

## Chapter 11 Books of Original Entry – Cash Book

### Question 1

Enter the following transactions in a Single Column Cash Book:–

2016		(₹)
1	Commenced business with cash	25,000
3	Bought goods for Cash	10,000
3	Paid Carriage	200
4	Sold goods for Cash	6,000
10	Received from Ram	1,000
12	Paid to Shiv Kumar	2,600
15	Cash Sales	8,400
18	Purchased furniture for cash for office	5,000
20	Paid for Advertisement	500
20	Purchased goods from Mahesh on credit	6,000
24	Paid to Mahesh	4,000
25	Paid Wages	400
27	Received for Commission	1,500
28	Withdrew for personal use	2,200
31	Paid salary	700

**Solution:**

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Cash Book							
Dr.				Cr.			
Date 2016	Particulars	L.F.	Cash (Rs)	Date 2016	Particulars	L.F.	Cash (Rs)
May				May			
1	Capital A/c		25,000	3	Purchases A/c		10,000
4	Sales A/c		6,000	3	Carriage A/c		200
10	Ram		1,000	12	Shiv Kumar		2,600
15	Sales A/c		8,400	18	Furniture A/c		5,000
27	Commission A/c		1,500	20	Advertisement A/c		500
				24	Mahesh		4,000
				25	Wages A/c		400
				28	Drawings A/c		2,200
				31	Salary A/c		700
				31	Balance c/d		16,300
			<b>41,900</b>				<b>41,900</b>
June 1	Balance b/d		<b>16,300</b>				

**Note:** May 20, 2016 transaction is not recorded in Cash Book as the credit transactions don't impact the cash balance.

### Question 2

Enter the following transactions in M/s Mukerjee & Bros. Single Column Cash Book:

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2017		(₹)
1	Balance of Cash in hand	50,000
3	Purchased goods for cash	22,000
7	Purchased goods	15,000
10	Purchased goods from Gopi	30,000
13	Purchased goods from Gopi for cash	10,000
15	Sold goods	20,000
18	Sold goods to Vishwakarma	45,000
20	Sold goods to Raghunandan for cash	18,000
25	Received commission	5,000
30	Paid Rent	

### Solution

Cash Book							
Dr.				Cr.			
Date 2017	Particulars	L.F.	Cash ₹	Date 2017	Particulars	L.F.	Cash ₹
April				April			
1	Balance b/d		50,000	3	Purchases A/c		22,000
15	Sales A/c		20,000	7	Purchases A/c		15,000
20	Sales A/c		18,000	13	Purchases A/c		10,000

25	Commission A/c		5,000	30	Rent A/c		10,000
				30	Balance c/d		36,000
			<b>93,000</b>				<b>93,000</b>
May 1	Balance b/d		<b>36,000</b>				

### Question 3

Enter the following transactions in a Single Column Cash Book:

2017 Feb.		(₹)
1	Mr. Vipin commenced business with Cash	2,00,000
3	Opened a Bank Account and deposited	75,000
5	Purchased goods for Cash	30,000
7	Purchased goods	15,000
10	Purchased goods from Surya Kant	40,000
12	Paid to Surya Kant	38,800
	Discount received	1,200
15	Paid Wages in Cash	22,500
16	Paid to casual labour	1,500
20	Sold goods to Dev Raj for Cash	80,000
25	Paid electricity bill in Cash	12,000
26	Withdrew Cash from Bank	40,000

27	Received for Cash sales	5,000
27	Paid for miscellaneous expenses	500

**Solution:**

<b>Cash Book</b>							
<b>Dr.</b>				<b>Cr.</b>			
<b>Date</b> 2017	<b>Particulars</b>	<b>L.F.</b>	<b>Cash</b> ₹	<b>Date</b> 2017	<b>Particulars</b>	<b>L.F.</b>	<b>Cash</b> ₹
Feb.				Feb.			
1	Capital A/c		2,00,000	3	Bank A/c		75,000
20	Sales A/c		80,000	5	Purchases A/c		30,000
26	Bank A/c		40,000	7	Purchases A/c		15,000
27	Sales A/c		5,000	12	Surya Kant		38,800
				15	Wages A/c		22,500
				16	Wages A/c		1,500
				25	Electricity Charges A/c		12,000
				27	Miscellaneous Expenses A/c		500
				28	Balance c/d		1,29,700
			<b>3,25,000</b>				<b>3,25,000</b>
Mar.1	Balance b/d		<b>1,29,700</b>				

**Question 4**

Enter the following transactions in a Single Column Cash Book:-

2016		₹
Dec. 1	Cash-in-hand	25,000
2	Cash Sales (CGST 6%, SGST 6%)	40,000
4	Received from X on behalf of Y	4,000
9	Paid to Som Pal	4,900
	Discount Received	100
12	Received from Vijay Kumar	7,800
	and discount allowed	200
20	Bought goods for Cash (CGST 6%, SGST 6%)	20,000
21	Paid Cartage (CGST 6%, SGST 6%)	1,000
23	Remitted to Dharamvir	1,880
	and discount allowed by him	120
25	Received M.O. from Mohan	500
27	Borrowed from Mahabir	7,500
29	Received from Bhushan	3,900
	discount allowed	100
31	Paid to Lalit ₹ 2,700 in full settlement of his account of ₹ 3,000	

**Solution:**

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Dr.	Single Column Cash Book						Cr.
Date 2016	Particulars	L.F.	Cash (₹)	Date 2016	Particulars	L.F.	Cash (₹)
Dec.				Dec.			
1	Balance b/d		25,000	09	Som Pal		4,900
2	Sales A/c		40,000	20	Purchases A/c		20,000
2	Output CGST A/c		2,400	20	Input CGST A/c		1,200
2	Output SGST A/c		2,400	20	Input SGST A/c		1,200
4	Y		4,000	21	Cartage		1,000
12	Vijay Kumar		7,800	21	Input CGST A/c		60
25	Mohan		500	21	Input SGST A/c		60
27	Mahabir's Loan A/c		7,500	23	Dharamvir		1,880
29	Bhushan		3,900	31	Lalit		2,700
				31	Balance c/d		60,500
			<b>93,,500</b>				<b>93,500</b>
2017							
Jan.1	Balance b/d		<b>60,500</b>				

### Question 5

Enter the following transactions in a Single Column Cash Book of M/s Suchitra Sen & Co.

2017		(₹)

1	Cash in Hand	1,20,000
2	Bought machinery for ₹ 60,000 and paid carriage	2,000
4	Bought goods for ₹ 25,000 and paid carriage	1,000
5	Bought goods from Ravi Das	15,000
6	Cash received from the sale of Motorbike	5,000
8	Sold goods for cashless 5% cash discount	20,000
10	Sold goods	40,000
12	Paid to Ravi Das on account	10,000
15	Bought goods from Suresh for cashless 4% cash discount	30,000
20	Paid to Ravi Das	4,500
	Discount received	500
25	Cash collected from Ashok (Debtor)	10,000
28	Purchased postal stamps	500
28	Salary paid to an accountant	15,000

**Solution:**

Cash Book							
Dr.				Cr.			
Date 2017	Particulars	L.F.	Cash (Rs)	Date 2017	Particulars	L.F.	Cash (Rs)
March				March			



1	Balance b/d		1,20,000	2	Machinery A/c (60,000 + 2,000)		62,000
6	Motor Bike A/c		5,000	4	Purchases A/c		25,000
8	Sales A/c		19,000	4	Carriage A/c		1,000
10	Sales A/c		40,000	12	Ravi Das		10,000
25	Ashok		10,000	15	Suresh		28,800
				20	Ravi Das		4,500
				28	Postal Stamps		500
				28	Salary A/c		15,000
				31	Balance c/d		47,200
			<b>1,94,000</b>				<b>1,94,000</b>
April 1	Balance b/d		<b>47,200</b>				

### Question 6

Write up Cash Book of Bhanu Partap with Cash and Bank Columns from the following transactions: –

2017		(₹)
March 1	Cash-in-hand	2,710
	Cash at Bank	27,500
3	Received from Subhash	3,500
4	Sold goods for cash	10,000

7	Paid Rent by Cheque	800
8	Paid Sohan by cheque	3,000
10	Bought goods for cash	15,000
12	Paid cash for stationery	200
	Drew from Bank for office use	8,000
15	Received cheque from Surendra and sent it to Bank	6,600
16	Paid for advertisement	750
18	Issued cheque in favour of Nath Brothers	4,300
19	Cash Sales	13,000
	Paid into Bank	16,000
20	Received cheque from Vinod and sent it to Bank	2,400
22	Bought Scooter and paid for the same by cheque	18,000
25	Bank returned Surendra's cheque dishonoured	
28	Paid salary by cheque	7,200
	Paid Trade expenses	2,000
29	Cash sales	9,500
30	Paid into Bank	10,000

