

### CBSE Test Paper 05

#### Ch-4 Recording of Transactions -II Cash Books & other Books

1. A cheque received and deposited into bank the same day will be recorded in cash book in \_\_\_\_\_ column and \_\_\_\_\_ side.
2. Is it correct that individual accounts of customers is debited by the respective amount and the total of the sales book is posted to the credit side of the sales account in the general ledger?
3. Is it correct that total of the purchase invoices recorded in the purchase book is posted to debit side of the purchases account in the ledger and credited to the accounts of suppliers?
4. Give two examples of entries which appear in a 'journal proper'.
5. Record the following transactions in the purchase return book of Shree Klsmat Ram

2013	
Jul 17	Returned goods to Raja & Sons for Rs.4,000. Trade discount 10% (Debit note no. 140).
Jul 19	Returned goods to Gujral & sons for Rs.10,000 as the goods were inferior in quality. (Debit note no 142).
Jul 24	Allowance claimed from Radhey Shyam on account of mistake in invoice Rs.1,000(Debit note no. 145).

6. Write the advantages of petty cash book.
7. Enter the following transactions in the purchase journal (book) of M/s Gupta Traders of July, 2014

Jul 1	Bought from Rahul Trader as per invoice no 20041
	40 registers @ Rs.60 each
	80 gel pens @ Rs.15 each

	50 note books @ Rs.20 each
	Trade discount 10%
Jul 15	Bought from Global Stationers as per invoice no.1132
	40 ink pads @ 8 each
	50 files @ Rs.10 each
	20 colour books @ Rs.20 each
	Trade discount 5%
Jul 23	Purchased from Lamba Furniture as per invoice no.3201
	2 chairs @ Rs.600 per chair
	1 table @ 1,000 per table
Jul 25	Bought from Mumbai Trader as per invoice no.1111
	10 Paper rim @ Rs.100 per rim
	400 drawing sheets @ 3 each
	20 packet water colour @ 40 per packet.

8. Cash book is called a book of original entry? Do you agree?

9. M/s Koina supplier sold on credit

- i. Two water purifiers @ Rs.2,100 each and five buckets @ 130 each to M/s Raman Traders (Invoice no.178 dated 6th April, 2014).
- ii. Five road side container @ Rs.4,200 each to M/s Nutan enterprise (Invoice no. 180 dated 9th April, 2014).
- iii. 100 big buckets @ Rs.850 each to M/s Raman traders (Invoice no.209, dated 28th April, 2014).

Write journal entries for the same.

10. Prepare Two-column Cash Book from the following transactions of Mani, Kochi-

2018	Rs.

Mar.1	Cash in Hand Rs.15,000; Cash at Bank Rs.5,000
Mar.3	Purchased goods for cash Rs.6,720 including CGST and SGST @ 6% p.a.:received discount of Rs.220
Mar.5	Deposited into bank Rs.5,000
Mar.7	Cash sales Rs.10,000 plus CGST and SGST @ 6% each
Mar.10	Cash withdrawn from Bank for office use Rs.2,000
Mar.15	Received three months post dated cheque of Rs.20,000 from Raj and deposited in the bank on the same day, discounted from bank paying discounting charges Rs.750
Mar.18	Received cheque from Deepak for Rs.5,000 (not banked), allowed discount Rs.200
Mar.20	Cheque received from Deepak deposited in Bank
Mar.22	Paid to Chandra by cheque Rs.2,500; received discount Rs.100
Mar.25	Withdrew from bank for personal use Rs.1,000
Mar.28	Sold goods on credit to Ashok Mitra, Kolkata Rs.10,000, charged IGST @ 12%
Mar.30	Purchased goods on credit to from Chandar, Delhi Rs.20,000 paid IGST @ 12%
Mar.31	Received cheque from Ashok Mitra Rs.5,000 and deposited into bank, allowed cash discount Rs.200



**CBSE Test Paper 05**  
**Ch-4 Recording of Transactions -II Cash Books & other Books**

**Answer**

1. Bank column, debit side.

Bank A/c Dr.

To Debtors A/c

Note: Here Bank A/c is debited because the cheque is deposited into the bank the same day and debtors A/c is credited because the amount receivable from debtors have reduced.

2. **Yes**, following the rule 'increase in revenue is credited and decrease debited' sales account is credited. Debtors is debited following the rule applicable to asset accounts i.e., 'increase in assets is debited and decrease credited'.
3. Yes, Purchases account debited following the rule 'increase in expenses is debited and decrease credited'. The suppliers account is credited following the rule 'increase in liabilities is credited and decrease debited'.
4. Journal proper is book of original entry (simple journal) in which miscellaneous credit transactions which do not fit in any other books are recorded. It is also called miscellaneous journal. The following are the examples:
- Credit purchase of plant and machinery,
  - Credit sales of fixed assets.

5. **Purchases Return Book or Returns Outward Book**

Date	Particulars		Debit Note No.	LF	Details (Rs)	Total Amount (Rs)
2013						
Jul 17	Raja & Sons		140		4,000	

	(-) Trade Discount 10%			400	3,600
Jul 19	Gujal & Sons		142		10,000
	Radhey Shyam		145		1,000
	<b>Purchases Return A/c</b>	<b>Cr</b>			14,600 =====

Purchases returns book is a book in which the goods returned to suppliers are recorded. It is also called returns outward book or purchases returns day book.

