

## 1-ITRODUCTION TO ACCOUNTING

### Meaning Accounting

Accounting is the systematic and comprehensive recording of financial transactions pertaining to a business. Accounting also refers to the process of summarizing, analyzing and reporting these transactions to oversight agencies, regulators and tax collection entities.

### Objectives of Accounting:

1. To maintain full and systematic records of business transactions: Accounting is the language of business transactions. Given the limitations of human memory, the main objective of accounting is to maintain 'a full and systematic record of all business transactions.

2. To ascertain profit or loss of the business:

Business is run to earn profits. Whether the business earned profit or incurred loss is ascertained by accounting by preparing Profit & Loss Account or Income Statement. A comparison of income and expenditure gives either profit or loss.

3. To depict financial position of the business:

A businessman is also interested in ascertaining his financial position at the end of a given period. For this purpose, a position statement called Balance Sheet is prepared in which assets and liabilities are shown.

4. To provide accounting information to the interested parties:

Apart from owner of the business enterprise, there are various parties who are interested in accounting information. These are bankers, creditors, tax authorities, prospective investors, researchers, etc.

### Functions of Accounting:

(a) Keeping Systematic Records:

As a language of business, accounting is to report the results of most business events. Hence, its main function is to keep a systematic record of these events. This function embraces recording transactions in journal and subsidiary books like cashbook, sales book etc.,

b) Communicating the Results:

The second main function of accounting is to communicate the financial facts of the enterprise to the various interested parties like owners, investors, creditors, employees, government, and research scholars, etc.

(c) Meeting the Legal Requirements:

Accounting aims at fulfilling the legal requirements, especially of the tax authorities and regulators of the business. It discharges this function in accordance with certain fundamental truths and uniform enforcement of generally accepted accounting principles.

(d) Protecting the Properties of the Business:

Accounting helps protecting the property of the business.

(e) Planning and Controlling the Business Activities:

Accounting also helps planning future activities of an enterprise and controlling its day-to-day operations. This function is done mainly to promote maximum operational efficiency.

### Meaning Bookkeeping

Bookkeeping involves the recording, on a daily basis, of a company's financial transactions. With proper bookkeeping, companies are able to track all information on its books to make key operating, investing, and financing decisions.

Bookkeeping	Accounting
Bookkeeping is mainly related to identifying, measuring, and recording, financial transactions	Accounting is the process of summarizing, interpreting, and communicating financial transactions which were classified in the ledger account
Management can't take a decision based on the data provided by bookkeeping	Depending on the data provided by the accountants, the management can take critical business decisions
The objective of bookkeeping is to keep the records of all financial transactions proper and systematic	The objective of accounting is to gauge the financial situation and further communicate the information to the relevant authorities
Financial statements are not prepared as a part of this process	Financial statements are prepared during the accounting process
Bookkeeping doesn't require any special skill sets	Accounting requires special skills due to its analytical and complex nature
Basically there are two types of bookkeeping - Single entry and double entry bookkeeping	The accounting department does preparations of a company's budgets and plans loan proposals

### Branches of accounting

1. Financial Accounting-Financial accounting involves recording and classifying business transactions, and preparing and presenting

financial statements to be used by *internal and external users*.

2. **Managerial Accounting**-Managerial or management accounting focuses on providing information for use by *internal users*, the management. This branch deals with the needs of the management rather than strict compliance with generally accepted accounting principles.

3. **Cost Accounting**-Sometimes considered as a subset of management accounting, cost accounting refers to the recording, presentation, and analysis of *manufacturing costs*. Cost accounting is very useful in manufacturing businesses since they have the most complicated costing process.

4. **Auditing**-*External auditing* refers to the examination of financial statements by an independent party with the purpose of expressing an opinion as to fairness of presentation and compliance with GAAP. *Internal auditing* focuses on evaluating the adequacy of a company's internal control structure by testing segregation of duties, policies and procedures, degrees of authorization, and other controls implemented by management.

5. **Tax Accounting**-Tax accounting helps clients follow rules set by tax authorities. It includes tax planning and preparation of tax returns. It also involves determination of income tax and other taxes, tax advisory services such as ways to minimize taxes legally, evaluation of the consequences of tax decisions, and other tax-related matters.

6. **Accounting Information Systems**-Accounting information systems (AIS) involves the development, installation, implementation, and monitoring of accounting procedures and systems used in the accounting process. It includes the employment of business forms, accounting personnel direction, and software management.

