



CLASS XI ACCOUNTANCY NOTES

Recording Of Transactions

Key Notes and Important Questions with Answers

CHAPTER - 3

RECORDING OF TRANSACTIONS

LEARNING OBJECTIVES

After studying this chapter, you will be able to:

- Explain how to prepare accounting Vouchers.
- Apply accounting equation to explain the effect of transactions.
- Record transactions using rules of debit and credit.
- Record transactions in journal and other subsidiary books.
- Explain the purpose of maintaining a cash book.

Suggested Method: Discussion Method, Illustration method, problem solving method etc.

ACCOUNTING EQUATION

An Accounting equation is based on the dual concept of accounting, according to which, every transaction has two aspects namely Debit and Credit. It means that every transaction in accounting effect both Debit (Dr.) and Credit (Cr.) side equally.

Total assets of the business firm are financed through the funds raised from either the outsiders (which consists generally Creditors and Lenders) or the Owners(which is called Capital).

According to Business entity concept, Business is separate legal entity from its owner thus the amount invested by the owner in the business is liability of the business is called Capital. Accounting equation thus referred to a equation in which total assets is always equal to total Liabilities (i.e. Capital + Liabilities)

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

ANALYSIS OF BUSINESS TRANSACTIONS

Business transaction may effect either both sides of the equation or one side of the equation but the ultimate effect must be equal on the both sides. Some of the effects are as follows:-

1. Transaction affecting both sides of the equation:

A. Commenced business with Cash Rs. 3,00,000. Effect

Assets		=	Capital + Liabilities	
	Cash		Capital	
Transaction	3,00,000	=	3,00,000	

Explanation:- As Cash is invested by the owner, it should be shown in Capital (anything which is bring in by the owner is termed as Capital) & Business is receiving asset in the form of cash, it is to be shown in the Assets side as Cash.

B. Bought goods from Ram ₹ . 30,000

Effect

Assets			=	Capital + Liabilities		
	Cash	Stock		Capital	Creditors	
Old Equation	300000 +	-	=	300000 +	-	
Transactions	0 +	30000	=	0 +	30000	
N.E.	300000+	30,000	=	300000 +	30000	

Explanation:- As goods is purchased on credit, one effect is that it should be shown in the assets side as Goods & other effect is that goods are purchased on credit so it is to be shown in Liabilities as Creditors.

C. Sold goods (costing ₹ 10000) for cash at ₹ 13000

Effect

Assets			=	Capital + Liabilities		
	Cash	Stock		Capital	Creditors	
Old Equation	300000	+ 30,000	=	300000	+ 30000	
Transactions	13000	- 10000	=	3000	+	
N.E.	313000	+ 20,000	=	303000	+ 30000	

Explanation:- The transaction will affect both sides as cash has been received so it is to be added back in cash (₹ 13,000) & Goods are to be reduced by 10,000 as goods has been sold. Also profit of ₹ 3,000 is to be added back in Capital. Net effect will remain same for both sides.

D. Paid to creditors Rs. 20,000

Effect

Assets			=	Capital + Liabilities
	Cash	Stock		Capital + Creditors
Old Equation	313000	+ 20,000	=	303000 + 30000
Transactions	-20000	+ 0	=	0 - 20000
N.E.	293000	+ 20,000	=	303000 + 10000

Explanation:- The transaction will affect both sides as cash has been paid so it is to be deducted from cash as well from creditors as payment made to them.

- **Transaction related to Expenses**

All the expense or Losses is to borne by the owner although business has separate legal entity from its owner as he/she is the person who has taken risk to do business.

E. Rent paid Rs. 5,000.

Effect

Assets			=	Capital + Liabilities
	Cash	Stock		Capital + Creditors
Old Equation	293000	+ 20,000	=	303000 + 10000
Transactions	-5000	+ 0	=	-5000 + 0
N.E.	288000	+ 20,000	=	298000 + 10000

Explanation:- The transaction will affect both sides as cash has been paid so it is to be reduced as well as Capital is to be reduced because expense is to be born by the owner.

- **Transaction related to Income**

Income or Profit is the reward for taking risk, as risk is taken by the owner so it is to be added in Capital.

