

Books of Original Entry Journal DK Goel Class 11 Accountancy Solutions

Students can refer below for solutions for all questions given in your DK Goel Accountancy Textbook for Class 11 in Chapter 9

Very Short Questions for DK Goel Solutions Class 11 Chapter 9

Question 1: What is a journal?

Solution 1: Journal is a main entry book or an original entry book in which the event is first entered in a linear order or sequence. As all transactions are originally documented in it, the document is called the Book of Original Entry.

Question 2: Why is the journal called a book of original entry?

Solution 2: All the transactions are recorded firstly in the journal so it is called book of

original entry.

Question 3: What is journalising?

Solution 3: The process by which the transaction is reported in the journal is called journalising.

Question 4: Give one advantage of journal.

Solution 4: The benefit of a report is the compilation of financial data in chronological order.

Question 5: Give one limitation of a journal.

Solution 5: The journal's only drawback is that it is difficult to document all the heavy and cumbersome transactions.

Question 6: What is a narrative?

Solution 6: Every transaction has a short summary after each entry is known as the narrative.

Question 7: What is ledger folio or L.F.?

Solution 7: Ledger Folio or L.F. It's the number of the page where the journal poses. In the document, the page number is registered.

Question 8: What is compound journal entry?

Solution 8: When, on the same day, two or more purchases belonging to one individual account take place. In this case, only one entry is passed, instead of logging different entries. This form of journal entry is known as the journal entry compound.

Question 9: What is opening entry?

Solution 9: The first entry in the Journal is moved to the preceding year's closing balances ledger. The opening entry is called it. The balance sheet prepared at the end of the year displays each asset and liability's closing balances and forms the basis for this opening entry.

Question 10: What entry is passed for withdrawing of goods by the proprietor for personal use?

Solution 10: Below is the Journal of withdrawing of goods by the proprietor

Drawings A/c	Dr.			
To Purchases A/c				
(Being goods withdrawing by the owner)				

Question 11: Which account should be debited, if wages are paid for the installation of a machine?

Solution 11: Machine account is debited if wages are paid for the installation of a machine.

Practical Question for DK Goel Solutions Class 11 Chapter 9

Question 1: Prepare a journal of Manohar Lal & sons from the following transactions:-

2018		Amount
March 1	Manohar Lal & Sons started a business with cash	60,000
March 2	Purchased furniture for cash	10,000
March 4	Purchased goods for cash	25,000
March 5	Bought goods from Kamlesh	15,000
March 10	Paid cash to Kamlesh	15,000
March 16	Purchased goods from Sohan	6,000
March 18	Purchased goods from Sohan for cash	8,000
March 20	Paid rent for the office	1,000

Solution 1:

Journal Entries in the Books of Manohar Lal & sons for the month of					
Date	Particular	L.F.	Amount Dr.	Amount Cr.	
March 1	Cash A/c	Dr.	60,000	-	
	To Capital A/c (Business started with cash)	-	-	60,000	
March 2	Furniture A/c	Dr.	10,000	-	
	To Cash A/c (Furniture bought with cash)	-	-	10,000	
March 4	Purchases A/c	Dr.	25,000	-	
	To Cash A/c (Bought goods with cash)	-	-	25,000	
March 5	Purchases A/c	Dr.	15,000	-	
	To Kamlesh's A/c (Bought goods from Kamlesh credited)	-	-	15,000	
March 10	Kamlesh's A/c	Dr.	15,000	-	
	To Cash A/c (Cash payable to Kamlesh)	-	-	15,000	
March 16	Purchases A/c	Dr.	6,000	-	
	To Sohan's A/c (Goods purchases from Sohan)	-	-	6,000	
March 18	Purchases A/c	Dr.	8,000	-	
	To Cash A/c (Goods bought in cash from Sohan)	-	-	8,000	
March 20	Rent A/c	Dr.	1,000	-	
	To Cash A/c (Office rent payable)	-	-	1,000	

Point in Mind DK Goel Solutions Class 11 Chapter 9 :-

Journal is a prime entry book or an original entry book in which the transaction is first entered in a linear order or sequence. As all transactions are originally documented in it, the document is called the Book of Original Entry.

Question 2: Prepare Journal of M/s Tripathi Bros from the following transactions:-

2018		Amount
Jan. 6	Sold goods for Cash	36,000
Jan. 8	Sold goods to Hari	30,000
Jan. 14	Received cash from Hari	18,000
Jan. 26	Received Commission	750
Jan. 27	Paid Salary to Gopal	1200
Jan. 28	Received cash from Hari	12,000
Jan. 29	Withdrew cash from office personal use	4,000
Jan. 30	Wages paid	7,200
Jan. 30	Bought Machinery for cash	8,000

Solution 2:

Journal Entries in the Books of M/s Tripathi Bros for the month of

Date	Particulars	L.F.	Amount (Debit)	Amount (Credit)
2018 Jan 06	Cash A/c To Sales A/c (Sale of goods on cash)	Dr.	36,000	36,000
Jan 08	Hari To Sales A/c (Sale of goods to Hari on credit)	Dr.	30,000	30,000
Jan 14	Cash A/c To Hari (Amount received from hari in Cash)	Dr.	18,000	18,000
Jan 26	Cash A/c To Commission A/c (Amount received by Commission)	Dr.	750	750
Jan 27	Salary A/c To Cash A/c (Amount paid to Gopal for salary)	Dr.	1200	1200
Jan 28	Cash A/c To Hari (Received Cash from Hari)	Dr.	12,000	12,000
Jan 29	Drawings A/c To Cash A/c (Amount withdraw by proprietor for personal use)	Dr.	4,000	4,000
Jan 30	Wages A/c To Cash A/c	Dr.	7,200	7,200

	(Amount paid for wages)			
Jan 30	Machinery A/c To Cash A/c (Purchased machinery for cash)	Dr.	8,000	8,000

Point in Mind DK Goel Solutions Class 11 Chapter 9 :- The first entry in the Journal is passed to record closing balances of the previous year. It is called the opening entry. The Balance Sheet prepared at the end of the year shows the closing balances of each asset and liability and forms the basis for this opening entry.

Question 3: Prepare Journal of Sahil Bros. from the following transactions:-

2016		Amount
Oct.1	Purchased goods from Anil for cash	40,000
Oct.3	Purchased goods from Atul	75,000
Oct.6	Returned goods to Atul	3,000
Oct.8	Paid cash to Atul	50,000
Oct.10	Sold goods to Charu	1,00,000
Oct.12	Charu returned 20% of goods	
Oct.15	Paid rent	2,000
Oct.20	Sahil withdrew for personal use	10,000

Solution 3:

Journal Entries in the Books of Sahil Bros for the month of

Date	Particular	L.F.	Amount Dr.	Amount Cr.
Oct 1	Purchases A/c To Cash A/c (Purchases goods in cash)	Dr.	40,000	40,000
Oct 3	Purchases A/c To Atul (Goods purchases from Atul)	Dr.	75,000	75,000
Oct 6	Atul's A/c To Purchases Return A/c (Returned goods to Atul)	Dr.	3,000	3,000
Oct 8	Atul's A/c To Cash A/c (Paid Amount to Atul)	Dr.	50,000	50,000
Oct 10	Charu's A/c To Sales A/c (Sold Goods to Charu)	Dr.	1,00,000	1,00,000
Oct 12	Sales Return A/c To Charu's A/c (Returned goods to Charu)	Dr.	20,000	20,000
Oct 15	Rent A/c To Cash A/c (Rent amount paid)	Dr.	2,000	2,000
Oct 20	Drawings A/c To Cash A/c (Amount withdrawn from owner)	Dr.	10,000	10,000
	Total		3,00,000	3,00,000

Working Note:-

1.) Sale = 1,00,000

Sales Return = Rs. 1,00,000 × 20% = Rs. 20,000

Question 4: Enter the following transactions in the Journal of Ganesh Bros.

2017		Amount
March 3	Sold goods to Dev	1,00,000
March 5	Received from Dev in full settlement of his account	98,000
March 6	Sold goods to Manmohan	80,000
March 8	Manmohan returned goods	1,000
March 15	Received from Manmohan in full settlement of his account	78,200
March 16	Received cash from Ram discount allowed	19,500
March 20	Paid cash to Pawan and discount received from him	4,700
March 25	Sold goods to Varun of the list price of Rs. 25,000 at 20% trade discount	

Solution 4:**Journal Entries in the books of Sahil Bros for the Month of**

Date	Particular	L.F	Amount Dr.	Amount Cr.
March 3	Dev To Sales A/c (Sold goods to Dev)	Dr.	1,00,000	1,00,000
March 5	Cash A/c Discount Allowed A/c To Dev (Received cash from Dev and discount allowed to him)	Dr. Dr.	98,000 2,000	1,00,000
March 6	Manmohan To Sales A/c (Sold goods to Manmohan)	Dr.	80,000	80,000
March 8	Sales Return A/c To Manmohan (Goods returned by Manmohan)	Dr.	1,000	1,000
March 15	Cash A/c Discount Allowed A/c To Manmohan (Received cash from Manmohan)	Dr. Dr.	78,200 800	79,000
March 16	Cash A/c Discount Allowed A/c To Ram's A/c (Received cash from Ram and discount allowed to him)	Dr. Dr.	19,500 500	20,000
March 20	Pawan To Cash A/c To Discount Received A/c (Paid cash to Pawan and discount received)	Dr.	5,000	4,700 300
March 25	Varun To Sales A/c (Sold goods and trade discount 20% allowed)	Dr.	20,000	20,000

Working Note:-

List price = Rs. 25,000

Calculation of Trade discount:-

Trade discount = 20%

Trade Discount = Rs. 25,000 × 20%

Trade Discount = Rs. 5,000

Calculation Sales:-

Sales = Rs. 25,000 – Rs. 5,000

Sales = Rs. 20,000

Question 5: Pass Journal entries in the books of Hari Shankar & Co. from the following:-

2017	Amount
Apr-01 Commenced business with cash	50,000
Apr-02 Purchased goods from Subhash	20,000
Apr-04 Sold goods to Ramnath	15,000
Apr-06 Ramnath returned defective goods	1,000
Apr-10 Received cash from Ramnath and Discount allowed	13,800 200
Apr-12 Gopal sold goods to us	10,000
Apr-14 Paid to Gopal in full settlement of his account after 5% discount.	
Apr-15 Paid Rent	10,000
Apr-16 Paid Rent of Hari Shankar's residence	5,000
Apr-18 Purchased goods for cash from Govind for Rs. 6,000 at 20% trade discount.	
Apr-20 Purchased goods from Govind for Rs. 10,000 at 20% trade discount.	
Apr-24 Paid to Govind Rs. 7,850 in full settlement of his account.	
Apr-25 Paid to Subhash Rs. 4,750; discount received Rs. 250.	
Apr-30 Paid Wages Rs. 400; Salaries Rs. 4,000; Advertisement expenses Rs. 800 and Trade expenses Rs. 1,000.	