### **Terminologies used in accounting**

**Accounts Payable:** Money or other obligations owed to creditors for services and materials, a Liability on the Balance Sheet.

**Accounts Receivable:** Money or other obligations due for services rendered or items sold on terms, an Asset on the Balance Sheet.

**Asset:** The things a company owns, seen on the Balance Sheet and represented as 1-xxxx accounts in your Chart of Accounts.

**Balance Sheet:** The primary financial statement that shows detailed assets, liabilities and equity at a point in time.

**Cost of Goods Sold (COGS):** Represents the cost of items or services sold to customers. These costs are kept in the Inventory asset account (1-xxxx) until they are sold. Then they are passed over to the COGS (5-xxxx) account. Seen on the Profit and Loss and represented as 5-xxxx accounts in your Chart of Accounts.

**Credit:** When we are talking about credits in relation to double-entry accounting - we are talking about one half of a transaction (the other side being a debit). Credits and debits effect accounts in different ways depending on what type of account is being used. For more information please see [this article](#).

**Current Year Earnings:** This account represents year to date earnings, not yet recorded into the Retained Earnings account.

**Debit:** When we are talking about debits in relation to double-entry accounting - we are talking about one half of a transaction (the other side being a credit). Credits and debits effect accounts in different ways depending on what type of account is being used. For more information please see [this article](#).

**Double Entry Accounting:** The accounting products follow the convention of Double Entry Accounting. Every accounting transaction is comprised of debits that equal credits.

**Equity (Capital):** The owner's interest in the business, which is the total assets minus the total liabilities of a company, seen on the balance sheet and represented in as 3-xxxx accounts in your Chart of Accounts.

**Expenses:** Costs incurred in the business used to generate revenue, seen on the Profit and Loss report and represented in your Chart of Accounts as 6-xxxx accounts.

**General Ledger:** An accounting record where all of your accounts are maintained. In the accounting products, when you enter any transaction, the General Ledger accounts are automatically updated.

**Gross Profit:** Represents your revenue from sales of inventory or services, less Cost of Goods Sold, before overhead expenses.

**Journals:** Account ledgers where entries are recorded. The accounting products have General, Disbursements, Receipts, Sales, Purchases, and Purchases journals. Every transaction creates a corresponding set of debit and credit entries in a specific journal.

**Liability:** The things a company owes in cash or other resources, represented as 2-xxxx in your Chart of Accounts. These are claims against assets.

**Net Profit/Loss:** Total Income minus Total Expenses minus Total COst of Sales. The bottom line!

**Operating Profit:** Profit before Other Income is added and Other Expenses are subtracted.

**Prepaid Expenses:** Represents expenses that are paid in advance of incurring them. For example, you might pay a year's worth of insurance and accrue 1/12 of it each month. This is typically an asset account.

**Subsidiary Ledgers:** Customer and vendor balances that equal the amount of the Accounts Receivable and Accounts Payable General Ledger accounts.

**Fiscal Year:** A fiscal year is a period of 12 consecutive months chosen by an organization as its accounting period which may

or may not be a calendar year. The general fiscal year used in India is 1st April to 31st March.

**Fixed Asset:** A fixed asset is any real item with a useful life of more than one year and, i.e. it does not have liquidity.

**For example, the building of a company and the equipment required.**

### **Accounting Concepts**

1. **Business entity concept:** A business and its owner should be treated separately as far as their financial transactions are concerned.
2. **Money measurement concept:** Only business transactions that can be expressed in terms of money are recorded in accounting, though records of other types of transactions may be kept separately.
3. **Dual aspect concept:** For every credit, a corresponding debit is made. The recording of a transaction is complete only with this dual aspect.
4. **Going concern concept:** In accounting, a business is expected to continue for a fairly long time and carry out its commitments and obligations. This assumes that the business will not be forced to stop functioning and liquidate its assets at “fire-sale” prices.
5. **Cost concept:** The fixed assets of a business are recorded on the basis of their original cost in the first year of accounting. Subsequently, these assets are recorded minus depreciation. No rise or fall in market price is taken into account. The concept applies only to fixed assets.
6. **Accounting year concept:** Each business chooses a specific time period to complete a cycle of the accounting process—for example, monthly, quarterly, or annually—as per a fiscal or a calendar year.
7. **Matching concept:** This principle dictates that for every entry of revenue recorded in a given accounting period, an equal expense entry has to be recorded for correctly calculating profit or loss in a given period.

