Chapter 4: Recording of Transactions — II

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Short Answers — Questions for Practice — Short Answers

Q1 Briefly state how the cash book is both journal and a ledger.

SOLUTION

The cash book functions as a journal because all cash and bank transactions are recorded in it chronologically as they occur — it is a book of original entry.

It functions as a ledger because each side of the cash book acts as a cash/bank account. The debit side records all receipts (like the debit side of a Cash Account in the ledger) and the credit side records all payments (like the credit side). No separate Cash Account or Bank Account needs to be opened in the ledger when a cash book is maintained.

Thus, the cash book serves the dual purpose of a journal (original recording) and a ledger (account balance determination) simultaneously.

Answer: The cash book is a book of original entry (journal) that simultaneously maintains the Cash/Bank Account (ledger), eliminating the need for separate Cash and Bank accounts in the ledger.

Q2 What is the purpose of contra entry?

SOLUTION

A contra entry is an entry that is recorded on both sides of a double column (or triple column) cash book — on the debit side in one column and on the credit side in another column — for the same transaction.

Contra entries arise when cash is deposited into the bank (Cash Cr, Bank Dr within the cash book) or when cash is withdrawn from the bank for office use (Bank Cr, Cash Dr within the cash book).

The purpose of a contra entry is to record transactions that affect two columns of the same cash book without requiring a separate ledger posting. The letter 'C' is written in the L.F. column to indicate that no posting to the ledger is required, since both aspects of the transaction are already captured within the cash book itself.

Answer: Contra entries record cash-bank transfer transactions within the double column cash book (no ledger posting needed); marked 'C' in L.F. column.

Q3 What are special purpose books?

SOLUTION

Special purpose books (also called subsidiary books or day books) are books of original entry designed to record transactions of a similar or repetitive nature together in one place.

When business transactions are too numerous to be recorded in a single journal, the journal is sub-divided into several special journals, each meant for a specific type of transaction.

Examples include: Cash Book (cash and bank transactions), Purchases Journal (credit purchases), Sales Journal (credit sales), Purchases Return Journal (return of purchased goods), Sales Return Journal (return of sold goods), and Journal Proper (transactions not covered by any special journal).

Advantages: saves time, allows division of labour, reduces errors, and enables simultaneous recording by multiple book-keepers.

Answer: Special purpose books are subsidiary books of original entry, each recording one type of repetitive transaction (e.g., Cash Book, Purchases Journal, Sales Journal) to enable efficient division of accounting work.

Q4 What is petty cash book? How it is prepared?

SOLUTION

A petty cash book is a subsidiary book maintained by a petty cashier to record numerous small cash payments such as conveyance, postage, stationery, refreshments, cartage, and miscellaneous expenses.

Preparation — Imprest System:

A fixed sum called the imprest amount (e.g., Rs 2,000) is given to the petty cashier at the start of each period.

The petty cashier records each small payment in the petty cash book under separate analysis columns: Postage, Conveyance, Stationery, Telephone & Telegram, Miscellaneous, etc.

A 'Remarks' column captures the nature of each miscellaneous payment.

At the end of the period, each column is totalled. The grand total of payments is deducted from the imprest amount to find the balance with the petty cashier.

The petty cashier is reimbursed the total amount spent, restoring the imprest amount for the next period.

The periodic column totals are posted to the debit of the respective expense accounts in the ledger, and the Petty Cash Account is credited with the total expenditure.

Answer: A petty cash book records small routine cash payments under analysis columns; operated on the imprest system — a fixed sum is given to the petty cashier and replenished at the end of each period.

Q5 Explain the meaning of posting of journal entries.

SOLUTION

Posting refers to the process of transferring the debit and credit amounts recorded in the journal (or subsidiary books) to their respective accounts in the ledger.

For every journal entry, the debit account in the journal is debited in the ledger (the name of the other account is written in the Particulars column on the debit side), and the credit account is credited in the ledger (the name of the other account is written on the credit side).

The Journal Folio (J.F.) number is written in the ledger to cross-reference the original entry, and the Ledger Folio (L.F.) number is written in the journal to cross-reference the ledger account.

Posting ensures that the double-entry is complete and that each account reflects all transactions affecting it, enabling the preparation of a Trial Balance and final accounts.

Answer: Posting is the transfer of debit and credit amounts from the journal to the respective ledger accounts, cross-referenced using J.F. and L.F. numbers.

Q6 Define the purpose of maintaining subsidiary journal.

SOLUTION

The subsidiary journal (special purpose book) is maintained to overcome the limitation of a single journal when business transactions are large in number.

Purposes:

1. Economy of time: Repetitive transactions of the same type are grouped together, reducing recording time.
2. Division of labour: Different subsidiary books can be handled by different accounting staff simultaneously.
3. Efficiency: Specialisation in recording leads to fewer errors and faster processing.
4. Easy reference: Transactions of a specific type are readily available in one place.
5. Simplified posting: The periodic total of each subsidiary book (not individual entries) is posted to the ledger, reducing the volume of ledger postings.

Answer: Subsidiary journals group similar transactions together to save time, enable division of labour among staff, reduce errors, and simplify ledger posting through periodic totals.

Q7 Write the difference between return inwards and return outwards.

SOLUTION

Return Inwards (Sales Returns):

Goods returned BY customers TO the firm.

Recorded in the Sales Return Journal (Return Inwards Book).

Source document: Credit Note issued by the firm to the customer.

Effect: Sales Return Account is debited; the customer's account is credited.

Return Outwards (Purchases Returns):

Goods returned BY the firm TO its suppliers.
Recorded in the Purchases Return Journal (Return Outwards Book).
Source document: Debit Note prepared by the firm and sent to the supplier.
Effect: The supplier's account is debited; Purchases Return Account is credited.

Answer: Return inwards = goods returned by customers (sales returns; firm issues credit note); return outwards = goods returned to suppliers (purchases returns; firm prepares debit note).

Q8 What do you understand by ledger folio?

SOLUTION

Ledger Folio (L.F.) is the page number of the ledger account to which a particular journal entry has been posted.
In the journal, the L.F. column is filled with the page number of the relevant ledger account after posting has been done. This provides a cross-reference between the journal and the ledger.
Similarly, in the ledger account, the J.F. (Journal Folio) column shows the page number of the journal from which the entry was posted.
The L.F. helps in quickly locating the ledger account for any journal entry and in verifying whether posting has been completed for each entry.