**Solution:**

Cash Book		

Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash (Rs)	Bank (Rs)
1	Balance b/d		2,710	27,500	7	Rent A/c			800
3	Subhash		3,500		8	Sohan			3,000
4	Sales A/c		10,000		10	Purchases A/c		15,000	
12	Bank A/c	C	8,000		12	Stationery A/c		200	
15	Surendra			6,600	12	Cash A/c	C		8,000
19	Sales A/c		13,000		16	Advertisement A/c		750	
19	Cash A/c	C		16,000	18	Nath Brothers			4,300
20	Vinod			2,400	19	Bank A/c	C	16,000	
29	Sales A/c		9,500		22	Vehicle A/c			18,000
30	Cash A/c	C		10,000	26	Surendra			6,600
					28	Salary A/c			7,200
					28	Trade Expenses A/c		2,000	
					30	Bank A/c	C	10,000	
					31	Balance c/d		2,760	14,600
			<b>46,710</b>	<b>62,500</b>				<b>46,710</b>	<b>62,500</b>
Apr.	Balance b/d		<b>2,760</b>	<b>14,600</b>					

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### Question 7

Prepare Two Column Cash Book from the following transactions and balance the book on 31st Jan., 2014:-

2014	
Jan. 1	Cash in hand ₹ 50,000; Bank overdraft ₹ 1,90,000.
Jan. 2	Purchased goods from Rajesh Kumar of the list price of ₹ 50,000 at 5% trade discount and payment made by cheque.
Jan. 6	Goods sold for ₹ 80,000 and payment received by cheque. Cheque deposited into Bank on same day.
Jan. 10	Goods purchased for cash ₹ 19,800.
Jan. 15	Furniture sold for ₹ 1,77,000 and payment received by cheque & cheque deposited into Bank on same day.
Jan. 18	Salaries paid ₹ 4,500.
Jan. 21	Settled the amount due to Ram ₹ 2,000 by paying cash ₹ 1,910.
Jan. 22	Cash received from Jai ₹ 14,780 in full settlement of his account of ₹ 15,000.
Jan. 23	Paid Life Insurance premium ₹ 1,500.
Jan. 31	Deposited with bank the entire balance after retaining ₹ 7,000 cash in hand.

### Solution:

<b>Cash Book</b>		

Dr.									Cr.
Date 2014	Particulars	L.F.	Cash (₹)	Bank (₹)	Date 2014	Particulars	L.F.	Cash (₹)	Bank (₹)
Jan					Jan				
1	Balance b/d		50,000		1	Balance b/d			1,90,000
6	Sales A/c			80,000	2	Purchases A/c			47,500
15	Furniture A/c			1,77,000	10	Purchases A/c		19,800	
22	Jai A/c		14,780		18	Salaries A/c		4,500	
31	Cash A/c			30,070	21	Ram A/c		1,910	
					23	Drawings A/c		1,500	
					31	Bank A/c		30,070	
					31	Balance c/d		7,000	49,570
			64,780	2,87,070				64,780	2,87,070

### Question 8 (A)

Enter the following particulars in the Cash Book with Cash and Bank columns: –

2016	
April 1	Balance of cash in hand ₹ 2,000 and at Bank ₹ 12,000.
3	Received cash from Madhav ₹ 1,800.
5	Cash Sales ₹ 1,000



1	Balance b/d		2,000	12,000	6	Purchases A/c			745
3	Madhav		1,800		9	Bank A/c	C	1,850	
5	Sales A/c		1,000		10	Freight A/c		54	
9	Cash A/c	C		1,850	12	Cash A/c	C		600
12	Bank A/c	C	600		13	M/s Arun & Sons			985
16	Cash A/c	C		715	16	Bank A/c	C	715	
19	Navin			380	17	Drawings A/c		175	
20	Sales A/c		200		25	Cash A/c	C		200
25	Bank A/c	C	200		26	Furniture A/c			1,000
30	Harish			675	27	Navin (380 + 5)			385
30	Balance c/d			295	29	Business Premises A/c			12,000
					30	Balance c/d		3,006	
			<b>5,800</b>	<b>15,915</b>				<b>5,800</b>	<b>15,915</b>
May 1	Balance b/d		<b>3,006</b>		May 1	Balance b/d			<b>295</b>

Notes: Since the April 30, 2016 transaction, did not have any specific cheque deposite date, therefore, it has been concluded that the cheque was deposited on the same day.

### Question 8 (B)

Enter the following transactions in the Cash Book with Cash and Bank Columns:—

2016		(₹)
June 1	Cash in hand	800

	Bank Overdraft	5,700
7	Received a cheque from Bharti	3,250
9	Deposited the above cheque into a bank	
12	Paid to Bhavana by cheque	2,425
15	Bharti's cheque returned dishonoured	
20	Withdrew from bank for office use	250
25	Cheque received from Panna Lal and endorsed it in favour of Kamal on 28th June	1,200
30	Income Tax paid by cheque	150
30	Bank charges	25

**Solution:**

<b>Cash Book</b>									
<b>Dr.</b>					<b>Cr.</b>				
<b>Date 2016</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash (Rs)</b>	<b>Bank (Rs)</b>	<b>Date 2016</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash ₹</b>	<b>Bank ₹</b>
June					June				
1	Balance b/d		800		1	Balance b/d			5,700
9	Cheques-in-Hand			3,250	12	Bhavana			2,425
20	Bank A/c	C	250		15	Bharti			3,250
30	Balance c/d			8,550	20	Cash A/c	C		250



					30	Drawings A/c			150
					30	Bank Charges A/c			25
					30	Balance c/d		1,050	
			<b>1,050</b>	<b>11,800</b>				<b>1,050</b>	<b>11,800</b>
July 1	Balance b/d		<b>1,050</b>		July 1	Balance b/d			<b>8,550</b>

*Working Note:*

Journal Proper					
<b>Date 2016</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Debit ₹</b>	<b>Credit ₹</b>	
June					
7	Cheques-in-Hand A/c	Dr.	3,250		
	To Bharti (Received cheque from Bharti)				3,250
25	Cheques-in-Hand A/c	Dr.	1,200		
	To Panna Lal (Received cheque from Panna Lal)				1,200
28	Kamal	Dr.	1,200		
	To Cheques-in-Hand A/c (Cheque received from Panna Lal, endorsed in favour of Kamal)				1,200

### Question 9

Enter the following transactions in the Cash Book with Cash and Bank Columns :—

2017	
April 1	Balance of Cash in hand ₹400, overdraft at Bank ₹5,000.
4	Invested further capital ₹10,000 out of which ₹6,000 deposited into the bank.
5	Sold goods for cash ₹3,000.
6	Received from Ghanshyam ₹8,000; discount allowed to him ₹200.
10	Purchased goods for Cash ₹5,500.
11	Paid to Ram Vilas, our creditor ₹2,500; discount allowed by him ₹65.
13	Commission paid to our agent ₹530.
14	Office furniture purchased from Keshav in cash ₹200.
14	Rent paid ₹50.
14	Electricity charges paid ₹10.
16	Drew cheque for personal use ₹850.
17	Cash sales ₹2,500.
18	Collection from Atul ₹4,000, deposited in the bank on 19th April.
19	Drew from the bank for office use ₹500.
24	Dividend received by cheque ₹50, deposited in the bank on the same day.
25	Commission received by cheque ₹230, deposited in the bank on 28th April.
29	Drew from the bank for the salary of the office staff ₹1,500.

29	Paid salary of the manager by cheque ₹500.
30	Deposited cash in the bank ₹1,000

**Solution:**

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
April					April				
1	Balance b/d		400		1	Balance b/d			5,000
4	Capital A/c		4,000	6,000	10	Purchases A/c		5,500	
5	Sales A/c		3,000		11	Ram Vilas		2,500	
10	Ghanshyam		8,000		13	Commission A/c		530	
17	Sales A/c		2,500		14	Furniture A/c		200	
18	Atul		4,000		14	Rent A/c		50	
19	Cash A/c	C		4,000	14	Electricity Charges A/c		10	
19	Bank A/c	C	500		16	Drawings A/c			850
24	Dividend A/c			50	19	Bank A/c	C	4,000	
28	Cheques- in-Hand			230	19	Cash A/c	C		500
30	Cash A/c	C		1,000	29	Salary A/c			1,500

					29	Salary to Manager			500
					30	Bank A/c	C	1,000	
					30	Balance c/d		8,610	2,930
			<b>22,400</b>	<b>11,280</b>				<b>22,400</b>	<b>11,280</b>
May 1	Balance b/d		<b>8,610</b>	<b>2,930</b>					

**Working Notes:**

Journal Proper					
Date	Particulars		L.F.	Debit ₹	Credit ₹
2017					
April 25	Cheques-in-Hand A/c	Dr.		3,250	
	To Commission A/c (Received cheque for commission)				3,250