**Realisation concept:** According to this concept, profit is recognised only when it is earned. An advance or fee paid is not considered a profit until the goods or services have been delivered to the buyer.

## UNIT-2

### FINANCIAL ACCOUNTING CONCEPT.

**Accounting Transaction:-** It means any event which changes the monetary position or financial position of an organisation.

#### Types Of Transaction:-

1. **Cash Transaction:-** It is a transaction where the value of the transaction is settled immediately in cash.
2. **Credit Transaction:-** It is a transaction where the value of the transaction is not settled immediately, but is postponed to some future day.
3. **Barter Transaction:-** Where you will exchange goods with any other goods there is no cash transaction.
4. **Paper Transaction:-** It is a transaction where the monetary position will not be affected, but financial position will be affected.

① Journalise the following transaction in the books of ABC company limited for 2015 :-

Jun 1	started business with cash	1,20,000
Jun 2	paid into bank	60,000
Jun 4	purchase goods from Kiran on credit.	20,000
Jun 6	paid to Shashi	9840
Jun 6	Discount allowed by him.	160
Jun 8	Sold to Ravi cash Sales	40,000
Jun 12	Sold to Ravi	10,000
Jun 15	purchase goods from Bashir on Account credit	15000
Jun 18	paid Salary	8000
Jun 20	Received from Prem Kumar	4960
Jun 20	allowed him discount	40.
Jun 25	withdraw from bank for office use	10,000
Jun 28	withdraw for personal use	2000.
Jun 30	paid Varish by cheque	6000

27/2019  
day:

→ Journal Entry in the books of ABC Co. Ltd

Date	particulars	LF	Debit	Credit
June 1	Cash A/c Dr To capital A/c [Being business commenced]		1,20,000	1,20,000
June 2	Bank A/c Dr To Cash A/c [Being cash paid to bank]		60,000	60,000
June 4	Purchase A/c Dr To Kiran A/c [Being goods purchased on credit]		20,000	20,000
June 6	Shashi A/c Dr To, cash A/c To, discount A/c [Being paid to Shashi]		9840 10,000	9840 160

June 8	Cash A/c <sup>Dr</sup>	40,000	
	To, Sales A/c		40,000
	[Being sold goods]		
June 12	Ravi A/c <sup>Dr</sup>	10,000	
	To, Sales A/c		10,000
	[Being goods sold to Ravi]		
June 15.	Purchase A/c <sup>Dr</sup>	15,000	
	To, Bashir A/c		15000
	[Being goods purchased on credit]		
June 18.	Salary A/c <sup>Dr</sup>	8000	
	To, Cash A/c		8000
	[Being salary paid]		
June 20	Cash A/c <sup>Dr</sup>	4960	
	Discount A/c <sup>Dr</sup>	40	
	To, Prem Kumar A/c		5000
	[Being received & allowed discount]		
June 25	Cash A/c <sup>Dr</sup>	10,000	
	To, Bank A/c		10,000
	[Being cash received]		
June 28	Drawing A/c <sup>Dr</sup>	2000.	
	To, Cash A/c		2000
	[Being withdrawn for personal use]		
June 30	Harish A/c <sup>Dr</sup>	6000	
	To, Bank A/c		6000
	[Being paid to Harish by cheque]		

Wednesday:

② Journalise the following transaction:- (2015)

June 1 - Purchase goods worth ₹ 800 from varun and ₹ 1200 from tarun on credit.

June 3 - Sold goods worth ₹ 1800 to barath & ₹ 1200 to Sharath.

June 6 - Cash of ₹ 1500 received from ramesh and ₹ 2500 from suresh.

June 7 - Paid ₹ 1200 to sudeep and ₹ 1300 to kuldeep.

June 9 - Withdrawn from bank ₹ 600 for office use and ₹ 300 for personal use.