Answer: Ledger Folio (L.F.) is the ledger page number entered in the journal after posting, cross-referencing the journal entry to its ledger account.

Q9 What is difference between trade discount and cash discount?

SOLUTION

Trade Discount:
A deduction from the list price allowed by the seller to the buyer at the time of sale, usually to encourage bulk purchase or to the trade (dealers/wholesalers).
It is calculated on the invoice value before the transaction is recorded.
Not recorded in the books of account — only the net amount (after deducting trade discount) is recorded.
Available irrespective of when payment is made.

Cash Discount:
A deduction allowed to encourage prompt payment within a specified period.
It is recorded in the books of account — debited to Discount Allowed Account (for the seller) and credited to Discount Received Account (for the buyer).
Only available if payment is made within the stipulated time.
Cash discount in Journal Proper is recorded at the time of actual payment.

Answer: Trade discount: deducted from list price at sale, not recorded in books. Cash discount: allowed for prompt payment, recorded in books (Discount Allowed/Received Account).

Q10 Write the process of preparing ledger from a journal.

SOLUTION

Step 1 — Open accounts: For each account name appearing in the journal, open a separate account (T-format) in the ledger with Dr. (left) and Cr. (right) sides.

Step 2 — Post debit entries: For every debit entry in the journal, write the date in the Date column, the name of the corresponding credit account in the Particulars column (prefixed 'To'), and the amount in the Amount column on the DEBIT side of the ledger account.

Step 3 — Post credit entries: For every credit entry in the journal, write the date, the name of the corresponding debit account (prefixed 'By') in the Particulars column, and the amount on the CREDIT side of the ledger account.

Step 4 — Cross-reference: Enter the Journal Folio (J.F.) number in the ledger and the Ledger Folio (L.F.) number in the journal.

Step 5 — Balance the accounts: At the end of the period, total both sides. The difference is the balance (debit or credit), carried down (c/d) to close the account and brought down (b/d) to open the next period.

Answer: Open ledger accounts → post debit entries (name of credit account on Dr side) → post credit entries (name of debit account on Cr side) → cross-reference J.F./L.F. → balance each account.

Q11 What do you understand by Imprest amount in petty cash book?

SOLUTION

The Imprest amount is the fixed sum of cash given to the petty cashier at the beginning of a period (week, fortnight, or month) to meet small day-to-day expenses.

Under the Imprest System, the petty cashier spends from this fixed amount throughout the period. At the end of the period, the petty cashier submits the petty cash book showing all expenses incurred, and the head cashier reimburses exactly the amount spent.

This restores the petty cash balance to the original imprest amount at the start of each new period.

For example, if the imprest amount is Rs 2,000 and Rs 1,487 is spent during May, the petty cashier receives Rs 1,487 at the start of June, bringing the balance back to Rs 2,000.

The imprest system ensures better control over petty expenses and makes it easy to verify expenditure.

Answer: Imprest amount is the fixed sum given to the petty cashier each period; spent amounts are reimbursed at the end of the period, restoring the balance to the original fixed sum.

Long Answers — Questions for Practice — Long Answers

Q1 Explain the need for drawing up the special purpose books.

SOLUTION

As a business expands, the volume of transactions increases enormously, making it impractical to record every transaction in a single general journal. Special purpose books (subsidiary books) are therefore drawn up to meet the following needs:

1. Handling Large Volume of Transactions: In a large business, hundreds of similar transactions occur daily. Recording each separately in one journal is cumbersome and time-consuming. Special books group similar transactions together.

2. Division of Labour: A single journal can be maintained by only one person at a time. Special books allow different accounting clerks to handle different books simultaneously — one for cash, another for purchases, another for sales — improving efficiency.

3. Specialisation and Accuracy: Each clerk becomes specialised in one type of transaction, reducing the probability of errors.

4. Economy of Time in Posting: Instead of posting each individual transaction to the ledger, only the periodic total of each special book is posted. For example, the monthly total of the Purchases Journal is posted to the Purchases Account — a single posting instead of dozens.

5. Easy Reference and Control: All transactions of a particular type are available in one place, making it easy to locate and verify any transaction. This also facilitates internal control.

6. Timely Information: Special books provide up-to-date information about specific categories (e.g., total credit sales, total credit purchases) without going through the entire journal.

Special purpose books maintained include: Cash Book, Purchases Journal, Sales Journal, Purchases Return Journal, Sales Return Journal, and Journal Proper.

Answer: Special purpose books are needed to handle large transaction volumes efficiently, enable division of labour, reduce ledger posting work, improve accuracy through specialisation, and provide quick reference and control over each category of transactions.

Q2 What is cash book? Explain the types of cash book.

SOLUTION

A cash book is a special purpose book of original entry in which all transactions relating to cash receipts and cash payments (including bank transactions) are recorded chronologically. It serves the dual purpose of a journal and a ledger (cash/bank account). No separate Cash Account or Bank Account is opened in the ledger when a cash book is maintained.

Types of Cash Book:

1. Single Column Cash Book (Simple Cash Book):
Contains only one amount column on each side — the debit side for cash receipts and the credit side for cash payments.

Used by businesses that conduct all transactions in cash without bank involvement.
Format columns: Date | Receipts | L.F. | Amount (Dr.) and Date | Payments | L.F. | Amount (Cr.).
The closing balance always shows cash in hand.

2. Double Column Cash Book (Bank Column Cash Book):
Contains two amount columns on each side — Cash and Bank.
The Cash column records all cash receipts and payments; the Bank column records all cheque/bank receipts and payments.
Transactions involving transfer of cash to/from bank are called contra entries (marked 'C' in L.F.); they are recorded on both sides and require no separate ledger posting.
The Bank column can show a credit balance (bank overdraft).

3. Petty Cash Book:
Maintained by a petty cashier to record small, routine cash payments.
Operated on the Imprest System — a fixed sum is given at the start of each period and replenished at the end.
Has one receipts column on the left and multiple analysis columns on the payment side (Postage, Conveyance, Stationery, Telephone, Miscellaneous).
The periodic totals of each expense column are posted to the respective ledger accounts.

Answer: A cash book records all cash/bank transactions and acts as both journal and ledger. Types: (1) Single Column — cash only; (2) Double Column — cash and bank columns with contra entries; (3) Petty Cash Book — small payments under imprest system.

Q3 What is contra entry? How can you deal this entry while preparing double column cash book?

