

CBSE Test Paper 03

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

1. Goods costing Rs 20,000 have been sold for cash at 25% profit. How will you show the transaction in the accounting equation?
2. Give an example of a transaction where an asset and owner's capital will increase.
3. A commenced his cloth business on 1st April, 2012 with a capital of Rs 60,000. On 31st March, 2013 his assets were Rs 1,00,000 and liabilities were Rs 20,000. Find out his closing capital and profits earned during the year.
4. Debts written-off as bad, if recovered subsequently credited to which account?
5. Name the source document which is a written document drawn upon a specified banker and payable on demand.
6. Prepare the debit voucher for furniture purchased for Rs 15,000 from Globe Furniture Mart on 2nd January 2007.
7. Describe how accounts are used to record information about the effects of transactions?
8. Pass Journal entry for sale of goods by Rahul, Delhi to Anish, Delhi for Rs.10,000 less 10% Trade Discount and 2% Cash Discount. Assume payment is received at the time of sale CGST and SGST is levied @ 6% each.
9. M/s. Vaish Traders, Delhi purchased 500 Parker Pens @ Rs.200 each less Trade Discount @ 15% from Luxor Pens Ltd., Delhi. CGST and SGST were levied @ 6% each. Further, Cash Discount was allowed @ 5% as the payment was made within specified time. What will be the amount of trade discount and cash discount?
10. Journalise the following transactions of Singh Enterprises, Delhi :

2017		Rs.
June 1	Started business with cash	50,000

June 2	Deposited cheque from Savings Account in firm's account	2,00,000
June 3	Received cash from Ram	50,000
June 4	Purchased goods for cash	15,000
June 11	Sold goods to M/s. Hari Sales, Delhi	12,000
June 13	Paid to Ramavtar	40,000
June 17	Received from M/s. Hari Sales	10,000
June 20	Bought furniture from S.R. Furniture against Cash (including CGST and SGST)	22,400
June 27	Paid rent	28,000
June 30	Paid Salary	50,000

CGST and SGST @ 6% each is levied on Intra-state sale and purchase.

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Answer

1. Increase cash by Rs 25,000 decrease stock by Rs 20,000 and increase capital by Rs 5,000. 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
2. Capital introduced by the proprietor. 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.
3. Total Assets = Closing Capital + Liabilities
Closing Capital = Total Assets - Liabilities
Closing Capital = 1,00,000 - 20,000 = **Rs 80,000**
Profit = Closing Capital - Opening Capital = 80,000 - 60,000 = **Rs 20,000.**
4. Record the cash receipt from the bad debt recovery, which is a debit to the cash account and a credit to the accounts receivable asset account.
5. Cheque. A source document is an original record which contains the detail that supports or substantiates a transaction that will be entered in an accounting system.

6. **Debit Voucher**

Firm's Name		
Voucher No.		Date: 02, January 2007
	Particulars	Amount
Debit Account	Furniture A/c	15,000

	(Being furniture purchased)	
	Total	15,000
S/d		
Authorised Signatory Accountant		

Debit Vouchers are vouchers that are prepared when payment is made. Payment may be on account of expenses, purchases, drawing of the proprietor, payment to creditor etc.

7. When a business makes a transaction, the effect of that transaction is recorded in the accounting system. According to the fundamental accounting equation, each transaction will affect at least two accounts and the balances in those accounts will change. All accounts are divided into five categories for the purposes of recording the transactions:
- i. Asset
 - ii. Liability
 - iii. Capital
 - iv. Expenses/losses
 - v. Revenues/gains

Two fundamental rules are followed to record the changes in these accounts

- i. For recording changes in assets/expenses (losses)
 - a. 'Increase in asset is debited and decrease in asset is credited.'
 - b. 'Increase in expenses/losses is debited and decrease in expenses/losses is credited.'
- ii. For recording changes in liabilities and capital/revenues (gains)
 - a. 'Increase in liabilities is credited and decrease in liabilities is debited.'
 - b. 'Increase in capital is credited and decrease in capital is debited.'
 - c. 'Increase in revenue/gain is credited and decrease in revenue/gain is debited.'

8. A discount given by the seller to the buyer as a deduction in the list price of the commodity is trade discount. A deduction in the amount of invoice allowed by the seller to the buyer in return for immediate payment is cash discount. In this question CGST & SGST also levied with the discount and the entry is to be done as follows:-

Journal

Particulars		L/F	Dr. (Rs.)	Cr. (Rs.)
Cash/Bank A/c [Rs.(10,080 - 2%)]	Dr.		9,878	
Discount Allowed A/c	Dr.		202	
To Sales A/c [Rs. (10,000 - 10%)]				9,000
To Output CGST A/c (6%)				540
To Output SGST A/c (6%) (Being goods sold with GST collected and cash discount allowed)				540

9. A discount given by the seller to the buyer as a deduction in the list price of the commodity is trade discount. A deduction in the amount of invoice allowed by the seller to the buyer in return for immediate payment is cash discount.

1. Trade Discount = Sale Price x 15% Discount

$$= [(500 \times 200) \times 15\%]$$

$$= 1,00,000 \times 15\%$$

$$= \text{Rs.}15,000$$

i. Cash Discount = Amount Payable \times % Cash Discount

$$= [(1,00,000 - 15,000) + 6\% \text{ CGST} + 6\% \text{ SGST}] \times 5\%$$

$$= (85,000 + 5,100 + 5,100) \times 5\%$$

$$= \text{Rs.}95,200 \times (5/100)$$

$$= \text{Rs.}4,760$$

Journal

Date	Particulars		L.F.	Dr.	Cr.
2017				Rs.	Rs.
June 1	Cash A/c	Dr.		50,000	
	To Capital A/c				50,000
	(Being business started)				
June 2	Bank A/c	Dr.		2,00,000	
	To Capital A/c				2,00,000
	(Being Cheque deposit from saving account)				
June 3	Cash A/c	Dr.		50,000	
	To Ram				50,000
	(Being Cash received from Ram)				
June 4	Purchase A/c	Dr.		15,000	
	Input CGST A/c	Dr.		900	
	Input SGST A/c	Dr.		900	
	To Cash A/c				16,800
	(Being goods purchased)				
June 11	M/s Hari Sales	Dr.		13,440	
	To Sales A/c				12,000
	To Output CGST A/c				720
	To Output SGST A/c				720
	(Being goods sold)				
June					

13	Ramavtar	Dr.		40,000	
	To Cash A/c				40,000
	(Being paid to Ramavtar)				
June 17	Cash A/c	Dr.		10,000	
	To M/s Hari Sales				10,000
	(Being Cash received from M/s Hari Sales)				
June 20	Furniture A/c	Dr.		20,000	
	Input CGST A/c	Dr.		1,200	
	Input SGST A/c	Dr.		1,200	
	To Cash A/c				22,400
	(Being Furniture purchase and paid with GST)				
June 27	Rent A/c	Dr.		28,000	
	To Cash				28,000
	(Being rent paid)				
June 30	Salary A/c	Dr.		50,000	
	To Cash A/c				50,000
	(Being Salary paid)				