Date	Particulars	LF	Dr	Cr
June 1	Purchase Alc <sup>Dr</sup>		2000	
	To, varun Alc			800
	To, tarun Alc			1200
	[Being goods purchased on credit]			
June 3	Barath Alc <sup>Dr</sup>		1800	
	Sharath Alc <sup>Dr</sup>		1200	
	To, Sales Alc			3000
	[Being goods sold to barath & Sharath]			
June 6	Cash Alc <sup>Dr</sup>		4000	
	To, Ramesh Alc			1500
	To, Suresh Alc			2500
	[Being cash received]			
June 7	Sudeep Alc <sup>Dr</sup>		1200	
	Kuldeep Alc <sup>Dr</sup>		1300	
	To, cash Alc			2500
	[Being cash paid]			
June 9	Cash Alc <sup>Dr</sup>		600	
	Drawing Alc <sup>Dr</sup>		300	
	To, Bank Alc			900
June 9	[Being withdrawn from bank for office and personal use]			

- ③ Journalise the following transaction of 2015:
- Jan 1 - John started business with cash 1,25,000
  - Jan 2 - Bought goods from Kiran on credit ₹ 30,000
  - Jan 3 - Paid into Canara bank A/c 50,000
  - Jan 4 - Return goods to Kiran 1500
  - Jan 5 - Sold goods to Suman 8000
  - Jan 6 - Paid to cartage 200
  - Jan 7 - Received dividend on investment through bank ₹ 3000.

- Jan 8 - Paid Salary 10,000
- Jan 9 - Paid cash to Kiran 28000
- Jan 10 - Received cash from Suman 7500

Date	Particulars	₹	Dr	Cr
Jan 1	Cash A/c <sup>Dr</sup> To, Capital A/c [Being business commenced]	1,25,000		1,25,000
Jan 2	Purchase A/c <sup>Dr</sup> To, Kiran A/c [Being goods purchased on credit]	30,000		30,000
Jan 3	Bank A/c <sup>Dr</sup> To, Cash A/c [Being paid into bank]	50,000		50,000
Jan 4	Kiran A/c <sup>Dr</sup> To, Purchase return A/c [Being goods returned to Kiran]	1500		1500
Jan 5	Suman A/c <sup>Dr</sup> To, Sales A/c [Being goods sold to Suman]	8000		8000
Jan 6	Cartage A/c <sup>Dr</sup> To, Cash A/c [Being paid to cartage]	200		200

Jan 7	Dividend A/c Dr	3000	
	To, bank A/c		3000
	[Being dividend received through bank]		
Jan 8	Salary A/c Dr	10,000	
	To, cash A/c		10,000
	[Being salary paid]		
Jan 9	Kiran A/c Dr	28000	
	To, cash A/c		28000
	[Being cash paid to Kiran]		
Jan 10	Cash A/c Dr	7500	
	To, Suman A/c		7500
	[Being cash received from Suman]		

08/2019  
Tuesday

④ Journalise the following transaction in the books of Mr. Mohan Kumar of 2015.

- April 1 - Started business with cash ₹40000, Machinery ₹25000 and furniture ₹10,000.
- April 2 - Purchase goods for cash ₹25000.
- April 5 - Paid tuition fee of the daughter ₹1500
- April 7 - Sold goods for cash ₹8000
- April 8 - paid household expenses ₹3500.
- April 10 - Sold personal car ₹25000 and amount is brought into the businesses.
- April 15 - Withdraw goods for personal use ₹2000.
- April 16 - Sold goods to Nagraj on credit ₹8000
- April 18 - Sold old machinery ₹1000
- April 19 - purchase goods on credit from Ravi ₹20,000
- April 20 - Received interest on investment ₹6000
- April 22 - Received Commission from Mohammed ₹2000.
- April 23 - Received a cheque from Nagraj ₹5000.
- April 25 - issued a cheque to Ravi ₹12,000.

- April 26 - Received cash from Arun on A/c ₹ 4000  
 April 27 - Paid cash to Bhargavi on A/c ₹ 1000  
 April 28 - returned goods to Ravi ₹ 1000  
 April 29 - Nagraj returned goods ₹ 500  
 April 30 - Paid rent ₹ 1000 & salary ₹ 12000

Date	Particulars	₹	Dr	Cr
April 1	Cash A/c <sup>Dr</sup>	40,000		
	Machinery A/c <sup>Dr</sup>	25,000		
	Furniture A/c <sup>Dr</sup>	10,000		
	To, Capital A/c			75,000
	[Being business commenced]			
April 2	Purchase A/c <sup>Dr</sup>	25,000		
	To, Cash A/c			25,000
	[Being goods purchased on cash]			
April 5	<sup>Drawings</sup> Tution A/c <sup>Dr</sup>	1,500		
	To, Cash A/c			1,500
	[Being tution fees paid]			
April 7	Cash A/c <sup>Dr</sup>	8,000		
	To, Sales A/c			8,000
	[Being goods sold on cash]			
April 8	<sup>Drawings</sup> Household A/c <sup>Dr</sup>	3,500		
	To, Cash A/c			3,500
	[Being paid for household expenses]			
April 10	Cash A/c <sup>Dr</sup>	25,000		
	To, Capital A/c			25,000
	[Being invested into business]			
April 15	Drawing A/c <sup>Dr</sup>	2,000		
	To, Purchase A/c			2,000
	[Being goods purchased for personal use]			

