

Chapter 19 Rectification of Errors

Practical Question

Question 1

Rectify the following errors:

- (i) Credit sales to Mridula ₹ 5,000 were not recorded.
- (ii) Credit purchases from Nayna ₹ 8,000 were not recorded.
- (iii) Goods returned to Priya ₹ 12,000 were not recorded.
- (iv) Goods returned from Rashi ₹ 10,000 were not recorded.

Solution:

Two-Sided Errors

Journal					
Sl. no	Particulars		L.F.	Debit ₹	Credit ₹
i)	Mridula's A/c	Dr.		5,000	
	To Sales A/c				5,000
	(Credit sales made to Mridula was not recorded)				
ii)	Purchases A/c	Dr.		8,000	
	To Nayna's A/c				8,000
	(Credit purchases from Nayna was not recorded)				
iii)	Priya's A/c	Dr.		12,000	
	To Purchases Return A/c				12,000
	(Goods returned to Priya was not recorded)				
iv)	Sales Return A/c	Dr.		10,000	

	To Rashi's A/c				10,000
	(Returned goods from Rashi was not recorded)				

Question 2

Rectify the following errors:

- (i) Credit sales to Mridula ₹ 5,000 were recorded as ₹ 500.
- (ii) Credit purchases from Nayna ₹ 8,000 were recorded as ₹ 800.
- (iii) Goods returned to Priya ₹ 12,000 were recorded as ₹ 1,200.
- (iv) Goods returned from Rashi ₹ 10,000 were recorded as ₹ 1,000.

Solution:

Two Sided Errors

Journal					
Sl. no	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Mridula's A/c	Dr.	4,500		
	To Sales A/c			4,500	
	(₹ 500 was recorded as credit sales to Mridula instead of ₹ 5,000)				
ii)	Purchases A/c	Dr.	7,200		
	To Nayna's A/c			7,200	
	(₹ 800 was recorded as credit purchases from Nayna instead of ₹ 8,000)				
iii)	Priya's A/c	Dr.	10,800		
	To Purchases Return A/c			10,800	

	(Returned goods to Priya were registered as ₹ 1,200 instead of ₹ 12,000)				
iv)	Sales Return A/c	Dr.		9,000	
	To Rashi's A/c				9,000
	(Returned goods from Rashi were registered as ₹ 1,000 instead of ₹ 10,000)				

Question 3

Rectify the following errors:

- (i) Credit sales to Mridula ₹ 5,000 were recorded as ₹ 5,400.
- (ii) Credit purchases from Nayna ₹ 8,000 were recorded as ₹ 8,800.
- (iii) Goods returned to Priya ₹ 12,000 were recorded as ₹ 12,200.
- (iv) Goods returned from Rashi ₹ 10,000 were recorded as ₹ 11,000.

Solution:

Two-Sided Errors

Journal					
Sl. no	Particulars		L.F.	Debit ₹	Credit ₹
i)	Sales A/c	Dr.		400	
	To Mridula's A/c				400
	(₹ 5,400 was registered as credit sales to Mridula instead of ₹ 5,000)				
ii)	Nayna's A/c	Dr.		800	
	To Purchases A/c				800
	(₹ 8,800 was registered as credit purchases from Nayna)				

	instead of ₹8,000)				
iii)	Purchases Return A/c	Dr.		200	
	To Priya's A/c				200
	(₹ 12,200 was recorded as goods returned to Priya instead of ₹12,000)				
iv)	Rashi's A/c	Dr.		1,000	
	To Sales Return A/c				1,000
	(₹ 11,000 was recorded as goods returned instead of ₹ 10,000)				

Question 4

Give rectifying entries for the following:

- (i) A credit sales of goods to Ram ₹ 2,500 has been wrongly passed through the 'Purchases Book'.
- (ii) Credit purchase of goods from Shyam amounting to ₹ 1,000 has been wrongly passed through the 'Sales Book'.
- (iii) A return of goods worth ₹ 1,100 to Mohan was passed through the 'Sales Return Book'.
- (iv) A return of goods worth ₹ 500 by Ganesh was entered in 'Purchases Return Book'.

Solution:

Two-Sided Errors

Journal					
Sl. no	Particulars		L.F.	Debit ₹	Credit ₹
i)	Ram's A/c	Dr.		5,000	
	To Sales A/c				2,500

	To Purchases A/c			2,500
	(Sold goods to Ram was recorded wrongly in purchases Book)			
ii)	Purchases A/c	Dr.	1,000	
	Sales A/c	Dr.	1,000	
	To Shyam's A/c			2,000
	(Purchased goods from Shyam, recorded incorrectly in sales book)			
iii)	Mohan's A/c	Dr.	2,200	
	To Purchases Return A/c			1,100
	To Sales Return A/c			1,100
	(Returned goods to Mohan posted incorrectly in sales return book)			
iv)	Sales Return A/c	Dr.	500	
	Purchases Return A/c	Dr.	500	
	To Ganesh's A/c			1,000
	(Goods returned by Ganesh recorded incorrectly in purchases return book)			

Question 5

Rectify the following errors:-

(i) Goods for ₹ 5,500 were purchased from Modern Traders on credit, but no entry has yet been passed.

(ii) Purchase Return for ₹ 1,500 not recorded in the books.

(iii) Goods for ₹ 2,000 sold to 'Geeta Traders' on Credit were entered in the sales book as ₹ 200 only.

(iv) Goods of the value of ₹ 1,800 returned by Sunil & Co. were included in stock, but no entry was passed in the books.

(v) Goods purchased for ₹ 900, entered in the purchases book as ₹ 9,000.

(vi) An invoice for goods sold to X was overcast by ₹ 100.

Solution:

Two-Sided Errors

Journal					
Sl. no	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Purchases A/c	Dr.	5,500		
	To Modern Traders A/c			5,500	
	(Goods purchased in credit from Modern Traders was not recorded)				
ii)	Creditors A/c	Dr.	1,500		
	To Purchases Return A/c			1,500	
	(₹ 1,500 purchases return was not recorded)				
iii)	Geeta Traders A/c	Dr.	1,800		
	To Sales A/c			1,800	
	(Goods sold to Geeta Traders @ ₹ 200 was recorded as ₹ 2,000)				
iv)	Sales Return A/c	Dr.	1,800		
	To Sunil & Co.			1,800	

	(Sunil & Co. returned goods was omitted)				
v)	Creditors A/c	Dr.		8,100	
	To Purchases A/c				8,100
	(Purchased goods for ₹ 900 was recorded as ₹ 9,000)				
vi)	Sales A/c	Dr.		100	
	To X				100
	(Goods sold invoice was overcast by Rs 100)				

Question 6

Give Journal Entries to rectify the following errors:-

1. Goods purchased from Ajay for ₹ 2,600 were recorded in Sales Book by mistake.
2. Goods for ₹ 4,400 sold to Surendra was passed through Purchase Book.
3. A customer returned goods worth ₹ 1,000. It was recorded in 'Purchase Return Book'.
4. A credit sale of ₹ 126 to Rajesh was entered in the books as ₹ 162.
5. Sale of old chairs and Table for ₹ 700 was treated as a sale of goods.
6. Rent of proprietor's residence, ₹ 800, debited to Rent A/c.

Solution:

Journal					
Sl.no	Particulars	L.F.	Debit ₹	Credit ₹	
1)	Purchases A/c	Dr.	2,600		
	Sales A/c	Dr.	2,600		
	To Ajay's A/c				5,200

	(Purchased goods from Ajay was registered in Sales Book)			
2)	Surendra's A/c	Dr.	8,800	
	To Sales A/c			4,400
	To Purchases A/c			4,400
	(Sold goods to Surendra was registered in Purchases Book)			
3)	Sales Return A/c	Dr.	1,000	
	Purchases Return A/c	Dr.	1,000	
	To Customer's A/c			2,000
	(Customer returned goods was posted in Purchases Return Book)			
4)	Sales A/c	Dr.	36	
	To Rajesh's A/c			36
	(₹ 126 credit sales to Rajesh was registered as ₹162)			
5)	Sales A/c	Dr.	700	
	To Furniture A/c			700
	(Furniture sales was registered as a sale of goods)			
6)	Drawings A/c	Dr.	800	
	To Rent A/c			800
	(Paid rent for proprietor's residence, debited to Rent			

	Account)			

Question 7

Rectify the following errors:-

1. A sale of goods to Raja Ram for ₹ 2,500 was passed through the Purchases Book.
2. Salary of ₹ 800 paid to Hari Babu was wrongly debited to his personal account.
3. Furniture purchased on credit from Mohan Singh for ₹ 1,000 was entered in the Purchases Book.
4. ₹ 5,000 spent on the extension of buildings was debited to Buildings Repairs Account.
5. Goods returned by Mani Ram ₹ 1,200 were entered in the Returns Outwards Book.