Solution 5:

Journal Entries in the books of Hari Shankar & Co. for the month of

Date	Particular	LF	Amount Dr.	Amount Cr.
2017 April 1	Cash A/c To Capital A/c (Business started with cash)	Dr.	50,000	50,000
April 2	Purchases A/c To Subhash (Goods purchases from Subhash)	Dr.	20,000	20,000
April 4	Ramnath's A/c To Sales A/c (Sold goods to Ramnath)	Dr.	15,000	15,000
April 6	Sales Return A/c To Ramnath's A/c (Sales returned goods to Ramnath)	Dr.	1,000	1,000
April 10	Cash A/c Discount Allowed A/c To Ramnath's A/c (Received cash received from Ramnath and discount allowed)	Dr. Dr.	13,800 200	14,000
April 12	Purchases A/c To Cash A/c (Goods purchased from Gopal)	Dr.	10,000	10,000
April 14	Gopal's A/c To Cash A/c To Discount Received A/c (Paid cash to Pawan and discount received)	Dr.	10,000	9,500 500
April 15	Rent A/c To Cash A/c (Sold goods and 20% trade discount allowed)	Dr.	10,000	10,000
April 16	Drawings A/c	Dr.	5,000	

April 16	Drawings A/c To Cash A/c (Rent paid for proprietor's residence)	Dr.		5,000	5,000
April 18	Purchases A/c To Cash A/c (Goods Purchased for cash and trade discount of 20% allowed)	Dr.		4,800	4,800
April 20	Purchases A/c To Govind's A/c (Purchased Goods from Govind at trade discount of 20% allowed)	Dr.		8,000	8,000
April 24	Govind's A/c To Cash A/c To Discount Received A/c (Paid Cash to govind in full settlement)	Dr.		8,000	7,850 150
April 25	Subhash's A/c To Cash A/c To Discount Received A/c (Paid cash to subhash in full settlement)	Dr.		5,000	4,750 250
April 30	Wages A/c Salaries A/c Advertisement Expenses A/c Trade Expenses A/c To Cash A/c (Paid Expenses amount)	Dr. Dr. Dr. Dr.		400 4,000 800 1,000	6,200
Total				1,67,000	1,67,000

Working Note:-

1.) Calculation of discount

Discount Amount = Rs. 10,000 × 5% = Rs. 500

Amount paid to Gopal = Rs. 10,000 – Rs. 500
= Rs. 9,500

Question 6: Prepare a journal of Marutinandan stores

2017

Oct 1 Purchased goods from Ghanshyam of the list price of Rs. 50,000 at 15% trade discount.

Oct 3 Returned goods to Ghanshyam of the list price of Rs. 2,000

Oct 6 Paid cash to Ghanshyam Rs. 40,000 in full settlement of his account

Oct 8 Purchased goods from Raghu of the list price of Rs. 60,000 at 10% trade discount.

Oct 10 Returned goods to Raghu of the list price of Rs. 5,000.

Oct 12 Paid cash to Raghu Rs. 49,000 in full settlement of his account.

Solution 6:

Journal Entries in the books of Marutinandan stores for the month of

Date	Particular	L.F	Amount Dr.	Amount Cr.
Jan 10	Purchases A/c To Ghanshyam's A/c (Bought goods and give trade discount 15%)	Dr.	42,500	42,500
Jan 13	Ghanshyam's A/c To Purchases Return A/c (Goods returned to Ghanshyam and trade discount @ 15%)	Dr.	1,700	1,700
Jan 15	Ghanshyam's A/c To Cash A/c	Dr.	40,800	40,000

	To Discount Received A/c (Paid cash to Ghanshyam in full settlement)			800
Jan 20	Purchases A/c To Raghu's A/c (Bought goods from Raghu and trade discount @ 10%)	Dr.	54,000	54,000
Jan 22	Raghu's A/c To Purchases Return A/c (Goods returned to Raghu and trade discount @ 10%)	Dr.	4,500	4,500
Jan 25	Raghu's A/c To Cash A/c To Discount Received A/c (Paid cash to Raghu and discount received)	Dr.	49,500	49,000 500
	Total		1,93,000	1,93,000

Working Note:-

1.) Calculation of selling price

List price = Rs. 50,000 and Trade discount = 15%

Trade Discount = Rs. 50,000 × 15%

Trade Discount = Rs. 7,500

Sales = Rs. 50,000 – Rs. 7,500

Sales = Rs. 42,500

2.) Calculation of selling price

List price = Rs. 60,000 and Trade discount = 10%

Trade Discount = Rs. 60,000 × 10%

Trade Discount = Rs. 6,000

Sales = Rs. 60,000 – Rs. 6,000

Sales = Rs. 54,000

Point in mind:-

The following are the two advantages of allowing Trade Discount:

- 1.) Increased sales due to high quantity involved in sales.
- 2.) Increased customer base due to low prices and discount offers.

Question 7: Prepare a journal of the following transaction

2017

Jan 6 Sold goods to Muskan of the list price of Rs. 2,00,000 at trade discount of 20%

Jan 8 Muskan returned goods of the list price of Rs. 5,000

Jan 15 Received from Muskan the full payment under a cash discount of 4%

Solution 7:

Journal account for the year ended.....

Date	Particular	L.F	Amount Dr.	Amount Cr.
Jan 6	Muskan's A/c To Sales A/c (Sold goods to Muskan and trade discount 20%)	Dr.	1,60,000	1,60,000
Jan 8	Sales Return A/c To Muskan's A/c (Goods returned by Muskan trade discount 20%)	Dr.	4,000	4,000
Jan 15	Cash A/c Discount Allowed A/c To Muskan's A/c (Received cash from Muskan in full settlement)	Dr. Dr.	1,49,760 6,240	1,56,000

Total	3,20,000	3,20,000
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Working Note:-

1.) Calculation of selling price

List price = Rs. 2,00,000 and Trade discount = 20%

Trade Discount = Rs. 2,00,000 × 20%

Trade Discount = Rs. 40,000

Sales = Rs. 2,00,000 – Rs. 40,000

Sales = Rs. 1,60,000

Question 8: Prepare a journal of the following transaction of Raja Ram 2017

March 3 Bought goods for cash of the list price of Rs. 80,000 at 10% trade discount and 2 1/2% cash discount.

March 5 Sold goods for cash of the list price of Rs. 1,00,000 at 15% trade discount and 3% cash discount.

March 6 Sold goods to Nagpal of the list price of Rs. 50,000 at 20% trade discount.

March 8 Nagpal returned one-fourth of the above goods

March 10 Nagpal settled the account by paying cash under a discount of 5%

Solution 8:

Journal Entries in the Books of Raja Ram for the year				
Date	Particular	L.F.	Amount Dr.	Amount Cr.
Mar. 3	Purchases A/c To Cash A/c To Discount Received A/c (Bought goods for cash and discount received)	Dr.	72,000	70,200 1,800
Mar. 5	Cash A/c Discount Allowed A/c To Sales A/c (Sold goods for cash and discount allowed)	Dr. Dr.	82,450 2,550	85,000
Mar. 6	Nagpal's A/c To Sales A/c (Sold goods to Nagpal)	Dr.	40,000	40,000
Mar. 8	Sales Return A/c To Nagpal's A/c (Sales returned by Nagpal)	Dr.	10,000	10,000
Mar. 10	Cash A/c Discount Allowed A/c To Sales A/c (Received amount in full settlement)	Dr. Dr.	28,500 1,500	30,000
	Total		2,37,000	2,37,000

Working Note:-

1.) Calculation of selling price

List price = Rs. 80,000 and Trade Discount = 10%

Trade Discount = Rs. 80,000 × 10%

Trade Discount = Rs. 8,000
 Sales = Rs. 80,000 – Rs. 8,000
 Sales = Rs. 72,000

Cash discount = 2.5%
 Cash discount = Rs. 72,000 × 2.5%
 Cash discount = Rs. 1,800
 Total Amount Received = Rs. 72,000 – Rs. 1,800
 Total Amount Received = Rs. 70,200

Question 9: Prepare a journal entry.

2016

Mar 5 Sold goods to Shruti for Rs. 80,000 at 15% trade discount and 4% cash discount. Received 75% amount immediately through a cheque

Mar 10 Purchased goods from Richa for Rs. 60,000 at 10% trade discount and 5% cash discount. 60% amount paid by cheque immediately

Solution 9:

Journal Entries				
Date	Particular	L.F	Amount Dr.	Amount Cr.
Mar. 5	Shruti To Sales A/c (Sold goods to Shruti and trade discount 15%)	Dr.	68,000	68,000
Mar. 5	Bank A/c Discount Allowed A/c To Shruti (Received amount and cash discount allowed)	Dr. Dr.	48,960 2,040	51,000
Mar. 10	Purchases A/c To Richa (Purchased goods from Richa and trade discount allowed 10%)	Dr.	54,000	54,000
Mar. 10	Richa A/c To Bank A/c To Discount Received A/c (Paid amount to richa and cash discount received)	Dr.	32,400	30,780 1,620

Working Note:-

1.) Calculation of selling price

List price = Rs. 80,000 and Trade Discount = 15%
 Trade Discount = Rs. 80,000 × 15%
 Trade Discount = Rs. 12,000
 Sales = Rs. 80,000 – Rs. 12,000
 Sales = Rs. 68,000

Amount received = Rs. 68000 × 75%
 Amount received = Rs. 51,000

Cash discount = 4%
 Discount amount = Rs. 51,000 × 4%
 Discount amount = Rs. 2,040

Amount Received = Rs. 51,000 – Rs. 2,020

Amount Received = Rs. 48,960

2.) Calculation of purchases price

List price = Rs. 60,000 and Trade Discount = 10%

Trade Discount = Rs. 60,000 × 10% = Rs. 6,000

Sales = Rs. 60,000 – Rs. 6,000

Sales = Rs. 54,000

Amount received = Rs. 54,000 × 60%

Amount received = Rs. 32,400

Cash discount = 5%

Discount amount = Rs. 32,400 × 5%

Discount amount = Rs. 1,620

Amount Received = Rs. 32,400 – Rs. 1,620

Amount Received = Rs. 30,780

Question 10: Prepare a journal entry

2017

Jan 6 Purchased goods from Henry for Rs. 50,000 on 10% trade discount and 4% cash discount and paid 60% amount by cheque.

