

CBSE Test Paper 04

Ch-3 Recording of Transactions - I Vouchers, Journals & Ledgers

1. What is a compound voucher?
2. Which source documents are prepared by the seller for goods sold against credit?
3. State, whether the discount allowed, is a cash discount or trade discount, if 100 washing machines are purchased by XYZ Ltd from Samsung, and it allowed a discount of Rs.20,000 for purchase there of.
4. State the treatment if both cash discount and trade discount are allowed?
5. If machinery is purchased for cash, indicate how accounting equation will be affected?
6. Give any three points distinguishing between a journal and a ledger?
7. Raja started a business on 1st April, 2012 with a capital of Rs 1,00,000 and a loan of Rs 50,000 borrowed from Ram. During 2012-13, he had introduced additional capital of Rs 50,000 and had withdrawn 30,000 for personal use. On 31st March, 2013 his assets were 3,00,000. Find out his capital as on 31 st March, 2013 and profit made or loss incurred during the year 2012-13.
8. Transactions of Sunil for April are given below. Journalise them.

| 2013 | Transactions | Amount (Rs) |
|-------|----------------------------------|----------------|
| 2013 | | |
| Apr 1 | Sunil started business with cash | 3,00,000 |
| Apr 2 | Paid into bank | 2,10,000 |
| Apr 3 | Bought goods for cash | 15,000 |
| Apr 4 | Drew cash from bank for office | 3,000 |

| | | |
|--------|--------------------------|--------|
| Apr 13 | Sold goods to Aditya | 4,500 |
| Apr 20 | Bought goods from Sunny | 6,750 |
| Apr 24 | Received from Aditya | 4,500 |
| Apr 28 | Paid Sunny cash | 6,450 |
| Apr 30 | Cash sales for the month | 24,000 |
| Apr 30 | Paid salary for Ram | 9,000 |

9. Explain giving example the compound journal entry.

10. Journalise the following transactions in the books of Rachna and post them into the ledger

| 2013 | | Amt(Rs) |
|--------|---------------------------|----------|
| Dec 1 | Cash in hand | 18,000 |
| | Cash at Bank | 1,65,000 |
| | Stock of goods | 1,20,000 |
| | Due to X | 18,000 |
| | Dye from Y | 30,000 |
| Dec 3 | Sold goods to Z | 45,000 |
| Dec 4 | Cash Sales | 30,000 |
| Dec 6 | Goods sold to S | 15,000 |
| Dec 8 | Purchased Goods from T | 90,000 |
| Dec 10 | Goods returned from Z | 6,000 |
| Dec 14 | Cash received from Z | 39,000 |
| Dec 15 | The cheque was given to X | 18,000 |
| Dec 16 | Cash received from S | 9,000 |
| Dec 20 | Cheque received from Y | 30,000 |
| | | |

| | | |
|--------|------------------------------------|--------|
| Dec 22 | Cheque received from S | 6,000 |
| Dec 25 | Cash is given to T | 54,000 |
| Dec 26 | Paid cartage | 3,000 |
| Dec 27 | Paid salary | 24,000 |
| Dec 28 | Cash sales | 21,000 |
| Dec 29 | The cheque is given to T | 36,000 |
| Dec 30 | Rachna took goods for personal use | 12,000 |
| Dec 31 | Paid general expenses | 1,500 |

Recording of Transactions - I Test Paper 04
Class 11 - Accountancy

Solution

Section A

1. Voucher, which records transactions with multiple debits/credits and one credit/debit are called compound vouchers. A compound journal entry is an accounting entry which effects more than two account heads. A simple journal entry has one debit and one credit whereas a compound journal entries includes one or more debits and/or credits than a simple journal entry.
2. Invoice or bill. An Invoice shows the amount of money owed for goods or services received.
3. It is a trade discount for making bulk purchases.
4. A trade discount is one that is allowed by the wholesaler to the retailer, calculated on the list price of the product. whereas cash discount is allowed to stimulate instant payment of the goods purchased. The main difference between trade discount and cash discount is that ledger account is opened for a cash discount, but not for a trade discount. It should be better understood with the help of the following example:
Suppose, Neha has purchased goods costing Rs. 20,000 from Sumit and Sumit allowed him 10% Trade Discount and 5% Cash Discount. So, in this case, the following journal entry should be passed in the books of Neha:

| Date | Particulars | | L.F. | Debit Amount (Rs) | Credit Amount (Rs) |
|------|---|----|------|-------------------------|--------------------------|
| | Purchase A/c To Discount Received A/c To Cash A/c | Dr | | 18,000 | 900 |

| | | | | | |
|--|--|--|--|------------------------|------------------------|
| | (Being goods purchased from Sumit of Rs 20,000 at 10% Trade Discount & 2% Cash Discount) | | | | 17,100 |
| | Total | | | 18,000 ===== | 18,000 ===== |

5. It will result in cash being reduced and machinery account being increased. Based on the double-entry system, the accounting equation ensures that the balance sheet remains "balanced," and each entry made on the debit side should have a corresponding entry (or coverage) on the credit side.
6. The journal and the ledger are the most important books of the double entry mechanism of accounting and are indispensable for an accounting system. The following points of comparison are worth noting

| Basis | Journal | Ledger |
|--|--|--|
| Nature of Book | The journal is the book of first entry (original entry). | The ledger is a book of secondary or final entry. |
| Chronological/Analytical Record | The journal is the book for chronological record. | The ledger is the book for analytical record. |
| Process of Recording | Process of recording in the journal is called journalising. | The process of recording in the ledger is known as posting. |
| Basis of classification | Transaction is the basis of classification of data within the journal. | Account is the basis of classification of data within the ledger. |
| Format | A journal has five columns-Date, particulars, ledger folio, debit amount, credit amount. | Ledger has four identical columns on debit and credit side-Date, particulars, journal folio, amount. |

7. In this Capital as on 31st March, 2013 means the closing capital, Closing capital means:
 (a) Current Assets and Long-Term Prepaids, less (b) Total Liabilities, determined as of the close of business on the Closing date i.e. 31st March, 2013 which will be calculated as follows:-

Closing Capital = Closing Assets - Closing Liabilities (i.e., Ram's Loan)

= Rs 3,00,000 - Rs 50,000 = Rs 2,50,000

Profit = Closing Capital + Drawings - Additional Capital - Opening Capital

= Rs 2,50,000 + Rs 30,000 - Rs 50,000 - Rs 1,00,000 = Rs 1,30,000

8. JOURNAL

| Date | Particulars | | LF | Debit Amount (Rs) | Credit Amount (Rs) |
|-------|---|----|----|-------------------------|--------------------------|
| 2013 | | | | | |
| Apr 1 | Cash A/c To Capital A/c (Being the amount invested by Sunil in the business as capital) | Dr | | 3,00,000 | 3,00,000 |
| Apr 2 | Bank A/c To Cash A/c (Being the amount paid into the bank) | Dr | | 2,10,000 | 2,10,000 |
| Apr 3 | Purchases A/c To Cash A/c (Being the goods purchased for cash) | Dr | | 15,000 | 15,000 |
| Apr 4 | Cash A/c To Bank A/c (Being the cash withdraw from the bank) | Dr | | 3,000 | 3,000 |
| | | | | | |

| | | | | | |
|--------|--|----|--|--------------------------|--------------------------|
| Apr 13 | Aditya To Sales A/c (Being the goods sold to Aditiya on credit) | Dr | | 4,500 | 4,500 |
| Apr 20 | Purchases A/c To Sunny (Being the goods bought from Sunny on credit) | Dr | | 6,750 | 6,750 |
| Apr 24 | Cash A/c To Aditya (Being the cash received from Aditiya) | Dr | | 4,500 | 4,500 |
| Apr 28 | Sunny To Cash A/c (Being the amount paid to Sunny) | Dr | | 6,450 | 6,450 |
| Apr 30 | Cash A/c To Sales A/c (Being goods sold for cash) | Dr | | 24,000 | 24,000 |
| Apr 30 | Salaries A/c To Cash A/c (Being salary paid) | Dr | | 9,000 | 9,000 |
| | Total | | | 5,83,200 ===== | 5,83,200 ===== |