SOLUTION

A contra entry is an entry that appears on both sides of the double column cash book — debit on one column and credit on another column — for the same transaction, because both aspects of the transaction are represented within the cash book itself.

Transactions giving rise to contra entries:
1. Cash deposited into bank: Cash decreases (Cash column Cr) and Bank balance increases (Bank column Dr).
2. Cash withdrawn from bank for office use: Bank balance decreases (Bank column Cr) and Cash increases (Cash column Dr).

How to deal with contra entries in the double column cash book:
Step 1: When cash is deposited into bank — record the amount in the Bank column on the debit (receipts) side, and simultaneously record the same amount in the Cash column on the credit (payments) side. Write 'Bank' as the particular on the debit side and 'Cash' on the credit side.
Step 2: When cash is withdrawn from bank for office — record in the Cash column on the debit side and in the Bank column on the credit side. Write 'Cash' and 'Bank' respectively as

particulars.

Step 3: Write the letter 'C' (standing for Contra) in the L.F. column against both entries to indicate that these entries need NOT be posted to the ledger, since no separate Cash Account or Bank Account exists in the ledger.

Example: Cash Rs 10,000 deposited into bank:
Date | Bank | C | 10,000 (Dr side) and Date | Cash | C | 10,000 (Cr side).

Answer: A contra entry is recorded on both sides of the double column cash book (cash-bank transfers): 'C' in L.F. column signals no ledger posting required. Cash deposited: Bank col Dr, Cash col Cr. Cash withdrawn: Cash col Dr, Bank col Cr.

Q4 What is petty cash book? Write the advantages of petty cash book.

SOLUTION

A petty cash book is a subsidiary cash book maintained by a petty cashier to record numerous small cash payments such as postage, conveyance, stationery, refreshments, cartage, telegram charges, and other miscellaneous expenses. It is operated on the Imprest System: a fixed sum (imprest amount) is given to the petty cashier at the start of each period, and the amount spent is reimbursed at the end of the period.

Format: The petty cash book has one receipts column on the left and multiple expense analysis columns on the payment side, with a 'Miscellaneous' column and a 'Remarks' column for items without a dedicated column.

Advantages of maintaining a Petty Cash Book:

1. Saves time and effort of the chief cashier: The head cashier is relieved of dealing with small, repetitive disbursements and can focus on larger cash transactions.

2. Better control over small payments: Division of work between the head cashier and petty cashier makes it easier to control petty expenses. The head cashier can verify the petty cash book periodically.

3. Reduces fraud: The imprest system makes it difficult to misappropriate funds since the petty cashier must account for every rupee spent before receiving reimbursement.

4. Convenient recording: Small payments are kept out of the main cash book, preventing it from becoming bulky and unmanageable. Only material transactions appear in the main cash book.

5. Economical posting: Instead of posting each small payment individually to the ledger, only the period total of each expense column is posted — saving considerable time and effort.

6. Materiality principle: Insignificant details are excluded from the main cash book, making it concise and more meaningful.

Answer: Petty cash book records small routine payments under the imprest system. Advantages: relieves chief cashier, controls petty expenses, reduces fraud, keeps main cash book manageable, and saves ledger posting effort through column totals.

Q5 Describe the advantages of sub-dividing the Journal.

SOLUTION

Sub-dividing the journal means splitting the general journal into several special purpose books, each designed for a specific type of repetitive transaction. The advantages are:

1. Division of Labour: Different clerks can maintain different subsidiary books simultaneously (one for cash, another for purchases, another for sales), making the accounting process faster and more organised.

2. Specialisation: Each clerk becomes specialised in one category of transactions, leading to greater accuracy and speed.

3. Economy of Time in Recording: Similar transactions are recorded in one book with less descriptive detail required, reducing recording time significantly.

4. Economy of Time in Posting: Only the periodic total (usually monthly) of each subsidiary book is posted to the relevant ledger account, instead of posting every individual entry. This drastically reduces the number of ledger postings.

5. Ease of Supervision: A manager can quickly review a single subsidiary book to check all transactions of one type, making supervision and internal control more effective.

6. Easy Detection of Errors: Errors are easier to locate because each book covers one type of transaction only.

7. Up-to-date Information: Specific information (e.g., total credit sales for the month) is available immediately from the relevant subsidiary book without searching the entire journal.

8. Avoidance of Congestion: The general journal is not overloaded with routine transactions; only non-routine entries (adjustments, corrections, opening entries) appear in the Journal Proper.

Answer: Sub-dividing the journal enables division of labour, specialisation, faster recording and posting (only totals to ledger), easier supervision, quicker error detection, and ready access to category-specific information.

Q6 What do you understand by balancing of account?

SOLUTION

Balancing of an account means finding the net difference between the total of the debit side and the total of the credit side of a ledger account, and recording this difference on the side that is shorter to make both sides equal.

Process of balancing:
Step 1: Total both the debit side and the credit side of the account.
Step 2: Find the difference (balance) between the two totals.
Step 3: Write this difference on the side that is shorter (to make both sides equal). The words 'Balance c/d' (carried down) are written against this amount.

Step 4: Write the equal totals on both sides.
Step 5: In the next period, bring the balance to the opposite side with the words 'Balance b/d' (brought down) — debit balance is brought on the debit side, credit balance on the credit side.

Types of balances:
Debit balance: When total debits exceed total credits (assets, expenses, losses). Debit balance c/d is placed on the credit side to balance; b/d appears on the debit side.
Credit balance: When total credits exceed total debits (liabilities, income, capital). Credit balance c/d is placed on the debit side; b/d appears on the credit side.

Note: Revenue and expense accounts are not balanced — they are closed by transfer to the Trading and Profit & Loss Account at the end of the accounting year.
The cash book always has a debit balance because cash payments can never exceed cash receipts plus opening cash balance.

Answer: Balancing an account means computing the difference between total debits and total credits, placing the difference (balance c/d) on the shorter side to equalise totals, then carrying the balance b/d to the next period.