Solution:

Two-Sided Errors

Journal					
Sl.no	Particulars		L.F.	Debit ₹	Credit ₹
1)	Raja Ram's A/c	Dr.		5,000	
	To Sales A/c				2,500
	To Purchases A/c				2,500
	(Goods sold to Raja Ram registered in Purchases Book)				
2)	Salaries A/c	Dr.		800	
	To Hari Babu's A/c				800
	(Salary paid to Hari Babu mistakenly debited to his personal account)				
3)	Furniture A/c	Dr.		1,000	

	To Purchases A/c				1,000
	(Furniture purchase registered in Purchases Book)				
4)	Building A/c	Dr.		5,000	
	To Buildings Repairs A/c				5,000
	(Amount spent on the building extension was debited to Buildings Repairs Account)				
5)	Sales Return A/c	Dr.		1,200	
	Purchases Return A/c	Dr.		1,200	
	To Mani Ram's A/c				2,400
	(Returned goods by Mani Ram registered in Returns Outward Book)				

Question 8

Rectify the following errors:

- Furniture purchased for ₹ 10,000 wrongly debited to Purchases Account.
- Machinery purchased on credit from Raman for ₹ 20,000 was recorded through Purchases Book.
- Repairs on machinery ₹ 1,400 debited to Machinery Account.
- Repairs on overhauling of second-hand machinery purchased ₹ 2,000 was debited to Repairs Account.
- Sale of old machinery at a book value of ₹ 3,000 was credited to Sales Account.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹

a)	Furniture A/c	Dr.		10,000	
	To Purchases A/c				10,000
	(Purchase of Furniture wrongly debited to Purchases Account)				
b)	Machinery A/c	Dr.		20,000	
	To Purchases A/c				20,000
	(Machinery purchased registered in Purchases Book)				
c)	Repairs A/c	Dr.		1,400	
	To Machinery A/c				1,400
	(Repairs done on machinery was debited to Machinery Account)				
d)	Machinery A/c	Dr.		2,000	
	To Repairs A/c				2,000
	(Repairs are done on the second-hand machinery debited to Repairs Account)				
e)	Sales A/c	Dr.		3,000	
	To Machinery A/c				3,000
	(Old machinery sale credited to sales Account)				

Question 9

Pass Journal Entries to rectify the following errors:-

(1) Machinery purchased for ₹ 5,000 has been debited to Purchases A/c.

(2) ₹ 700 paid to Sh. Mohan Kapoor as Legal Charges were debited to his personal account.

(3) ₹ 10,000 paid to Escorts Company for Machinery purchased stand debited to Escorts Company account.

(4) Typewriter purchased for ₹ 6,000 was wrongly passed through purchase book.

(5) ₹ 20,000 paid for the purchase of a Motor Cycle for proprietor has been changed to 'General Expenses' A/c.

(6) ₹ 15,000 paid for the purchase of 'Gas Engine' was debited to 'Purchases' A/c.

(7) Cash paid to Ram ₹ 400 was debited to the account of Shyam.

Solution:

Two Sided Errors

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
1)	Machinery A/c	Dr.	5,000		
	To Purchases A/c			5,000	
	(Machinery purchase debited to Purchases Account)				
2)	Legal Charges A/c	Dr.	700		
	To Mohan Kapoor's A/c			700	
	(Paid legal charges to Mohan Kapoor debited to his personal account)				
3)	Machinery A/c	Dr.	10,000		
	To Escorts Company A/c			10,000	
	(Machinery Payment debited to company's account)				
4)	Typewriter A/c	Dr.	6,000		

	To Purchases A/c				6,000
	(Typewriter purchase recorded in Purchases Book)				
5)	Drawings A/c	Dr.		20,000	
	To General Expenses A/c				20,000
	(Motor cycle purchase for proprietor debited to General Expenses Account)				
6)	Gas Engine A/c	Dr.		15,000	
	To Purchases A/c				15,000
	(Gas Engine payment debited to Purchases Account)				
7)	Ram's A/c	Dr.		400	
	To Shyam's A/c				400
	(Rectifying entry made)				

Question 10

Rectify the following errors:-

- ₹ 4,500 spent on the extension of Buildings were debited to Repairs A/c.
- Wages paid to the firm's own workmen ₹ 3,600 for the installation of a new machinery were posted to Wages Account.
- Contractor's bill for the construction of a godown at a cost of ₹ 10,000 has been charged to 'Repairs' A/c.
- ₹ 1,500 paid as Wages to a worker 'Bahadur Singh', has been debited to his personal account.
- Old furniture sold for ₹ 500 has been credited to Sales Account.
- A cheque of ₹ 620 received from Ram, has been wrongly credited to Shyam.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
1)	Building A/c	Dr.		4,500	
	To Repair's A/c				4,500
	(Amount spent for building extension debited to Repair's Account)				
2)	Machinery A/c	Dr.		3,600	
	To Wages A/c				3,600
	(Paid wages paid for new machinery installation debited to Wages Account)				
3)	Building A/c	Dr.		10,000	
	To Repair's A/c				10,000
	(Amount spent for godown construction debited to Repair's Account)				
4)	Wages A/c	Dr.		1,500	
	To Bahadur Singh's A/c				1,500
	(Workers wages debited to his personal account)				
5)	Sales A/c	Dr.		500	
	To Furniture A/c				500
	(Furniture sale recorded as sale of goods)				

6)	Shyam's A/c	Dr.		620	
	To Ram's A/c				620
	(Received cheque from Ram credited to Shyam)				

Question 11

Pass rectifying entries:-

- (i) ₹ 5,000 being the cost of a Radio purchased for the personal use of the proprietor has been debited to Radio account in the ledger.
- (ii) Goods taken by the proprietor for ₹ 1,000, has not been entered in the books at all.
- (iii) A cheque of ₹ 500 received from X was credited to the account of Y and debited to Cash instead of Bank A/c.
- (iv) A cheque of ₹ 1,300 received from Ram Lal was dishonoured and debited to 'General Expenses' A/c.
- (v) A sum of ₹ 3,000 drawn by the proprietor for his private travel was debited to 'Travelling Expenses A/c'.
- (vi) Credit purchase of ₹ 500 from Ajay were posted to the credit of Vijay A/c.
- (vii) An amount of ₹ 1,600 due from Chandan Lal was written off as 'Bad-debt' in previous year, was unexpectedly received this year, and has been credited to the account of Chandan Lal.

Solution:

Journal Book					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Drawings A/c	Dr.	5,000		
	To Radio A/c			5,000	
	(Purchased radio for personal use debited to Radio Account)				
ii)	Drawings A/c	Dr.	1,000		

	To Purchases A/c				1,000
	(Goods taken by the proprietor was not entered)				
iii)	Y's A/c	Dr.		500	
	Bank A/c	Dr.		500	
	To X's A/c				500
	To Cash's A/c				500
	(X received cheque debited to Y's Account instead of bank, Cash Account is debited)				
iv)	Ram Lal's A/c	Dr.		1,300	
	To General Expenses A/c				1,300
	(Received cheque from Ram Lal dishonoured and debited to General Expenses Account)				
v)	Drawings A/c	Dr.		3,000	
	To Travelling Expenses A/c				3,000
	(Proprietor spent amount for personal travel debited to Travelling Expenses Account)				
vi)	Vijay's A/c	Dr.		500	
	To Ajay's A/c				500
	(Credit purchase from Ajay posted to the credit of Vijay)				
vii)	Chandan Lal's A/c	Dr.		1,600	

	To Bad Debts Recovered A/c				1,600
	(Amount written-off as bad debts were recovered and credited to Debtors Account)				

Question 12

Rectify the following errors which were detected before preparing the Trial Balance:

- (i) Purchase book has been overcast by ₹ 1,000.
- (ii) Purchase from Ram ₹ 20,000 has been omitted to be posted to his account.
- (iii) Purchase from Shyam ₹ 15,000 has been posted to the debit side of his account.
- (iv) Purchase from Ghanshyam ₹ 10,000 has been posted to his account as ₹ 1,000.
- (v) Purchase from Sita Ram ₹ 5,000 has been posted to his account as ₹ 50,000.