Jan 15 Bought goods from Amit for Rs. 2,00,000 at terms 5% cash discount and 20% trade discount. Paid 3/4th of the amount in cash at the time of purchase.

Jan 18 Sold goods to Sherpa at the list price of Rs. 50,000 less 20% trade discount and 4% cash discount if the payment is made within 7 days. 75% payment is received by cheque on Jan. 23rd

Jan 25 Sold goods to Garima for Rs. 1,00,000, allowed her 20% trade discount and 5% cash discount if the payment is made within 15 days. She paid 1/4th of the amount by cheque on Feb. 5th and 60% of the remainder on Feb.15th in cash

Question 10:

Journal entry for the month of				
Date	Particular	L. F	Amount Dr.	Amount Cr.
Jan 6	Purchases A/c To Bank A/c (WN1) To Discount Received A/c To Henry's A/c (Purchased goods and discount received)	Dr.	45,000	25,920 1,080 18,000
Jan 15	Purchases A/c To Bank A/c To Discount Received A/c To Amit's A/c (Goods purchased and received a discount on cash payment)	Dr.	1,60,000	1,14,000 6,000 40,000
Jan 18	Sherpa's A/c To Sales A/c	Dr.	40,000	40,000

(Goods sold on credit to Sherpa)				
Jan 23	Bank A/c Discount Allowed A/c To Sherpa's A/c (Received 75% amount from Sherpa and cash discount allowed)	Dr. Dr.	28,800 1,200	30,000
Jan 25	Garima's A/c To Sales A/c (Sold goods on credit basis to Garima)	Dr.	80,000	80,000
Feb 5	Bank A/c Discount Allowed A/c To Garima's A/c (Received Cheque from Garima and cash discount allowed)	Dr. Dr.	19,000 1,000	20,000
Feb 15	Cash A/c To Garima's A/c (Received Cash from garima)		60,000	60,000
	Total		4,35,000	4,35,000

Working Note:-

1.) Calculation of amount paid to hanry:-

List price = Rs. 50,000 and Trade Discount = 10%

Trade Discount = Rs. 50,000 × 10%

Trade Discount = Rs. 5,000

Sales = Rs. 50,000 – Rs. 5,000

Sales = Rs. 45,000

Amount received = Rs. 45,000 × 60%

Amount received = Rs. 27,000

Cash discount = 4%

Discount amount = Rs. 27,000 × 4%

Discount amount = Rs. 1,080

Amount Received = Rs. 27,000 – Rs. 1,080

Amount Received = Rs. 25,920

Question 11: Prepare Journal Entries

2017	
March	Particulars
2	Sold goods to Dilip of the list price of Rs. 62,000 for Rs. 60,000.
5	Sold goods to Amrit Lal of the list price of Rs. 2,50,000 at 20% trade discount and 10% cash discount. Amrit Lal paid Rs. 1,20,000 immediately through a banker's cheque.
10	Paid cheque of Rs. 30,000 to Chaturvedi and availed discount 2%.

16	Purchased goods costing Rs. 2,00,000 from Hari & Co. Paid 75% immediately by cheque to avail 4% discount.
20	Sold goods to Vishal Traders costing Rs. 40,000 at 25% profit, allowing 10% trade discount and 10% cash discount. Received 80% payment immediately by cheque.
26	Sold goods to Brij & Co. costing Rs. 50,000 at 40% profit, allowing 10% trade discount and 5% cash discount. Brij & Co. paid the full amount by cheque and availed cash discount.

Solution 11:

Journal Entries					
Date	Particular		L.F	Amount Dr.	Amount Cr.
Mar. 2	Dixit A/c To Sales A/c (Goods sold to Dixit)	Dr.		60,000	60,000
Mar. 5	Bank A/c Amrit Lal A/c Discount Allowed A/c To Sales A/c (Goods sold to Amrit Lal, half amount received through cheque and remaining on credit)	Dr. Dr. Dr.		1,20,000 68,000 12,000	2,00,000
Mar. 10	Chaturvedi A/c To Bank A/c To Discount Received A/c (Amount paid to Chaturvedi)	Dr.		30,600	30,000 600
Mar. 16	Purchase A/c To Hari & Co. A/c To Bank A/c To Discount Received A/c (Being purchased from Hari & Co., 75% paid through cheque and partly credit)	Dr.		2,00,000	50,000 1,44,000 6,000
Mar. 20	Bank A/c Vishal Traders A/c Discount Allowed A/c To Sales A/c (Being sold to Vishal Traders, partly received through cheque and partly credit)	Dr. Dr. Dr.		9,000 32,400 3,600	45,000
Mar. 26	Bank A/c Discount Allowed A/c To Sales A/c (Being goods sold to Brij & Co., and amount received through cheque)	Dr. Dr.		59,850 3,150	63,000
				5,98,600	5,98,600

Working Note:-

List price = Rs. 2,50,000 and Trade Discount = 20%

Trade Discount = Rs. 2,50,000 × 20%

Trade Discount = Rs. 50,000

Sales = Rs. 2,50,000 – Rs. 50,000

Sales = Rs. 2,00,000

Amount received = Rs. 1,20,000

Cash discount = 10%

Discount amount = Rs. 1,20,000 × 10%

Discount amount = Rs. 12,000

Amount Received = Rs. 1,20,000 – Rs. 12,000

Amount Received = Rs. 1,08,000

Question 12: Enter the Shyam Sunder & Sons transactions in their Journal.

2017

April Particulars

1 Shyam Sunder & Sons started a business with Cash Rs. 75,000; Goods Rs. 30,000 and Furniture Rs. 5,000.

2 Sold goods to Bhushan of the list price of Rs. 10,000 at a trade discount of 10%.

5 Paid cheque of Rs. 30,000 to Chaturvedi and availed discount 2%.

10 Received from Bhushan Rs. 8,000 in full settlement of his account.

12 Purchased Furniture for Rs. 6,000.

Purchased goods from Navin for Rs. 25,000 less trade discount 12%

15 Returned goods to Navin goods of the list price of Rs. 2,000.

16 Cleared the account of Navin by applying cash, under a discount of 5%.

17 Sold goods to Ajay Rs. 10,000 and Vijay Rs. 16,000.

20 Received cash from Ajay Rs. 9,800 in full settlement of his account. Paid insurance premium Rs. 750.

22 Paid for Shyam Sunder's Life Insurance Premium Rs. 1,200.

24 Purchased goods for Rs. 8,000 for cash at a trade discount of 10% and a cash discount of 2%.

25 Received cash from Vijay at a cash discount of 5% in full settlement of his account.

30 Paid Rent Rs. 800; Advertisement Rs. 1,000; and Salaries Rs. 4,000.

30 Received Commission Rs. 500.

Solution 12:

Journal Entries in the Books of Shyam Sundar & Sons for the month.....					
Date	Particular	L.F	Amount Dr.	Amount Cr.	
April 1	Cash A/c Stock A/c Furniture A/c To Sales A/c (Started business with cash, goods and furniture)	Dr. Dr. Dr.	75,000 30,000 5,000		1,10,000
April 2	Bhushan To Sales A/c (Sold goods to Bhushan and give trade discount)	Dr.	9,000		9,000
April 5	Sales Return A/c To Bhushan (Returned Goods by Bhushan and give trade discount)	Dr.	900		900
April 10	Cash A/c Discount Allowed A/c To Bhushan (Received cash from Bhushan in full settlement)	Dr.	8,000 100		8,100
April 12	Furniture A/c To Cash A/c (Purchased furniture for cash)	Dr.	6,000		6,000
April 12	Purchases A/c To Navin (Purchased goods from Navin on credit)	Dr.	22,000		22,000
April 15	Navin To Purchases Return A/c (Goods returned to Navin)	Dr.	1,760		1,760
April 16	Navin To Cash A/c To Discount Received A/c (Paid cash to Navin in full settlement)	Dr.	20,240		19,228 1,012
April 17	Ajay Vijay To Sales A/c (Sold goods to Ajay and Vijay)	Dr. Dr.	10,000 16,000		26,000
April 20	Cash A/c Discount Allowed A/c To Ajay's A/c (Received Cash from Ajay in full settlement)	Dr. Dr.	9,800 200		10,000
April 20	Insurance A/c To Cash A/c (Insurance premium paid)	Dr.	750		750
April 22	Drawings A/c	Dr.	1,200		

	To Cash A/c (Paid for proprietor's life insurance premium)			1,200
April 24	Purchases A/c To Cash A/c To Discount Received A/c (Purchased goods for cash and discount 2%)	Dr.	7,200	7,056 144
April 25	Cash A/c Discount Allowed A/c To Vijay's A/c (Received cash in full settlement)	Dr. Dr.	15,200 800	16,000
April 30	Rent A/c Advertisement A/c Salaries A/c To Cash A/c (Expenses paid)	Dr. Dr. Dr.	800 1,000 4,000	5,800
April 30	Cash A/c To Commission A/c (Commission received)	Dr.	500	500
			2,45,450	2,45,450

Working Note:-

1.) Calculation of amount paid by bhushan:-

List price = Rs. 10,000 and Trade Discount = 10%

Trade Discount = Rs. 1,00,000 × 10%

Trade Discount = Rs. 1,000

Sales = Rs. 10,000 – Rs. 1,000

Sales = Rs. 9,000

Point in Mind DK Goel Solutions Class 11 Chapter 9:-

Trade Discount is allowed by the seller on the purchase of goods in large quantities. It is usually by the wholesalers to the retail shop owners who further sell the goods to the consumer. Trade Discount is deducted in the invoice from sale price and is not recorded in the books of account.

Cash Discount is allowed by the seller to the customers to encourage prompt or early payment. It is allowed as a per cent of invoice value or payment made say @ 5% of invoice value to the buyer. Cash discount is calculated after deducting trade discount from the invoice price.