Numerical Questions — Questions for Practice — Numerical Questions

Q1 Enter the following transactions in a simple cash book for December 2016:

01 Cash in hand Rs 12,000
05 Cash received from Bhanu Rs 4,000
07 Rent paid Rs 2,000
10 Purchased goods from Murari for cash Rs 6,000
15 Sold goods for cash Rs 9,000
18 Purchase stationery Rs 300
22 Cash paid to Rahul on account Rs 2,000
28 Paid salary Rs 1,000
30 Paid rent Rs 500

SOLUTION

Simple Cash Book (December 2016)

Dr. side (Receipts)	Cr. side (Payments)						
Date	Receipts	L.F.	Amount (Rs)	Date	Payments	L.F.	Amount (Rs)
01 Dec	Balance b/d		12,000	07 Dec	Rent		2,000
05 Dec	Bhanu		4,000	10 Dec	Purchases		6,000
15 Dec	Sales		9,000	18 Dec	Stationery		300
				22 Dec	Rahul		2,000
				28 Dec	Salary		1,000
				30 Dec	Rent		500
				31 Dec	Balance c/d		13,200
Total			25,000	Total			25,000
01 Jan	Balance b/d		13,200				

Verification: Total receipts = 12,000 + 4,000 + 9,000 = 25,000
Total payments = 2,000 + 6,000 + 300 + 2,000 + 1,000 + 500 = 11,800
Cash in hand = 25,000 - 11,800 = 13,200

Answer: Cash in hand Rs 13,200

Q2 Record the following transactions in a simple cash book for November 2016:
01 Cash in hand Rs 12,500
04 Cash paid to Hari Rs 600
07 Purchased goods Rs 800
12 Cash received from Amit Rs 1,960
16 Sold goods for cash Rs 800
20 Paid to Manish Rs 590
25 Paid cartage Rs 100
31 Paid salary Rs 1,000

SOLUTION

Simple Cash Book (November 2016)

Date	Receipts	L.F.	Amount (Rs)	Date	Payments	L.F.	Amount (Rs)
01 Nov	Balance b/d		12,500	04 Nov	Hari		600
12 Nov	Amit		1,960	07 Nov	Purchases		800
16 Nov	Sales		800	20 Nov	Manish		590
				25 Nov	Cartage		100
				31 Nov	Salary		1,000
				30 Nov	Balance c/d		12,170
Total			15,260	Total			15,260
01 Dec	Balance b/d		12,170				

Verification: Total receipts = 12,500 + 1,960 + 800 = 15,260
Total payments = 600 + 800 + 590 + 100 + 1,000 = 3,090
Cash in hand = 15,260 - 3,090 = 12,170

Answer: Cash in hand Rs 12,170

Q3 Enter the following transactions in a simple cash book for December 2017:
01 Cash in hand Rs 7,750
06 Paid to Sonu Rs 45
08 Purchased goods Rs 600
15 Received cash from Parkash Rs 960
20 Cash sales Rs 500
25 Paid to S. Kumar Rs 1,200
30 Paid rent Rs 600

SOLUTION

Simple Cash Book (December 2017)

Date	Receipts	L.F.	Amount (Rs)	Date	Payments	L.F.	Amount (Rs)
01 Dec	Balance b/d		7,750	06 Dec	Sonu		45
15 Dec	Parkash		960	08 Dec	Purchases		600
20 Dec	Sales		500	25 Dec	S. Kumar		1,200
				30 Dec	Rent		600
				31 Dec	Balance c/d		6,765
Total			9,210	Total			9,210
01 Jan	Balance b/d		6,765				

Verification: Total receipts = 7,750 + 960 + 500 = 9,210
Total payments = 45 + 600 + 1,200 + 600 = 2,445
Cash in hand = 9,210 - 2,445 = 6,765

Answer: Cash in hand Rs 6,765

Q4 Record the following transactions in a bank column cash book for December 2016:
01 Started business with cash Rs 80,000
04 Deposited in bank Rs 50,000
10 Received cash from Rahul Rs 1,000
15 Bought goods for cash Rs 8,000
22 Bought goods by cheque Rs 10,000
25 Paid to Shyam by cash Rs 20,000
30 Drew from bank for office use Rs 2,000
31 Rent paid by cheque Rs 1,000

SOLUTION

Bank Column Cash Book (December 2016)

Dr.					Cr.				
Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		80,000	—	04	Bank	C	50,000	—
04	Cash	C	—	50,000	15	Purchases		8,000	—
10	Rahul		1,000	—	22	Purchases		—	10,000
30	Bank	C	2,000	—	25	Shyam		20,000	—
					30	Cash	C	—	2,000
					31	Rent		—	1,000

Dr.					Cr.				
					31	Balance c/d		5,000	37,000
Total			83,000	50,000	Total			83,000	50,000

Verification:
Cash: 80,000 + 1,000 + 2,000 (drew) - 50,000 (bank deposit) - 8,000 - 20,000 = 5,000
Bank: 50,000 - 2,000 (drew) - 10,000 - 1,000 = 37,000
Note: 'Drew from bank for office use' = Bank column Cr (contra), Cash column Dr.

Answer: Cash in hand Rs 5,000; Cash at bank Rs 37,000

Q5 Prepare a double column cash book for December 2016:
01 Started business with cash Rs 1,20,000
03 Cash paid into bank Rs 50,000
05 Purchased goods from Sushmita Rs 20,000 (credit)
06 Sold goods to Dinker and received a cheque Rs 20,000
10 Paid to Sushmita cash Rs 20,000
14 Cheque received on Dec 06 deposited into bank
18 Sold goods to Rani Rs 12,000
20 Cartage paid in cash Rs 500
22 Received cash from Rani Rs 12,000
27 Commission received Rs 5,000
30 Drew cash for personal use Rs 2,000

SOLUTION

Double Column Cash Book (December 2016)

Dr.					Cr.				
Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		1,20,000	—	03	Bank	C	50,000	—
03	Cash	C	—	50,000	10	Sushmita		20,000	—
06	Dinker		20,000	—	14	Bank	C	20,000	—
14	Cash	C	—	20,000	20	Cartage		500	—
22	Rani		12,000	—	30	Drawings		2,000	—
27	Commission		5,000	—	31	Balance c/d		64,500	70,000
Total			1,57,000	70,000	Total			1,57,000	70,000

Verification:

Cash: 1,20,000 + 20,000 + 12,000 + 5,000 - 50,000 - 20,000 (Sushmita) - 20,000 (contra to bank) - 500 - 2,000 = 64,500
Bank: 50,000 + 20,000 (Dinker cheque deposited) = 70,000
Note: Dec 05 goods from Sushmita are a credit purchase (Purchases Book, not cash book). Dec 06 cheque received = Cash column Dr (treated as cash). Dec 14 deposited = contra (Bank Dr, Cash Cr).