April 16	Nagraj Alc Dr To, Sales Alc [Being goods sold on credit]	8000	8000
April 18	Cash Alc Dr To, Machinery Alc [Being Machinery sold]	1000	1000
April 19	Purchase Alc Dr To, Ravi Alc [Being goods purchased on credit]	20,000	20,000
April 20	Interest on investment Alc Dr To, cash Alc [Being interest <sup>paid</sup> received on investment]	6000	6000
April 22	Cash Alc Dr To, Commission Alc [Being commission received]	2000	2000
April 23	Bank Alc Dr To, Nagraj Alc [Being cheque received]	5000	5000
April 25	Ravi Alc Dr To, bank Alc [Being issued cheque to Ravi]	12,000	12,000
April 26	Cash Alc Dr To, Arun Alc [Being cash received]	4000	4000
April 27	Bhargavi Alc Dr To, cash Alc [Being cash paid to bhargavi]	1000	1000
April 28	Ravi Alc Dr To, purchase return Alc [Being goods returned]	1000	1000

April 29	Sales Return A/c <sup>Dr</sup>	500	
	To, Nagraj A/c		500
	[Being goods returned by Nagraj]		
April 30	Rent A/c <sup>Dr</sup>	1000	
	Salary A/c <sup>Dr</sup>	12000	
	To, cash. A/c		13000
	[Being salary and rent paid]		

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ledger:- It is the book of account in which summary of all transaction relating to a particular person, asset, expenses or income which have taken place during a given period of time is maintained.

Difference b/w Journal and ledger.

Journal	ledger.
* It is a book of first, original or prime entry.	* It is a book of secondary or final entry.
* It does not provide accounting information.	* It provides accounting information.
* It is not a permanent record.	* It is a permanent record.
* It is entered in daily basis	* It is prepared at the end of a week or month.

## Problems:-

① Enter the following transactions in the Journal and ledger of Nithin of 2015.

May-1 Nithin Commenced business with cash ₹1,00,000

May-2 Opened an account in OBC bank and deposited cash ₹60,000

May-6 Purchase goods for cash ₹30,000

May-7 Sold goods to Rahim ₹7500

May-8 Purchase goods from Karthik and stores on account ₹2500

May-12 received from Rahim and deposited the same in bank ₹7200

May-12 allowed him discount ₹300.

May-15 Withdraw from bank for office use ₹10,000.

May-18 Paid Karthik and stores in full settlement of his account ₹12000.

May-20 Cash sales 14000

May-21 Commission due from Sunil for service provided ₹500.

May-22 Commission received from Sunil in cheque ₹500.

May-23 Sunil cheque deposited into bank.

May-24 Withdraws from bank for making payment of electric bill ₹2000.

May-30 Paid rent ₹5000 and salary ₹15000.

Date	Particulars	Dr	Cr
May 1	Cash A/c <sup>Dr</sup> To, Capital A/c [Being business commenced]	1,00,000	1,00,000
May 2	Bank A/c <sup>Dr</sup> To, Cash A/c [Being cash paid]	60,000	60,000
May 6.	Purchase A/c <sup>Dr</sup> To, Cash A/c [Being goods purchased]	30,000	30,000
May 7.	Rahim A/c <sup>Dr</sup> To, Sales A/c [Being goods sold]	7500	7500
May 8	Purchase A/c <sup>Dr</sup> To, Karstluk and Stores A/c [Being goods purchased]	12500	12500
May 12	Bank A/c <sup>Dr</sup> Discount A/c <sup>Dr</sup> allowed A/c <sup>Dr</sup> To, Rahim A/c [Being cash received and deposited into bank & allowed discount]	7200 300	7500
May 15	Cash A/c <sup>Dr</sup> To bank A/c [Being withdrawn for personal use]	10,000	10,000