**Question 10 (A)**

Enter the following transactions in a Two Column Cash Book :—

<p>(i) Commenced business with cash ₹50,000</p> <p>(ii) Deposited in Bank 40,000</p> <p>(iii) Received cash from Mohan ₹950 in full settlement of a debt of ₹1,000</p> <p>(iv) Bought goods for cash ₹10,000</p> <p>(v) Bought goods by cheque ₹15,000</p> <p>(vi) Sold goods for a cheque for ₹20,000 and deposited in Bank on the same day</p> <p>(vii) Paid to Arun by cheque ₹1,900 in full settlement of his account of ₹2,000</p> <p>(viii) Drew from Bank for office use ₹1,000</p>
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**Solution:**

<b>Cash Book</b>									
<b>Dr.</b>					<b>Cr.</b>				
<b>Sl no.</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash ₹</b>	<b>Bank ₹</b>	<b>Sl no.</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash ₹</b>	<b>Bank ₹</b>
(i)	Capital A/c		50,000		(ii)	Bank A/c	C	40,000	
(ii)	Cash A/c	C		40,000	(iv)	Purchases A/c		10,000	
(iii)	Mohan		950	–	(v)	Purchases A/c			15,000
(vi)	Sales A/c			20,000	(vii)	Arun			1,900
(viii)	Bank A/c	C	1,000		(viii)	Cash A/c	C		1,000
						Balance c/d		1,950	42,100
			<b>51,950</b>	<b>60,000</b>				<b>51,950</b>	<b>60,000</b>
	Balance b/d		<b>1,950</b>	<b>42,100</b>					

**Question 10 (B)**

Prepare a Two Column Cash Book :–

2013 Jan.		<b>(₹)</b>
1.	Cash in hand	5,000
	Bank Overdraft	1,000
2.	Paid Wages	1,500
3.	Deposited into Bank	2,000



Feb. 1	Balance b/d		<b>7,500</b>	<b>5,000</b>					
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Note: Transaction made on January 06, 2013, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance

### Question 11 (A)

Write the following transactions in a Two Column Cash Book and balance the Cash Book:—

2013		(₹)
Jan. 1	Cash in hand	6,000
	Bank Balance (Cr)	3,000
3	Deposited into Bank	2,000
5	Received from Mohan	400
	Discount allowed	10
7	Received a cheque from Hari and sent it to the bank	600
9	Received a cheque from Prem Mohan	1,600
	Discount allowed	25
12	Withdrew from bank for office use	300
13	Bought goods for cash	600
14	Sold goods for cash	1,200
16	Paid to Ganesh by cheque	494
	Discount received	6
18	Prem Mohan's cheque deposited in the bank	
20	Sold goods to Gopal for ₹ 1,500 for which he gave cash ₹ 800 and a cheque	

	of ₹ 700.	
22	Deposited into bank (including Gopal's cheque)	900
24	Paid rent by cheque	150
25	Withdrew from bank for personal use	200
28	Bank notifies that Prem Mohan's cheque was dishonoured	
30	Received from Anil ₹ 270 in cash and ₹ 540 by cheque.	
	Discount Allowed ₹ 90.	
	The cheque was deposited into bank.	
31	Bank charges as shown in Pass Book	5
	Paid Salary	500

**Solution:**

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		6,000		1	Balance b/d			3,000
3	Cash A/c	C		2,000	3	Bank A/c	C	2,000	
5	Mohan		400		12	Cash A/c	C		300
7	Hari			600	13	Purchases A/c		600	



12	Bank A/c	C	300		16	Ganesh			494
14	Sales A/c		1,200		22	Bank A/c	C	200	
18	Cheques- in- Hand A/c			1,600	24	Rent A/c			150
20	Gopal		800		25	Drawings A/c			200
22	Cheques-in- Hand A/c			700	28	Prem Mohan			1,600
22	Cash A/c	C		200	31	Bank Charges A/c			5
30	Anil		270	540	31	Salary A/c		500	
31	Balance c/d			109	31	Balance c/d		5,670	
			<b>8,970</b>	<b>5,749</b>				<b>8,970</b>	<b>5,749</b>
Feb. 01	Balance b/d		<b>5,670</b>		Feb. 01	Balance b/d			<b>109</b>

**Working Note:**

Journal Entry					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
2017					
Jan					
9	Cheques-in-Hand A/c	Dr.	1,600		
	Discount Allowed A/c	Dr.	25		
	To Prem Mohan (Received cheque from Prem Mohan)				1,625

20	Cheques-in-Hand A/c	Dr.		700	
	To Gopal (Received cheque from Gopal)				700
28	Prem Mohan	Dr.		25	
	To Discount Allowed A/c (Cheque received from Prem Mohan, dishonoured)				25

### Question 11 (B)

Prepare a Two Column Cash Book from the following transactions:—

2016	
May 1	Cash at office ₹ 72.
	Bank overdraft ₹ 1,250.
4	Received from Prem Chand a cheque for ₹ 1,875 in full settlement of his account of ₹ 1,900. The cheque was banked on the same day.
5	Bought goods and paid by cheque ₹ 500.
6	Narinder settled his account of ₹ 700 by a cheque. This was banked on the same day.
9	Paid to Manohar Lal by a cheque for ₹ 420. Discount received ₹ 80.
12	Cash sales to date ₹ 400 of which ₹ 300 were banked.
17	Sold old typewriter for cash ₹ 320.
20	Received a cheque for ₹ 400 from Naresh in full settlement of his account of ₹ 460. The cheque is endorsed to Suresh on 24th May in full settlement of his account of ₹ 420.
25	Received a cheque from Hari Prakash for ₹ 150. The cheque is endorsed to Raj Prakash on 27th May; Discount received ₹ 30.

28	Withdrew from Bank for office use ₹ 100 and for personal use ₹ 100.
29	Withdrew (from office) for payment of private bills ₹ 425.
30	Paid by cheque salaries ₹ 160 and rent ₹ 100.
31	Bank charges as per Pass Book ₹ 5.

**Solution:**

Cash Book									
Dr.									Cr.
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
May					May				
1	Balance b/d		72		1	Balance b/d			1,250
4	Prem Chand			1,875	5	Purchases A/c			500
6	Narinder			700	9	Manohar Lal			420
12	Sales A/c		100	300	28	Cash A/c	C		100
17	Office Equipment A/c		320		M28	Drawings A/c			100
28	Bank A/c	C	100		29	Drawings A/c		425	
					30	Salaries A/c			160
					30	Rent A/c			100
					31	Bank Charges A/c			5

					31	Balance c/d		167	240
			<b>592</b>	<b>2,875</b>				<b>592</b>	<b>2,875</b>
Apr. 1	Balance b/d		<b>167</b>	<b>240</b>					

**Working Note:**

<b>Journal Entry</b>					
<b>Date 2016</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Debit ₹</b>	<b>Credit ₹</b>	
May					
20	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	400 60		
	To Naresh (Received cheque from Naresh in full settlement of his claim)				460
24	Suresh	Dr.	420		
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Naresh, endorsed to Suresh)			400 20	
25	Cheques-in-Hand A/c	Dr.	150		
	To Hari Prakash (Cheque received from Hari Prakash)				150
May 27	Raj Prakash	Dr.	180		

To Cheques-in-Hand A/c			150
To Discount Received A/c			30
(Cheque received from Hari Prakash, endorsed to Raj Prakash)			

### Question 12 (A)

Enter the following transactions in the Two Column Cash Book of Mr. Mohan:-

2018		₹
Jan. 1	Cash in Hand	2,200
	Cash at Bank	50,000
3	Purchased goods for ₹ 75,000; Trade Discount 20%; CGST 6%, SGST 6%; Payment made by Cheque	
4	Sold goods for ₹ 40,000; Trade Discount 15%; IGST 12%; Payment received by Cheque	
5	Received a cheque from Naresh	1,000
8	Cheque received from Naresh endorsed to Suresh in full settlement of his account of ₹ 1,050	
10	Paid Life Insurance premium of Mr. Mohan	100
13	Received a cheque from Pawan in full settlement of his account of ₹ 750.	700
16	Pawan's cheque returned dishonoured by bank	–
20	Deposited into Bank, balance of Cash in excess of ₹ 250	

### Solution:

Cash Book		
Dr.		Cr.