F. Commission received Rs. 8,000.

Effect

Assets			=	Capital + Liabilities
	Cash	Stock		Capital + Creditors
Old Equation	288000	+ 20,000	=	298000 + 10000
Transactions	+8000	+ 0	=	+8000 + 0
N.E.	296000	+ 20,000	=	306000 + 10000

Explanation:- The transaction will affect both sides as cash has been received so it is to be added back in cash as well as in Capital.

- **Transaction related to Accrued/outstanding Income**

Income is to be added back into the capital but as it is not received should be shown in the Assets Side as accrued Income because it meant to be received in this financial year.

A. Accrued Interest Rs. 10,000
Effect

Assets				=	Capital	+	Liabilities
	Cash	Goods	Accrued Income	=	Capital		Creditors
Old Equation	296000 +	20000	+ -	=	306000	+	10,000
Transactions	0	0	+ 10000	=	+10000	+	0
N.E.	296000 +	20000	+ 10000	=	316000	+	10000

Explanation:- The transaction will effect both sides as Accrued Income has been added back to the capital & as it is not received so it is to be shown in the assets side as an asset.

- **Transaction related Advance Income**

As Income received in advance so it does not belong to current financial year, so it can not be added back to the Capital. It is an amount which is received by the business firm for the future course of activity till the activity not happened it is the Liability of the business.

A. Rent received in advanced Rs. 5,000
Effect

Assets				=	Capital	+	Liabilities
	Cash	+ Goods	Accrued Income	=	Capital	+ Creditors	Advance Rent
Old Equation	296000 +	20000 +	10000	=	316000	+10000	+
Transactions	+5000	+ 0	+ 0	=	+0	+ 0	+ 5000
N.E.	301000 +	20000 +	10000	=	316000	+10000	+ 5000

Explanation:-The transaction will effect both sides as Advance Income is a Liability should be shown in the Liability side & Cash received by the business should be added back to the Cash column of assets side.

2. Transaction affecting one side of the equation:

(I) Transaction affecting Assets side of the equation:

• Transaction related to Prepaid or Advance Expense

As Expense paid in advance so it does not belong to current financial year, so it can not be deducted from Capital. It is an amount which is paid by the business firm for the future course of activity as the activity is not happened it is the Assets of the business.

A. Prepaid insurance paid ₹ 4,000

Effect

Assets					=	Capital + Liabilities		
	Cash	Stock	Accrued Income	Prepaid Expense		Capital	Creditors	Advance Rent
Old Equation	301000	+ 20000	+ 10,000	-	=	316000	+ 10000	+ 5000
Transactions	-4000	+ 0	+ 0	+ 4000	=	+0	+ 0	+ 0
N.E.	297000	+ 20000	+ 10000	+ 4000	=	316000	+ 10000	+ 5000

Explanation:- The transaction will affect one side as Prepaid expense is a Asset should be shown in the Assets side & Cash paid by the business should be deducted from Cash column of assets side.

B. Purchased Machinery for Cash ₹ . 80,000

Effect

Assets						=	Capital + Liabilities		
	Cash	Stock	Accrued Income	Prepaid Expense	Machinery		Capital	Creditors	Advance Rent
Old Equation	297000	+ 20000	+ 10000	+ 4000	+ -	=	316000	+ 10000	+ 5000
Transactions	-80000	+ 0	+ 0	+ 0	+ 80,000	=	+ 0	+ 0	+ 0
N.E.	217000	+ 20000	+ 10000	+ 4000	+ 80,000	=	316000	+ 10000	+ 5000

Explanation:- The transaction will affect one side as cash has been paid for purchased of machinery & Machine is a fixed asset so it is separately shown in the asset side as well as cash is to be reduced.

(II) Transaction affecting Liability side of the equation:

• Transaction related to outstanding Expense

As Expense not paid yet or Outstanding but belong to current financial year so it is deducted from Capital & business has to pay it in near future so it is the liability of the firm.

