

## Ledger Trial Balance and BRS

### Example 1 : Simple Journal Entry

On 1st August 2013. goods are sold for cash Rs. 12,000.

**Solution: :**

### Journal Entry

Date	Particulars	L.F.	Dr. (Rs.)	Cr. (Rs.)
2013 Aug, 1	Cash A/c Dr. To Sales A/c (For Cash sales)		12,000	12,000

### Ledge A/c

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Aug, 1	To Sales A/c		12,000				

### Sales A/c (extract)

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Aug, 1	To Sales A/c		12,000

### Example 2: Compound Journal Entry

Received Rs. 14,000 in full settlement of a debt of Rs. 15,000 from Ram on Aug 8, 2013.

**Solution:**

### Journal Entry

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Date	Particulars	L.F.	Dr. (Rs.)	Cr. (Rs.)
2013 Aug, 8	Cash A/c Dr. Discount Allowed A/c Dr. To Ram (Cash received and discount allowed)		14,000 1,000	15,000

### Cash Account

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Aug, 8	To Ram		14,000				

### Discount Allowed Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Aug, 8	To Ram		1,000				

### Ram's Account

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013				2013 Aug, 8	By Cash A/c By Discount Allowed A/c		14,000 1,000

**Example 3:** Given some Cash Book entries Post them into ledger Accounts.

Date	Particulars Vr.	L.F	Cash (Rs.)	Bank (Rs.)	Date	Particulars Vr.	L.F	Cash (Rs.)	Bank (Rs.)
2013 Jan, 1	To Capital A/c		40,000	-	2013 Jan, 12	By Purchase A/c		5,000	-
Jan, 15	To Cash A/c	C	-	10,000	Jan, 15	By Bank A/c	C	10,000	-
Jan.					Jan, 25				

22	To Cash A/c		3,000	-		By Sumit		-	4,500
Jan, 28	To Anil		-	2,900	Jan, 31	By Balance C/d		28,000	8,400
			43,000	12,900				43,000	12,900

### Solution:

- 15th Jan. entry will not be posted (Contra Entry).
- Closing Balance will not be posted in the ledger.

### Capital Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Jan, 10	By Cash A/c		40,000

### Sales Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013				2013 Jan, 22	By Cash A/c		3,000

### Anil's Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Jan, 28	By Bank A/c		2,900

### Purchase Account

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Jan, 12	To Cash A/c		5,000				

### Sumit's Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Jan, 25	To Bank A/c		4,500				

### Example 4:

#### Purchase Book

Date	Particulars	Inv. No.	L.F.	Details (Rs)	Total Amt (Rs)
2013 June 4	Sahil & Co.				
June 14	Geeta Industries Less: Trade Discount 20%			20,000 (4,000)	16,000
June 26	Vijay & Co. Less: Trade Discount 20%			12,000 (2,400)	9,600
June 30	Purchase A/c Dr.				35,600

### Solution:

#### Purchase Account

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
2013 Jun 30	To Sundries as per Purchase		36,600				

	Book						
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**Sahil & Co.**

Dr. Cr.

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Jun 4	By Purchase A/c		10,000

**Geeta Industries**

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Jun 14	By Purchase A/c		16,000

**Vijay & Co.**

Date	Particulars	J.F	(Rs.)	Date	Particulars	J.F.	(Rs.)
				2013 Jun 26	By Purchase A/c		9,600

Problem 1: Enter the following transactions in proper Subsidiary Books, post them into Ledger Accounts, balance the accounts and prepare a Trial Balance, 2013

Jun.1 Assets : Cash in hand Rs. 50,000; Debtors : Amit and Co. Rs. 15,000, Sumit Bros, Rs. 30,000, Stock Rs. 1,75,000, Machinery Rs. 1,20,000, Furniture 40,000.

Liabilities : Bank overdraft Rs. 33,000, Creditors : Viral and Co. Rs. 24,000, Vishal Rs. 16,000.

Jun. 2 Purchased from Ramesh and Sons goods of the list price of Rs. 20,000 at 10% trade discount.