Date 2018	Particulars	L.F.	Cash ₹	Bank ₹	Date 2018	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				
1	Balance b/d		2,200	50,000	3	Purchases A/c			60,000
4	Sales A/c			34,000	3	Input CGST A/c			3,600
4	Output IGST A/c			4,080	3	Input SGST A/c			3,600
13	Pawan			700	10	Drawings A/c		100	–
20	Cash A/c (WN 2)	C		1,850	16	Pawan		–	700
					120	Bank A/c (WN 2)	C	1,850	–
					31	Balance c/d		250	22,730
			<b>2,200</b>	<b>90,630</b>				<b>2,200</b>	<b>90,630</b>
Feb. 0	Balance b/d		<b>250</b>	<b>22,730</b>					

#### Working Notes 1:

Journal Entry					
Date 2018	Particulars	L.F.	Debit ₹	Credit ₹	
Jan					
5	Cheques-in-Hand A/c	Dr.	1,000		
	To Naresh				1,000

	(Received cheque from Naresh)				
8	Suresh	Dr.		1,050	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Naresh, endorsed to Suresh)				1,000 50
16	Pawan	Dr.		50	
	To Discount Allowed A/c (Cheque received from Pawan, dishonoured)				50

### Working Note 2: Cash Deposited into the Bank

Cash deposited into the bank = Total of cash column(Dr.) – (Total of cash column(Cr.)+ cash balance maintained)

$$= 2,200 - (100+250) = \text{Rs. } 1,850$$

### Question 12 (B)

Enter the following transactions in a Two Column Cash Book:-

2016		₹
Dec. 1	Started business with cash	50,000
2	Pays into Bank	29,000
3	Received cheque from Raja & Co.	800
	Discount allowed	20
5	Withdrew cash from bank for private use	240
10	Purchased goods for ₹ 1,00,000; IGST 18%; Payment made by Cheque	
12	Sold goods for ₹ 1,50,000; Trade Discount 20%; IGST 18%; Payment received by Cheque	





			50,000	1,91,950				50,000	1,91,950
2017									
Jan. 1	Balance b/d		450	72,710					

#### Working Notes 1:

Journal Proper					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
2016					
Dec.					
14	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	395 15		
	To Kamla (Received cheque from Kamla)				410
16	Bala	Dr.	425		
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque received from Kamla, endorsed to Bala)				395 30

#### Working Note 2: Cash deposited in the bank

Cash deposited into the bank = Total of cash column(Dr.) – (Total of cash column(Cr.)+ cash balance maintained)

$$= 50,000 - (29,000 + 450) = \text{Rs. } 120,550$$

**Note:** Since the transaction made on December 03, 2016, does not have any information concerning the date of cheque deposit, therefore, it is assumed that the cheque was deposited on the same day.

#### Question 13

Enter the following transactions in the Cash Book with Cash and Bank Columns:—

--	--

2016	
June 1	Balance of Cash in Hand ₹ 12,000; Overdraft at Bank ₹ 1,500.
2	Deposited into Bank ₹ 10,000.
	Sold goods for Cash ₹ 28,000 and paid half the proceeds into Bank.
3	Purchased goods for ₹ 7,000 from Manoj & Co. on Credit.
5	Received a Money Order from Suresh ₹ 500.
8	Received ₹ 2,800 from Govind. Paid ₹ 1,000 into Bank.
10	Received a cheque for ₹ 7,600 from Subhash in full settlement of ₹ 8,000 due from him.
12	Settled the account of Manoj & Co. by payment of ₹ 6,600
	half Cash and half by cheque.
13	Cheque received from Subhash deposited into Bank.
15	Paid for purchase of Machinery by cheque ₹ 20,000.
16	Paid wages for the erection of above Machinery ₹ 1,000.
17	Cheque issued for ₹ 6,000 in favour of Sachdeva & Co. for purchase of furniture.
20	Purchased goods from Kalpna Garments for ₹ 10,500 on credit.
	Received a Bank Draft for ₹ 4,800 from Damodar & Co. in full settlement of ₹ 5,000 due from them. Sent the draft to bank.
24	Bank issued a draft for ₹ 10,000 in favour of Kalpna Garments on our request. Bank charged ₹ 25 for issuing the draft. Account of Kalana Garments was fully settled.
26	Drew from bank for petty cash ₹ 100.



30	Balance c/d			1,195	30	Bank Charges A/c			50
					30	Interest A/c			1,620
					30	Bank A/c	C	10,000	
					30	Balance c/d		4,000	
			<b>28,300</b>	<b>48,595</b>				<b>28,300</b>	<b>48,595</b>
July 1	Balance b/d		<b>4,000</b>		July 1	Balance b/d			<b>895</b>

#### Working Notes 1:

Journal Entry					
Date 2016	Particulars		L.F.	Debit ₹	Credit ₹
June 10	Cheques-in-Hand A/c	Dr.		7,600	
	To Subhash (Received cheque from Subhash)				7,600

#### Working Notes 1: Cash Deposited into the Bank

Cash Deposited into the Bank= Total of Cash Column (Dr.)–(Total of Cash Column (Cr.)+Cash Balance Maintained

$$=28,300-(14,300+4,000)=\text{Rs } 10,000$$

**Note:** Transaction made on June 03 and 20, 2011 will not be registered in Cash Book because the bank/cash balance will not be affected by the credit transactions.

#### Question 14(A)

Prepare a Cash Book with Cash and Bank Columns from the following transactions: –

2017	
March	Cash in hand ₹ 1,800 and at Bank ₹ 11,000.

1	
5	Received a cheque for commission ₹ 3,960. Cheque was immediately deposited into bank.
7	Bought goods for cheque ₹ 7,000.
8	Bought goods for cash ₹ 500.
10	Purchased a Computer and payment made by cheque of ₹ 5,000.
14	Paid Trade Expenses ₹ 105.
16	Paid into Bank ₹ 1,000.
18	Ramesh who owed us ₹ 500 became bankrupt and paid us 50 paise in a ₹.
20	Received ₹ 400 from Manohar and allowed him discount ₹ 10.
23	Withdrew from Bank ₹ 400.
23	Paid ₹ 300 to Ghanshyam Dass & Co. They allowed us discount ₹ 10.
24	Received ₹ 2,000 from Hari Ram and deposited the same into Bank.
25	Withdrew from Bank for private expenses ₹ 300.
27	Sold goods for cash ₹ 200.
28	Received cheque for goods sold ₹ 9,000.
29	Received repayment of a loan of ₹ 5,000 and deposited ₹ 3,000 out of it into Bank.
30	Bank charges as per Book ₹ 5.

**Solution:**

**Cash Book**

Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
March					March				
1	Balance b/d		1,800	11,000	7	Purchases A/c			7,000
5	Commission A/c			3,960	8	Purchases A/c		500	
16	Cash A/c	C		1,000	10	Office Equipment A/c			5,000
18	Ramesh		250		14	Trade Expenses A/c		105	
20	Manohar		400		16	Bank A/c	C	1,000	
23	Bank A/c	C	400		23	Cash A/c	C		400
24	Hari			2,000	23	Ghanshyam Dass & Co.		300	
27	Sales A/c		200		25	Drawings A/c			300
28	Sales A/c			9,000	30	Bank Charges A/c			5
29	Loan A/c		2,000	3,000	31	Balance c/d		3,145	17,255
			5,050	29,960				5,050	29,960
Apr.1	Balance b/d		3,145	17,255					

**Note:** Transaction made on March 28, 2017, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance

**Question 14(B)**

From the following transactions, prepare Cash Book with Cash and Bank Columns:—

2016		(₹)
May 1	Cash in hand	4,800
	Bank Overdraft	30,400
2	Fresh Capital introduced	20,000
3	Deposited into Bank	15,000
4	Sold goods to Mahesh on Credit	6,200
5	An amount of ₹ 4,200 due from Ashok written off as bad debts in the previous year, now recovered.	
6	Withdrew from bank for the payment of Life Insurance Premium	3,000
8	Received a cheque from Mahesh for ₹ 6,000 in full settlement of his account and deposited the same into the Bank.	
10	Sold goods to Varun on Credit.	30,000
12	Received a cheque for ₹ 28,000 from Varun in full settlement.	
15	Cheque received from Varun sent to Bank	
18	Varun's cheque returned by Bank dishonoured. Bank charged ₹ 25 on this cheque.	
20	Received a cheque of ₹ 6,800 from Vijay which was endorsed to AmritRaj on 23rd May.	
25	Withdrew cash from Bank ₹ 5,000 for paying gift to his daughter on her birthday.	
26	Bought goods from Gupta General Store for ₹ 10,000 on credit and they allowed us trade discount of 25%.	
28	Paid to Gupta General Stores in cash in full settlement	7,000

28	Sale of old machinery, payment received in cash ₹ 7,700.	
30	Paid Salary by cheque ₹ 1,500. Paid Rent in cash ₹ 2,200.	
31	Paid into Current Account the entire balance after retaining ₹ 5,000 at office.	