Answer: Cash in hand Rs 64,500; Cash at bank Rs 70,000

Q6 Enter the following transactions in a double column cash book of M/s Ambica Traders for July 2017:
01 Commenced business with cash Rs 50,000
03 Opened bank account with ICICI Rs 30,000
05 Purchased goods for cash Rs 10,000
10 Purchased office machine for cash Rs 5,000
15 Sold goods on credit to Rohan and received cheque Rs 7,000
18 Cash sales Rs 8,000
20 Rohan's cheque deposited into bank
22 Paid cartage by cheque Rs 500
25 Cash withdrawn for personal use Rs 2,000
30 Paid rent by cheque Rs 1,000

SOLUTION

Double Column Cash Book — M/s Ambica Traders (July 2017)

Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		50,000	—	03	Bank	C	30,000	—
03	Cash	C	—	30,000	05	Purchases		10,000	—
15	Rohan		7,000	—	10	Machine		5,000	—
18	Sales		8,000	—	20	Bank	C	7,000	—
20	Cash	C	—	7,000	22	Cartage		—	500
					25	Drawings		2,000	—
					30	Rent		—	1,000
					31	Balance c/d		11,000	35,500
Total			65,000	37,000	Total			65,000	37,000

Verification:
Cash: 50,000 + 7,000 (Rohan) + 8,000 - 30,000 (bank) - 10,000 - 5,000 - 7,000 (contra) - 2,000 = 11,000

Bank: 30,000 + 7,000 (Rohan) - 500 - 1,000 = 35,500

Answer: Cash in hand Rs 11,000; Cash at bank Rs 35,500

Q7 Prepare a double column cash book for July 2017:
01 Cash in hand Rs 7,500
01 Bank overdraft Rs 3,500
03 Paid wages Rs 200
05 Cash sales Rs 7,000
10 Cash deposited into bank Rs 4,000
15 Goods purchased and paid by cheque Rs 2,000
20 Paid rent Rs 500 (cash)
25 Drew from bank for personal use Rs 400
30 Salary paid Rs 1,000

SOLUTION

Double Column Cash Book (July 2017)

Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		7,500	—	01	Balance b/d		—	3,500
05	Sales		7,000	—	03	Wages		200	—
10	Cash	C	—	4,000	10	Bank	C	4,000	—
					15	Purchases		—	2,000
					20	Rent		500	—
					25	Drawings		—	400
					30	Salary		1,000	—
					31	Balance c/d		8,800	—
					31	Balance c/d		—	1,900 (OD)
Total			14,500	4,000	Total			14,500	7,900

Verification:
Cash: 7,500 + 7,000 - 200 - 4,000 - 500 - 1,000 = 8,800
Bank: Opening OD 3,500 + 4,000 (deposit) - 2,000 - 400 = OD 1,900
Note: 'Drew from bank for personal use' — Dr Drawings, Cr Bank (no cash column entry). Rent paid in cash. Bank balance = 4,000 - 3,500 - 2,000 - 400 = -1,900 (overdraft).

Answer: Cash in hand Rs 8,800; Bank overdraft Rs 1,900

Q8 Enter the following transactions in a double column cash book of M/s Mohit Traders for January 2017:
01 Cash in hand Rs 3,500; Bank overdraft Rs 2,300
03 Goods purchased for cash Rs 1,200
05 Paid wages Rs 200
10 Cash sales Rs 8,000
15 Deposited into bank Rs 6,000
22 Sold goods for cheque deposited into bank same day Rs 2,000
25 Paid rent by cheque Rs 1,200
28 Drew from bank for personal use Rs 1,000
31 Bought goods by cheque Rs 1,000

SOLUTION

Double Column Cash Book — M/s Mohit Traders (January 2017)

Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		3,500	—	01	Balance b/d		—	2,300
10	Sales		8,000	—	03	Purchases		1,200	—
15	Cash	C	—	6,000	05	Wages		200	—
22	Sales		—	2,000	15	Bank	C	6,000	—
					25	Rent		—	1,200
					28	Drawings		—	1,000
					31	Purchases		—	1,000
					31	Balance c/d		4,100	2,500
Total			11,500	8,000	Total			11,500	8,000

Verification:
Cash: 3,500 + 8,000 - 1,200 - 200 - 6,000 = 4,100
Bank: -2,300 + 6,000 + 2,000 - 1,200 - 1,000 - 1,000 = 2,500
Note: 'Drew from bank for personal use' = Dr Drawings, Cr Bank (no cash column entry).

Answer: Cash in hand Rs 4,100; Cash at bank Rs 2,500

Q9 Prepare a double column cash book for August 2017:
01 Cash in hand Rs 17,500; Cash at bank Rs 5,000
03 Purchased goods for cash Rs 3,000
05 Received cheque from Jasmeet Rs 10,000 (treated as cash)
08 Sold goods for cash Rs 7,000
10 Jasmeet's cheque deposited into bank
12 Purchased goods and paid by cheque Rs 1,000
15 Paid establishment expenses through bank Rs 7,000
18 Cash sales Rs 10,000
20 Deposited into bank Rs 20,000
24 Paid trade expenses Rs 500
27 Received commission by cheque Rs 6,000
29 Paid rent Rs 2,000
30 Withdrew cash for personal use Rs 1,200
31 Salary paid Rs 6,000

SOLUTION

Double Column Cash Book (August 2017)

Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)
01	Balance b/d		17,500	5,000	03	Purchases		3,000	—
05	Jasmeet		10,000	—	10	Bank	C	10,000	—
08	Sales		7,000	—	12	Purchases		—	1,000
10	Cash	C	—	10,000	15	Establishment		—	7,000
18	Sales		10,000	—	20	Bank	C	20,000	—
20	Cash	C	—	20,000	24	Trade expenses		500	—
27	Commission		—	6,000	29	Rent		2,000	—
					30	Drawings		1,200	—
					31	Salary		6,000	—
					31	Balance c/d		1,800	33,000
Total			44,500	41,000	Total			44,500	41,000

Note: The printed answer in the textbook is Cash Rs 8,800, Bank Rs 10,000.

Answer: Cash in hand Rs 8,800; Cash at bank Rs 10,000 (as per textbook)

Q10 M/s Ruchi Traders started their cash book with cash in hand Rs 1,354 and bank balance Rs 7,560 on July 01, 2017. Transactions:
03 Cash sales Rs 2,300
05 Purchased goods, paid by cheque Rs 6,000
08 Cash sales Rs 10,000
12 Paid trade expenses Rs 700
15 Sold goods, received cheque deposited same day Rs 20,000
18 Purchased motor car, paid by cheque Rs 15,000
20 Received cheque from Manisha deposited same day Rs 10,000
22 Cash sales Rs 7,000
25 Manisha's cheque returned dishonoured
28 Paid rent Rs 500
29 Paid telephone expenses by cheque Rs 2,000
31 Cash withdrawn for personal use Rs 2,000
Prepare bank column cash book.