Jun. 5. Returned to Ramesh & Sons goods of the list price of Rs. 2,000.

Jun. 10 Issued a cheque to Ramesh and Sons in full settlement of their account.

Jun. 12 Solid to Amit and Co., goods worth Rs. 25,000.

[illegible]

<b>Jun 30</b>	To Balance c/d		-	54,000	Jun 30	By Balance c/d		55,800	-
	<b>Total</b>		<b>80,800</b>	<b>62,000</b>		<b>Total</b>		<b>80,800</b>	<b>62,000</b>
<b>July 1</b>	To Balance b/d		55,800	-	July 1	By Balance c/d (Bank overdraft)		-	54,000

#### Example 5:

S. No.	Trial Dr. Total Rs.	Balance (Cr. Total) (Rs.)	Difference (Rs.)	Posted to the Suspense A/c? (Debit side of Suspense A/c)
1.	2,25,00	2,16,500	8,500 (Ecess Debit)	Credit Side of Suspense A/c
2.	2,16,500	2,25,000	8,500 (Ecess Debit)	Debit Side of Suspense A/c

#### Solution:

#### Closing of Suspense A/c

- The errors which led to the difference still remain to have to be located.
- These errors will be rectified through Suspense A/c (One sided errors) which will be explained in the topic Rectification of Errors.
- When all the errors are rectified, this Account closes down automatically. If the difference in Trial Balance persist, it is shown in the Balance Sheet.

(a) Debit Balance of Suspense Account is shown in the Asset Side of the Balance Sheet.

(b) Credit Balance of Suspense Account is shown in the Liability Side of the Balance Sheet.

## Preparation of bank Statement

**Example 1: Balance as per Cash Book is given**

**Prepare Bank Reconciliation statement as on 31st July 2013**

**(1) Dr. Balance as per Cash Book is Rs. 20,000 as on 31st Jul 2013.**

**(2) Cheques for Rs. 5000 were deposited into the Bank in the month of July but only Cheques for Rs. 1000 were credited by bank till 31st July 2013.**

**(3) Cheques issued for Rs. 33000 in July, out of which a cheque for Rs. 13,800 was presented for payment on 3rd August, 2013.**

**(4) Bank charged Rs. 150 as Bank charges and credited interest of Rs. 400.**

**(5) A customer directly deposited Rs. 2,500 in firm's bank A/C.**

**(6) Bank paid the insurance Premium of Rs. 1200 as per standing instruction on 25.7.2013.**

**Solution :**

**Bank Reconciling Statement as on 31st July 2013**

<b>PARTICULARS</b>	<b>+ ITEM</b>	<b>- ITEM</b>
<b>1. Balance as per Cash Book</b>	20,000	-
<b>2. Cheques deposited but not yet collected by the bank (5,000-1,000)</b>	-	4,000
<b>3. Cheques issued but not yet Present for payment</b>	13,800	-
<b>4. (a) Bank. Charges (b) Interest credited by the bank</b>	-	150
<b>5. Directly deposited by the customers not</b>	2,500	-



<b>recorded in the Cash Book</b>		
<b>6. Insurance Premium paid by the bank not recorded in Cash Book.</b>	-	1,200
<b>TOTAL</b>	<b>36,700</b>	<b>5,350</b>
<b>Balance as per pass Book (36,700-5,350)</b>	<b>31,350</b>	

**Example 2 : When overdraft as per Cash Book is given**

- 1. Overdraft as per Cash Book is Rs. 40,500 on 30th June 2013.**
- 2. Cheques deposited but not yet collected Rs. 12,000.**
- 3. Cheques issued but not yet presented for payment of Rs. 2,800.**
- 4. Bank Charges of Rs. 50 and Interest on overdraft of Rs. 250 are charged by the bank.**
- 5. A customer directly deposited Rs. 1,200 into the Bank.**
- 6. Insurance Premium of Rs. 1,500 is paid by the bank as per standing instructions**