A. Salary outstanding ₹ 8,000

Effect

Assets						=	Capital + Liabilities			
	Cash	Stock	Accrued Income	Prepaid Expense	Machinery		Capital	Creditors	Advance Rent	Outstanding Expense
Old Equation	217000	+ 20000	+ 10000	+ 4000	+ 80,000	=	316000	+ 10000	+ 5000	
Transactions	0	+ 0	+ 0	+ 0	+ 0	=	-8000	+ 0	+ 0	+ 8000
N.E.	217000	+ 20000	+ 10000	+ 4000	+ 80,000	=	308000	+ 10000	+ 5000	+ 8000

Explanation:- The transaction will affect Liability side as outstanding expense is a Liability should be shown in the Liability side & Expense should be deducted from Capital.

- **Transaction related to Interest on Capital**

As interest on capital is the Expense of business it should be shown or deducted in the capital as well as interest of capital is the amount which is to be given to the owner as capital is the amount which is invested by the owner, therefore it is to be added back to Capital.

A. Interest on Capital Rs. 10,000

Effect

Assets						Capital + Liabilities			
	Cash	Stock	Accrued Income	Prepaid Expense	Machinery	Capital	Creditors Advance	Outstanding Rent	Exp.
Old Equation	217000 +	20000 +	10000 +	4000 +	80,000	= 308000 +	10000 +	5000 +	8000
Transactions	-0 +	0 +	0 +	0 +	0	= -10000			
N.E.	217000 +	20000 +	10000 +	4000 +	80,000	= 308000 +	10000 +	5000	8000

Explanation:- The transaction will affect Liability side as Interest of Capital should be added back & deducted from Capital as both of them belong to the owner.

- **Transaction related to interest on Drawing**

As interest on Drawing is the Income of business it should be shown or added back in the capital as well as interest of Drawing is the amount which is to be given by the owner to the business so it is treated as drawing and deducted from the Capital.

A. Interest on Drawing Rs. 1,000

Effect

Assets						Capital + Liabilities			
	Cash	Stock	Accrued Income	Prepaid Expense	Machinery	Capital	Creditors Advance	Outstanding Rent	Exp.
Old Equation	217000 +	20000 +	10000 +	4000 +	80,000	= 308000 +	10000 +	5000	8000
Transactions	0 +	0 +	0 +	0 +	0	= -10000			
N.E.	217000 +	20000 +	10000 +	4000 +	80,000	= 308000 +	10000 +	5000	8000

Explanation:- The transaction will effect Liability side as Interest of Drawing should be added back & deducted from Capital as both of them belong to the owner.

- **Transaction related to Drawing**

As Drawing is the amount withdrawn by owner from business for personal use so it is to be deducted from Capital & also from the Cash.

A. Owner withdrew cash of Rs. 10,000 for personal use
Effect

Assets						= Capital + Liabilities			
	Cash	Stock	Accrued Income	Prepaid Expense	Machinery	Capital	Creditors Advance	Outstanding Rent	Exp.
Old Equation	217000	+ 20000	+ 10000	+ 4000	+ 80,000	= 308000	+ 10000	+ 5000	8000
Transactions	-10000	+ 0	+ 0	+ 0	+ 0	= -10000	+ 0	+ 0	0
N.E.	207000	+ 20000	+ 10000	+ 4000	+ 80,000	= 298000	+ 10000	+ 5000	8000

Explanation:- The transaction will effect both sides as Drawing should be deducted from Capital & also deducted from Cash as withdraw by owner.

Illustration: 1.

Prepare the Accounting Equation for the year ended on 31st March 2015 on the basis of the following information:

- Mr. X Started business with Cash ₹1,50,000, Furniture ₹50,000, Goods/ Stock ₹ 30,000 & Machinery ₹ 2,00,000
- He sold goods Costing ₹ 25,000 at a profit 20% above cost & half of the payment received in Cash and received a bill for the remaining balance.
- He paid salary ₹10,000, commission ₹2000 & Commission Still outstanding ₹1,000.
- He purchased goods from Ram of ₹ 25,000.
- Deprecate Machinery at 20 % p.a. & Furniture at 10 % p..a.
- He paid Insurance ₹12,000 p.a. (from 1 st October to 30th September every year)
- He withdrew ₹ 10,000 for personal use.
- He paid to Ram ₹ 23,500 in full settlement of his account.
- He received cash on the maturity of Bill.
- Interest on Capital is to be credited at 5 % p.a.