Solution:

1. Here, ₹ 1,000 was overcast in purchases book and individual creditors account is posted correctly. So it means only the purchases book total amount in the debit side of Purchases Account is incorrect. Therefore, Purchases Account can be corrected only by recording ₹ 1,000 on the credit side of Purchases Account.

Purchases Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
					Overcasting of Purchases book		1,000

2. Purchases of ₹ 20,000 from Ram was not posted to his account. Only in his account the mistake happened and the total of Purchases Book is correct. Therefore, ₹ 20,000 must be posted on the credit side of Ram's Account to rectify this error.

Ram's Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹

					Omission in posting		20,000

3. Purchase from Shyam ₹ 15,000 has been posted to the debit side of his account. There is no mistake in Purchases account, but Shyam's account was debited with ₹ 15,000 by mistake instead of crediting. Therefore, to rectify the error rectification double amount (₹ 30,000) will be posted on the credit side of Shyam's Account.

Shyam's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
					Error in posting to the wrong side		30,000

4. Purchases made from Ghanshayam Rs 10,000 have been posted to his account as ₹ 1,000. In this situation, less amount will be credited to Ghanshyam's Account. So, rectify the error ₹ 9,000 will be credited to his account.

Ghanshyam's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
					Less amount on the credit side		9,000

5. Purchases made from Sitaram Rs 5,000 have been posted to his account as Rs 50,000. It means excess amount of ₹ 45,000 is credited in his account. Therefore, to rectify the error ₹ 45,000 must be debited from Sitaram's Account.

Sitaram's Account							
Dr.							Cr.

Date	Particulars	J.F.	Amount (Rs)	Date	Particulars	J.F.	Amount (Rs)
	Excess amount on the credit side		45,000				

Question 13

Rectify the following errors which were detected before preparing the Trial Balance:

- (i) The total of Sales Book carried forward ₹ 5,000 less.
- (ii) A credit sale to Sita ₹ 6,300 posted as ₹ 3,600.
- (iii) A credit sale to Radha ₹ 2,400 posted as ₹ 4,200.
- (iv) A credit sale to Parbati ₹ 3,000 credited to her account.
- (v) A credit sale to Laxmi ₹ 5,600 credited as ₹ 6,500.

1.

Sales Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Undercasting of Sales Book		5,000

2.

Sita's Account							
Dr.				Cr.			
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	Less amount on the debit side		2,700				

3.

Parbati's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Excess amount on the debit side		1,800

4.

Parbati's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	Error in posting to the wrong side		6,000				

5.

Laxmi's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	Error in posting to the wrong side with wrong amount		12,100				

Question 14(A)

Rectify the following errors assuming:-

That no suspense account has been opened with difference in the trial balance.

Solution:

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Omission in posting		800

2.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Less amount on the credit side		720

3.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
	Excess amount on the credit side		80				

4.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Error in posting to the wrong side		1,600

5.

Sachin's Account							
Dr.							Cr.
Date	Particulars	J.F.	Amount ₹	Date	Particulars	J.F.	Amount ₹
					Error in posting to the wrong side with Wrong amount		880

Question 14(B)

Rectify the following errors assuming:-

that such a suspense account has been opened.

1. Goods costing ₹ 800 purchased from Sachin on credit were omitted to be credited to his account.
2. Goods costing ₹ 800 purchased from Sachin on credit were credited to his account as ₹ 80.
3. Goods costing ₹ 800 purchased from Sachin on credit were credited to his account as ₹ 880.
4. Goods costing ₹ 800 purchased from Sachin on credit were posted to the debit of his account.

5. Goods costing ₹ 800 purchased from Sachin on credit were posted to the debit of his account as ₹ 80.

Solution:

Journal Book					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
1)	Suspense A/c	Dr.	800		
	To Sachin's A/c			800	
	(Purchased goods from Sachin omitted to be credited to his account)				
2)	Suspense A/c	Dr.	720		
	To Sachin's A/c			720	
	(Purchased goods from Sachin credited a ₹ 80, instead of ₹ 800)				
3)	Sachin's A/c	Dr.	80		
	To Suspense A/c			80	
	(Purchased goods from Sachin was posted as ₹ 880, instead of ₹ 800)				
4)	Suspense A/c	Dr.	1,600		
	To Sachin's A/c			1,600	
	(Goods purchased from Sachin debited to his account)				
5)	Suspense A/c	Dr.	880		

	To Sachin's A/c			880
	(Goods purchased from Sachin debited as ₹ 80)			

Question 15

Rectify the following errors assuming that Suspense Account was opened. Ascertain the difference in Trial Balance.

- (a) Credit sales to Mohan ₹ 7,000 were recorded in Purchase Book. However, Mohan's Account was correctly debited.
- (b) Credit purchases from Rohan ₹ 9,000 were recorded in Sales Book. However, Rohan's Account was correctly credited.
- (c) Goods returned to Rakesh ₹ 4,000 were recorded in Sale Returns Book. However, Rakesh's Account was correctly debited.
- (d) Goods returned from Mahesh ₹ 1,000 were recorded through Purchase Returns Book. However, Mahesh's Account was correctly credited.
- (e) Goods returned to Naresh ₹ 2,000 were recorded through Purchases Book. However, Naresh's Account was correctly debited.

Solution:

Journal Book					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
a)	Suspense A/c	Dr.	14,000		
	To Sales A/c			7,000	
	To Purchases A/c			7,000	
	(Sold goods to Mohan mistakenly recorded in Purchases Book)				
b)	Purchases A/c	Dr.	9,000		
	Sales A/c	Dr.	9,000		

	To Suspense A/c			18,000
	(Credit purchases by Rohan recorded in Sales Book)			
c)	Suspense A/c	Dr.	8,000	
	To Purchases Return A/c			4,000
	To Sales Return A/c			4,000
	(Returned goods recorded in Sales Return Book)			
d)	Sales Return A/c	Dr.	1,000	
	Purchases Return A/c	Dr.	1,000	
	To Suspense A/c			2,000
	(Returned goods from Mahesh posted in Purchases Return Book)			
e)	Suspense A/c	Dr.	4,000	
	To Purchases Return A/c			2,000
	To Purchases A/c			2,000
	(Returned goods to Naresh posted in Purchases Book)			
Suspense Account				
Dr.				Cr.
Particulars	Amount ₹	Particulars	Amount ₹	

Sales A/c	7,000	Difference as per Trial Balance (<i>Balancing Figure</i>)	6,000
Purchases A/c	7,000	Purchases A/c	9,000
Purchases Return A/c	4,000	Sales A/c	9,000
Sales Return A/c	4,000	Sales Return A/c	1,000
Purchases Return A/c	2,000	Purchases Return A/c	1,000
Purchases A/c	2,000		
	26,000		26,000

Question 16

There was a difference of ₹ 430 in a Trial Balance. It was placed on the Debit side of a Suspense A/c. Later on the following errors were discovered. Pass rectifying entries and prepare Suspense A/c.

1. Purchases book was overcast by ₹ 100.
2. Sales book was overcast by ₹ 1,000.
3. Goods for ₹ 800 purchased from Umakant, though entered in the purchase book, has not been posted to his account.
4. An amount of ₹ 500 has been posted to the credit side of commission account instead of ₹ 570.
5. Goods sold to Bharti for ₹ 4,400 has been posted to her account as ₹ 4,000.
6. Goods sold to X for ₹ 750 were recorded in purchase book.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
1)	Suspense A/c	Dr.	100		

	To Purchases A/c				100
	(Overcasting of Purchases Book)				
2)	Sales A/c	Dr.		1,000	
	To Suspense A/c				1,000
	(Overcasting of Sales Book)				
3)	Suspense A/c	Dr.		800	
	To Umakant's A/c				800
	(Purchased goods from Umakant not recorded in his account)				
4)	Suspense A/c	Dr.		70	
	To Commission A/c				70
	(₹ 500 recorded in the Commission Account, instead of ₹570)				
5)	Bharti's A/c	Dr.		400	
	To Suspense A/c				400
	(Sold goods to Bharti for ₹ 4,400 posted as ₹ 4,000)				
6)	X's A/c	Dr.		1,500	
	To Sales A/c				750
	To Purchases A/c				750
	(Sold goods to X posted in Purchases Book)				

Suspense Account			
Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Difference in Trial Balance	430	Sales A/c	1,000
Purchases A/c	100	Bharti's A/c	400
Uma Kant's A/c	800		
Commission A/c	70		
	1,400		1,400

Question 17

In taking out the Trial Balance, book-keeper finds that he is out ₹ 3,809 excess debit. Being desirous of closing his books he places the difference to a newly opened Suspense A/c which is carried forward. In the next period he discovered that :-

1. ₹ 17,715 received from X has not been posted to his account.
2. A sum of ₹ 9,500 written off as depreciation on fixtures has not been posted to the Depreciation A/c.
3. ₹ 1,50,000 paid for furniture purchased has been charged to Ordinary Purchases A/c.
4. A discount of ₹ 3,742 allowed to a customer has been credited to him as ₹ 3,648.
5. The total of the Inwards return has been added ₹ 900 short.
6. An item of Sale for ₹ 5,900 was posted as ₹ 9,500 in the Sales Account.