May 18	Kautilik and Stores A/c Dr	12500 12000	
	To, Cash A/c		12000
	To, discount Received A/c		500
May 20.	Cash A/c Dr	14000	
	To, Sales A/c		14000
May 21	Commission receivable A/c Dr	500	
	To, Commission A/c		500
May 22	Cash A/c Dr	<del>5000</del> 500	
	To, Commission receivable A/c		<del>2000</del> 500
May 23.	Bank A/c Dr	500	
	To, Cash A/c		500
May 24	electric bill A/c Dr	2000	
	To, bank A/c		2000
May 30	Rent A/c Dr	5000	
	Salary A/c Dr	15000	
	To, cash A/c		20000

Ledger A/c

Dr		Cash A/c		Cr	
Date	Particulars	J F Amount	Date	Particulars	J F Amount
May 1	To Capital A/c	1,00,000	May 2	By OBC bank A/c	60,000
May 15	To OBC bank A/c	10,000	May 6	By purchase A/c	30,000
May 20	To, Sales A/c	14000	May 18	By Kautilik & Stores	12000
May 22	To commission receivable A/c	500	May 23	By OBC bank A/c	500
			May 30	By Rent A/c	5000
			May 30	By salary A/c	15000
			May 30	By bal b/d	<del>2000</del>
					124500
June 1	To bal b/d	<u>124500</u> 2000			

## OBC Bank A/c

Dr

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
May 2	To cash A/c		60,000	May 15	By cash A/c		10,000
May 12	To Rahim A/c		7200	May 24	By electricity A/c		2000
May 23	To cash A/c		500	May 31	By bal c/d		55700
			67700				67700
June 1	To bal b/d		55700				

## Capital A/c

Dr

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
May 31	To bal c/d		1,00,000	May 1	By cash A/c		1,00,000
			1,00,000				1,00,000
				June 1	By bal b/d		1,00,000

## Purchase A/c

Dr

Date	Particulars	JF	Amount	Date	Particulars	JF	Amount
May 06	To, cash A/c		30,000	May 31	By bal c/d		42500
May 08	To Kaurtik & Stores A/c		12,500				
			42500				42500
June 1	To bal b/d		42500				

### Rahim A/c

Dr				Cr			
Date	Particulars	Jr	Amount	Date	Particulars	Jr	Amount
May 7	To, Sales A/c		7500	May 12	By bank A/c		7200
				May 12	By discount allowed A/c		300
			7500				7500

### Sales A/c

Dr				Cr			
Date	Particulars	Jr	Amount	Date	Particulars	Jr	Amount
May 31	To bal c/d		21500	May 7	By Rahim A/c		7500
				May 20	By cash A/c		14000
			21500				21500
				June 1	By bal b/d		21500

### Electricity bill A/c

Dr				Cr			
Date	Particulars	Jr	Amount	Date	Particulars	Jr	Amount
May 24	To OBC bank A/c		2000	May 31	By bal c/d		2000
			2000				2000
June 1	To bal b/d		2000				

### Kaushik & Stores A/c

Dr				Cr			
Date	Particulars	Jr	Amount	Date	Particulars	Jr	Amount
May 18	To cash A/c		12000	May 8	By Purchase A/c		12500
May 18	To discount allowed A/c		500				12500
			12500				

## Rent Alc

Dr

Dr				Cr			
Date	particulars	JF	Amt	Date	particulars	JF	Amt
May 30	To cash Alc		5000	May 31	By bal c/d		5000
			5000				5000
June 1	To bal b/d		5000				

## Salary Alc

Dr

Dr				Cr			
Date	particulars	JF	Amt	Date	particulars	JF	Amt
May 30	To cash Alc		15000	May 31	By bal c/d		15000
			15000				15000
June 1	To bal b/d		15000				

## Commission Alc

Dr

Dr				Cr			
Date	particulars	JF	Amt	Date	particulars	JF	Amt
May 31	To bal c/d		500	May 21	By commission receivable Alc		500
			500				500
				June 1	By bal b/d		500

## Commission Receivable Alc

Dr

Dr				Cr			
Date	particulars	JF	Amount	Date	particulars	JF	Amt
May 21	To commission Alc		500	May 22	By cash Alc		500
			500				500

DATE: / /

Discount Received A/c

Dr

Date	Particulars	JF	Amount	Date	particulars	JF	Amount
May 31	To bal c/d		500	May 18	By Kartik & Sons A/c		500
			500				500
				June 1	By bal b/d		500