Solution:

Accounting Equation

Transaction	Assets						= Capital + Liability		
	Cash	Stock	Machinery	Furniture	B.R.	Prepaid Insurance	Capital	O/S Comm	Creditors
1. Commenced business	150000	+ 30000	200000	+ 50000	+ -	-	= 430000	+ -	-
2. Sold goods at 20 % profit	+15000	- 25000	0	+ 0	+ 15000	-	= +5000	+ -	-
N.E.	165000	+ +5000	200000	+ 50000+	+ 15000	-	= 435000	+ -	-
3. Paid salary & Comm. and comm. Outstanding	-12000	+ +0	0	+ 0	+ 0	-	= -13000	+ 1000	-
N.E.	153000	+ + 5000+	200000	+ 50000	+ 15000	-	= 422000	+ 1000	-

Transaction	Assets						Capital + Liability		
	Cash	Stock	Machinery	Furniture	B.R.	Prepaid Insurance	Capital	O/S Comm	Creditors
4. Purchased goods from ram 25000	0	+ 25000	-	0	+	0	+	0	+ 25000
N.E.	153000	+ 30000	+ 200000	+ 50000	+ 15000	+	-		420000 + 1000 + 25000
5. Depreciates Machine @ 20% & Furniture @ 10%	0	+ 0	+ -40000	+ -5000	+ 0	+	-		-45000 + 0 + 0
N.E.	153000	+ 30000	+ 160000	+ 45000	+ 15000	+	-		377000 + 1000 + 25000
6. Insurance paid for one year Rs. 12,000	-12000	+ 0	+ 0	+ 0	+ 0	+ 6000			-6000 + 0 + 0
N.E.	141000	+ 30000	+ 160000	+ 45000	+ 15000	+ 6000			371000 + 1000 + 25000
7. Drawing Rs. 10,000	-10000	+ 0	+ 0	+ 0	+ 0	+ 0			-10000 + 0 + 0
N.E.	131000	+ 30000	+ 160000	+ 45000	+ 15000	+ 6000			361000 + 1000 + 25000
8. Paid to Ram in Full Settlement	-23500	+ 0	+ 0	+ 0	+ 0	+ 0			+1500 + 0 - 25000
N.E.	107500	+ 30000	+ 160000	+ 45000	+ 15000	+ 6000			365200 + 1000 + 0
9. Received cash for bill at maturity	+15000	+ 0	+ 0	+ 0	+ 15000	+ 0			0 + 0 + 0
N.E.	122500	+ 30000	+ 160000	+ 45000	+ 0	+ 6000			362500 + 1000 + 0
10. Interest on Capital @ 5% p.a.	0	+ 0	+ 0	+ 0	+ 0	+ 0			-21500 + 0 + 0
N.E.	122500	+ 30000	+ 160000	+ 45000	+ 0	+ 6000			+21500 0
N.E.	122500	+ 30000	+ 160000	+ 45000	+ 0	+ 6000			362500 + 1000 + 0

RULES OF DEBIT & CREDIT

Every business transaction affects two or more accounts. An account is summarized record of transaction at one place relating to a particular head. An account is divided into two parts i.e. debit and credit. Debit refer to the left side of an account and Credit refers to the right side of an account.

Approaches for the rules of Debit & Credit

1. Traditional Approach

Under this approach, all ledger accounts are mainly classified into two categories:-

(I) **Personal Accounts:-** It includes all those accounts which are related to any person i.e. Individuals, firms, companies, Banks etc. This can further classified into three categories:-

1. **Natural Persons :** All the accounts of human beings/ Persons are included such Ram A/C, Shyam A/c etc.
2. **Artificial Persons :** This includes all such accounts which are treated as persons in the eyes of law & have separate leagal entity such as Reliance Ltd., XYZ Ltd.
3. **Representative Persons :** This includes all such accounts which represents some persons such as Capital (Represent Owner) Outstanding Salary (Represent Employee)

(II) **Impersonal Accounts:-** It includes all those accounts which are not related to any person this can be classified as :-

1. **Real Accounts :** Under this all accounts related to assets are

included (except Debtors). These can be Tangible i.e. Machinery, Furniture . Building, Cash etc. and Intangible i.e. Goodwill, Trade Mark, Patents copy Rights etc.