Give the rectifying entries and prepare the Suspense Account.

Solution:

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

1)	Suspense A/c	Dr.	17,715	
	To X's A/c			17,715
	(Received amount from X not recorded to his account)			
2)	Depreciation A/c	Dr.	9,500	
	To Suspense A/c			9,500
	(Amount written-off as depreciation not registered to Depreciation Account)			
3)	Furniture A/c	Dr.	1,50,000	
	To Purchases A/c			1,50,000
	(Paid for furniture and debited to ordinary Purchases Account)			
4)	Suspense A/c	Dr.	94	
	To Customer's A/c			94
	(Credited less amount discount in Customer's Account)			
5)	Sales Return A/c	Dr.	900	
	To Suspense A/c			900
	(Shortfall in return inward book)			
6)	Sales A/c	Dr.	3,600	
	To Suspense A/c			3,600

	(₹ 5,900 of item sale posted as ₹ 9,500 in Sales Account)			
Suspense Account				
Dr.				Cr.
Particulars	Amount ₹	Particulars	Amount ₹	
X's A/c	17,715	Difference in Trial Balance	3,809	
Customer's A/c	94	Depreciation A/c	9,500	
		Sales Return A/c	900	
		Sales A/c	3,600	
	17,809		17,809	

Question 18

A Book-keeper failed to balance his trial balance, the credit side exceeding the debit side by ₹ 175. This amount was entered in a Suspense Account. Later on the under mentioned errors were discovered:-

1. Goods amounting to ₹ 620 sold to D & Co. were correctly entered in the Sales book, but posted to the Company's A/c as ₹ 260.
2. A credit balance of ₹ 755 of Rent Received account was shown as ₹ 570.
3. The total of Returns Outwards Book amounting to ₹ 200 was not posted to the Ledger.
4. Goods worth ₹ 100 were purchased from Prakash but the amount was entered in the Sales Book. The account of Prakash was correctly credited.
5. Sales Book was undercast by ₹ 100.
6. The total of the credit side of Sohan's account was overcast by ₹ 100.

Give journal entries to rectify these errors and prepare the Suspense Account.

Solution:

--

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
1)	D & Co. A/c	Dr.	360		
	To Suspense A/c			360	
	(Sold goods to D & Co. for ₹ 620 was entered as ₹ 260 to company's account)				
2)	Suspense A/c	Dr.	185		
	To Rent A/c			185	
	(₹755 credit balance received as rent was shown as ₹ 570)				
3)	Suspense A/c	Dr.	200		
	To Purchases Return A/c			200	
	(Total of return outwards book was not posted)				
4)	Purchases A/c	Dr.	100		
	Sales A/c	Dr.	100		
	To Suspense A/c			200	
	(Purchased goods from Prakash posted in Sales Book)				
5)	Suspense A/c	Dr.	100		
	To Sales A/c			100	
	(Undercasting of Sales Book)				

6)	Sohan's A/c	Dr.		100	
	To Suspense A/c				100
	(Total of credit side of Sohan's Account was overcasted)				

Suspense Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Difference in Trial Balance	175	D & Co.	360
Rent A/c	185	Purchases A/c	100
Purchases Return A/c	200	Sales A/c	100
Sales A/c	100	Sohan's A/c	100
	660		660

Question 19

The Trial Balance prepared by a Book-keeper showed a difference of ₹ 1,006 which was placed in a newly opened Suspense Account and carried forward to the next year, when the following errors were discovered:-

- (i) Goods purchased for ₹ 99 had been posted to the credit of the supplier as ₹ 990.
- (ii) ₹ 75 received as discount from a creditor was duly entered in his account but it was omitted to be posted to discount account.
- (iii) Sale of Furniture for ₹ 1,400 had been entered in sales book.
- (iv) ₹ 900 due from a customer were omitted to be taken to the Schedule of sundry debtors.
- (v) Goods of the value of ₹ 3,000 returned by a customer were taken into the stock but no entry was made in the books.

(vi) ₹ 355 entered in the Sales Returns book had been posted to the debit of the customer who returned the goods.

Give necessary Journal entries to rectify the above errors and prepare suspense account.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Supplier's A/c	Dr.		891	
	To Suspense A/c				891
	(Purchased goods @ ₹99 and posted as ₹990 on the credit side of Supplier's Account)				
ii)	Suspense A/c	Dr.		75	
	To Discount Received A/c				75
	(Received discount from creditor not recorded to Discount Account)				
iii)	Sales A/c			1,400	
	To Furniture A/c				1,400
	(Furniture sale posted in Sales Book)				
iv)	Sundry Debtors A/c	Dr.		900	
	To Suspense A/c				900
	(Due amount from a customer omitted to be included in sundry debtors)				

v)	Sales Return A/c	Dr.		3,000	
	To Customer's A/c				3,000
	(Returned goods by a customer taken into stock but not recorded)				
vi)	Suspense A/c	Dr.		710	
	To Customer's A/c				710
	(Returned goods by a customer recorded to the debit side of the account)				
Suspense Account					
Dr.				Cr.	
Particulars	Amount (Rs)	Particulars	Amount (Rs)		
Difference in Trial Balance	1,006	Supplier's A/c	891		
Discount Received A/c	75	Sundry Debtors A/c	900		
Customer's A/c	710				
	1,791		1,791		

Question 20

A book-keeper finds that the debit side of the trial balance is short of ₹ 308 and so for the time being, he balances the side by putting the difference to suspense account. Subsequently, the following errors were disclosed:

- An entry for sale of goods for ₹ 102 to Madhav was posted to his account as ₹ 120.
- ₹ 100 being the discount allowed to customers were credited to discount received account in the ledger.
- ₹ 275 paid by Madhav were credited to Jadav's account.

(d) ₹ 26 appearing in the cash book as paid for the purchase of stationery for office use have not been posted to ledger.

(e) The debit side of purchases account was under-cast by ₹ 100.

You are required to make the necessary journal entries and the suspense account.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
a)	Suspense A/c	Dr.		18	
	To Madhav's A/c				18
	(Goods @ ₹ 102, recorded as ₹120)				
b)	Discount Allowed A/c	Dr.		200	
	To Suspense A/c				200
	(Discount allowed credited to the account)				
c)	Jadav's A/c	Dr.		275	
	To Madhav's A/c				275
	(Amount paid by Madhav credited to Jadav)				
d)	Stationery A/c	Dr.		26	
	To Suspense A/c				26
	(Amount paid for stationery was not recorded)				
e)	Purchases A/c	Dr.		100	
	To Suspense A/c				100

	(Debit side of Purchases Account undercasted)				
Suspense Account					
Dr.				Cr.	
Particulars		Amount ₹	Particulars		Amount ₹
Difference in Trial Balance		308	Discount Allowed A/c		200
Madhav's A/c		18	Stationery A/c		26
			Purchases A/c		100
		326			326

Question 21

The accountant of X prepared the Trial Balance at the end of the year on 31st March, 2015. But there was a difference and the accountant put the difference in a Suspense Account. Rectify the following errors found and prepare the Suspense Account:

- The total of the returns outward book ₹ 420 has not been posted in the ledger.
- A purchase of ₹ 350 from Y has been entered in the sales book. However Y's Account has been correctly entered.
- A sale of ₹ 390 to Z has been credited to his account ₹ 290.
- Old furniture sold for ₹ 5,400 had been posted as ₹ 4,500 in Sales Account.
- Goods taken by the proprietor ₹ 500 have not been entered in the books at all.