Discount allowed A/c

Dr

Date	particulars	JF	Amount	Date	particulars	JF	Amount
May 12	To Rahim A/c		300	May 31	By bal c/d		300
			300				300
June 1	To bal b/d		300				

- Journalise the following transaction and post them into ledger A/c
- June-1 Bought from David £10,000
  - June-2 Sold to Sanvi £6000
  - June-3 Sold to Ramani £3000
  - June-4 Purchase from Mahesh on credit £2000
  - June-5 Sales return by Sanvi £200
  - June-10 Bought from Ravi on credit £6000
  - June-12 Returned to Mahesh £100.
  - June-15 Sold to Lokesh £8000
  - June-16 Lokesh returned goods £200
  - June-17 Sold goods to Ramani £3000
  - June-19 Bought from Nagesh £6500
  - June-21 Sold to Sanvi £3750.
  - June-22 Returned to Nagesh £500
  - June-25 Bought from David £7500
  - June-26 Paid David £12000
  - June-26 Paid Ram £3000
  - June-28 Received from Sanvi in full settlement of his account £9500
  - June-29 Received from Ramani and Lokesh the full amount due from them.

June 30 Paid Mahesh and Nagesh the full amount due to them:-

Date	Particulars	Dr	Cr
June 1	Purchase A/c <sup>Dr</sup> To, David A/c	10,000	10,000
June 2	Sanvi A/c <sup>Dr</sup> To, Sales A/c	6000	6000
June 3	Ramani A/c <sup>Dr</sup> To, Sales A/c	3000	3000
June 4	Purchase A/c <sup>Dr</sup> To, Mahesh A/c	2000	2000
June 5	Sales Return A/c <sup>Dr</sup> To, Sanvi A/c	200	200
June 10	Purchase A/c <sup>Dr</sup> To, Ram A/c	6000	6000
June 12	Mahesh A/c <sup>Dr</sup> To, purchase return A/c	100	100
June 15	Lakesh A/c <sup>Dr</sup> To, Sales A/c	8000	8000
June 16	Sales Return A/c <sup>Dr</sup> To, Lakesh A/c	200	200

June 17	Ramani Alc <sup>Dr</sup>	3000	
	To, Sales Alc		3000
June 19	Purchase Alc <sup>Dr</sup>	6500	
	To, Nagesh Alc		6500
June 21	Sanvi Alc <sup>Dr</sup>	3750	
	To, Sales Alc		3750
June 22	Nagesh Alc <sup>Dr</sup>	500	
	To, purchase Return Alc		500
June 25	Purchase Alc <sup>Dr</sup>	7500	
	To, David Alc		7500
June 26	David Alc <sup>Dr</sup>	12000	
	Ram Alc <sup>Dr</sup>	3000	
	To, Cash Alc		15000
June 28	Cash Alc <sup>Dr</sup>	9500	
	Discount allowed Alc <sup>Dr</sup>	50	
	To, Sanvi's Alc		9550
June 29	Cash Alc <sup>Dr</sup>	13800	
	To, Ramani Alc (3000 + 3000)		6000
	To, lokesh Alc (8000 - 200)		7800
June 30	Mahesh Alc <sup>Dr</sup> (2000 - 100)	1900	
	Nagesh Alc <sup>Dr</sup> (6500 - 500)	6000	
	To, Cash Alc		7900

beg ledger Alc :-

purchase Alc

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
June 1	To David Alc	10,000	June 30	By bal Cd	32000
June 4	To Mahesh Alc	9000			
June 10	To Ram Alc	6000			
June 19	To Nagesh Alc	6500			
June 25	To David Alc	7500			
		32000			32000
July 1	To bal b/d	32000			

Sales Alc

Dr			Cr		
Date	Particulars	Amount	Date	Particulars	Amount
June 30	To bal Cd	23750	June 2	By Sanvi Alc	6000
			June 3	By Ramani Alc	3000
			June 15	By lokesh Alc	8000
			June 17	By Ramani Alc	3000
			June 21	By Sanvi Alc	3750
		23750			23750
			July 1	By bal b/d	23750

## David Alc

Dr

Cr

Date	particulars	JF	Amount	Date	particulars	JF	Amt
June 26	To Cash Alc		12000	June 1	By Purchase Alc		10,000
June 30	To bal c/d		5500	June 25	By purchase Alc		7500
			17500				17500
				July 1	By bal b/d		5500