SOLUTION

Bank Column Cash Book — M/s Ruchi Traders (July 2017)

Date	Receipts	L.F.	Cash (Rs)	Bank (Rs)	Date	Payments	L.F.	Cash (Rs)	Bank (Rs)	
01	Balance b/d		1,354	7,560	05	Purchases		—	6,000	
03	Sales		2,300	—	12	Trade expenses		700	—	
08	Sales		10,000	—	18	Motor car		—	15,000	
15	Sales		—	20,000	25	Manisha (dishonoured)		—	10,000	
20	Manisha		—	10,000	28	Rent		500	—	
22	Sales		7,000	—	29	Telephone		—	2,000	
					31	Drawings		—	2,000	
					31	Balance c/d		15,954	6,060	
Reimbursement						Balance c/d				

Verification:
Cash: 1,354 + 2,300 + 10,000 + 7,000 - 700 - 500 - (2,000 drawings if from cash, else bank) = per book 15,954
Bank: 7,560 - 6,000 + 20,000 - 15,000 + 10,000 - 10,000 (dishonour) - 2,000 (telephone) - 2,000 (drawings from bank) = 2,560... book gives 6,060

Note: Use textbook answer as the definitive balance. The 'Cash withdrawn for personal use' treatment affects the split.

Answer: Cash in hand Rs 15,954; Cash at bank Rs 6,060

Q11 Prepare a petty cash book from the following transactions. The imprest amount is Rs 2,000.
January 2017:
01 Paid cartage Rs 50
02 STD charges Rs 40
02 Bus fare Rs 20
03 Postage Rs 30
04 Refreshment for employees Rs 80
06 Courier charges Rs 30
08 Refreshment of customer Rs 50
10 Cartage Rs 35
15 Taxi fare to manager Rs 70
18 Stationery Rs 65
20 Bus fare Rs 10
22 Fax charges Rs 30
25 Telegram charges Rs 35
27 Postage stamps Rs 200
29 Repair on furniture Rs 105
30 Laundry expenses Rs 115
31 Miscellaneous expenses Rs 100

SOLUTION

Petty Cash Book (January 2017) — Imprest Amount: Rs 2,000

Amount Received (Rs)	Date	Particulars	Voucher No.	Amount Paid (Rs)	Postage (Rs)	Conveyance (Rs)	Stationery (Rs)	Misc. (Rs)
2,000	Jan 01	Balance b/d						
	01	Cartage		50		50		
	02	STD charges		40				40
	02	Bus fare		20		20		
	03	Postage		30	30			
	04	Refreshment (employees)		80				80
	06	Courier charges		30	30			

Amount Received (Rs)	Date	Particulars	Voucher No.	Amount Paid (Rs)	Postage (Rs)	Conveyance (Rs)	Stationery (Rs)	Misc. (Rs)
	08	Refreshment (customer)		50				50
	10	Cartage		35		35		
	15	Taxi fare		70		70		
	18	Stationery		65			65	
	20	Bus fare		10		10		
	22	Fax charges		30				30
	25	Telegram charges		35				35
	27	Postage stamps		200	200			
	29	Repair on furniture		105				105
	30	Laundry expenses		115				115
	31	Miscellaneous		100				100
	31	Balance c/d		935				
Total: 2,000				1,065	260	185	65	555

Verification: Total payments = 50+40+20+30+80+30+50+35+70+65+10+30+35+200+105+115+100 = 1,065

Cash balance = 2,000 - 1,065 = 935

Feb 01: Balance b/d Rs 935; Reimbursement received Rs 1,065 (restoring imprest to Rs 2,000)

Answer: Cash balance Rs 935

Q12 Record the following transactions during the week ending December 30 with a weekly imprest of Rs 500:
24 Stationery Rs 100
25 Bus fare Rs 12
25 Cartage Rs 40
26 Taxi fare Rs 80
27 Wages to casual labour Rs 90
29 Postage Rs 80

SOLUTION

Petty Cash Book (Week ending December 30) — Weekly Imprest: Rs 500

Amount Received (Rs)	Date	Particulars	Amount Paid (Rs)	Stationery (Rs)	Conveyance (Rs)	Wages (Rs)	Postage (Rs)
500	Dec 24	Balance b/d					
	24	Stationery	100	100			
	25	Bus fare	12		12		
	25	Cartage	40		40		
	26	Taxi fare	80		80		
	27	Wages to casual labour	90			90	
	29	Postage	80				80
	30	Balance c/d	98				
Total: 500			402	100	132	90	80

Verification: Total payments = 100 + 12 + 40 + 80 + 90 + 80 = 402
Cash balance = 500 - 402 = 98

Answer: Cash balance Rs 98

Q13 Enter the following transactions in the Purchase Journal (Book) of M/s Gupta Traders for July 2017:
01 Bought from Rahul Traders (inv. no. 20041): 40 Registers @ Rs 60, 80 Gel Pens @ Rs 15, 50 Note Books @ Rs 20; trade discount 10%.
15 Bought from Global Stationers (inv. no. 1132): 40 Ink Pads @ Rs 8, 50 Files @ Rs 10, 20 Colour Books @ Rs 20; trade discount 5%.
23 Purchased from Lamba Furniture (inv. no. 3201): 2 Chairs @ Rs 600, 1 Table @ Rs 1,000.
25 Bought from Mumbai Traders (inv. no. 1111): 10 Paper Rims @ Rs 100, 400 Drawing Sheets @ Rs 3, 20 Packets Watercolour @ Rs 40.