Solution:

Date	Particulars	L.F.	Debit ₹	Credit ₹	
a)	Suspense A/c	Dr.	420		
	To Purchases Return A/c				420

	(Total of the returns outward book has not been posted to ledger)			
b)	Purchases A/c	Dr.	350	
	Sales A/c	Dr.	350	
	To Suspense A/c			700
	(Purchases from Y has been entered in the Sales Book)			
c)	Z's A/c	Dr.	680	
	To Suspense A/c			680
	(Sale to Z of ₹ 390 has been credited to his account as ₹ 290)			
d)	Sales A/c	Dr.	4,500	
	Suspense A/c	Dr.	900	
	To Furniture A/c			5,400
	(Sale of furniture of ₹ 5,400 had been entered as ₹ 4,500 in Sales Account)			
e)	Drawings A/c	Dr.	500	
	To Purchases A/c			500
	(Goods taken by the proprietor omitted to be recorded)			
Suspense Account				

Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Difference as per Trial Balance (<i>Balancing Figure</i>)	60	Purchases A/c	350
Purchases Return A/c	420	Sales A/c	350
Furniture A/c	900	Z's A/c	680
	1,380		1,380

Question 22

Trial Balance of Anuj did not agree. It showed an excess credit of ₹ 6,000. He put the difference to Suspense Account. He discovered the following errors.

- Cash received from Ravish ₹ 8,000 posted to his account as ₹ 6,000.
- Returns Inwards book overcast by ₹ 1,000.
- Total of Sales Book ₹ 10,000 was not posted to Sales Account.
- Credit purchases from Nanak ₹ 7,000 were recorded in Sales Book. However, Nanak's Account was correctly credited.
- Machinery purchased for ₹ 10,000 was posted to Purchases Account as ₹ 5,000. Rectify the errors and prepare Suspense Account.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
a)	Suspense A/c	Dr.		2,000	
	To Ravish's A/c				2,000
	(An amount of Rs 8,000 received from Ravish posted as Rs 6,000)				

b)	Suspense A/c	Dr.		1,000	
	To Sales Return A/c				1,000
	(Overcasting of Return Inwards book)				
c)	Suspense A/c	Dr.		10,000	
	To Sales A/c				10,000
	(Total of Sales Book omitted to be posted to Sales Account)				
d)	Purchases A/c	Dr.		7,000	
	Sales A/c	Dr.		7,000	
	To Suspense A/c				14,000
	(Credit purchases from Nanak recorded in Sales Book)				
e)	Machinery A/c	Dr.		10,000	
	To Purchases A/c				5,000
	To Suspense A/c				5,000
	(Purchase of machinery recorded as purchases)				
Suspense Account					
Dr.				Cr.	
Particulars		Amount ₹		Particulars	
		Amount ₹		Amount ₹	
Difference in Trial Balance		6,000		Purchases A/c	
				7,000	

Ravish's A/c	2,000	Sales A/c	7,000
Sales Return A/c	1,000	Machinery A/c	5,000
Sales A/c	10,000		
	19,000		19,000

Question 23

Trial Balance of Madan did not agree and he put the difference to Suspense Account. He discovered the following errors:

- (a) Sales Returns book overcast by ₹ 800.
- (b) Purchases returns to Sahu ₹ 2,000 were not posted to his account.
- (c) Goods purchased on credit from Narula ₹ 4,000 though taken into stock, but no entry was passed in the books.
- (d) Installation charges on new machinery purchased ₹ 500 were debited to sundry expenses account as ₹ 50.
- (e) Rent paid for residential accommodation of Madan (the proprietor) ₹ 1,400 was debited to Rent A/c as ₹ 1,000.

Rectify the errors and prepare Suspense Account to ascertain the difference in Trial Balance.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
a)	Suspense A/c	Dr.		800	
	To Sales Return A/c				800
	(Sales Returns book overcast)				
b)	Sahu's A/c	Dr.		2,000	

	To Suspense A/c				2,000
	(Purchases returns to Sahu was not recorded)				
c)	Purchases A/c	Dr.		4,000	
	To Narula's A/c				4,000
	(Goods purchased from Narula omitted to be recorded)				
d)	Machinery A/c	Dr.		500	
	To Sundry Expenses A/c				50
	To Suspense A/c				450
	(Installation charges on new machinery debited to Sundry Expenses Account)				
e)	Drawings A/c	Dr.		1,400	
	To Rent A/c				1,000
	To Suspense A/c				400
	(Paid rent for residential accommodation of proprietor debited to Rent Account)				
Suspense Account					
Dr.					Cr.
Particulars		Amount ₹	Particulars		Amount ₹
Difference as per Trial Balance (<i>Balancing Figure</i>)		2,050	Sahu's A/c		2,000

Sales Return A/c	800	Machinery A/c	450
		Drawings A/c	400
	2,850		2,850

Question 24

There was an error in the Trial Balance of Mr. Steel on 31st March, 2015, and the difference in Books was carried to a Suspense Account. On going through the Books you find that:

- (i) ₹ 5,400 received from Mr. A was posted to the debit of his account.
- (ii) ₹ 1,000 being purchases return were posted to the debit of Purchases Account.
- (iii) Discount received ₹ 2,000 was posted to the debit of Discount Account.
- (iv) ₹ 2,740 paid for Repairs to Motor Car was debited to Motor Car Account as ₹ 1,740.
- (v) ₹ 4,000 paid to B was debited to A's Account.

Give Journal Entries to rectify the above errors and ascertain the amount transferred to Suspense Account on 31st March, 2015 by showing the Suspense Account, assuming that the Suspense Account is balanced after the above corrections.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Suspense A/c	Dr.	10,800		
	To A's A/c			10,800	
	(Received amount from Mr. A was recorded as a debit in his account)				
ii)	Suspense A/c	Dr.	2,000		
	To Purchases Return A/c			1,000	

	To Purchases A/c				1,000
	(Purchases return debited to Purchases Account)				
iii)	Suspense A/c	Dr.		4,000	
	To Discount A/c				4,000
	(Discount received debited to Discount Account)				
iv)	Repairs A/c	Dr.		2,740	
	To Motor Car A/c				1,740
	To Suspense A/c				1,000
	(Motor car amount debited to Motor Car Account)				
v)	B's A/c	Dr.		4,000	
	To A's A/c				4,000
	(Amount paid to B debited to A's Account)				
Suspense Account					
Dr.					Cr.
Particulars	Amount ₹	Particulars			Amount ₹
A's A/c	10,800	Difference as per Trial Balance (<i>Balancing Figure</i>)			15,800
Purchases Return A/c	1,000	Repairs A/c			1,000

Purchases A/c	1,000		
Discount A/c	4,000		
	16,800		16,800

Question 25

Rajesh Kumar was unable to reconcile his Trial Balance as on 31st March 2014 and has opened a suspense account from the difference. Later on the following errors were discovered:-

(1) There were three compensating errors:-

(a) The total of Sales Return Book was overcast by ₹ 100.

(b) The total of one page of the Purchase Book was carried forward as ₹ 1,286 instead of ₹ 1,826.

(c) Goods purchased from C for ₹ 400 was debited to his account as ₹ 40.

(2) ₹ 425 paid for wages to workmen for making office table were debited to wages account.

(3) Rent paid ₹ 1,500 were posted to the credit of Rent account as ₹ 150.

(4) Cash received from Ghanshyam ₹ 500 were correctly recorded in cash book but were posted to his account as ₹ 50.

(5) ₹ 720 paid to Kamal has been debited to Kamlesh A/c as ₹ 520.

(6) The total of Purchase Return Book ₹ 2,500 was left unposted.