2. **Nominal Accounts** : This includes all the accounts related to Expenses/Losses & Incomes / Gains e.g. Salary, Rent, Commission received etc. They are used to record the transaction in the books of accounts.

Rules of Debit/Credit under Traditional Approach

Classification of Accounts	Rules of Dr./ Cr.
Personal Accounts (All Personal Accounts)	Debit the receiver. Credit the Giver
Real Account whats Goes Out	Debit what Comes In, Credit
Nominal Account all Income / Gains.	Debit all Losses/Expenses, Credit

Illustration 2.:

Analyse the following transactions by using the "Traditional Approach" of Debit/ Credit

S. No.	Transactions	Amount in (Rs.)
1	Ram Started business with cash	1,00,000
2	He purchased goods for cash	20,000
3	sold goods to ram	30,000
4	paid salary	5,000
5	withdrew cash for personal use	10,000
6	cash deposited into Bank	20,000
7	bought goods from Mohan	15,000
8	sold goods for cash	16,000
9	purchased machinery for cash	50,000
10	Depreciate machinery @ 10 % p.a.	5,000

Solution : Analysis of Transactions

S. N.	Transactions	Accounts Effected	Nature Of A/C	Rules	Debit (Rs.)	Credit (Rs.)
1	Commenced Business	Cash Capital	Real Personal	Debit what comes in Credit the Giver	100000	100000
2	Bought Goods for cash	Purchase Cash	Nominal Real	Debit all Expense Credit what, goes out	20000	20000
3	Sold goods to Ram	Ram Sales	Personal Nominal	Debit the receiver Credit all Incomes	30000	30000
4	paid salary	Salary Cash	Nominal Real	Debit all Expense Credit what/. goes out	5000	5000
5	Drawing	Drawing Cash	Personal Real	Debit the receiver Credit what goes out	10000	10000
6	Cash deposited into bank	Bank Cash	Personal Real	Debit the receiver Credit what goes out	20000	20000
7	Bought goods from Mohan	Purchase Mohan	Nominal Personal	Debit all Expense Credit the Giver	15000	15000
8	Sold goods for cash	Cash Sales	Real Nominal	Debit What comes in Credit all Incomes	16000	16000
9	Machinery purchased	Machinery Cash	Real Real	Debit what comes in Credit what goes out	50000	50000
10	Depreciate machinery @ 10%	Depreciation Machinery	Nominal Real	Debit all Expense Credit what goes out	5000	5000

Example:- Vimal wants to start transport business. He introduces initial Capital of ₹ 1,50,000. He took a Bank loan(Liabilities) to purchase a truck (Assets) costing ₹ 20,00,000/-

So in this case Diesel (Fuel) is an example of Expense to run the truck . And freight charged from customers is Revenue.



Assets (Truck)

Expense (Diesel)

NATURE



DEBIT

LIABILITIES (BANK LOAN)

CAPITAL

REVENUE (Freight)

NATURE



CREDIT

Rules of Debit/Credit under Modern Approach.

Modern Rules of Debit and Credit

- i) Increase(+) in assets are debits; decreases(-) are credits.
- ii) Increase in expenses(+) are debits; decreases(-) are credits.
- iii) Increase(+) in liabilities are credits; decreases(-) are debits.
- iv) Increase(+) in revenues are credits; decreases(-) are debits.
- v) Increase(+) in owner's capital are credits; decreases(-) are debits.

DEBIT-CREDIT-MATHEMATICS OF ACCOUNTS

“Debit” and “Credit” are like “Plus” and “Minus”

But a very important Difference is there.....

“PLUS” always means..... to ‘ADD’

“MINUS” always means.....to ‘SUBTRACT’

Whereas, MEANING (use) of DEBIT & CREDIT depends upon

the NATURE OF ACCOUNT.

