7.4.99 Registry -25
- 10.4.99 Speed Post -45
- 12.4.99 Telegram – 35
- 15.4.99 Refreshment – 55
- 16.4.99 Auto fare -20
- 19.4.99 Typing Paper -60
- 20.4.99 Bus fare -15
- 22.4.99 Trunk calls -43
- 25.4.99 Office cleaning – 18
- 30.4.99 Courier Services -17

Show the analysis of payments as Postage & Stamps. Telephone and Telegrams, Conveyance, Stationery and Sundry expenses.

Assume imprest amount of Rs 600

Solution:

PETTY CASH BOOK

Amount Received	CBFN	Date	Particulars	V.N.	Total Payments Rs.	Postage & stamps	Telephone & Telegram	Conveyance	Stationery	Sundries
600		1.4.99	To Cash		-					
		3.4.99	By Stamps		50	50				
		5.4.99	By Taxi fare		100			100		
		6.4.99	By Pencils & Pads		75				75	
		7.4.99	By Registry		25	25				
		10.4.99	By Speed post		45	45				
		12.4.99	By Telegram		35		35			
		15.4.99	By Refreshment		55					55
		16.4.99	By Auto fare		20			20		
		19.4.99	By Typing paper		60				60	
		20.4.99	By Bus fare		15			15		
		22.4.99	By Trunk calls		43		43			
		25.4.99	By office cleaning		18					18
		30.4.99	By courier services		17	17				
					558	137	78	135	135	73
		30.4.99	By Bal c/d		42					
600					600					
42		1.5.99	To Bal b/d							
558			To Cash							

Journal entry

Date	Particulars	L.F.	Debit	Credit
30.4.99	Postage A/c Dr.		137	
	Telephone & Telegram A/c Dr.		78	
	Conveyance A/c Dr.		135	
	Stationery A/c Dr.		135	
	Sundry Expenses a/c Dr.		73	
	To Petty Cash A/c			558
	(Being the analysis of Petty cash book for the month of April)			

10. Bills Receivable Book and Bills Payable Book

Record the following transactions in B/R and B/P Books of Mr. John and Post them into ledger

1.3.99 Received a bill from Velu at 3 months for Rs. 1,000

3.3.99 Accepted a bill 2 m/d for Rs. 3,000 drawn by Saravana & Co.

8.3.99 A bill at 60 dd for Rs. 1,200 drawn by M/'s. Sarathy & Sons was accepted this day

15.3.99 Acceptance received from Mary & Sons for 2 months for Rs. 1,150

25.3.99 Gave acceptance to Mr. Balaji's bill for Rs. 1,300, payable 3 M/d.

Solution

Bills Receivable book

Serial No.	Date of Receipt	From Whom Received	Name of Acceptor	Where payable	Date of bill	Term	When due	L.F.	Amount	Remarks
1	1.3.99	Velu	Velu	-	1.3.99	3 months	June 4		1,000	
2	15.3.99	Mary & Sons	Mary & Sons	-	15.3.99	2 months	May 18		1,150	
							Total		2,150	

Bills Payable book

Serial No.	Date of Bill	Name of Drawers	Name of Payee	Term	When Due	L.F.	Amount	Remarks
1	1.3.99	Saravan & Co.	-	2 months	May 6		3,000	
2	8.3.99	M/s. Sarathy & Sons	-	60 days	May 10		1,200	
3	25.3.99	Mr. Balaji	-	3 months	June 28		1,300	
					Total		5,500	

LEDGER ACCOUNTS

Bills Receivable A/c

31.3.99	To Sundries (as per B/R book)	2,150			
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Velu A/c

			1.3.99	By B/R A/c	1,000
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Mary & Sons A/c

			15.3.99	By B/R A/c	1,150
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Bills payable A/c

			31.3.99	By Sundries (as per B/P book)	5,500
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Saravanan & Co. A/c

3.3.99	To B/P A/c	3,000			
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M/s. Sarathy & Sons A/c

8.3.99	To B/P A/c	1,200			
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Balaji A/c

25.3.99	To B/P A/c	1,300			
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11. TRIAL BALANCE

The following balances were extracted from the ledger of Ramakrishna Engineering Works on 31st March 1997. You are required to prepare a trial balance as on that date in proper form.

Drawings - 6,000	Salaries 9500
Capital 24000	Sales Returns 1,000
Sundry Creditors – 43000	Purchase Returns 1,100
Bills payable 4000	Travelling expenses 4,600
Sundry debtors 50000	Commission paid 100
Bills receivable 5200	Trading expenses 2500
Loan from karthik 10000	Discount earned 4,000
Furniture & Fixtures 4,500	Rent 2,000
Opening stock 47,000	Bank overdraft 6,000
Cash in hand 900	Purchases 70,800
Cash at bank 12500	
Tax 3500	
Sales 1,28,000	

Solution:

Trial balance of Ramakrishna Engineering works as on 31.3.1997

S.No.	Name of Account	L.F.	Debit	Credit
1	Drawings		6,000	-
2	Capital		-	24,000
3	Sundry creditors		-	43,000
4	Bills payable		-	4,000
5	Sundry debtors		50,000	-
6	Bills receivable		5,200	-
7	Loan from karthik		-	10,000
8	Furniture & Fittings		4,500	-
9	Opening stock		47,000	-
10	Cash in hand		900	-
11	Cash at bank		12,500	-
12	Tax		3,500	-
13	Sales		-	1,28,000
14	Salaries		9,500	-
15	Sales returns		1,000	-
16	Purchase returns		-	1,100
17	Travelling expenses		4,600	-

18	Commission paid		100	-
19	Trading expenses		2,500	-
20	Discount earned		-	4,000
21	Rent		2,000	-
22	Bank overdraft		-	6,000
23	Purchases		70,800	-
			2,20,100	2,20,100