Pass rectifying entries and prepare Suspense A/c.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
1)	Purchases A/c	Dr.		540	
	To Sales Return A/c				100
	To C's A/c				440

	(Sales return book overcasted, total of purchases amount carried forward less, purchased goods debited to C's Account, now rectified)			
2)	Furniture A/c	Dr.	425	
	To Wages A/c			425
	(Paid wages for office table was debited to wages account)			
3)	Rent A/c	Dr.	1,650	
	To Suspense A/c			1,650
	(Paid rent credited to Rent Account)			
4)	Suspense A/c	Dr.	450	
	To Ghanshyam's A/c			450
	(Amount received from Ghanshyam recorded as ₹ 50 instead of ₹500)			
5)	Kamal's A/c	Dr.	720	
	To Kamlesh's A/c			520
	To Suspense A/c			200
	(Paid amount to Kamal debited to Kamlesh's Account)			
6)	Suspense A/c	Dr.	2,500	
	To Purchases Return A/c			2,500
	(Purchases Return Book total amount was not posted)			

Suspense Account			
Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Ghanshyam's A/c	450	Difference as per Trial Balance (<i>Balancing Figure</i>)	1,100
Purchases Return A/c	2,500	Rent A/c	1,650
		Kamal's A/c	200
	2,950		2,950

Question 26

A Trial Balance showed excess credit of ₹ 2,728, which were placed in a suspense account. Later on the following errors were located. Pass rectifying entries and prepare Suspense A/c.

1. ₹ 825, the total of purchase return book has been posted to the debit of sales return account.
2. Goods purchased from Suresh ₹ 1,800 recorded in Sales Book as ₹ 180.
3. An item of ₹ 328 written off as a bad debt from Ajay Sharma has not been debited to Bad Debts Account.
4. Goods purchased from X ₹ 3,500 and from Y ₹ 4,000, but were recorded in the purchase book as X ₹ 4,000 and Y ₹ 3,500.
5. Goods returned to Ramesh for ₹ 2,600 was correctly recorded in the return outward book but was wrongly posted to his account as ₹ 260.
6. A sum of ₹ 2,210 stolen by an ex-employee stand debited to Suspense A/c.
7. A sum of ₹ 500 written off as depreciation on Machinery, were not posted to Machinery account.

Solution:

Journal				
Date	Particulars	L.F.	Debit ₹	Credit ₹

1)	Suspense A/c	Dr.	1,650	
	To Purchases Return A/c			825
	To Sales Return A/c			825
	(Purchases Return Book total amount posted as debit on the Sales Return Account)			
2)	Purchases A/c	Dr.	1,800	
	Sales A/c	Dr.	180	
	To Suresh's A/c			1,980
	(Purchases made from Suresh posted as sale)			
3)	Bad Debts A/c	Dr.	328	
	To Suspense A/c			328
	(Written-off amount as bad debts was not mentioned as debited in Bad Debts Account)			
4)	X's A/c	Dr.	500	
	To Y's A/c			500
	(Purchases amount from X and Y was mistakenly posted in Purchases Book)			
5)	Ramesh's A/c	Dr.	2,340	
	To Suspense A/c			2,340
	(Returned goods to Ramesh recorded to as ₹ 260 instead of ₹ 2,600)			

6)	Loss by Theft A/c	Dr.		2,210	
	To Suspense A/c				2,210
	(Stolen amount by an ex-employee debited to Suspense Account)				
7)	Suspense A/c	Dr.		500	
	To Machinery A/c				500
	(Depreciation was not recorded in Machinery Account)				
Suspense Account					
Dr.				Cr.	
Particulars		Amount ₹	Particulars		Amount ₹
Difference in Trial Balance (<i>Balancing Figure</i>)		2,728	Bad Debts A/c		328
Purchases Return A/c		825	Ramesh's A/c		2,340
Sales Return A/c		825	Loss by Theft A/c		2,210
Machinery A/c		500			
		4,878			4,878

Question 27

A Book-keeper finds the difference in the Trial Balance amounting to ₹ 210 and puts it in the suspense account. Later on he detects the following errors. Rectify these and prepare the Suspense Account:-

1. Goods purchased from Ram ₹ 700 was passed through sales book.

2. Returned goods to Shyam ₹ 1,500 was passed through returns inward book.
3. An Item of ₹ 450 relating to prepaid rent account was omitted to be brought forward.
4. An Item of ₹ 120 in respect of purchase returns, instead of being recorded in Returns outward book has been wrongly entered in the purchase book and posted therefrom to the debit of Personal A/c.
5. Amount payable to Subhash for repairs done to radio ₹ 180 and a new radio supplied for ₹ 1,920, were entered in the Purchase book as ₹ 2,000.

Give full narrations for rectifying journal entries. Which of the above errors affected the agreement of Trial Balance?

Solution:

Journal				
Date	Particulars	L.F.	Debit ₹	Credit ₹
1)	Purchases A/c Dr.		700	
	Sales A/c Dr.		700	
	To Ram's A/c			1,400
	(Purchased goods from Ram passed through Sales Book)			
2)	Shyam's A/c Dr.		3,000	
	To Purchases Return A/c			1,500
	To Sales Return A/c			1,500
	(Returned goods to Shyam passed through Returns Inward Book)			
3)	Prepaid Rent A/c Dr.		450	
	To Suspense A/c			450
	(Rent prepaid omitted to be brought forward)			

4)	Suspense A/c	Dr.	240	
	To Purchases Return A/c			120
	To Purchases A/c			120
	(Return purchased posted in Purchases Book)			
5)	Repairs A/c	Dr.	180	
	Radio A/c	Dr.	1,920	
	To Purchases A/c			2,000
	To Subhash's A/c			100
	(Amount paid for radio and its repair posted in Purchases Book)			

Suspense Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Difference in Trial Balance (<i>Balancing Figure</i>)	210	Prepaid Rent A/c	450
Purchase Return A/c	120		
Purchase A/c	120		
	450		450

Question 28

A book-keeping finds that the totals of his trial balance disagree by ₹2,800. He temporarily debits a suspense account with this amount and closes the books. On an examination of the books, the following errors are discovered.

1. The total of purchase return book ₹710 was posted twice
2. Goods costing ₹800 were distributed as free samples but no entry was passed in the book
3. Purchase of machinery for ₹5,600 on credit was recorded in purchase book as 46,500
4. Cash sales to Ram Lal for ₹1,200 were recorded in cash book as well as in sales book and were posted form both
5. Closing stock has been overhauled by ₹1,500
6. Sales return book was un-totalled, though personal accounts were posted ₹1,580
7. No entries have been made in the cash book for the insurance premium directly paid by bank ₹700 and interest charged on overdraft ₹320
8. A sum of ₹200 for drawings in the credit side of cash book was not posted to the drawings account.

Pass entries to rectify the above errors. Close the suspense account already opened.

Solution:

Journal				
Date	Particulars	L.F.	Debit ₹	Credit ₹
1)	Surinder's A/c	Dr.	180	
	To Suspense A/c			180
	(Goods purchased from Surinder for Rs 350 credited as Rs 530)			
2)	Suspense A/c	Dr.	80	
	To Dinesh's A/c			80
	(Goods sold of Rs 800 debited as Rs 880)			
3)	Suspense A/c	Dr.	50	

	To Debtor's A/c			50
	(Cheque received from debtor posted as Rs 1,200 instead of Rs 1,250)			
4)	Machinery A/c	Dr.	780	
	To Suspense A/c			72
	To Freight A/c			708
	(Freight paid on machinery debited to Freight Account)			
5)	Suspense A/c	Dr.	260	
	To Navin Kumar's A/c			260
	(Goods returned by a customer debited to his account)			
6)	Repairs A/c	Dr.	1,440	
	To Motor Car A/c			1,400
	To Suspense A/c			40
	(Repairs paid for motor car debited to Motor Car Account)			
7)	Suspense A/c	Dr.	1,000	
	To Purchases A/c			500
	To Purchases Return A/c			500
	(Purchases return posted to debit of Purchases Account)			
Suspense Account				

Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹
Dinesh's A/c	80	Difference as per Trial Balance	1,098
Debtor's A/c	50	Surinder's A/c	180
Navin Kumar's A/c	260	Machinery A/c	72
Purchases A/c	500	Repairs A/c	40
Purchases Return A/c	500		
	1,390		1,390

Question 30

Give rectifying journal entries for the following errors:

- Sale of goods to Madan ₹ 6,000 were entered in the sales book as ₹ 600.
- A credit purchase of ₹ 1,500 from Ajay has been wrongly passed through the sales book.
- Repairs to building ₹ 300 were debited to building account.
- ₹ 2,050 paid to Rohit is posted to the debit of Mohit's account as ₹ 5,020.
- Purchase return book is overcast by ₹ 400.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
a)	Madan's A/c	Dr.		5,400	
	To Sales A/c				5,400

	(Sold goods for ₹ 6,000 recorded as ₹ 600)				
b)	Purchases A/c	Dr.		1,500	
	Sales A/c	Dr.		1,500	
	To Ajay's A/c				3,000
	(Purchases on credit mistakenly passed through Sales Book)				
c)	Repairs A/c	Dr.		300	
	To Building A/c				300
	(Building repairs debited to Building Account)				
d)	Rohit's A/c	Dr.		2,050	
	Suspense A/c	Dr.		2,970	
	To Mohit's A/c				5,020
	(Amount paid to Rohit debited to Mohit's Account)				
e)	Purchases Return A/c	Dr.		400	
	To Suspense A/c				400
	(Purchases Return Book Overcast)				

Question 31

Rectify the following errors:

- (i) The Sales Book has been totalled ₹ 1,000 short.
- (ii) Goods worth ₹ 1,500 returned by Green and Co. have not been recorded anywhere.