6. Petty cash book is a type of cash book that is used to record minor regular expenditures such as office teas, bus fares, fuel, newspapers, cleaning, pins, and casual labor etc. These small expenditures are usually paid using coins and currency notes rather than cheques. The person responsible for spending petty cash and recording it in a petty cash book is known as petty cashier. Some advantages of petty cash book are as follows:
  - i. **Saving of Time and Efforts of Chief Cashier:** It saves time and labour and helps chief cashier to discharge his duties more effectively as the chief cashier is not required to deal with petty disbursements and can concentrate on cash transactions involving large amount of cash.
  - ii. **Effective Control Over Cash Disbursements:** Chances of making frauds and embezzlements become very difficult as cash control becomes easy because of division of work. The head cashier can control big payments directly and petty payments by keeping a proper check on the petty cashier.
  - iii. **Convenient Recording:** Recording of petty disbursements in the main cash book makes it bulky and unmanageable. Further, the materiality principle requires that insignificant details need not be given in the main cash book. This way the cash book reveals only material and useful information. Recording of such small payments becomes easy as the totals of different types of expenses are posted to ledger. It also saves time and effort of posting individual items in the ledger.

7. In the books of M/S Gupta Traders

### Purchase Book

Date	Particulars		Invoice No.	L/F	Detail	Amount (Rs.)	Total Amount (Rs.)
2014							
Jul 1	<b>Rahul Traders</b>		20041				
	40 Register @ 60 each					2,400	
	80 Gel pen @ 15 each					1,200	
	50 Note Books @ Rs.20 each					1,000	
						4,600	
	(-) Trade Discount 10%					460	4,140
Jul 15	<b>Global Stationers</b>		1132				
	40 Ink Pads @ Rs.8 each					320	
	50 Files @ Rs. 10 Each					500	
	20 Colour Books @ Rs. 20 Each					400	
						1,220	
						61	1,159
Jul 25	<b>Mumbai Traders</b>		1111				
	10 Paper Rim @ 100 per rim					1,000	



	400 Drawing Sheets @ 3 each					1,200	
	20 Packet Water Colour @ 40 per Packet					800	3,000
	<b>Purchases A/c</b>	<b>Cr</b>					<b>8,299</b>

Purchase book also known as a Purchase journal, Invoice book or Purchase day book. Purchase book is a special purpose subsidiary book prepared by a business to record all credit purchases.

8. Yes, since books of original entry refers to the accounting journals in which business transactions are initially recorded. The information in these books is then summarized and posted into a general ledger, from which financial statements are produced. Each accounting journal contains detailed records for the types of accounting transactions pertaining to a specific area.

9. In the books of M/s Koina

#### Sales Book

Date	Particulars	Invoice No.	L/F	Details (Rs.)	Total Amount (Rs)
2014					
Apr 06	<b>Raman Traders</b>	178			
	2 Water Purifiers @ Rs.2,100 each			4,200	
	5 Buckets @Rs.130 each			650	4,850
Apr 09	<b>Nutan Enterprises</b>				
	5 Road Side Containers @	180			21,000

	Rs. 4,200 each					
Apr 28	<b>Raman Traders</b>					
	100 Big Buckets @ Rs.850 each		209			85,000
Apr 30	<b>Sales A/c</b>	Cr				1,10,850

#### Raman Trader's Account

Date	Particulars	J/F	Amount (Rs.)	Date	Particulars	J/F	Amount (Rs.)
2014				2014			
Apr 06	To Sales A/c		4,850	Apr 30	By Balance c/d		89,850
Apr 28	To Sales A/c		85,000				
			89850 =====				89,850 =====

#### Nutan Enterprise's Account

Date	Particulars	J/F	Amount (Rs.)	Date	Particulars	J/F	Amount (Rs.)
2014				2014			
Apr 01	To Sales A/c		21,000	Apr 30	By Balance c/d		21,000
			21,000 =====				21,000 =====

#### Sales Account

Date	Particulars	J/F	Amount (Rs.)	Date	Particulars	J/F	Amount (Rs)
2014				2014			
Apr	To Balance			Apr	By Sundries as		



30	c/d		1,10,850	30	per Sales book		1,10,850
			1,10,850 =====				1,10,850 =====

10. A cash book is a financial journal that contains all cash receipts and payments, including bank deposits and withdrawals. Entries in the cash book are then posted into the general ledger. Larger firms usually divide the cash book into two parts: the cash disbursement journal that records all cash payments, such as accounts payable and operating expenses, and the cash receipts journal, which records all cash receipts, such as accounts receivable and cash sales. In this question, the two column cash book with Cash & Bank column is to be maintained as follows:-

#### Cash book (Two Column)

Date	Particulars	LF	Cash	Bank	Date	Particulars	LF	Cash	Bank
2018					2018				
1/3	To Balance b/d		15,000	5,000	3/3	By Purchase A/c		5,780	-
5/3	To Cash A/c	(c)	-	5,000		By Input CGST A/c		360	-
7/3	To Sales A/c		10,000	-		By Input SGST A/c		360	-
	To Output CGST A/c		600	-	5/3	By Bank A/c	(c)	5,000	-
	To Output SGST A/c		600	-	10/3	By Cash A/c	(c)	-	2,000
10/3	To Bank A/c	(c)	2,000	-	22/3	By Chander		-	2,500
15/3	To Raj's A/c		-	19,250	25/3	By Drawings		-	1,000
20/3	To Cheque in h. A/c		-	5,000	31/3	By Balance b/d		16,700	33,750

31/3	To Ashok Mitra		-	5,000					
	<b>Total</b>		<b>28,200</b>	<b>39,250</b>		<b>Total</b>		<b>28,200</b>	<b>39,250</b>
1/4	To Balance b/d		16,700	33,750					