## Sarvi Alc

Dr

Cr

Date	particulars	JF	Amount	Date	particulars	JF	Amount
June 2	To, Sales Alc		6000	June 5	By Sales Return Alc		200
June 21	To, Sales Alc		3750	June 28	By Cash Alc		9500
			9750	June 28	By Discount allowed Alc		50
							9750

## Sales Return Alc

Dr

Cr

Date	particulars	JF	Amount	Date	particulars	JF	Amount
June 5	To, Sarvi Alc		200	June 30	By bal c/d		400
June 16	To, lokuh Alc		200				
			400				400
July 1	To, bal b/d		400				

## Purchase Return A/c

Dr			Cr		
Date	Particulars	₹ Amount	Date	Particulars	₹ Amount
June 30	To bal c/d	600	June 12	By Mahesh A/c	100
			June 22	By Nagesh A/c	500
		600			600
			July 1	By bal b/d	600

## Ram A/c

Dr			Cr		
Date	Particulars	₹ Amount	Date	Particulars	₹ Amount
June 26	To cash A/c	3000	June 10	By purchase A/c	6000
June 30	To bal c/d	3000			
		6000			6000
			July 1	By bal b/d	3000

## Ramani A/c

Dr			Cr		
Date	Particulars	₹ Amount	Date	Particulars	₹ Amount
June 3	To Sales A/c	3000	June 29	By cash A/c	6000
June 17	To Sales A/c	3000			
		6000			6000

## Discount Allowed A/c

Dr			Cr		
Date	Particulars	₹ Amount	Date	Particulars	₹ Amount
June 28	To Sanvi A/c	50	June 30	By bal c/d	50
		50			50
July 01	To bal b/d	50			

## Mahesh A/c

Dr

Cr

Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
June 12	To purchase return A/c		100	June 4	By purchase A/c		2000
June 30	To Cash A/c		1900				
			2000				2000

## Lokesh A/c

Dr

Cr

Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
June 15	To Sales A/c		8000	June 16	By Sales Return A/c		200
				June 29	By Cash A/c		7800
			8000				8000

## Nagesh A/c

Dr

Cr

Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
June 22	To purchase return A/c		500	June 19	By purchase A/c		6500
June 30	To Cash A/c		6000				
			6500				6500

## Cash A/c

Dr

Date	particulars	F	Amount	Date	particulars	F	Amount
June 28	To Sawi A/c		9500	June 26	By David A/c		12000
June 29	To Ramani A/c		6000	June 26	By Ram A/c		3000
June 29	To Lokesh A/c		7800	June 30	By Mahesh A/c		1900
				June 30	By Nagesh A/c		6000
				June 30	By bal old		400
			23300				23300
July 1	To bal b/d		400				

- Journalise the following transaction in the books of Company:
- April-1 Krishna commenced business with cash and goods. Cash-20,000 & goods-4000
  - April-5 Bought furniture for cash ₹2000.
  - April-6 Bought machinery from David ₹10,000
  - April-8 lend money to Ram at 5% ₹2000
  - April-15 Withdraw cash for personal use ₹400
  - April-16 Bought goods from Ravi ₹12000
  - April-20 Sold goods for cash ₹2000.
  - April-25 Paid cash to David ₹9900 on the same date he received Discount ₹100.
  - April-28 Received cash from Ravi ₹1000.

Date	particulars	£	Voucher	Dr	Cr
April-1	Cash Alc <sup>Dr</sup>			20,000	
	goods Alc <sup>Dr</sup>		Receipt	4000	
	To, Capital Alc				24000
April-5	Furniture Alc <sup>Dr</sup>			2000	
	To, Cash Alc		Payment		2000
April-6	Machinery Alc <sup>Dr</sup>			10,000	
	To, David Alc		Journal		10,000
April-8	Ram Alc <sup>Dr</sup>			2000	
	To, Cash Alc		Payment		2000
April-15	Drawing Alc <sup>Dr</sup>			400	
	To, Cash Alc		Payment		400
April-16	Purchase Alc <sup>Dr</sup>			12000	
	To, Ravi Alc		Journal		12000
April-20	Cash Alc <sup>Dr</sup>			2000	
	To, Sales Alc		Receipt		2000
April-25	David Alc <sup>Dr</sup>			9000	
	To, Cash Alc		Payment		9900
	To, Discount Alc				100
April-28	Cash Alc <sup>Dr</sup>			1000	
	To, Ravi Alc		Receipt		1000