Question 13: Prepare a journal entry:-

2017		Amount
Jan-01	Paid into the bank to open a Current Account	10,000
Jan-03	Goods sold for Rs. 50,000 and the amount was deposited into the bank	
Jan-07	The amount is withdrawn from a bank	20,000
Jan-10	Goods sold for Cash	15,000
Jan-12	The amount deposited into bank	12,000
Apr-14	Goods purchased and payment made by cheque	25,000

Solution 13:

Date	Particular	L.F	Amount Dr.	Amount Cr.
Jan 1	Bank A/c To Cash A/c (Open a current account)	Dr.	10,000	10,000
Jan 3	Bank A/c To Sales A/c (Goods sold and amount deposited into a bank)	Dr.	50,000	50,000
Jan 7	Cash A/c To Bank A/c (Cash withdrawn from Bank)	Dr.	20,000	20,000
Jan 10	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	15,000	15,000
Jan 12	Bank A/c To Cash A/c (Cash deposited into bank)	Dr.	12,000	12,000
Jan 14	Purchases A/c To Bank A/c (Goods purchased and payment made by cheque)	Dr.	25,000	25,000
	Total		1,32,000	1,32,000

Point in Mind:-

1. Asset Accounts: Debit the increases, Credit the decreases.
2. Liability Accounts: Debit the decreases, Credit the increases.
3. Capital Accounts: Debit the decreases, Credit the increases.
4. Expense Accounts: Debit the increases, Credit the decreases.

Question 14 (A): Following balances appeared in the books of Radhika Traders as on 1st April, 2017:-

Assets: Cash Rs. 8,000; Cash at Bank Rs. 7,000; Stock Rs. 30,000; Debtors : Rs. 36,000 (Mohan Rs. 10,000; Sohan Rs. 12,000; Dinesh Rs. 14,000); Furniture Rs. 5,000; Building Rs. 25,000.

Liabilities: Creditors- X Rs. 5,000; Y Rs. 6,000.

In April, 2017, the following transaction took place:

2017		Rs.
April 2	Bought goods of the list price of Rs. 6,000 from Khanna Brothers less 15% trade discount and 2% cash discount and paid 40% price at the same time.	
3	Received a draft from Mohan in full settlement and deposited it into Bank	9,750
5	Purchased goods from Suresh of the list price of Rs. 8,000 at 20% trade discount and paid him by cheque.	
8	Sold goods and received a cheque	25,000
10	Deposited the above cheque into Bank	
12	Sohan deposited in our Bank A/c	4,000
16	Paid Income Tax by Cheque	5,600
20	Received a cheque from Sohan and sent to Bank	7,800
	Discount allowed	200
21	Withdrew from Bank-for office for private use	2,000 4,000
23	Sent a cheque to X in full settlement of his A/c	4,900
27	Cheque of Sohan returned by the bank as dishonoured.	
28	Dinesh was declared insolvent and a payment of 6 paise in a Rs. received from his estate by a Cheque	
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30	Bank allowed Interest	350
	Paid for Rent by cheque	1,500
	Paid for travelling expenses by cheque	500

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Solution 14 (A):

Journal Entries in the books of Radhika Traders for the month.....					
Date	Particular	L.F	Amount Dr.	Amount Cr.	
April 1	Cash in Hand A/c Cash at Bank A/c Stock A/c Mohan Sohan Dinesh Furniture A/c Building A/c To X To Y To Capital A/c (Opening entry passed)	Dr. Dr. Dr. Dr. Dr. Dr. Dr. Dr. Dr. Dr. Dr.	8,000 7,000 30,000 10,000 12,000 14,000 5,000 25,000		5,000 6,000 1,00,000
April 2	Purchases A/c To Khanna Brother's A/c To Cash A/c To Discount Received A/c (Bought goods in cash and received discount)	Dr.	5,100		3,060 1,999 41
April 3	Bank A/c Discount Allowed A/c To Mohan A/c (Received cheque from Mohan deposited into bank)	Dr. Dr.	9,750 250		10,000
April 5	Purchases A/c To Bank A/c (Bought goods and payment done by cheque)		6,400		6,400
April 8	Cheques-in-Hand A/c To Sales A/c (sale goods and cheque received)	Dr.	25,000		25,000
April 10	Bank A/c To Cheques-in-Hand A/c (Cheque Deposited into bank)	Dr.	25,000		25,000
April 12	Bank A/c To Sohan (Amount deposited by Sohan)	Dr.	4,000		4,000
April 16	Drawings A/c To Cash A/c (Income tax payable)	Dr.	5,600		5,600
April 20	Bank A/c Discount Allowed A/c To Sohan (Received amount from sohan and discount allowed)	Dr. Dr.	7,800 200		8,000
April 21	Drawings A/c Cash A/c To Bank A/c (Amount drawn for personal use and office use)	Dr. Dr.	4,000 2,000		6,000
April 23	X To Bank A/c To Discount Received A/c (amount paid to x though cheque in full settlement)	Dr.	5,000		4,900 100
April 27	Sohan To Bank A/c To Discount Allowed A/c (Received cheque from Sohan gets dishonoured)	Dr.	8,000		7,800 200
April 28	Cash A/c Bad Debts A/c To Dinesh's A/c (Bad-debts written off and cash received)	Dr. Dr.	8,400 5,600		14,000
April 30	Bank A/c To Interest A/c (Allowed interest by bank)	Dr.	350		350
April 30	Rent A/c Travelling Expenses A/c To Bank A/c (Paid expenses by bank)	Dr. Dr.	1,500 500		2,000
			2,35,450	2,35,450	

Working Note:-

1.) Calculation of amount paid by bhushan:-

List price = Rs. 8,000 and Trade Discount = 20%

Trade Discount = Rs. 8,000 × 20%

Trade Discount = Rs. 1,600

Sales = Rs. 8,000 – Rs. 1,600

April 10	Anil To Cash A/c To Discount Received A/c (Cash paid to Anil and discount received)	Dr.		4,000	3,920 80
April 15	Cash A/c To Furniture A/c (Sold furniture and cash received)	Dr.		800	800
April 16	Shiv Parshad To Sales A/c (Sold goods to Shiv Parshad on credit basis)	Dr.		8,500	8,500
April 18	Sales Return A/c To Shiv Parshad (Sales returned goods by Shiv Parshad)	Dr.		850	850
April 20	Repairs A/c To Cash A/c (Cash paid for furniture repair)	Dr.		100	100
April 25	Bank A/c Discount Allowed A/c To Shiv Parshad (Cheque received in full settlement by shiv parshad)	Dr. Dr.		7,344 306	7,650
April 28	Bank Charges A/c To Bank A/c (Bank charged some charges)	Dr.		50	50
April 30	Cash A/c To Commission A/c (Commission received)	Dr.		200	200
		Total		1,64,550	1,64,550

Working Note:-

List price = Rs. 20,000 and Trade Discount = 10%

Trade Discount = Rs. 20,000 × 10%

Trade Discount = Rs. 2,000

Sales = Rs. 20,000 – Rs. 2,000

Sales = Rs. 18,000

Cash discount = 5%

Discount amount = Rs. 18,000 × 5%

Discount amount = Rs. 900

Amount Received = Rs. 18,000 – Rs. 900

Amount Received = Rs. 17,100

Question 15: Pass Journal Entries

1. Provide depreciation on Furniture Rs. 500 and on Machinery Rs. 2,000.
2. Received cash Rs. 1,000 for bad-debts written off last year.
3. Ajay Singh was declared bankrupt. He owed Rs. 2,500 to us. Nothing could be recovered from his estate.
4. Rs. 20,000 for wages and Rs. 4,000 for salaries are outstanding.
5. Purchased furniture for Rs. 6,000 for the proprietor and paid the amount by cheque.
6. Provide 9% interest on capital amounting to Rs. 2,00,000.
7. Charge interest on drawings Rs. 1,000.

Solution 15:

Journal Book for the month of

S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
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1.	Depreciation A/c To Furniture A/c To Machinery A/c (Depreciation on furniture and machinery)	Dr.		2,500	500 2000
2.	Cash A/c To Bad Debts Recovered A/c (Bad debts recovered)	Dr.		1,000	1,000
3.	Bad Debts To Ajay Singh's A/c (Bad debts written-off)	Dr.		2,500	2,500
4.	Wages A/c Salaries A/c To Outstanding Wages A/c To Outstanding Salaries A/c (Salaries and wages outstanding)	Dr. Dr.		20,000 4,000	20,000 4,000
5.	Drawings A/c To Bank A/c (Furniture purchases for personal used)	Dr.		6,000	6,000
6.	Interest on Capital A/c To Capital A/c (Interest on capital paid)	Dr.		18,000	18,000
7.	Drawings A/c To Interest on Drawings A/c (Interest on drawings received)	Dr.		1,000	1,000
			Total	55,000	55,000

Question 16: Pass Journal Entries

2017

Jan 5 Purchased goods for Cash Rs. 10,000 and spent Rs. 200 for their carriage

Jan 10 Purchased machinery for Cash Rs. 50,000 and spent Rs. 500 for its carriage.

Jan 15 Paid Rs. 20,000 for cement, Rs. 10,000 for timber and Rs. 5,000 as wages for the construction of building.

Jan 17 Purchased an old machinery for Rs. 20,000 and spent Rs. 2,500 on its immediate repair.

Jan 20 Paid Rs. 500 to repairing some other machinery.