**Solution:**

Cash Book									
Dr.									Cr.
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
May					May				
1	Balance b/d		4,800		1	Balance b/d			30,400
2	Capital A/c		20,000		3	Bank A/c	C	15,000	
3	Cash A/c	C		15,000	6	Drawings A/c			3,000
5	Bad Debts Recov. A/c		4,200		18	Varun			28,025
8	Mahesh			6,000	25	Drawings A/c			5,000
15	Cheques- in- Hand A/c			28,000	28	Gupta General Store		7,000	
28	Machinery A/c		7,700		30	Salary A/c		–	1,500
31	Cash A/c	C		7,500	30	Rent A/c		2,200	
31	Balance c/d			11,425	31	Bank A/c	C	7,500	



				31	Balance c/d		5,000	
			<b>36,700</b>	<b>67,925</b>			<b>36,700</b>	<b>69,925</b>
June 1	Balance b/d		<b>5,000</b>		June 1	Balance b/d		<b>11,425</b>

### Working Notes 1:

Journal Entry					
Date 2016	Particulars	L.F.	Debit ₹	Credit ₹	
May					
12	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	28,000 2,000		
	To Varun (Received cheque from Varun)				30,000
18	Varun	Dr.	2,000		
	To Discount Allowed A/c (Cheque received from Varun, dishonoured)				2,000
20	Cheques-in-Hand A/c	Dr.	6,800		
	To Vijay (Received cheque from Vijay)				6,800
23	Amrit	Dr.	6,800		
	To Cheques-in-Hand A/c (Cheque received from Vijay, endorsed to Amrit)				6,800

### Working Note 2: Cash Deposited into the Bank

Cash Deposited into the Bank= Total of Cash Column (Dr.)–(Total of Cash Column (Cr.))+Cash Balance Maintained

$$=36,700-(24,200+5,000)=\text{Rs } 7,500$$

**Note:** Transaction made on May 4 and 10 2016 will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

### Question 15

Compile a Two Column Cash Book from the following transactions of Kavita Garments:–

2017	
Feb. 1	Cash in hand ₹ 7,500; Cash at bank ₹ 8,000.
3	Received a cheque of ₹ 5,880 for cash sales. Cheque was immediately deposited into bank.
5	Received two cheques from Kalpna each of ₹ 10,000.
6	First cheque received from Kalpna is endorsed to Sunita in full settlement of ₹ 10,200.
	Second cheque is sent to bank for collection.
8	Second cheque received from Kalpna is returned as dishonoured by the bank.
	The bank has debited our account with ₹ 20 as bank charges on this cheque.
10	Received cheque from sale of old furniture ₹ 1,950. Next day, the cheque is endorsed to a creditor Ramesh in full settlement of ₹ 2,000 due to him.
12	Purchased goods from Mohan on Credit for ₹ 8,000.
15	Settled Mohan's account by giving a cheque for ₹ 4,000 and Cash ₹ 3,900.
16	Goods sold to Pawan for ₹ 6,000. He paid the amount in cash immediately after deducting 212% cash discount.
20	Paid salary by cheque ₹ 5,000.
25	Cash sale to date ₹ 50,000 of which ₹ 40,000 banked.

26	Paid electric bill of ₹ 2,000 for January by cheque. Paid Rent for January ₹ 1,500.
27	Cash purchases ₹ 5,000, issued a cheque.
28	Deposited into bank cash retaining ₹ 7,500.

**Solution:**

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Feb.					Feb.				
1	Balance b/d		7,500	8,000	8	Kalpna			10,020
3	Sales A/c			5,880	15	Mohan		3,900	4,000
6	Cheque in Hand A/c			10,000	20	Salary A/c			5,000
16	Sales A/c		5,850		26	Outstanding Electric Bill A/c			2,000
25	Sales A/c		10,000	40,000	26	Outstanding Rent A/c		1,500	
28	Cash A/c	C		10,450	27	Purchases A/c			5,000
					28	Bank A/c	C	10,450	
					28	Balance c/d		7,500	48,310
			<b>23,350</b>	<b>74,330</b>				<b>23,350</b>	<b>74,330</b>

Mar. 1	Balance b/d		7,500	48,310				

**Working Note 1:**

Journal Entry					
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹	
Feb					
5	Cheques-in-Hand A/c (1)	Dr.	10,000		
	Cheques-in-Hand A/c (2)	Dr.	10,000		
	To Kalpna (Received cheque from Subhash)				20,000
6	Sunita	Dr.	10,200		
	To Cheques-in-Hand A/c (1)				10,000
	To Discount Received A/c (Cheque received from Kalpna, endorsed to Sunita)				200
6	Bank A/c	Dr.	10,000		
	To Cheques-in-Hand A/c (2) (Cheque received from Kalpna, sent to bank for collection)				10,000
10	Cheques-in-Hand A/c	Dr.	1,950		
	To Furniture A/c (Cheque received against sale of furniture)				1,950
11	Ramesh		2,000		
	To Cheques-in-Hand A/c				1,950

	To Discount Received A/c (Cheque received from Sale of furniture, endorsed to Ramesh)				50

### Working Note 2: Cash Deposited into the Bank

Cash Deposited into the Bank= Total of Cash Column (Dr.)–(Total of Cash Column (Cr.)+Cash Balance Maintained

$$=23,350-(5,400+7,500)=\text{Rs } 10,450$$

**Note:** Transaction made on February 12, 2018 will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

### Question 16

Prepare a Petty Cash Book on the Imprest System from the following:

2017	
April 1	Received ₹ 10,000 for Petty Cash.
3	Paid Cartage ₹ 800.
4	Paid Bus Fare ₹ 400; Speed Post ₹ 200.
6	Paid for Stationery ₹ 700.
7	Paid for Courier Services ₹ 300.
9	Paid for Taxi fare ₹ 800; Wages ₹ 300.
10	Paid for Wages ₹ 400; Charity ₹ 500
11	Paid for Newspaper bill ₹ 600.
12	Paid for soap ₹ 320; Speed post charges ₹ 300.
13	Paid for Postage ₹ 780.
14	Paid for Repairs of Chairs ₹ 500.

15	Paid for Refreshment to customers ₹ 900.
----	--

**Solution:**

Amount ₹	C.B. Folio	Date 2017	V. No.	Particulars	Total ₹	Conveyance	Printing & Stationery	Postage	Wag
10,000		1		Cash A/c					
		3		Cartage A/c	800				
		4		Bus Fare A/c	400	400			
		4		Postage A/c	200			200	
		6		Stationery A/c	700		700		
		7		Courier Services A/c	300			300	
		9		Conveyance A/c	800	800			
		9		Wages A/c	300				300
		10		Wages A/c	400				400
		10		Charity A/c	500				
		11		News Paper A/c	600				
		12		Soap A/c	320				
		12		Postage A/c	300			300	
		13		Postage A/c	780			780	

		14		Repairs A/c	500				
		15		Refreshment A/c	900				
					7,800	1,200	700	1,580	700
		15		Balance c/d	2,200				
10,000					10,000				
2,200		16		Balance b/d					
7,800		16		Cash A/c					

### Question 17

Record the following transactions in a Petty Cash Book with suitable columns. The book is kept on imprest system, amount of imprest being ₹ 4,000.

2017	
April 1	Petty cash in hand ₹ 540, Received cash to make-up the imprest.
	Paid for office cleaning ₹ 100.
April 4	Paid railway fare ₹ 320, bus fare ₹ 280, wages ₹ 150.
April 5	Bought shorthand notebooks for office ₹ 370.
April 7	Paid carriage on parcels ₹ 150, paid for wages ₹ 220.
April 10	Bought stamps for ₹ 300, envelopes for ₹ 450 and an accounts register for ₹ 400.
April 12	Paid for repairs ₹ 200, gave tips to office peon ₹ 150.
April	Gave charity ₹ 100, served tea to customers ₹ 250.

13	
April 15	Paid for wages ₹ 160, rewards to servant ₹ 100.

**Solution:**

<b>Petty Cash Book</b>									
<b>Amount ₹</b>	<b>C.B. Folio</b>	<b>Date 2017</b>	<b>V. No.</b>	<b>Particulars</b>	<b>Total ₹</b>	<b>Conveyance</b>	<b>Printing &amp; Stationery</b>	<b>Postage</b>	<b>Wage</b>
540		1		Balance b/d					
3,460		1		Cash A/c					
		1		Cleaning Charges A/c	100				
		4		Conveyance A/c	600	600			
		4		Wages A/c	150				150
		5		Note Books A/c	370		370		
		7		Carriage A/c	150				
		7		Wages A/c	220				220
		10		Postage A/c	300			300	
		10		Envelopes A/c	450		450		
		10		A/c Books A/c	400		400		
		A12		Repairs A/c	200				



		12	Misc. Exp. A/c	150					
		13	Charity A/c	100					
		13	Refreshment A/c	250					
		15	Wages A/c	160					160
		15	Reward A/c	100					
				3,700	600	1,220	300	530	
		15	Balance c/d	300					
4,000				4,000					
300		16	Balance b/d						
3,700		16	Cash A/c						

### Question 18

Mr. Yadav, the petty cashier of M/s Triputi Traders received ₹10,000 on April 1, 2016 from the Head Cashier. Following were the petty expenses :—

2016		(₹)
April 2	Taxi fare	750
3	Refreshments	450
5	Registered postal charges	200
5	Wages	700
8	Auto fare	200



		5		Postal Charges A/c	200			200	
		5		Wages A/c	700				700
		8		Auto fare A/c	200	200			
		9		Courier A/c	150			150	
		12		Postage A/c	600			600	
		14		Stationery Ac	400		400		
		17		Postage A/c	200			200	
		20		Cartage A/c	600				
		20		Stationery A/c	500		500		
		22		Wages A/c	300				300
		24		Bus Fare A/c	600	600			
		25		Office Expenses A/c	800				
		26		Refreshment A/c	750				
		28		Loading Charges A/c	300				
		30		Photostatting Charges A/c	200				
		30		Wages A/c	800				800
					8,500	1,550	900	1,150	1,800

		30		Balance c/d	1,500				
10,000					10,000				
1,500		May 1		Balance b/d					
8,500		May 1		Cash A/c					

### Question19

Record the following transactions in a cash book with cash and bank columns:

2017		(₹)
Jan. 1	Bank overdraft	12,000
	Cash in hand	2,300
Jan. 7	Cheque received from Ram ₹ 4,000 and discount allowed ₹ 200	
Jan. 8	Deposited the above cheque into Bank	4,000
Jan. 12	Banked	200
Jan. 15	Received a money order from Gopal	500
Jan. 16	Money withdrawn from Bank for office use	300
Jan. 18	Bank Charges	20
Jan. 20	Interest on bank overdraft	

### Solution:

Cash Book		
Dr.		Cr.

Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
1	Balance b/d		2,300		1	Balance b/d			12,000
8	Cheques- in- Hand A/c			4,000	12	Bank A/c	C	200	
12	Cash A/c	C		200	16	Cash A/c	C		300
15	Gopal		500		18	Bank Charges A/c			20
16	Bank A/c	C	300		20	Interest on O/D			1,000
31	Balance c/d			9,120	31	Balance c/d		2,900	
			<b>3,100</b>	<b>13,320</b>				<b>3,100</b>	<b>13,320</b>
Feb. 1	Balance b/d		<b>2,900</b>		Feb. 1	Balance b/d			<b>9,120</b>

**Working Note:**

Journal Entry					
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹	
7	Cheques-in-Hand A/c	Dr.	4,000		
	Discount Allowed A/c	Dr.	200		
	To Ram (Received cheque from Ram)				4,200

**Question 20**

Enter the following transactions in two Column cash book and find out the cash and bank balance:

2017		(₹)
Jan. 1	Started business with cash	20,000
Jan. 2	Opened a current account with the S.B.I.	8,000
Jan. 3	Bought goods by cheque	150
Jan. 4	Received cheque from Ram	200
Jan. 5	Sold goods for cash	40
Jan. 7	Paid into bank:	
	(i) Cash ₹ 30	
	(ii) Cheque ₹ 200	230
Jan. 8	Paid Shyam by cheque	345
Jan. 8	Paid carriage by cheque	180
Jan. 10	Drew cash from bank for office use	200
Jan. 30	Paid wages by cheque	6

**Solution:**

Cash Book									
Dr.									Cr.
Date 2017	Particulars	L.F.	Cash ₹	Bank ₹	Date 2017	Particulars	L.F.	Cash ₹	Bank ₹
Jan					Jan				

1	Capital A/c		20,000		2	Bank A/c	C	8,000	
2	Cash A/c	C		8,000	3	Purchases A/c			150
5	Sales A/c		40		7	Bank A/c	C	30	
7	Cheques-in-Hand A/c			200	8	Shyam			345
7	Cash A/c	C		30	8	Carriage A/c			180
10	Bank A/c	C	200		10	Cash A/c	C		200
					30	Wages A/c			60
					31	Balance c/d		12,210	7,295
			20,240	8,230				20,240	8,230
Feb.1	Balance b/d		12,210	7,295					

**Working Note:**

Journal Entry					
Date 2017	Particulars		L.F.	Debit ₹	Credit ₹
Jan					
4	Cheques-in-Hand A/c	Dr.		200	
	To Ram (Cheque received from Ram)				200

**Question 21**

Enter the following transactions in a Cash Book with Cash and Bank Columns:—

2017		(₹)
March 1	Commenced business with ₹1,00,000 of which ₹20,000 were borrowed from Mr. Ratan	
2	Opened current account with Punjab National Bank	75,000
4	Bought goods by cheque	60,000
5	Purchased a typewriter for ₹4,000 and spent ₹500 on its repairs	
8	Paid petty cash expenses	200
10	Transferred from Current account to Fixed Deposit Account in the Bank	5,000
12	Sold goods for Cash ₹25,000 and cheque ₹15,000	
13	Deposited the above cheque into bank	
15	Purchased goods from Ram Singh on Credit	25,000
18	Settled Ram Singh's Account by cheque	24,750
20	Sent a cheque in payment of the fees of Proprietor's son	500
25	Cash sales, received a cheque	4,000
28	Deposited the above cheque into bank, collection charges	25
31	Repaid the loan taken from Mr. Ratan including interest @ 18% p.a.	

**Solution:**

Cash Book							
Dr.							Cr.



Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2017					2017				
March					March				
1	Capital A/c		80,000		2	Bank A/c	C	75,000	
1	Loan from Ratan		20,000		4	Purchases A/c			60,000
2	Cash A/c	C		75,000	5	Office Equipment A/c		4,500	
12	Sales A/c		25,000		8	Petty Expenses A/c		200	
13	Cheque in Hand			15,000	10	Fixed Deposit A/c			5,000
28	Cheque in Hand			4,000	18	Ram Singh			24,750
					20	Drawings A/c			500
					28	Collection Charges A/c			25
					31	Loan from Ratan		20,000	
					31	Interest paid on Loan		300	
					31	Balance c/d		25,000	3,725
			1,25,000	94,000				1,25,000	94,000
Apr.1	Balance b/d		25,000	3,725					

#### Working Notes 1:

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Journal Proper					
Date 2017	Particulars		L.F.	Debit ₹	Credit ₹
March					
12	Cheques-in-Hand A/c	Dr.		15,000	
	To Sales A/c (Received cheque)				15,000
25	Cheques-in-Hand A/c	Dr.		4,000	
	To Sales A/c (Received cheque)				4,000

### Working Note 2: Evaluating Interest on Loan

Interest on Loan = 20,000 X 18100 X 112 = Rs.300

### Question 22

Enter the following transactions in a Cash Book with Cash and Bank Columns:—

2017	
March 1	Cash in Hand ₹ 15,000; Bank ₹ 8,000
2	Sold goods to X on credit for ₹ 10,000.
5	Sold goods for ₹ 20,000; received cheque from them, discount allowed 212 %
	Cheque was deposited into bank on 7th March.
10	Purchased goods from Suresh on the terms of 5% Cash discount if the payment is made within 3 days ₹ 20,000.
12	Payment made to Suresh; half in Cash and half by cheque.



March					March				
1	Balance b/d		15,000	8,000	12	Suresh		9,500	9,500
7	Cheques- in- Hand			19,500	16	Pawan		4,750	
14	Siya Ram			6,820	17	Purchases A/c			7,600
24	Sales A/c		7,500	7,500	18	Drawings A/c			5,000
25	X		10,000		18	Furniture A/c			15,000
25	Interest A/c		150		22	Jai Traders			8,000
28	Bank A/c	C	10,000		23	Furniture A/c			6,000
31	Cash A/c	C		15,400	27	Rent A/c			2,000
31	Balance c/d			5,880	28	Cash A/c	C		10,000
					28	Salary A/c		8,000	
					31	Bank A/c	C	15,400	
					31	Balance c/d		5,000	
			<b>42,650</b>	<b>63,100</b>				<b>42,650</b>	<b>63,100</b>
Apr. 1	Balance b/d		<b>5,000</b>		Apr. 1	Balance b/d			<b>5,880</b>

### Working Note 1

Journal Entry				
Date	Particulars	L.F.	Debit ₹	Credit ₹

<b>2017</b>					
March					
5	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.		19,500 500	
	To Sales A/c (Cheque received from Navin)				20,000
20	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.		2,850	
	To Ravi (Cheque received from Ravi)				3,000
22	Gopal	Dr.		2,850	
	To Cheques-in-Hand A/c (Cheque endorsed to Gopal)				2,850

### Working Note 2: Cash Deposited into the Bank

Cash deposited into the bank = Total of cash column(Dr.) – (Total of cash column(Cr.)+ cash balance maintained)

$$= 42,650 - (22,250 + 5,000) = \text{Rs. } 15,400$$

### Working Note 3: Evaluating discount given to Ravi

The amount collected from Ravi = Rs. 2,850

The Total amount that was to be collected from Ravi =  $2,850 \times 100 = \text{Rs. } 3,000$

Discount given to Ravi =  $3,000 \times 5\% = \text{Rs. } 150$

*Note:* Transaction made on March 02, 2017 and March 10, 2017, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

### Question 23

Prepare a Cash Book with Cash and Bank Columns from the following particulars:—

2017		(₹)

Feb. 1	Cash in Hand ₹ 14,800; Bank Overdraft ₹ 32,700	
4	Sold goods, received cheque (deposited same day)	4,950
5	Sold goods to Navin on Credit	10,000
8	Received from Navin a cheque for ₹ 9,500 in settlement of his account.	
10	Sold goods to Murlidhar on Credit	6,000
12	Cheque received from Navin endorsed to Praveen in full settlement of his account	9,800
15	Received cheque from Ram	12,800
	Allowed him discount	200
16	Paid into Bank (including Ram's cheque)	15,000
18	Cheque from Ram returned dishonoured and bank debit our account in respect of charges on this cheque ₹ 20. Discount not withdrawn.	
19	Received the amount of returned cheque and bank charges in cash from Ram.	
20	Instructed the bank to issue a bank draft for ₹ 5,000 in favour of Shyam. Bank charged ₹ 40 for issuing the draft.	
22	Murlidhar settled his account by means of a cheque for ₹ 6,200; including ₹ 200 as the interest charged from him. Lodged the cheque into bank.	
24	Paid ₹ 5,000 by cheque for cash purchases.	
25	Sudhir who owed us ₹ 8,000 became bankrupt and paid us 50 paise per rupee.	
28	Paid salary to Manohar Lal	3,000
28	Banked	20,000