9. A compound journal entry is an accounting entry in which there is more than one debit, more than one credit, or more than one of both debits and credits. It is essentially a combination of several simple journal entries; they are combined for reasons. The following examples illustrate the format of a compound journal entry:
- Example 1:** On Jan 1, 2013 Company ABC Ltd. purchased a computer costing Rs 1,000 from a supplier and issued a cheque of Rs 3,400. The excess amount fully settles a previous amount owned by the company to the supplier. This will be recorded as shown below:

| | | | | | |
|--|--|--|--|--------------|---------------|
| | | | | Debit | Credit |
|--|--|--|--|--------------|---------------|

| Date | Particulars | | L.F. | Amount (Rs) | Amount (Rs) |
|-------------------|--|----------|------|----------------|----------------|
| Jan 1, 2013 | Purchase A/c Account Payable A/c To Cash A/c | Dr Dr | | 1,000 2,400 | 3,400 |

10.

In the books of Rachana

Journal

| Date | Particulars | | L.F. | Debit Amount (Rs) | Credit Amount (Rs) |
|------------|---|----------------------|------|--|--------------------------|
| 01.12.2013 | Cash in hand A/c Cash at Bank A/c Purchase A/c Y's A/c To X's A/c To Capital A/c (Being business started with cash) | Dr Dr Dr Dr | | 18,000 1,65,000 1,20,000 18,000 | 30,000 2,91,000 |
| 03.12.2013 | Z's A/c To Sales A/c (Being goods sold to Z) | Dr | | 45,000 | 45,000 |
| 04.12.2013 | Cash A/c To Sales A/c (Being goods sold in cash) | Dr | | 30,000 | 30,000 |
| | S's A/c | | | | |

| | | | | | |
|------------|---|----|--|--------|--------|
| 06.12.2013 | To Sales A/c (Being goods sold to S) | Dr | | 15,000 | 15,000 |
| 08.12.2013 | Purchase A/c To T 's A/c (Being goods purchased from T) | Dr | | 90,000 | 90,000 |
| 10.12.2013 | Sales Return A/c To Z's A/c (Being goods returned from Z) | Dr | | 6,000 | 6,000 |
| 14.12.2013 | Cash A/c To Z's A/c (Being cash received from Z) | Dr | | 39,000 | 39,000 |
| 15.12.2013 | X's A/c To Bank A/c (Being Cheque given to X) | Dr | | 18,000 | 18,000 |
| 16.12.2013 | Cash A/c To S's A/c (Being Cash received from S) | Dr | | 9,000 | 9,000 |
| 20.12.2013 | Bank A/c To Y's A/c (Being Cash received from Y) | Dr | | 30,000 | 30,000 |
| 22.12.2013 | Bank A/c To S's A/c (Being Cash received from S) | Dr | | 6,000 | 6,000 |
| 25.12.2013 | T's A/c To Cash A/c (Being Cash paid to T) | Dr | | 54,000 | 54,000 |
| 26.12.2013 | Cartage A/c To Cash A/c (Being cartage paid) | Dr | | 3,000 | 3,000 |
| | | | | | |

| | | | | | |
|------------|--|----|--|--------------------------|--------------------------|
| 27.12.2013 | Salary A/c To Cash A/c (Being Salary paid) | Dr | | 24,000 | 24,000 |
| 28.12.2013 | Cash A/c To Sales A/c (Being goods sold in cash) | Dr | | 21,000 | 21,000 |
| 29.12.2013 | T's A/c To Bank A/c (Being cheque given to T) | Dr | | 36,000 | 36,000 |
| 30.12.2013 | Drawing A/c To Purchase A/c (Being goods taken by Rachna for personal use) | Dr | | 12,000 | 12,000 |
| 31.12.2013 | General Expense A/c To Cash A/c (Being general expenses paid) | Dr | | 1,500 | 1,500 |
| | Total | | | 7,60,500 ===== | 7,60,500 ===== |