Solution 16:

Journal Book for the month of					
Date	Particulars	L.F.	Debit Rs.	Credit Rs.	
Jan. 5	Purchases A/c Carriage A/c To Cash A/c (Bought goods for cash and paid carriage)	Dr. Dr.	10,000 200		10,200
Jan. 10	Machinery A/c To Cash A/c (Bought machinery for cash and carriage paid)	Dr.	50,500		50,500
Jan. 15	Building A/c To Cash A/c (Payment made for construction of building)	Dr.	35,000		35,000
Jan. 17	Machinery A/c To Cash A/c (Bought machine and cash paid)	Dr.	22,500		22,500
Jan. 20	Repairs A/c To Cash A/c (Payment made for repairs)	Dr.	500		500
		Total	1,18,700	1,18,700	

Question 17: Pass Journal Entries

2016

June 1 Arun Govil & Co. paid into bank as capital Rs. 6,00,000

June 3 Purchased goods from Mukesh of the list price of Rs. 2,00,000 at 10% trade discount

June 4 One-fourth of the above goods returned to Mukesh for not being upto specifications

June 6 Issued a cheque to Mukesh for the amount due to him after deducting 2% as cash discount

June 7 Withdrew from bank Rs. 2,50,000 for office use and Rs. 10,000 for personal use

June 10 Purchased a machinery for Rs. 1,00,000 and spent Rs. 5,000 on its installation. Payment for machinery was made by cheque and installation expenses were paid in cash

June 12 Sold goods for Rs. 1,00,000 to Amar

June 13 Amar clears his account by giving a cheque of Rs. 98,500. Cheque is immediately sent to bank

June 15 Purchased stationery for personal use Rs. 3,000 and for office use Rs. 5,000

June 20 Purchased land for Rs. 2,00,000 and paid 1% as brokerage and Rs. 15,000 as registration charges on it. Entire payment is made by Cheque

June 30 Wages due to labourers Rs. 20,000 and salary due to the clerk Rs. 30,000

Solution 17:

Journal Entries in the books of Sh. Arun Govil & Co. for the year.....				
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2016 June 1	Bank A/c To Capital A/c (Business started with cash)	Dr.	6,00,000	6,00,000
June 3	Purchases A/c To Mukesh (Purchased goods and trade discount 10%)	Dr.	1,80,000	1,80,000
June 4	Mukesh To Purchases Return A/c (1/4th of goods returned to Mukesh)	Dr.	45,000	45,000
June 6	Mukesh To Bank A/c To Discount Received A/c (Issued full settlement cheque to Mukesh)	Dr.	1,35,000	1,32,300 2,700
June 7	Drawings A/c Cash A/c To Bank A/c (Withdrawn cash for personal and office use)	Dr. Dr.	10,000 2,50,000	2,60,000
June 10	Machinery A/c To Bank A/c To Cash A/c (Purchased machinery and installation charges paid)	Dr.	1,05,000	1,00,000 5,000
June 12	Amar's A/c To Sales A/c (Sold goods on credit to Amar)	Dr.	1,00,000	1,00,000
June 13	Bank A/c Discount Allowed A/c To Amar's A/c (Amount received in full settlement from Amar)	Dr. Dr.	98,500 1,500	1,00,000
June 15	Drawings A/c Stationery A/c To Cash A/c (Purchased stationery for personal and office use)	Dr. Dr.	3,000 5,000	8,000
June 20	Land A/c To Bank A/c (Bought land)	Dr.	2,17,000	2,17,000
June 30	Salaries A/c Wages A/c To Outstanding Wages A/c	Dr. Dr.	30,000 20,000	20,000

To Outstanding Salaries A/c (Outstanding expenses paid)			30,000
TOTAL		18,00,000	18,00,000

Question 18: Pass Journal Entries

- Purchased timber from Kuldeep Kumar, for cash Rs. 2,000 and credit Rs. 10,000.
- Paid to Kuldeep Kumar in full settlement of his account Rs. 9,950.
- Paid rent in advance Rs. 10,000.
- Purchased machinery for Rs. 1,00,000 by cheque and carriage Rs. 2,000 and installation charges Rs. 1,000 paid in Cash.
- Purchased goods for Rs. 50,000 from Govind and sold it to Manohar for Rs. 65,000.

Solution 18:

Journal Entries in the books of Raj Kumar for the month of.....				
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1.)	Purchases A/c To Cash A/c To Kuldeep Kumar's A/c (Purchased goods for cash and credit)	Dr.	12,000	2,000 10,000
2.)	Kuldeep Kumar's A/c To Cash A/c To Discount Received A/c (Cash paid to Kuldeep Kumar in full settlement)	Dr.	10,000	9,950 50
3.)	Prepaid Rent A/c To Cash A/c (Rent paid in advance)	Dr.	10,000	10,000
4.)	Machinery A/c To Bank A/c To Cash A/c (Purchased machinery and expenses paid)	Dr.	1,03,000	1,00,000 3,000
5.)	Purchases A/c To Govind's A/c (Purchased Goods from Govind on credit basis)	Dr.	50,000	50,000
	Manohar Lal's A/c To Sales A/c (Sold goods to Manohar Lal)	Dr.	65,000	65,000
	Total		2,50,000	2,50,000

Question 19: Pass Journal Entries

- Purchased Machinery for Rs. 20,000 and paid Rs. 200 for its carriage.
- Received a cheque for Rs. 4,850 from X in full settlement of his account of Rs. 5,000. Cheque was immediately deposited into bank.
- Received by cheque a first and final payment of 60 paise in a Rs. from Y who owed us Rs. 10,000.
- Sold goods to Z for Rs. 10,000 at a trade discount of 20%. Next day a cheque was received from him after deducting 5% cash discount. Cheque was immediately deposited into Bank.

5. Goods costing Rs. 20,000 sold to Manoj at a profit of 20% on cost less 10% trade discount.

Solution 19:

Journal Books for the month of.....

S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1)	Machinery A/c To Cash A/c (Machinery purchased and paid carriage charge)	Dr.	20,200	20,200
2)	Bank A/c Discount Allowed A/c To X (Received full settlement cheques from X)	Dr. Dr.	4,850 150	5,000
3)	Cash A/c Bad Debts A/c To Y (Cash received and written-off bad debts)	Dr. Dr.	6,000 4,000	10,000
4)	Z To Sales A/c (Being goods sold on credit to Z)	Dr.	8,000	8,000
	Bank A/c Discount Allowed A/c To Z (Received cheque in full settlement)	Dr. Dr.	7,600 400	8,000
5)	Manoj's A/c To Sales A/c (Sold goods to Manoj)	Dr.	21,600	21,600
	Total		72,800	72,800

Working Note:-

List price = Rs. 10,000 and Trade Discount = 20%

Trade Discount = Rs. 10,000 × 20%

Trade Discount = Rs. 2,000

Sales = Rs. 10,000 – Rs. 2,000

Sales = Rs. 8,000

Cash discount = 5%

Discount amount = Rs. 8,000 × 5%

Discount amount = Rs. 400

Amount Received = Rs. 8,000 – Rs. 400

Amount Received = Rs. 7,600

Question 20: Pass Journal Entries

1. Goods for Rs. 50,000 were destroyed by fire.
2. Goods worth Rs. 18,000 were distributed as free samples and Rs. 20,000 were given away as charity in cash.
3. Goods worth Rs. 25,000 and cash Rs. 40,000 were taken away by the proprietor for his personal use.
4. Goods worth Rs. 20,000 and cash Rs. 5,000 were given away as charity.
5. Cash Rs. 1,00,000 were stolen from the Iron Safe of the trader.

Solution 20:

Journal Books for the month of.....				
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1)	Loss by Fire A/c To Purchases A/c (Destroyed goods by fire)	Dr.	50,000	50,000
2)	Advertisement Expenses A/c To Purchases A/c (Distributed goods as free samples)	Dr.	18,000	18,000
	Charity A/c To Cash A/c (Cash given for charity)	Dr.	20,000	20,000
3)	Drawings A/c To Cash A/c To Purchases A/c (Cash and goods withdrawn for personal use)	Dr.	65,000	40,000 25,000
4)	Charity A/c To Cash A/c To Purchases A/c (Cash and goods given for charity)	Dr.	25,000	5,000 20,000
5)	Loss by Theft A/c To Cash A/c (Cash stolen)	Dr.	1,00,000	1,00,000
			2,78,000	2,78,000

Question 21: Pass Journal Entries

- Sold goods to Brijesh of the list price of Rs. 10,000 at trade discount of 5%. Received full payment in cash.
- Goods given away as charity Rs. 1,000.
- Charge interest on capital of Rs. 5,00,000 @ 7% p.a.
- Outstanding wages Rs. 3,000.
- Rs. 5,000 due from Sunny are now bad debts.
- Rs. 50,000 cash sales (of goods costing Rs. 40,000).

Solution 21:

Journal Books for the month.....				
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1)	Cash A/c To Sales A/c (Sold goods for cash to Brijesh)	Dr.	9,500	9,500
2)	Charity A/c To Purchases A/c (Goods given for charity)	Dr.	1,000	1,000
3)	Interest on Capital A/c To Capital A/c (Interest on capital paid)	Dr.	35,000	35,000
4)	Wages A/c To Outstanding Wages A/c (Outstanding wages provided)	Dr.	3,000	3,000
5)	Bad Debts A/c To Sunny's A/c (Bad debts written-off)	Dr.	5,000	5,000

6)	Cash A/c To Sales A/c (Goods sold for cash)	Dr.		50,000	50,000
			Total	1,03,500	1,03,500

Question 22: Pass Journal Entries

- Proprietor withdrew for private use Rs. 10,000 from bank.
- Goods costing Rs. 50,000 were burnt by fire.
- Purchased machinery for cash Rs. 1,50,000 and paid Rs. 2,000 on its installation.
- Charge 5% depreciation on building costing Rs. 2,00,000 and 8% depreciation on furniture costing Rs. 5,000.
- Prepaid salary Rs. 2,000.
- Kapil who owed us Rs. 20,000 becomes insolvent and nothing is received from his estate.

Solution 22:

Journal Books for the month.....

S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
a)	Drawings A/c To Bank A/c (Cash withdrew for personal use from bank)	Dr.	10,000	10,000
b)	Loss by Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.	50,000	50,000
c)	Machinery A/c To Cash A/c (Machinery purchased for cash and paid installation charges)	Dr.	1,52,000	1,52,000
d)	Depreciation A/c To Building A/c To Furniture A/c (Depreciation charged on furniture and building)	Dr.	10,400	10,000 400
e)	Prepaid Salary A/c To Salary A/c (Paid Salary)	Dr.	2,000	2,000
f)	Bad Debts A/c To Kapil (Bad debts written-off)	Dr.	20,000	20,000
			2,44,400	2,44,400

Question 23: Record Navin Gupta & Sons Journal Entries

- Out of Insurance premium paid this year, Rs. 15,000 is related to next year.
- Credit purchases from Ram & Co. for Rs. 50,000. Cash discount will be received at 5% on payment of bill within 10 days.
- Cash paid to Ram & Co. and discount availed of.
- Paid Income Tax Rs. 20,000 by cheque.
- Goods costing Rs. 2,00,000 sold for cash at a profit of 10%.
- Purchased iron safe for Rs. 2,00,000 filing cabinet for Rs. 50,000 and Computer for Rs.

1,00,000.

Solution 23:

Journal Entries in the Books of Navin Gupta for the month....