**Solution:**

<b>Cash Book</b>									
<b>Dr.</b>									<b>Cr.</b>
<b>Date 2017</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash ₹</b>	<b>Bank ₹</b>	<b>Date 2017</b>	<b>Particulars</b>	<b>L.F.</b>	<b>Cash ₹</b>	<b>Bank ₹</b>
Feb.					Feb.				
1	Balance b/d		14,800		1	Balance b/d			32,700
4	Sales A/c			4,950	16	Bank A/c	C	2,200	
16	Cheques in- Hand A/c			12,800	18	Ram			12,820
16	Cash A/c	C		2,200	20	Shyam			5,000
19	Ram		12,820	–	20	Bank Charges A/c			40
22	Murlidhar			6,200	24	Purchases A/c			5,000
25	Sudhir		4,000	–	28	Salary A/c		3,000	
28	Cash A/c	C		20,000	28	Bank A/c	C	20,000	
28	Balance c/d			9,410	28	Balance c/d		6,420	
			<b>31,620</b>	<b>55,560</b>				<b>31,620</b>	<b>55,560</b>
Mar. 1	Balance b/d		<b>6,420</b>		Mar. 1	Balance b/d			<b>9,410</b>

**Working Note:**

Journal Entry
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Date 2017	Particulars	L.F.	Debit ₹	Credit ₹
Feb.				
8	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	9,500 500	
	To Navin (Cheque received from Navin)			10,000
12	Praveen	Dr.	9,800	
	To Cheques-in-Hand A/c To Discount Received A/c (Cheque endorsed to Praveen)			9,500 300
15	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	12,800 200	
	To Ram (Cheque received from Ram)			13,000

*Note:* Transaction made on February 8th, 10th, and 12th 2017, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

#### Question 24

Mr. Lal operates two bank accounts both of which are maintained in the columnar cash book itself. You are required to prepare a proforma of the cash book, record the following transactions therein and draw the closing balances as on 30th June, 2016.

2016		(₹)
June 20	Opening Balance of Cash	1,180
	Progressive Bank	19,040



	Goodwill Bank (Overdraft)	6,460
20	Received cheque for ₹ 1,800 from a debtor Mr. X and deposited in Goodwill Bank. The Bank credited the amount on 23rd June and debited ₹ 4 as its collection charges.	
21	Purchased goods for ₹ 18,210 and a cheque issued on Progressive Bank.	
22	Paid office expenses ₹ 410 and ₹ 80 for stationery in cash.	
23	Deposited a cheque for ₹ 21,090 being sale proceeds of goods in Progressive Bank. The Bank credited the amount on the same day and debited ₹ 21 as cheque discounting charges.	
23	A cheque for ₹ 8,000 drawn by Mr. Lal himself on Progressive Bank was deposited in his account with Goodwill Bank.	
25	Cash drawn from the account with Progressive Bank ₹ 600 for office use.	
25	A cheque for ₹ 1,100 received from Mr. A and earlier deposited in Goodwill Bank (on 14th June) was returned unpaid and Bank debited ₹ 10 towards its charges. Mr. Lal received the amount of returned cheque and Bank charges in cash from Mr. A.	
28	Deposited cash ₹ 1,500 in the account with Goodwill Bank.	
29	Purchased postal stamps for ₹ 200 and paid in cash.	

**Solution:**

Cash Book										
Dr.										
Date 2016	Particulars	L.F.	Cash ₹	Progressive Bank ₹	Goodwill Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Progressive Bank (Rs)
June						June				
20	Balance		1,180	19,040	–	20	Balance		–	–

	b/d						b/d			
20	X		-	-	1,800	21	Purchases A/c		-	18,210
23	Sales A/c		-	21,090	-	22	Office Expenses A/c		410	-
23	Progressive Bank A/c	C	-	-	8,000	22	Stationery A/c		80	-
25	Progressive Bank A/c	C	600	-	-	23	Bank Charges A/c		-	-
25	A		1,110	-	-	23	Bank Charges A/c		-	21
28	Cash A/c	C	-	-	1,500	23	Goodwill Bank A/c	C	-	8,000
						25	Cash A/c	C	-	600
						25	A		-	-
						28	Goodwill Bank A/c	C	1,500	-
						29	Postage A/c		200	-
						30	Balance c/d		700	13,299
			<b>2,890</b>	<b>40,130</b>	<b>11,300</b>				<b>2,890</b>	<b>40,130</b>
July 1	Balance b/d		<b>700</b>	<b>13,299</b>	<b>3,726</b>					

### Question 25

Mr. Chaturvedi maintains two bank accounts. Prepare his columnar cash book from the following particulars:

2016		(₹)
May 1	Cash in hand	34,000
	Balance with Hongkong Bank	75,200
	Balance with Citi Bank	1,20,000
May 3	Cash drawn from Citi Bank for office use	25,000
May 8	Sold goods to Diwedi for ₹ 80,000 and received from him ₹ 20,000 in cash and a cheque for the balance. The cheque is deposited in Hongkong Bank on 9th and the bank credited the amount on 15th and debited ₹ 25 as its collection charges.	
May 12	Purchased goods for ₹ 40,000 at 20% trade discount. 25% of the amount is paid in cash and issued a cheque on Citi Bank for the balance amount.	
May 20	Paid Wages ₹ 36,000 and Salary ₹ 4,000.	
May 22	A cheque for ₹ 50,000 is drawn on Citi Bank and it is deposited in Hongkong Bank.	
May 23	Purchased land for ₹ 3,20,000 and a cheque is issued on Hongkong Bank.	
May 24	A cheque for ₹ 10,000 which was received from Mohan and was deposited in Citi Bank on 25th April is dishonoured and the bank debited ₹ 100 as bank charges on this cheque. The amount of dishonoured cheque and bank charges is received from Mohan in cash on 25th.	
May 26	Deposited cash ₹ 30,000 in Hongkong Bank.	
May 28	Sold old typewriter for ₹ 2,000 and old newspapers for ₹200 in cash.	

May 30	Interest charged by Hongkong Bank ₹ 400.	
May 31	Bank charges by Citi Bank ₹ 180 and Hongkong Bank ₹ 340.	

**Solution:**

Cash Book										
Dr.										
Date 2016	Particulars	L.F.	Cash ₹	Hongkong Bank ₹	Citi Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Hongko Bank ₹
May						May				
1	Balance b/d		34,000	75,200	1,20,000	3	Cash A/c	C		
3	Bank A/c	C	25,000			12	Purchases A/c		8,000	
8	Sales A/c		20,000			15	Collection Charges A/c			25
9	Cheques- in-Hand A/c	C		60,000		20	Wages A/c		36,000	
22	Citi Bank A/c			50,000		20	Salary A/c		4,000	
25	Mohan		10,100			22	Hongkong Bank A/c			
26	Cash A/c	C		30,000		23	Land A/c			3,20,00
28	Office		2,000			24	Mohan			

	Equipment A/c									
28	Sundry Income A/c		200			26	Hongkong Bank A/c	C	30,000	
31	Balance c/d			1,05,565		30	Interest A/c			400
						30	Bank Charges A/c			340
						31	Balance c/d		13,300	
			<b>91,300</b>	<b>3,20,765</b>	<b>1,20,000</b>				<b>91,300</b>	<b>3,20,765</b>
June 1	Balance b/d		<b>13,300</b>		<b>10,720</b>	June 1	Balance b/d			<b>1,05,565</b>

**Working Note:**

Journal Entry					
Date 2016	Particulars		L.F.	Debit Amount (Rs)	Credit Amount (Rs)
May					
8	Cheque-In-Hand A/c	Dr.		60,000	
	To Diwedi (Cheque received from Diwedi)				60,000

**Question 26**

Prepare a Cash Book with Cash and Bank columns from the following information for the month of December 2011 in the Books of O'Neil:

2016	
------	--

Dec. 1	Cash in Hand ₹ 2,780; Bank Overdraft ₹ 3,125.
2	Cheque worth ₹ 400 issued to the petty cashier.
5	₹ 350 was paid to Hari & Sons for the supply of stationery on this day.
7	Received a cheque worth ₹ 600 from Pramod against sale of goods.
10	Received ₹ 1,200 for sale of goods.
11	The cheque which was received from Pramod on 7th December was endorsed as favour of Morgan together with ₹ 1,400 in cash.
15	Received ₹ 950 from Sheila.
23	Murarilal paid ₹ 2,000 in cash and ₹ 3,000 in cheque after receiving a discount of ₹ 200 for goods sold to him in November. The cheque was immediately deposited into the Bank.
26	Bought goods worth ₹ 1,700 from Rustom and paid by cheque after receiving a discount of ₹ 170.
30	Interest on overdraft ₹ 50 was charged by the Bank.
30	Cash in excess of ₹ 1,000 was deposited into the Bank.