**Solution :**

**Prepare Bank Reconciliations Statement for the month of June 2013.**

**Bank Reconciliations Statement as on 30th June 2013**

<b>PARTICULARS</b>	<b>+ ITEM</b>	<b>- ITEM</b>
<b>1 Overdraft as per Cash Book*.</b>	-	40,500
<b>(2) Cheques deposited but not yet collected</b>	-	12,000
<b>(3) Cheques issued but not yet Presented for payment</b>	2,800	-
<b>(4) (a) Bank Charges</b>	-	50
<b>(b) Interest on overdraft charged</b>	-	250
<b>(5) Directly deposited by a customer in the bank</b>	1,200	-
<b>(6) Insurance Premium paid by the bank not entered — in Cash Book.</b>	-	1,500

<b>TOTAL</b>	<b>4,000</b>	<b>54,300</b>
<b>Balance as per pass Book (54,300-4,000)</b>	<b>-</b>	<b>50,300</b>

**Example 4: Overdraft as per Pass book is Rs. 45,000 Rest of the contents (points 2 to 6) are same as given example No.2**

**Solution :**

**Prepare Bank Reconciliation Statement as on June 30, 2013.**

**Bank Reconciliations Statement as on 30th June 2013**

<b>PARTICULARS</b>	<b>+ ITEM</b>	<b>- ITEM</b>
<b>1 Over draft as per Pass Book.</b>	-	45,000
<b>(2) Cheques deposited but not yet collected</b>	12,000	-
<b>(3) Cheques issued but not yet presented for payment</b>	-	2,800
<b>(4) (a) bank Charges not entered in Cash Book</b>	50	-
<b>(b) Interest on overdraft charged by the bank</b>	250	-
<b>(5) Directly deposited by a customer in the Bank</b>	-	1,200
<b>(6) Insurance Premium paid by the Bank</b>	1,500	-
<b>TOTAL</b>	<b>13,800</b>	<b>49,000</b>
<b>Balance as per pass Book (49,000-13,800)</b>	<b>-</b>	<b>35,200</b>

**Example 5: The cash Book of Mr. Sharma showed a balance, of 3,560 as on 31st Dec. 2013 at the bank where as Pass Book showed a balance of Rs. 4,230. Comparison of the Cash Book and Pass Book revealed the following:**

**(1) The Bank has debited Mr. Sharma With Rs. 460, the annual premium of his life Policy according to his standing instructions and Rs. 20 as Bank charges.**

**(2) Mr. Sharma paid into the Bank cheques totaling Rs. 3,100 on Dec. 26, 2013 of which those for Rs. 2,500 were collected in December. One cheque for Rs. 200 was returned dishonored on 2nd Jan. 2014.**

**(3) The Bank has credited Mr. Sharma by Rs. 1,600, the proceeds of a bill.**

(4) Cash collected, on 31st Dec. 2013 totalling Rs. 850 was entered in the Cash Book in the Bank column on the same date but banked on 2.1.2014.

(5) Mr. Sharma issued cheques totaling Rs. 2,300 in the month of Dec. out of which cheques for Rs. 1,000 have not been presented for payment for payment till 31st Dec.

**Solution :**

**Amended Cash Book (Bank Column only) as on 31st Dec. 2013**

**Receipt side      Receipt side**

Particulars	Rs.	Particulars	Rs.
Top Balance b/d	3,560	By Drawings	460
To B/R (Proceeds of a Bill)	1,600	By Bank Charges	20
		By Balance c/d/	4,680
	<b>5,160</b>		<b>5,160</b>

**Bank Reconciliation Statement**

PARTICULARS	+ ITEM	- ITEM
1 Balance as per Adjusted Cash Book (Dr.)	4,680	-
(2) Cheques paid into the Bank but not Credited by Dec. 31, 2013 (3,100-2,500)	-	600
(3) Cash collected entered in the Cash Book but not banked	-	850
(4) Cheques issued but not presented till date	1,000	-
<b>TOTAL</b>	<b>5,680</b>	<b>1,450</b>
Balance as per pass Book (5,680-1,450)	<b>4,230</b>	-