S. no.	Particulars	L. F.	Debit (Rs.)	Credit (Rs.)
1	Prepaid Insurance A/c To Insurance A/c (Insurance amount paid)	Dr.	15,000	15,000
2	Purchases A/c To Ram & Co. (Purchased goods from Ram & Co. on credit)	Dr.	50,000	50,000
3	Ram & Co. To Cash A/c To Discount Received A/c (Paid cash in full settlement to Ram & Co.)	Dr.	50,000	47,500 2,500
4	Drawings A/c To Cash A/c (Paid income tax)	Dr.	20,000	20,000
5	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	2,20,000	2,20,000
6	Office Equipment A/c To Cash A/c (Bought office equipment)	Dr.	3,50,000	3,50,000
			7,05,000	7,05,000

Question 24: Record journal book of Kanishk Traders

- Sold goods costing Rs. 1,20,000 to Charu at a profit of 33 1/2% on cost less 15% Trade Discount.
- Sold goods costing Rs. 80,000 to Arun against cheque at a profit of 25% on cost less 15% Trade Discount.
- Paid by cheque Rs. 8,400 as insurance premium for a period of 12 months starting 1st August 2016. Financial year closes on 31st March every year.

Solution 24:

Journal Entries in the Books of Kanishk Traders for the month of.....

S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1	Charu's A/c To Sales A/c (Sold goods to Charu)	Dr.	1,36,000	1,36,000
2	Bank A/c To Sales A/c (Sold goods to Arun)	Dr.	85,000	85,000
3	Insurance A/c To Bank A/c (Paid insurance premium)	Dr.	8,400	8,400

3	Insurance A/c To Bank A/c (Insurance premium paid by cheque)	Dr.		8,400	8,400
	Prepaid Insurance A/c To Insurance A/c (Insurance premium paid for four months advanced)	Dr.		2,800	2,800
				2,32,200	2,32,200

Question 25: Record journal book

2017

March Particulars

- 4 Purchased building for Rs. 1,50,000 and incurred expenses of Rs. 10,000 on its purchase
- 10 Satish who owed us Rs. 20,000 is declared insolvent and 60 paise per Rs. is received from his estate
- 15 Paid Rs. 500 for repairing the office furniture
- 18 Proprietor withdrew for his personal use cash Rs. 5,000 and goods worth Rs. 2,000
- 20 Purchased the following items for business. Iron Safe Rs. 15,000; Filing Cabinet Rs. 5,000; Computer Rs. 12,000; Postage Rs. 200 and Stationery Rs. 150
- 28 Paid electricity charges Rs. 1,600
- 31 Charge depreciation on Machinery @ 10% for one year (Machinery Rs. 75,000)
- 31 Outstanding wages at the end of the year Rs. 6,000

Solution 25:

Journal Entries					
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)	
Mar. 4	Building A/c To Bank A/c (Bought Building and paid expenses)	Dr.	1,60,000	1,60,000	
Mar. 10	Cash A/c Bad Debts A/c To Satish (Received cash from Satish and written-off bad debts)	Dr. Dr.	12,000 8,000	20,000	
Mar. 15	Repairs A/c To Cash A/c (Payment made to repair office furniture)	Dr.	500	500	
Mar. 18	Drawings A/c To Cash A/c To Purchases A/c (Goods and Cash withdrawn for personal use)	Dr.	7,000	5,000 2,000	
Mar. 20	Office Equipment A/c To Cash A/c (Purchases cabinet, typewriter, and iron safe)	Dr.	32,000	32,000	
Mar. 20	Postage & Stationery A/c To Cash A/c (Paid expenses for stationery and postage)	Dr.	350	350	
Mar. 28	Electricity Charges A/c To Cash A/c	Dr.	1,600	1,600	

	(Electricity charges paid)				7,500
Mar. 31	Depreciation A/c To Machinery A/c (Depreciation on machinery paid)	Dr.		7,500	7,500
Mar. 31	Wages A/c To Outstanding Wages A/c (Outstanding wages recorded)	Dr.		6,000	6,000
				2,34,950	2,34,950

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Question 26: Record journal book

- Purchased goods for Rs. 25,000 for Cash and paid Rs. 200 for carriage on these goods.
- Purchased goods for Rs. 40,000 on Credit from Sudhir and paid Rs. 500 for carriage on these goods.
- Purchased machinery for Rs. 20,000 and spent Rs. 500 on its carriage and Rs. 300 on its installation.
- Purchased goods from Anil for Rs. 15,000.
- Sold rd of the above goods at a profit of 20% on cost.
- Goods costing Rs. 12,000 sold to Mr. X, issued invoice at 25% above cost less 10% trade discount.
- Provide 20% depreciation on furniture costing Rs. 10,000.
- Gave as charity – Cash Rs. 500 and Goods Rs. 2,000.

Note – **DK Goel Solutions Class 11 Chapter 9** is free for all

Solution 26:

Journal Entries for the month of....					
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)	
1	Purchases A/c Carriage A/c To Cash A/c (Purchased goods for cash and carriage paid)	Dr. Dr.	25,000 200		25,200
2	Purchases A/c To Sudhir (Goods purchased on credit from Sudhir)	Dr.	40,000		40,000
	Carriage A/c To Cash A/c (Purchased goods from Sudhir and carriage paid)	Dr.	500		500
3	Machinery A/c To Bank A/c (Bought machinery and expenses paid)	Dr.	20,800		20,800
4	Purchases A/c To Anil (Purchased goods on credit from Anil)	Dr.	15,000		15,000
5	Cash A/c To Sales A/c (Purchased goods from Anil and sold for cash at a profit of 20% on cost)	Dr.	6,000		6,000
6	X To Sales A/c	Dr.	13,500		13,500

(Being goods sold to X)				
7	Depreciation A/c To Furniture A/c (Depreciation charged on furniture)	Dr.	2,000	2,000
8	Charity A/c To Cash A/c To Purchases A/c (Cash and goods given in charity)	Dr.	2,500	500 2,000
			1,25,500	1,25,500

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Question 27: Record journal book

- Received a V.P.P. from Mohan Lal for Rs. 25,000. Sent a peon to collect it who paid Rs. 200 as cartage
- Received Rs. 1,000 from sales of old newspapers and Rs. 5,000 from sales of old chairs
- Goods given away as charity goods costing Rs. 7,000
- Received Cash from a debtor written off as bad-debt last year Rs. 20,000
- Sold goods costing Rs. 50,000 to Ashok on credit at a profit of 20% on cost
- Sold goods costing Rs. 1,00,000 for Rs. 1,40,000
- Provide Rs. 50,000 as interest on Capital
- Paid rent of building Rs. 60,000 by cheque. Half the building is used by the proprietor for residential purpose
- Outstanding salary at the end of the year Rs. 30,000

Solution 27:

Journal Books for the month of.....					
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)	
1	Purchases A/c Cartage A/c To Cash A/c (Received VPP and paid cartage)	Dr. Dr.	25,000 200		25,200
2	Cash A/c To Sundry Income A/c (Income received from old newspaper sale)	Dr.	1,000		1,000
	Cash A/c To Furniture A/c (Received cash from old chairs sale)	Dr.	5,000		5,000
3	Charity A/c To Purchases A/c (Goods given to charity)	Dr.	7,000		7,000
4	Cash A/c To Bad Debts Recovered A/c (Bad-debts Recovered)	Dr.	20,000		20,000
5	Ashok's A/c To Sales A/c (Goods Sold to Ashok at 20% profit on credit)	Dr.	60,000		60,000
6	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	1,40,000		1,40,000

7	Interest on Capital A/c To Capital A/c (Interest provided on capital)	Dr.		50,000	50,000
8	Rent A/c Drawings A/c To Bank A/c (Paid building rent)	Dr. Dr.		30,000 30,000	60,000
9	Salary A/c To Outstanding Salary A/c (Provided outstanding salary)	Dr.		30,000	30,000
				3,98,200	3,98,200

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Question 28:

Record journal book

2018 Particulars

April 1 Purchased goods for Rs. 1,00,000 from Manoj and availed discount of Rs. 10,000

April 2 Paid amount due to Manoj by cheque and availed discount of Rs. 4,500

April 5 Cash Rs. 5,000 paid to Desai and discount allowed by him Rs. 200

April 10 Cash Rs. 10,000 received from Govardhan and allowed him discount Rs. 500

April 12 Sold personal Car of the proprietor for Rs. 80,00 against cheque, which was deposited into the firm's bank account

April 16 Sold personal Car of the proprietor for Rs. 1,50,000 against cheque, which was deposited into the proprietor's personal bank account

April 20 Sold goods to Gaurav costing Rs. 1,00,000 at a profit of 40% and allowed him 10% trade discount and paid for cartage Rs. 3,000 not to be charged from him

April 24 Placed an order with Rudra & Co. for supply of goods of Rs. 80,000 and a cheque for 40% amount is sent to them as an advance

Solution 28:

Journal Entries in the month of.....					
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)	
April 1	Purchases A/c To Manoj (Goods purchases from Manoj)	Dr.	90,000	90,000	
April 2	Manoj A/c To Bank A/c To Discount Received A/c (Paid due to Manoj and availed discount)	Dr.	90,000	85,500 4,500	
April 5	Desai A/c To Cash A/c To Discount Received A/c (Paid cash to Desai and allowed discount)	Dr.	5,200	5,000 200	
April 10	Cash A/c Discount Allowed A/c To Govardhan A/c (Cash received from Govardhan)	Dr. Dr.	10,000 500	10,500	
April 12	Bank A/c To Capital A/c	Dr.	80,000	80,000	

	(Personal car sold and invested in business)			
April 16	Entry will not passed			
April 20	Gaurav A/c To Sales A/c (Goods sold to Gaurav)	Dr.	1,26,000	1,26,000
	Carriage Outwards A/c To Cash A/c (Paid cartage on sales)	Dr.	3,000	3,000
Apr 24	Advance for Purchases A/c To Bank A/c (Against purchase order an advance cheque sent to Rudra and Co.)	Dr.	32,000	32,000
			4,36,700	4,36,700

Question 29: Give the journal entries corresponding to the narration given below:-

Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
(i)	To (Goods of the list price of Rs. 5,000 sold at 10% trade discount and 2% cash discount)	Dr. Dr.		
(ii)	(The purchase of Motor Car for Rs. 80,000 and the payment of Rs. 5,000 as repairs charges on it. Entire payment is made by cheque)			
(iii)	Chaturvedi's To Cash A/c To (Chaturvedi's account settled, cash discount three percent)	Dr.	5,000	
(iv)	Bank A/c To (70 paise per rupee received from the estate of Ashok on his insolvency)	Dr. Dr.		8,400
(v)	To (for goods used by the proprietor for personal use)	Dr.	3,000	3,000
(vi)	To (for rent due to lanlord)	Dr.	2,000	2,000

Solution 29:

Journal Books for the month of

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
i)	Cash A/c Discount Allowed A/c To Sales A/c (Goods of the list price of Rs. 5,000 sold at 10% trade discount and 2% cash discount)	Dr. Dr.	4,410 90	4,500
ii)	Motor Car A/c To Cash A/c (The purchase of Motor Car for Rs. 80,000 and the payment of Rs. 5,000 as repairs charges on it. Entire payment is made by cheque)	Dr.	85,000	85,000
iii)	Chaturvedi's A/c To Cash A/c To Discount Received A/c	Dr.	5,000	4,850 150

	(Chaturvedi's account settled, cash discount three per cent)				
iv)	Cash A/c Bad Debts A/c To Ashok's A/c (70 paise per rupee received from the estate of Ashok on his insolvency)	Dr. Dr.		5,880 2,520	8,400
v)	Drawings A/c To Purchases A/c (For goods used by the proprietor for personal use)	Dr.		3,000	3,000
vi)	Rent A/c To Outstanding Rent A/c (For Rent due to landlord)	Dr.		2,000	2,000
			TOTAL	1,07,900	1,07,900

Question 30: Rectify the following entries assuming that the narration in each case is correct

Date	Particulars	L.F.	Debit Amount (Rs)	Credit Amount (Rs)
2017 May 4	Building A/c Brokerage A/c To Bank A/c (Purchase of building and payment of brokerage on its purchase)	Dr. Dr.	5,00,000 10,000	5,10,000
May 10	Drawings A/c To Sales A/c (Goods taken away by the proprietor for personal use)	Dr.	12,000	12,000
May 16	Filing Cabinet A/c Electric Fan A/c To Cash A/c (Purchase of filing cabinet and an electric fan)	Dr. Dr.	4,000 2,500	6,500
May 18	Cash A/c To Sales A/c Goods worth Rs. 10,000 sold at 10% trade discount and 3% cash discount	Dr.	8,730	8,730
May 20	Bank A/c To Naresh (Receipt of 25 paise per rupee from the estate of Naresh who is declared insolvent)	Dr.	10,000	10,000
May 31	Bank Charges A/c To Cash A/c (Charges made by bank for its services)	Dr.	150	150

Solution 30:

Journal Books for the month of.....				
Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
May 4	Building A/c To Cash A/c (Purchase of building and payment of brokerage on its purchase)	Dr.	5,10,000	5,10,000
May 10	Drawings A/c To Purchases A/c (Goods taken away by the proprietor for personal use)	Dr.	12,000	12,000
May 16	Office Equipment A/c To Cash A/c (Purchase of filing cabinet and an electric fan)	Dr.	6,500	6,500
May 18	Cash A/c	Dr.	8,730	
	Discount Allowed A/c To Sales A/c	Dr.	270	9,000

	(Goods worth Rs. 10,000 sold at 10% trade discount and 3% cash discount)			
May 20	Cash A/c	Dr.	10,000	
	Bad Debts A/c	Dr.	30,000	
	To Naresh's A/c (25 paise per rupee receipt of from the estate of Naresh who is declared insolvent)			40,000
May 31	Bank Charges A/c	Dr.	150	
	To Bank A/c (Charges made by bank for its services)			150
	TOTAL		5,77,650	5,77,650

Question 31:

Record journal book

1 Goods destroyed by Fire for Rs. 5,000

2 Paid by cheque Rs. 25,000 as wages on installation of a Machinery

3 Issued a cheque in favour of M/s Parmatma Saran & Sons on account of purchase of goods Rs. 75,000

4 Goods sold costing Rs. 60,000 to M/s Kalu Sons at an invoice price 10% above cost less 5% Trade discount

Solution 31:

Journal Books for the month of

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1	Loss by Fire A/c To Purchases A/c (Destroyed Goods by fire)	Dr.	5,000	5,000
2	Machinery A/c To Cash A/c (Wages paid for machine installation)	Dr.	25,000	25,000
3	Purchases A/c To Bank A/c (Cheque Issued for goods purchasing)	Dr.	75,000	75,000
4	M/s Kalu & Son's A/c To Sales A/c (Goods on credit to M/s Kalu & Sons)	Dr.	62,700	62,700
	TOTAL		1,67,700	1,67,700

Working Note:-

Calculation selling price of the goods sold to M/s Kalu & Sons

Cost = Rs. 60,000

Profit = Rs. 60,000 × 10%

Profit = Rs. 6,000

List Price = Cost price + Profit

List Price = Rs. 60,000 + Rs. 6,000

List Price = 66,000

Trade discount = 5%

Trade discount = List Price × % of trade discount

Trade discount = Rs. 66,000 × 5%

Trade discount = Rs. 3,300

Sale price = List Price – Trade discount

Sale price = 66,000 – 3,300

Sale price = 62,700

Question 32: Record journal book

Journalise the following transactions:-

S no.	Particulars	(Rs.)
1.	Charge depreciation on Machinery	20,000
2.	Salary due to Office Clerks	1,00,000
3.	Received cash for Bad-Debts written off last year	5,000
4.	Purchased goods from Ashok & Co. for Rs. 50,000 at 20% trade Discount. Half the payment was made in cash.	
5.	Issued cheque to Ashok & Co. in full settlement	19,500
6.	Paid Life Insurance Premium by cheque	6,000
7.	Proprietor used goods for household purposes	20,000
8.	Goods given free to a hospital out of business	10,000

Solution 32:

Journal Books for the month of				
S. no.	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1	Depreciation A/c To Machinery A/c (Depreciation charged on machinery)	Dr.	20,000	20,000
2	Salary A/c To Outstanding Salary A/c (Salary due of a office clerk)	Dr.	1,00,000	1,00,000
3	Cash A/c To Bad Debts Recovered A/c (Bad debts recovered)	Dr.	5,000	5,000
4	Purchases A/c To Ashok & Co. To Cash A/c (Purchased goods and half of amount received in cash)	Dr.	40,000	20,000 20,000
5	Ashok & Co. To Bank A/c To Discount Received A/c (Paid to Ashok & Co. in full settlement)	Dr.	20,000	19,500 500
6	Drawings A/c To Cash A/c (Paid premium for life insurance)	Dr.	6,000	6,000
7	Drawings A/c To Purchases A/c (Goods used for household purposes)	Dr.	20,000	20,000
8	Charity A/c	Dr.	10,000	

	To Purchases A/c (Goods give as charity)			10,000
			2,21,000	2,21,000

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Question 33: Record journal book

2017March	Particulars	(Rs.)
1	Started business with cash	50,000
2	Purchased Machinery for cash	20,000
	Paid installation charges on machinery	2,000
5	Purchased goods from X of the list price of Rs. 25,000, Trade Discount 20% and cash discount 5%. Payment was made in cash immediately.	
10	Sold goods to Y costing Rs. 10,000 at 30% profit on cost less 10% trade discount.	
15	Paid Rent	1,000
20	Goods stolen from business	2,000
22	Gave as charity : Cash	100
	Goods	200
31	Purchased Post Cards and Envelopes	50
31	Purchased a Computer for business	25,000

Solution 33:

Journal Books for the month of					
Date	Particulars	L.F.	Debit Rs.	Credit Rs.	
Mar 1	Cash A/c To Capital A/c (Business started with cash)	Dr.	50,000		50,000
Mar 2	Machinery A/c To Cash A/c (Machinery purchased in cash and paid installation charges)	Dr.	22,000		22,000
Mar 5	Purchases A/c To Cash A/c To Discount Received A/c (Purchased goods for cash and discount received)	Dr.	20,000		19,000 1,000
Mar 10	Y To Sales A/c (Sold goods on credit at 30% profit to Y)	Dr.	11,700		11,700
Mar 15	Rent A/c To Cash A/c (Being rent paid)	Dr.	1,000		1,000
Mar 20	Loss by Theft A/c	Dr.	2,000		

	To Purchases A/c (Goods stolen from business)				2,000
Mar 22	Charity A/c To Cash A/c To Purchases A/c (Goods and cash paid for charity)	Dr.		300	100 200
Mar 31	Postage A/c To Cash A/c (Postage paid)	Dr.		50	50
Mar 31	Computer A/c To Cash A/c (Computer purchased)	Dr.		25,000	25,000
				1,32,050	1,32,050

Working Note:-

List price = Rs. 25,000 and Trade Discount = 20%

Trade Discount = Rs. 25,000 × 20%

Trade Discount = Rs. 5,000

Sales = Rs. 25,000 – Rs. 5,000

Sales = Rs. 20,000

Cash discount = 5%

Discount amount = Rs. 20,000 × 5%

Discount amount = Rs. 1,000

Amount Received = Rs. 20,000 – Rs. 1,000

= Rs. 19,000

Question 34: Record journal book

1. Purchased a Motor Car for Rs. 3,00,000 and paid Rs. 25,000 for its repair and renewal. Entire payment is made by cheque.
2. Received Rent Rs. 5,000.
3. Goods worth Rs. 20,000 were distributed as free samples.
4. Charge depreciation on Motor Car Rs. 32,500.
5. Rent due to Landlord Rs. 10,000 and Salary due to Clerks Rs. 80,000.
6. Charge interest on Capital Rs. 20,000.
7. Rs. 5,000 due from Sanjay Gupta are bad-debts.
8. Goods worth Rs. 50,000 were destroyed by fire.
9. Cash Rs. 5,000 and goods worth Rs. 20,000 were stolen by an employee.