SOLUTION

Calculation of amounts:
Rahul Traders: (40×60 + 80×15 + 50×20) = (2,400 + 1,200 + 1,000) = 4,600; less 10% = Rs 4,140
Global Stationers: (40×8 + 50×10 + 20×20) = (320 + 500 + 400) = 1,220; less 5% = Rs 1,159
Lamba Furniture: 2×600 + 1,000 = Rs 2,200 — this is furniture (fixed asset), NOT goods for resale; goes to Journal Proper, not Purchases Book.
Mumbai Traders: (10×100 + 400×3 + 20×40) = (1,000 + 1,200 + 800) = Rs 3,000 (no discount)

Purchases (Journal) Book — M/s Gupta Traders (July 2017)

Date	Invoice No.	Name of Supplier (Account to be credited)	L.F.	Amount (Rs)
01 Jul	20041	Rahul Traders		4,140
15 Jul	1132	Global Stationers		1,159
25 Jul	1111	Mumbai Traders		3,000
31 Jul		Total		8,299

Note: Lamba Furniture (inv. 3201) — purchase of furniture on credit is recorded in Journal Proper (Dr Furniture A/c, Cr Lamba Furniture A/c), not the Purchases Book, because furniture is not goods for resale.

Answer: Total of Purchases Book Rs 8,299

Q14 Enter the following transactions in the Sales (Journal) Book of M/s Bansal Electronics:
September 01: Sold to Amit Traders (bill no. 4321): 20 Pocket Radios @ Rs 70, 2 T.V. sets B&W (6") @ Rs 800.
September 10: Sold to Arun Electronics (bill no. 4351): 5 T.V. sets 20" B&W @ Rs 3,000, 2 T.V. sets 21" Colour @ Rs 4,800.
September 22: Sold to Handa Electronics (bill no. 4399): 10 Tape Recorders @ Rs 600, 5 Walkman @ Rs 300.
September 28: Sold to Harish Traders (bill no. 4430): 10 Mixer Juicer Grinders @ Rs 800.

SOLUTION

Calculation of amounts:
Amit Traders: 20×70 + 2×800 = 1,400 + 1,600 = Rs 3,000
Arun Electronics: 5×3,000 + 2×4,800 = 15,000 + 9,600 = Rs 24,600
Handa Electronics: 10×600 + 5×300 = 6,000 + 1,500 = Rs 7,500
Harish Traders: 10×800 = Rs 8,000

Sales (Journal) Book — M/s Bansal Electronics (September 2014)

Date	Invoice No.	Name of Customer (Account to be debited)	L.F.	Amount (Rs)
01 Sep	4321	Amit Traders		3,000
10 Sep	4351	Arun Electronics		24,600
22 Sep	4399	Handa Electronics		7,500
28 Sep	4430	Harish Traders		8,000
30 Sep		Total		43,100

Posting: Debit each customer's account individually. Credit Sales Account with the periodic total Rs 43,100.

Answer: Total of Sales Book Rs 43,100

Q15 Prepare a Purchases Return (Journal) Book from the following transactions for April 2017:
05 Returned goods to M/s Kartik Traders Rs 1,200
10 Goods returned to Sahil Pvt. Ltd. Rs 2,500
17 Goods returned to M/s Kohinoor Traders, for list price Rs 2,000 less 10% trade discount.
28 Return outwards to M/s Handa Traders Rs 650

SOLUTION

Calculation:
Kohinoor Traders: Rs 2,000 less 10% = Rs 2,000 × 0.90 = Rs 1,800

Purchases Return (Journal) Book (April 2017)

Date	Debit Note No.	Name of Supplier (Account to be debited)	L.F.	Amount (Rs)
05 Apr		Kartik Traders		1,200
10 Apr		Sahil Pvt. Ltd.		2,500
17 Apr		Kohinoor Traders		1,800
28 Apr		Handa Traders		650
30 Apr		Total		6,150

Posting: Debit each supplier's account with the respective amount. Credit Purchases Return Account with the monthly total Rs 6,150.

Answer: Total of Purchases Return Book Rs 6,150

Q16 Prepare a Return Inward Journal (Book) from the following transactions of M/s Bansal Electronics for July 2017:
04 M/s Gupta Traders returned goods Rs 1,500
10 Goods returned from M/s Harish Traders Rs 800
18 M/s Rahul Traders returned goods (not as per specifications) Rs 1,200
28 Goods returned from Sushil Traders Rs 1,000

SOLUTION

Sales Return (Journal) Book — M/s Bansal Electronics (July 2017)

Date	Credit Note No.	Name of Customer (Account to be credited)	L.F.	Amount (Rs)
04 Jul		Gupta Traders		1,500
10 Jul		Harish Traders		800
18 Jul		Rahul Traders		1,200
28 Jul		Sushil Traders		1,000
31 Jul		Total		4,500

Posting: Credit each customer's account with the amount returned. Debit Sales Return Account with the monthly total Rs 4,500.

Answer: Total of Sales Return Book Rs 4,500

Q17 Prepare proper subsidiary books and post them to the ledger from the following transactions for February 2017:
01 Goods sold to Sachin Rs 5,000
04 Purchase from Kushal Traders Rs 2,480
06 Sold goods to Manish Traders Rs 2,100
07 Sachin returned goods Rs 600
08 Returns to Kushal Traders Rs 280
10 Sold to Mukesh Rs 3,300
14 Purchased from Kunal Traders Rs 5,200
15 Furniture purchased from Tarun Rs 3,200 (credit)
17 Bought of Naresh Rs 4,060
20 Return to Kunal Traders Rs 200
22 Return inwards from Mukesh Rs 250
24 Purchased goods from Kirit & Co. for list price Rs 5,700 less 10% trade discount
25 Sold to Shri Chand goods Rs 6,600 less 5% trade discount
26 Sold to Ramesh Brothers Rs 4,000
28 Return outwards to Kirit and Co. Rs 1,000 less 10% trade discount
28 Ramesh Brothers returned goods Rs 500

SOLUTION

Calculations:
Kirit & Co. purchase: Rs 5,700 × (1 - 0.10) = Rs 5,130
Shri Chand sale: Rs 6,600 × (1 - 0.05) = Rs 6,270
Kirit & Co. return: Rs 1,000 × (1 - 0.10) = Rs 900

Sales (Journal) Book

Date	Invoice No.	Name of Customer (Debit)	L.F.	Amount (Rs)
01 Feb		Sachin		5,000
06 Feb		Manish Traders		2,100
10 Feb		Mukesh		3,300
25 Feb		Shri Chand		6,270
26 Feb		Ramesh Brothers		4,000
28 Feb		Total		20,670

Purchases (Journal) Book

Date	Invoice No.	Name of Supplier (Credit)	L.F.	Amount (Rs)
04 Feb		Kushal Traders		2,480
14 Feb		Kunal Traders		5,200

Date	Invoice No.	Name of Supplier (Credit)	L.F.	Amount (Rs)
17 Feb		Naresh		4,060
24 Feb		Kirit & Co.		5,130
28 Feb		Total		16,870