**Solution:**

Cash Book									
Dr.					Cr.				
Date 2016	Particulars	L.F.	Cash ₹	Bank ₹	Date 2016	Particulars	L.F.	Cash ₹	Bank ₹
Dec.					Dec.				
1	Balance b/d		2,780		1	Balance b/d			3,125

10	Sales A/c		1,200		2	Petty Expenses A/c			400
15	Sheila		950		5	Stationery A/c		350	
23	Murarilal		2,000	3,000	11	Morgan		1,400	
30	Cash A/c	C		4,180	26	Purchase A/c			1,530
					30	Interest on O/D			50
					30	Bank A/c	C	4,180	
					30	Balance c/d		1,000	2,075
			6,930	7,180				6,930	7,180
2017									
Jan. 1	Balance b/d		1,000	2,075					

### Working Notes 1:

Journal Entry					
Date 2016	Particulars			L.F.	Credit ₹
Dec					
7	Cheques-in-Hand A/c	Dr.		600	
	To Pramod (Cheque received from Pramod)				600
11	Morgan	Dr.		600	

To Cheques-in-Hand A/c (Cheque endorsed to Morgan)				600
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### Working Note 2: Evaluating cash deposited in bank

Cash deposited into the bank = Total of cash column(Dr.) – (Total of cash column(Cr.)+ cash balance maintained)

$$= 6,930 - (1,750 + 1,000) = \text{Rs. } 4,180$$

### Question 27

From the following particulars, prepare a Cash Book with Cash and Bank Columns:

2017	
Jan. 1	Balance of Cash in Hand ₹ 15,000 and Bank Overdraft ₹ 6,000
3	Issued a cheque of ₹ 4,800 to Mr. Black and earned a discount of ₹ 200.
4	Direct deposit by Mr. Kapil in our bank account ₹3,800. Discount allowed ₹ 200.
5	Given as charity ₹ 100.
7	Issued a cheque of ₹ 500 to the petty cashier.
15	Goods worth ₹ 10,000 were sold to Ganesh on 10th January. Its payment was received today by cheque after deducting 5% cash discount.
16	Deposited the above cheque into Bank.
17	Goods purchased from Raghu for ₹ 8,000. Payment is made after deducting 3% cash discount.
18	Bought postage stamps ₹ 200.
20	Paid ₹ 4,000 by cheque for furniture purchased.
22	Arun who owed us ₹ 6,000 became bankrupt and paid 60 paise per ₹.
24	Collected from Anil ₹ 5,000 in cash and deposited into bank the next day.





					20	Furniture A/c			4,000
28	Cheques- in- Hand A/c			6,850	24	Stationery A/c		200	
29	Sales A/c			10,000	25	Bank A/c	C	5,000	
					27	Y			7,800
					30	Interest A/c			1,500
					31	Balance c/d		10,340	10,550
			<b>23,600</b>	<b>35,150</b>				<b>23,600</b>	<b>35,150</b>
Feb. 1	Balance b/d		<b>10,340</b>	<b>10,550</b>					

#### Working Notes:

Journal Entry					
Date 2017	Particulars	L.F.	Debit ₹	Credit ₹	
Jan					
15	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	9,500 500		
	To Ganesh (Cheque received from Ganesh)				10,000
25	Cheques-in-Hand A/c Discount Allowed A/c	Dr. Dr.	6,850 150		
	To X (Cheque received from X)				7,000

Note: Transaction made on January 29, 2017, will not be mentioned in Cash Book because credit transactions will not affect the bank/cash balance.

### Question 28

Record the following transactions in a Petty Cash Book drawn with suitable columns and then balance the same:

2017		(₹)
Jan. 1	Petty cashier is given a monthly imprest amount of ₹ 10,000. He spent last month ₹ 9,200 and got the balance from the head cashier today.	
Jan. 2	Paid for Wages	600
Jan. 3	Paid for sundry expenses	100
Jan. 5	Paid for stationery	700
Jan. 9	Paid for courier charges	200
Jan.12	Stamps purchased	750
Jan.14	Paid wages to casual labour	500
Jan.16	Stationery purchased	400
Jan.19	Paid for general expenses	610
Jan.20	Paid for cartage	800
Jan.22	Paid for advertising	900
Jan.24	Paid for postage	400
Jan.25	Paid for Taxi Fare	840
Jan.27	Paid for entertainment	600
Jan.29	Paid for carriage	500



		25		Taxi Fare A/c	840	840				
		27		Entertainment A/c	600					
		29		Carriage A/c	500					5
		31		Repair A/c	700					
					8,600	840	1,100	1,350	1,100	1
		31		Balance c/d	1,400					
10,000					10,000					
1,400		Feb. 1		Balance b/d						
8,600		Feb. 1		Cash A/c						

### Question 29

Enter the following transactions in the petty cash book with appropriate analysis columns:

2017		(₹)
Feb. 1	Received from cashier ₹ 9,250, the amount required to make up the amount of the 'imprest' viz.,	10,000
Feb. 3	Chowkidar's Wages	500
	Pencils, Pens etc.	250
Feb. 5	Bus fare to workmen sent to customer's premises	600
Feb. 7	Paid for wages	200

Feb. 10	Postage	800
Feb. 12	Three Wheeler's charges for manager's trip to the city	100
Feb. 12	Wages to casual labourer	850
Feb. 14	Repair of furniture	300
Feb. 14	Repair of scooter	400
Feb. 18	Taxi fare to assistant manager	750
Feb. 20	Refreshment to Customers	450
Feb. 22	Paid for cartage	1,500
Feb. 25	Locks purchased	1,200
Feb. 25	Conveyance	250
Feb. 26	Paid for writing pads and registers	900
Feb. 28	Courier Charges	550

**Solution:**

<b>Petty Cash Book</b>										
Amount Received	C.B. Folio	Date	V. No.	Particulars	Total ₹	Conveyance	Printing & Stationery	Postage	Wages	Ca

₹		2017								
		Feb.								
750		1		Balance b/d						
9,250		1		Cash A/c						
		3		Wages A/c	500				500	
		3		Stationery A/c	250		250			
		5		Bus Fare A/c	600	600				
		7		Wages A/c	200				200	
		10		Postage A/c	800			800		
		12		Conveyence A/c	100	100				
		12		Wages A/c	850				850	
		14		Repairs A/c	300					
		14		Repairs A/c	400	400				
		18		Taxi Fare A/c	750	750				
		20		Refreshment A/c	450					
		22		Cartage A/c	1,500					1,5
		25		Locker A/c	1,200					
		25		Conveyence A/c	250	250				

		26		Stationery A/c	900		900			
		28		Courier charges A/c	550			550		
					9,600	2,100	1,150	1,350	1,550	1,5
		28		Balance c/d	400					
1,000					10,000					
400		Mar. 1		Balance b/d						
9,600		Mar. 1		Cash A/c						

### Question 30

Enter the following transactions in a petty cash book in analytical form. The book is kept on imprest system, amount of imprest being ₹ 5,000.

2016	
April 3	Petty Cash in hand ₹ 420. Received cash to make-up the imprest.
	Bought stamps for ₹ 300.
April 5	Paid for office cleaning ₹ 200 and repairs to furniture ₹ 250.
April 7	Paid bus fare ₹ 440, railway fare ₹ 330, wages ₹ 200.
April 8	Paid for charity ₹ 350
April 9	Bought shorthand note book for office ₹ 250, Carriage on parcels ₹ 280.
April 10	Bought envelopes ₹ 450, served refreshments to customers ₹ 150.
April 12	Paid for conveyance ₹ 300. Wages ₹ 200. Stapler pins ₹ 280.





		10		Refreshment A/c	150					
		12		Conveyence A/c	300	300				
		12		Wages A/c	200				200	
		12		Stationery A/c	280		280			
		15		Misc. Exp. A/c	250					
					4,230	1,070	980	300	400	2
		15		Balance c/d	770					
5,000					5,000					
770		16		Balance b/d						
4,230		16		Cash A/c						

### Question 32

Prepare a cash book and bank column from the following transactions.

2017	Particulars	₹
June 1	Cash in Hand	3,151
	Cash in Bank	91,401
June 2	Received a cheque for rent and paid it into the bank	990
June 5	Bought goods for ₹50,000, trade discount 20 %. Payment made by cheque (CGST 6%, CGST 6%)	120
		400
June 15	Paid trade expense	100
	Paid rent	6000
June 16	Paid insurance charges	
June 17	Sold goods for ₹80,000 trade discount 10%	



				3,151	1,79,031				3,151	1,79,031
July 1	To Balance b/d			2,531	1,24,731					