(iii) Goods purchased worth ₹ 2,500 have been posted to the debit of the supplier, Gupta and Co.

(iv) Furniture purchased from Gulab and Co. worth ₹ 10,000 has been entered in Purchases Day Book.

(v) Cash received from A ₹ 2,500 has not been posted in his account.

Solution:

Rectifying Journal Entries					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Suspense A/c	Dr.		1,000	
	To Sales A/c				1,000
	(Sales Book undercast)				
ii)	Sales Return A/c	Dr.		1,500	
	To Green & Co.				1,500
	(REturned goods by Green & Co. was not recorded)				
iii)	Suspense A/c	Dr.		5,000	
	To Gupta & Co.				5,000
	(Purchased goods debited to supplier account)				
iv)	Furniture A/c	Dr.		10,000	
	To Purchases A/c				10,000
	(Furniture purchase posted in Purchases Book)				
v)	Suspense A/c	Dr.		2,500	

	To A's A/c				2,500
	(Received cash from A not posted to his account)				

Question 32

Rectify the following errors by means of Journal entries:

- (i) A cheque of ₹ 5,000 received from Ashish was dishonoured and was debited to Discount Account.
- (ii) Purchase of ₹ 540 from Ramneek was written in Sales day book, but was correctly posted to correct side of Ramneek's Account.
- (iii) Salary paid to Miss Yugakshi ₹ 1,000 was debited to her personal account as ₹ 900.
- (iv) Furniture costing ₹ 500, purchased from Jyoti, was wrongly entered in Purchase book as ₹ 450.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Ashish's A/c	Dr.	5,000		
	To Discount A/c			5,000	
	(Dishonoured cheque received from Ashish and debited to Discount Account)				
ii)	Purchases A/c	Dr.	540		
	Sales A/c	Dr.	540		
	To Suspense A/c			1,080	
	(Purchases recorded in Sales Book)				
iii)	Salaries A/c	Dr.	1,000		

	To Yugakshi's A/c				900
	To Suspense A/c				100
	(Salary payment debited to Yugakshi personal account)				
iv)	Furniture A/c	Dr.		500	
	To Purchases A/c	Dr.			450
	To Jyoti's A/c				50
	(Purchased furniture from Jyoti posted in Purchases Book)				

Question 33

During the course of an accounting year, the accountant prepared a trial balance which did not tally. He put the difference in a suspense account. Subsequently, he located the following errors in his books of account:

- (i) The total of the returns outwards book, ₹ 21,500 has not been posted.
- (ii) A sale of ₹ 4,300 to Ramesh has been credited to him as ₹ 3,400.
- (iii) A sale of ₹ 2,960 to Shyam has been recorded in sales book as ₹ 2,690.
- (iv) Old furniture sold for cash worth ₹ 5,400 has been posted in sales account as ₹ 4,500. There was no profit or loss on sale.
- (v) Goods taken by proprietor worth ₹ 1,000 have not been recorded in the books of account at all.

Pass journal entries of rectify the above mentioned errors and prepare suspense account assuming no error has remained undetected.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Suspense A/c	Dr.		21,500	
	To Purchases Returns A/c				21,500

	(Return Outwards Book total was not posted)				
ii)	Ramesh's A/c	Dr.		7,700	
	To Suspense A/c				7,700
	(₹ 4,300 of sale to Ramesh credited was mentioned as ₹ 3,400)				
iii)	Shyam's A/c	Dr.		270	
	To Sales A/c				270
	(₹ 2,960 sales posted as ₹ 2,690 in Sales Book)				
iv)	Sales A/c	Dr.		4,500	
	Suspense A/c	Dr.		900	
	To Furniture A/c				5,400
	(Furniture sale was posted r in Sales Account)				
v)	Drawings A/c	Dr.		1,000	
	To Purchases A/c				1,000
	(Goods purchased by proprietor not recorded)				

Suspense Account			
Dr.			Cr.
Particulars	Amount ₹	Particulars	Amount ₹

Purchases Return A/c	21,500	Difference as per Trial Balance (<i>Balancing Figure</i>)	14,700
Furniture A/c	900	Ramesh's A/c	7,700
	22,400		22,400

Question 34

During the course of an accounting year, an Accountant found a difference in the trial balance. He puts this difference in a newly opened suspense account. Subsequently, he located the following errors in his books of account:

- (i) Goods purchased from Shiv for ₹ 10,000, but entered in sales book.
- (ii) Received a bill receivable for ₹ 18,000 from Ganesh, but recorded in bills payable book.
- (iii) An item of ₹ 4,000 in respect of purchases returns, wrongly debited to purchases account.
- (iv) An item of ₹ 2,000 relating to pre-paid salary account omitted to be brought forward.
- (v) Paid ₹ 1,000 on account of repair of furniture, but wrongly debited to furniture account.

Pass journal entries to rectify the above mentioned errors and prepare suspense account assuming that no error remained undetected.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Purchases A/c	Dr.		10,000	
	Sales A/c	Dr.		10,000	
	To Shiv's A/c				20,000
	(Purchases from Shiv posted in Sales Book)				

ii)	Bills Receivable A/c	Dr.		18,000	
	Bills Payable A/c	Dr.		18,000	
	To Ganesh's A/c				36,000
	(Bills receivable recorded as bills payable)				
iii)	Suspense A/c	Dr.		8,000	
	To Purchases A/c				4,000
	To Purchases Returns A/c				4,000
	(Purchases return mistakenly debited to Purchases Account)				
iv)	Prepaid Salaries A/c	Dr.		2,000	
	To Suspense A/c				2,000
	(Prepaid salary omitted to be brought forward)				
v)	Repairs A/c	Dr.		1,000	
	To Furniture A/c				1,000
	(Furniture repair debited to Furniture Account)				
Suspense Account					
Dr.					Cr.
Particulars	Amount ₹	Particulars			Amount ₹

Purchases A/c	4,000	Difference as per Trial Balance (<i>Balancing Figure</i>)	6,000
Purchases Return A/c	4,000	Prepaid Salaries A/c	2,000
	8,000		8,000

Question 35

Pass journal entries to rectify the following errors. The trial balance had ₹ 1,260 excess credit. The difference has been posted to a suspense account:

- (i) The total of returns inwards book has been cast ₹ 2,000 short.
- (ii) The purchase of an office table costing ₹ 6,000 has been passed through the purchases day book.
- (iii) A sum of ₹ 7,500 paid to workman for wages for making showcases has been charged to wages account.
- (iv) A purchase of ₹ 1,340 has been posted to the creditor's account as ₹ 600.
- (v) A cheque of ₹ 4,000 received from Y has been dishonoured; it has been posted to the debit of allowances account.

After passing journal entries, prepare the suspense account.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Sales Return A/c	Dr.		2,000	
	To Suspense A/c				2,000
	(Sales Return Book Undercast)				
ii)	Furniture A/c	Dr.		6,000	
	To Purchases A/c				6,000

	(Office table Purchase posted as purchases)			
iii)	Furniture A/c	Dr.	7,500	
	To Wages A/c			7,500
	(Showcases payment debited to Wages Account)			
iv)	Suspense A/c	Dr.	740	
	To Creditor's A/c			740
	(Less purchases amount recorded t in Creditor's Account)			
v)	Y's A/c	Dr.	4,000	
	To Allowances A/c			4,000
	(Received cheque from Y dishonoured and debited to Allowances Account)			

Suspense Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Difference in Trial Balance	1,260	Sales Return A/c	2,000
Creditor's A/c	740		
	2,000		2,000

Question 36

The books of Ramesh did not agree. The difference of ₹ 12,700 in trial balance was placed to the debit of suspense account. Subsequently, the following errors were located. Pass journal entries to rectify the errors and prepare the suspense account:

(i) The total of the purchases returns book, ₹ 2,100 has not been posted.