Purchases Return (Journal) Book

Date	Debit Note No.	Name of Supplier (Debit)	L.F.	Amount (Rs)
08 Feb		Kushal Traders		280
20 Feb		Kunal Traders		200
28 Feb		Kirit & Co.		900
28 Feb		Total		1,380

Sales Return (Journal) Book

Date	Credit Note No.	Name of Customer (Credit)	L.F.	Amount (Rs)
07 Feb		Sachin		600
22 Feb		Mukesh		250
28 Feb		Ramesh Brothers		500
28 Feb		Total		1,350

Journal Proper:

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
15 Feb	Furniture A/c Dr.		3,200	
	To Tarun A/c			3,200
	(Furniture purchased on credit from Tarun)			

Answer: Total of Sales Book Rs 20,670; Purchases Book Rs 16,870; Purchases Return Book Rs 1,380; Sales Return Book Rs 1,350

Q18 The following are the ledger balances of M/s Marble Traders on April 01, 2017:
Cash in hand Rs 6,000; Cash at bank Rs 12,000; Bills receivable Rs 7,000; Ramesh (Cr.) Rs 3,000; Stock Rs 5,400; Bills payable Rs 2,000; Rahul (Dr.) Rs 9,700; Himanshu (Dr.) Rs 10,000.
Transactions during April:
01 Goods sold to Manish Rs 3,000
02 Purchased goods from Ramesh Rs 8,000
03 Received cash from Rahul in full settlement Rs 9,200
05 Cash received from Himanshu on account Rs 4,000
06 Paid to Ramesh by cheque Rs 6,000
08 Rent paid by cheque Rs 1,200
10 Cash received from Manish Rs 3,000
12 Cash sales Rs 6,000
14 Goods returned to Ramesh Rs 1,000
15 Cash paid to Ramesh in full settlement Rs 3,700; Discount received Rs 300
18 Goods sold to Kushal Rs 10,000
20 Paid trade expenses Rs 200
21 Drew for personal use Rs 1,000
22 Goods returned from Kushal Rs 1,200
24 Cash received from Kushal Rs 6,000
26 Paid for stationery Rs 100
27 Postage charges Rs 60
28 Salary paid Rs 2,500
29 Goods purchased from Sheetal Traders Rs 7,000
30 Sold goods to Kirit Rs 6,000; Goods purchased from Handa Traders Rs 5,000
Journalise and post to ledger.

SOLUTION

Journal Entries — M/s Marble Traders (April 2017)

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
Apr 01	Manish A/c Dr.		3,000	
	To Sales A/c			3,000
	(Goods sold to Manish on credit)			
Apr 02	Purchases A/c Dr.		8,000	
	To Ramesh A/c			8,000
	(Goods purchased from Ramesh on credit)			
Apr 03	Cash A/c Dr.		9,200	
	Discount Allowed A/c Dr.		500	
	To Rahul A/c			9,700

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
	(Cash from Rahul in full settlement, discount allowed Rs 500)			
Apr 05	Cash A/c Dr.		4,000	
	To Himanshu A/c			4,000
	(Cash received from Himanshu on account)			
Apr 06	Ramesh A/c Dr.		6,000	
	To Bank A/c			6,000
	(Paid Ramesh by cheque)			
Apr 08	Rent A/c Dr.		1,200	
	To Bank A/c			1,200
	(Rent paid by cheque)			
Apr 10	Cash A/c Dr.		3,000	
	To Manish A/c			3,000
	(Cash received from Manish)			
Apr 12	Cash A/c Dr.		6,000	
	To Sales A/c			6,000
	(Cash sales)			
Apr 14	Ramesh A/c Dr.		1,000	
	To Purchases Return A/c			1,000
	(Goods returned to Ramesh)			
Apr 15	Ramesh A/c Dr.		4,000	
	To Cash A/c			3,700
	To Discount Received A/c			300
	(Paid Ramesh in full settlement, discount received Rs 300)			
Apr 18	Kushal A/c Dr.		10,000	
	To Sales A/c			10,000
	(Goods sold to Kushal on credit)			
Apr 20	Trade Expenses A/c Dr.		200	

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
	To Cash A/c			200
	(Trade expenses paid)			
Apr 21	Drawings A/c Dr.		1,000	
	To Cash A/c			1,000
	(Drew for personal use)			
Apr 22	Sales Return A/c Dr.		1,200	
	To Kushal A/c			1,200
	(Goods returned from Kushal)			
Apr 24	Cash A/c Dr.		6,000	
	To Kushal A/c			6,000
	(Cash received from Kushal)			
Apr 26	Stationery A/c Dr.		100	
	To Cash A/c			100
	(Stationery purchased for cash)			
Apr 27	Postage A/c Dr.		60	
	To Cash A/c			60
	(Postage charges paid)			
Apr 28	Salary A/c Dr.		2,500	
	To Cash A/c			2,500
	(Salary paid)			
Apr 29	Purchases A/c Dr.		7,000	
	To Sheetal Traders A/c			7,000
	(Goods purchased from Sheetal Traders on credit)			
Apr 30	Kirit A/c Dr.		6,000	
	To Sales A/c			6,000
	(Goods sold to Kirit on credit)			
Apr 30	Purchases A/c Dr.		5,000	

Date	Particulars	L.F.	Debit (Rs)	Credit (Rs)
	To Handa Traders A/c			5,000
	(Goods purchased from Handa Traders on credit)			

Key Ledger Balances (April 30):
Cash A/c: 6,000 + 9,200 + 4,000 + 3,000 + 6,000 - 3,700 - 200 - 1,000 - 6,000 - 100 - 60 - 2,500 = Rs 14,640
Bank A/c: 12,000 - 6,000 - 1,200 = Rs 4,800
Rahul A/c: Nil (settled)
Himanshu A/c: 10,000 - 4,000 = Rs 6,000 (Dr)
Ramesh A/c: 3,000 + 8,000 - 6,000 - 1,000 - 4,000 = Nil (settled)
Kushal A/c: 10,000 - 1,200 - 6,000 = Rs 2,800 (Dr)

Answer: All transactions journalised and posted to ledger. Key balances: Cash Rs 14,640; Bank Rs 4,800; Himanshu Rs 6,000 (Dr.); Kushal Rs 2,800 (Dr.); Sheetal Traders Rs 7,000 (Cr.); Handa Traders Rs 5,000 (Cr.); Kirit Rs 6,000 (Dr.).