Solution 34:

Journal Books for the month of					
Date	Particulars	L.F.	Debit Rs.	Credit Rs.	
1.	Motor Car A/c To Bank A/c	Dr.	3,25,000		3,25,000

	(Motorcar purchased and made payment for renewal and repair)				
2.	Cash A/c To Rent A/c (Rent received)	Dr.		5,000	5,000
3.	Advertisement Expenses A/c To Purchases A/c (Goods distributed for free samples)	Dr.		20,000	20,000
4.	Depreciation A/c To Motor Car A/c (Depreciation charged on motor car)	Dr.		32,500	32,500
5.	Rent A/c Salaries A/c To Outstanding Expenses A/c (Outstanding expenses provided)	Dr. Dr.		10,000	90,000
6.	Interest on Capital A/c To Capital A/c (Interest on capital paid)	Dr.		20,000	20,000
7.	Bad Debts A/c To Sanjay Gupta (Bad debts written-off)	Dr.		5,000	5,000
8.	Loss by Fire A/c To Purchases A/c (Goods destroyed by fire)	Dr.		50,000	50,000
9.	Loss by Theft A/c To Cash A/c To Purchases A/c (Employee stole goods and cash)	Dr.		25,000	5,000 20,000
				5,72,500	5,72,500

Question 35: Journalise the following transactions:

- (i) Bought goods from Arun for Rs. 2,00,000 at a trade discount of 15% and cash discount of 2%. Paid 80% amount immediately.
- (ii) Purchased foods for Rs. 20,000 from X and supplied it to Y for Rs. 26,000.
- (iii) Cash withdrawn from bank Rs. 5,000 for personal use and Rs. 25,000 for office use.
- (iv) Goods destroyed by fire : Cost Price Rs. 40,000.
- (v) Provide 20% depreciation on machinery costing Rs. 50,000.
- (vi) Out of insurance paid this year, Rs. 3,000 is related to next year.
- (vii) Allow Rs. 5,000 as interest on capital and charge Rs. 1,000 as interest on drawings.
- (viii) Sohan who owed us Rs. 25,000 was declared insolvent and a cheque of 40 paise in a Rs. is received from him in full settlement.
- (ix) Paid Income Tax Rs. 10,000 by cheque.
- (x) Salary paid Rs. 80,000 and Salary Outstanding Rs. 20,000.

Solution 35:

Journal Books

Date	Particulars	L.F.	Debit Rs.	Credit Rs.
(i)	Purchases A/c To Arun To Cash A/c To Discount Received A/c (Goods purchased and paid 80% in cash)	Dr.	1,70,000	34,000 1,33,280 2,720

(ii)	Purchases A/c To X (Goods purchased on credit from X)	Dr.		20,000	20,000
	Y To Sales A/c (Goods sold to Y on credit)	Dr.		26,000	26,000
(iii)	Cash A/c Drawings A/c To Bank A/c (Withdraw cash from bank for office and personal use)	Dr. Dr.		25,000 5,000	30,000
(iv)	Loss by Fire A/c To Purchases A/c (Destroyed goods by fire)	Dr.		40,000	40,000
(v)	Depreciation A/c To Machinery A/c (Charged depreciation on machinery)	Dr.		10,000	10,000
(vi)	Prepaid Insurance A/c To Insurance A/c (Insurance paid in advance)	Dr.		3,000	3,000
(vii)	Interest on Capital A/c To Capital A/c (Interest allowed on capital)	Dr.		5,000	5,000
	Drawings A/c To Interest on Drawings A/c (Interest charged on drawings)	Dr.		1,000	1,000
(viii)	Cash A/c Bad Debts A/c To Sohan (Bad debts written-off and received cash from Sohan)	Dr. Dr.		10,000 15,000	25,000
(ix)	Drawings A/c To Bank A/c (Income tax paid)	Dr.		10,000	10,000
(x)	Salaries A/c To Cash A/c To Outstanding Salaries A/c (Salary and outstanding salary paid)	Dr.		1,00,000	80,000 20,000
				4,40,000	4,40,000

Working Note:-

List price = Rs. 2,00,000 and Trade Discount = 15%

Trade Discount = Rs. 2,00,000 × 15%

Trade Discount = Rs. 30,000

Sales = Rs. 2,00,000 – Rs. 30,000

Sales = Rs. 1,70,000

Cash Received = 1,70,000 × 80%

Cash Received = Rs. 1,36,000

Cash discount = 2%

Discount amount = Rs. 1,36,000 × 2%

Discount amount = Rs. 2,720

Amount Received = Rs. 1,36,000 – Rs. 2,720

Amount Received = Rs. 1,33,280

Question 36: Journalise the following transactions:

2017March	Particulars
1	Purchased Machinery for Rs. 1,00,000 and the payment was made by issuing a cheque from Proprietor's saving bank account.
4	Received an order from Chakravarti for goods of Rs. 4,00,000 along with a cheque of 10% of the order as advance.
8	Paid cash Rs. 8,000 to Dushyant and discount allowed by him Rs. 800.
10	Goods were stolen by an employee (Sale Price Rs. 20,000; Cost Rs. 15,000).
15	Purchased stationery worth Rs. 8,000 for office use and Rs. 2,000 for personal use.
20	Manoj pays us Rs. 5,400 after deducting 10% for prompt payment.
28	Sold goods to Kuber costing Rs. 2,00,000 at 25% above cost less trade discount of 10% and cash discount of 5%. Kuber did not avail the cash discount.

Solution 36:

Journal Entries for the month of					
Date	Particulars	L.F.	Debit Rs.	Credit Rs.	
May 1	Machinery A/c To Capital A/c (Machine purchased and paid through personal bank account)	Dr.	1,00,000		1,00,000
May 4	Bank A/c To Advance against Sales A/c (Advanced cheque received from Chakravarti)	Dr.	40,000		40,000
May 8	Dushyant To Cash A/c To Discount Received A/c (Being cash paid to Dushyant)	Dr.	8,800		8,000 800
May 10	Loss by Theft A/c To Purchases A/c (Goods stolen by employee)	Dr.	15,000		15,000
May 15	Stationery A/c Drawings A/c To Cash A/c (Stationery purchased for personal and office use)	Dr. Dr.	8,000 2,000		10,000
May 20	Cash A/c Discount Allowed A/c To Manoj A/c (Amount received from Manoj and giving 10% discount)	Dr. Dr.	5,400 600		6,000
May 28	Kuber To Sales A/c	Dr.	2,25,000		2,25,000

April 24	Withdrew cash from office for personal use	2,500
April 29	Paid wages	450
April 30	Paid salary to Gopi	1,200
April 30	Received Commission	200

Solution 38:

Journal Entries in the Books of Vibha and Co.

Date	Particular	L.F	Amount Dr.	Amount Cr.
April 7	Cash A/c To Sales A/c (Goods sold for cash basis)	Dr.	13,000	13,000
April 9	Mani To Sales A/c (Goods sold to Mani on credit basis)	Dr.	15,000	15,000
April 12	Cash A/c To Mani (Goods received from Mani)	Dr.	10,000	10,000
April 18	Cash A/c To Sales A/c (Goods sold for cash)	Dr.	12,600	12,600
April 19	Suri To Sales A/c (Goods sold to Suri on credit)	Dr.	7,000	7,000
April 24	Drawings A/c To Sales A/c (Withdrew amount for personal use)	Dr.	2,500	2,500
April 29	Wages A/c To Cash A/c (Wages paid)	Dr.	450	450
April 30	Salary A/c To Cash A/c (Salary paid)	Dr.	1,200	1,200
April 30	Cash A/c To Commission Received A/c (Commission received)	Dr.	200	200

Question 39: Record the following transactions in the journal of Vimal Bros.

2018		Rs.
May 1	Commenced business with cash	5,00,000
May 2	Goods purchased from Mohan for cash	50,000
May 3	Goods purchased from Ajay	1,20,000
May 4	Goods returned to Ajay	5,000
May 8	Goods sold to Rajiv	40,000
May 12	Rajiv returned 10% of goods	

Solution 39:

Journal Entries of Vimal Bros. for the month of.....				
Date	Particular	L.F	Amount Dr.	Amount Cr.
2018 May 1	Cash A/c To Capital A/c (Business started with cash)	Dr.	5,00,000	5,00,000
May 2	Purchase A/c To Cash A/c (Purchased Goods cash on basis)	Dr.	50,000	50,000
May 3	Purchase A/c To Ajay A/c (Purchased goods from Ajay on credit basis)	Dr.	1,20,000	1,20,000
May 4	Ajay's A/c To Purchase Return A/c (Goods return from Ajay)	Dr.	5,000	5,000
May 8	Rajiv's A/c To Sale A/c (Sold Goods to Rajiv)	Dr.	40,000	40,000
May 12	Sales Return A/c To Rajiv's A/c (Sold Goods returned by Rajiv) (10% of 40,000 = Rs.4,000)	Dr.	4,000	4,000
	Total		7,19,000	7,19,000

Point of Knowledge for DK Goel Solutions Class 11 Chapter 9 :-

1. Asset Accounts: Debit the increases, Credit the decreases.
2. Liability Accounts: Debit the decreases, Credit the increases.
3. Capital Accounts: Debit the decreases, Credit the increases.
4. Expense Accounts: Debit the increases, Credit the decreases.

What is a journal?

Journal refers to the original entry book in which all financial transactions are recorded initially. Journals are recorded as soon as a financial transaction occurs to minimize the chances of omission of any transaction details. The journal is also termed the Book of

Original Entry as it consists of the original report of the transactions.

What is journalizing?

Journalizing is a mechanism employing which all business transactions are recorded for a firm's financial records. A business transaction is first entered in a journal. The journal keeps the firms keep track of all business transactions arranged in chronological order.

Write the advantages of a journal ?

The prominent advantages of journals are as follows –

- Journal keeps track of all the financial transactions on a date and time basis, arranged in a proper sequence.
- Journal enlists all the transactions supported with source documents to ensure the authenticity of the transaction.
- With a journal, the business prevents the omission of any transaction as journals efficiently record every financial transaction.

What is a General Journal?

As mentioned in DK Goel Solutions Class 11 Chapter 9, the general journal highlights the book of original entries, where business transactions are recorded in raw format, in order of date and time of the events. An account records the details of the transactions firstly on these journals.

What are the limitations of a journal ?

The limitations of journals are as follows –

- Whenever the number of transactions of a company becomes large, the journals turn to be bulky and unmanageable.
- As the authority of the journal lies in the hands of an individual account, this prevents multiple system check-ins.
- The journals do not record the cash transactions as they are recorded in the cash books.

What are Ledgers?

Ledger is basically a generalized summary of all the entries in a journal. All business transaction details flow from the journal to the ledgers. The summary from the ledgers helps the companies to efficiently design their financial statements.

Why is the journal termed as a Book of Original Entry?

Journals are titled the Books of Original Entry because all financial transactions are firstly recorded in the journals.