(ii) A sale of ₹ 4,300 to Ram has been credited to his account as ₹ 3,400.

(iii) A purchase from Suresh for ₹ 4,000 has been entered in the sales book. However, Suresh has been correctly credited with ₹ 4,000.

(iv) Old furniture sold on credit for ₹ 5,400 has been recorded in the sales account as ₹ 4,500.

(v) Goods taken away by Ramesh, the proprietor for his personal use worth ₹ 750 has not been recorded in the books of accounts at all.

Solution:

Journal					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Suspense A/c	Dr.		2,100	
	To Purchases Returns A/c				2,100
	(Purchases Return Book total not recorded)				
ii)	Ram's A/c	Dr.		7,700	
	To Suspense A/c				7,700
	(₹ 4,300 sale to Ram was credited as ₹ 3,400)				
iii)	Purchases A/c	Dr.		4,000	
	Sales A/c	Dr.		4,000	
	To Suspense A/c				8,000
	(Purchases were recorded in Sales Book)				

iv)	Suspense A/c	Dr.		900	
	Sales A/c	Dr.		4,500	
	To Furniture A/c				5,400
	(₹ 5,400 furniture sale recorded as ₹4,500 in Sales Account)				
v)	Drawings A/c	Dr.		750	
	To Purchases A/c				750
	(Goods taken by the proprietor was not recorded)				

Suspense Account

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
Difference in Trial Balance	12,700	Purchases A/c	4,000
Purchases Return A/c	2,100	Sales A/c	4,000
Furniture A/c	900	Ram's A/c	7,700
	15,700		15,700

Question 37

Rectify the following errors by passing Journal entries:

- (i) Old furniture sold for ₹ 500 has been credited to Sales Account.
- (ii) Machinery purchased on credit from Raman for ₹ 2,000 recorded through Purchases Book as ₹ 16,000.
- (iii) Cash received from Rajat ₹ 5,000 was posted to the debit of Bhagat as ₹ 6,000.

(iv) Depreciation provided on machinery ₹ 3,000 was posted to Machinery Account as ₹ 300.

Solution:

Journal Book					
Date	Particulars		L.F.	Debit ₹	Credit ₹
i)	Sales A/c	Dr.		500	
	To Furniture A/c				500
	(Furniture sale posted in Sales Account)				
ii)	Machinery A/c	Dr.		2,000	
	Raman's A/c	Dr.		14,000	
	To Purchases A/c				16,000
	(₹ 2,000 machinery purchase posted through Purchases Book with ₹ 16,000)				
iii)	Suspense A/c	Dr.		11,000	
	To Rajat's A/c				5,000
	To Bhagat's A/c				6,000
	(Received cash from Rajat debited to Bhagat)				
iv)	Suspense A/c	Dr.		2,700	
	To Machinery A/c				2,700
	(Depreciation provided on machinery posted to Machinery Account)				

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Question 38

Pass Journal entries of rectify the following errors which were located after preparing the Trial Balance:

- (a) The Sales Book was overcast by ₹ 500.
- (b) Credit purchases from Aradhya ₹ 6,000 were posted to the debit of her account as ₹ 9,000.
- (c) Goods returned from Ayan ₹ 8,000 were recorded in Purchases Return Book.
- (d) Wages paid ₹ 3,980 were recorded in the Cash Book as ₹ 3,890.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
1)	Sales A/c	Dr.	500		
	To Suspense A/c			500	
	(Sales Book Overcast)				
2)	Suspense A/c	Dr.	15,000		
	To Aradhya's A/c			15,000	
	(₹ 6,000 purchases from Aradhya debited as ₹ 9,000)				
3)	Sales Return A/c	Dr.	8,000		
	Purchases Return A/c	Dr.	8,000		
	To Ayan's A/c			16,000	
	(Return inwards recorded in Purchases Return Book)				
4)	Wages A/c	Dr.	90		

	To Cash A/c				90
	(Wages paid ₹ 3,980 recorded as ₹ 3,890)				

Question 39

Rectify the following errors:-

- (a) ₹ 500 paid for the purchases of Radio set for the proprietor debited to General expenses account.
- (b) Goods sold to Ram for ₹ 300 have been entered in the purchase book. However the account of Ram stands correctly posted.
- (c) An amount of ₹ 50 paid to Kewal has been credited to the account of Kanwal.
- (d) A sum of ₹ 450 paid as rent has been debited to Landlord's personal account.
- (e) Wages paid for the month ₹ 300 was posted twice.
- (f) Sales return book was undercast by ₹ 10.
- (g) Goods for ₹ 100 have been returned by a customer. These have been taken into stock but no entry in respect thereof has been made in the books.
- (h) Repairs ₹ 500 debited to machinery account as ₹ 550.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
a)	Drawings A/c	Dr.	500		
	To General Expenses A/c			500	
	(Radio purchased for proprietor debited to General Expenses Account)				
b)	Suspense A/c	Dr.	600		
	To Sales A/c			300	

	To Purchases A/c			300
	(Sold goods to Ram posted in Purchases Book)			
c)	Kewal's A/c	Dr.	50	
	Kanwal's A/c	Dr.	50	
	To Suspense A/c			100
	(Paid amount to Kewal credited to Kanwal)			
d)	Rent A/c	Dr.	450	
	To Landlord's Personal A/c			450
	(Rent payment debited to Landlord's Personal Account)			
e)	Suspense A/c	Dr.	300	
	To Wages			300
	(Wages payment posted twice)			
f)	Sales Return A/c	Dr.	10	
	To Suspense A/c			10
	(Sales Return Book Undercast)			
g)	Sales Return A/c	Dr.	100	
	To Customer's A/c			100
	(Returned goods by a customer not mentioned in the book)			
h)	Repairs A/c	Dr.	500	

	Suspense A/c	Dr.		50	
	To Machinery A/c				550
	(Machine repairs debited to Machinery Account)				

Question 40

Pass journal entries to rectify the following errors detected during preparation of Trial Balance:

- (i) Purchases book is undercast by ₹ 1,000.
- (ii) Wages paid for construction of office debited to wages account ₹ 20,000.
- (iii) A credit sale of goods ₹ 1,200 to Ramesh has been wrongly passed through the purchase book.
- (iv) Goods purchased for ₹ 5,000 were posted as ₹ 500 to the purchases account.
- (v) An amount of ₹ 2,000 due from Mahesh Chand, which had been written off as a bad debt in a previous year was unexpectedly recovered and has been posted to the personal account of Mahesh Chand.
- (vi) A credit purchase of ₹ 1,040 from Ramesh was passed in the books as ₹ 1,400.
- (vii) Goods (Cost ₹ 5,000; Sales Price ₹ 6,000) distributed as free samples among prospective customers was not recorded anywhere.
- (viii) Goods worth ₹ 1,500 returned by Green and Co. have not been recorded anywhere.

Solution:

Journal					
Date	Particulars	L.F.	Debit ₹	Credit ₹	
i)	Purchases A/c	Dr.	1,000		
	To Suspense A/c			1,000	
	(Purchases Book Undercast)				

ii)	Building A/c	Dr.		20,000	
	To Wages A/c				20,000
	(Building construction payment debited to Wages Account)				
iii)	Ramesh's A/c	Dr.		2,400	
	To Sales A/c				1,200
	To Purchases A/c				1,200
	(Credit sale posted as purchases)				
iv)	Purchases A/c	Dr.		4,500	
	To Suspense A/c				4,500
	(Purchased goods for ₹ 5,000 posted as ₹ 500)				
v)	Maresh Chand's A/c	Dr.		2,000	
	To Bad Debts Recovered A/c				2,000
	(Bad debts recovered posted to the personal account of Maresh Chand)				
vi)	Ramesh's A/c	Dr.		360	
	To Purchases A/c				360
	(Purchases from Ramesh posted ₹ 1,400 instead of ₹ 1,040)				
vii)	Advertisement Expenses A/c	Dr.		5,000	
	To Purchases A/c				5,000

	(Free samples goods distributed was not recorded)			
viii)	Sales Return A/c	Dr.	1,500	
	To Green & Co.			1,500
	(Sales return not recorded)			