In case of : **Assets and Expense**

“Debit” is “Plus” & “Credit” is “Minus”

FOR Liabilities, Capital and Revenue

“Credit” means “Plus” & “Debit” means “Minus”

	For Increase (Plus) +	For Decrease (Minus) –
Assets	Debit ↑	Credit ↓
Expenses	Debit ↑	Credit ↓

	For Increase (Plus) +	For Decrease (Minus) –
Liabilities	Credit ↑	Debit ↓
Revenue	Credit ↑	Debit ↓
Capital	Credit ↑	Debit ↓

NOTE :- The accounts of Assets and Expenses show Debit Balance and accounts of Liabilities, Capital and Revenue show Credit Balance.

Illustration 3.

Analyze the transactions of illustration 2 by using the "Modern Approach" of Debit/Credit

Solution : Analysis of Transactions

S. N.	Transactions	Accounts Effected	Nature Of A/C	Rules	Debit (Rs.)	Credit (Rs.)
1	Commenced Business	Cash	Assets	Increase	100000	
		Capital	Capital	Increase		100000
2	Bought Goods for cash	Purchase	Expense	Increase	20000	
		Cash	Assets	Decrease		20000
3	Sold goods to ram	Ram	Assets	Increase	30000	
		Sales	Revenue	Increase		30000
4	paid salary	Salary	Expense	Increase	5000	
		Cash	Assets	Decrease		5000
5	Drawing	Drawing	Capital	Decrease	10000	
		Cash	Assets	Decrease		10000
6	Cash deposited into bank	Bank	Assets	Increase	20000	
		Cash	Assets	Decrease		20000

7	Bought goods from Mohan	Purchase	Expense	Increase	15000	15000
		Mohan	Liabilities	Increase		
8	Sold goods for cash	Cash	Assets	Increase	16000	16000
		Sales	Revenue	Increase		
9	Machinery purchased	Machinery	Assets	Increase	50000	50000
		Cash	Assets	Decrease		
10	Depreciate machinery @10 %	Depreciate	Expense	Increase	5000	5000
		Machinery	Assets	Decrease		

SOURCE DOCUMENTS

A written document which provides evidence of the transactions is called the Source Documents. Source document is the first evidence of a transaction which takes place such as Cash Memo, Bill or Invoice, Receipt, Pay-in-slip, cheques, Debit-Note & Credit -Note.

- (a) **Invoice (Bill):-** An invoice is prepared by Seller at the time of sale of goods on credit. It contains details such as the goods sold, the party to whom goods are sold, sales amount, date etc.
- (b) **Cash Memo :-** It is prepared by the Seller at the time of Sale of goods on Cash. It contains details such as goods sold, quantity, amount received, date etc.
- (c) **Pay-in-Slip :-** It is used to deposit cash or cheque into bank. It has a counterfoil which is returned to the depositor with the Signature of the authorized person.
- (d) **Receipt:-** It is used when a customer give cash to the Business firm. It is an acknowledgment of payment or cash received by firm.
- (e) **Cheque :-** A cheque is a order in writing, drawn upon a specified banker and payable on demand.
- (f) **Debit Note :-** It is prepared when a buyer returned goods to seller or when purchased return transaction is entered in the books of accounts. It is prepared by the buyer of the goods.
- (g) **Credit Note :-** It is prepared when a seller received goods from buyer or when Sales return transaction is entered in the books of accounts. It is prepared by the Seller of the goods.

VOUCHER

A voucher is a document evidencing a business transaction. Recording in books of accounts are done on the basis of voucher. It is an accounting evidence of a business transaction.

Classification of Accounting Vouchers

Vouchers	Further classification	Purpose
Cash Vouchers	Debit Vouchers	To show Cash Payment
	Credit Vouchers	To show Cash Receipt
Non Cash Voucher	Transfer Voucher	To show Transactions not involving cash

CASH VOUCHERS

Cash voucher is prepared to record all the transactions which involve cash either in the form of receipt or payment. Thus cash voucher is further classified into Debit Voucher & Credit Voucher.

Debit Voucher

Debit voucher is prepared for all cash payment made by the business firm such as Payment of Rent, Payment of salary, payment for purchase of goods etc.

Format of Debit Voucher

Received Rs. 	Mis Pratibha Furnitures 180, Nai Sarak, Delhi	
	Voucher No Date	
	DEBIT	Amount (In Rs.)
	Total	
Affix Revenue Stamp	Signature Manager	
	Signature Accountant	

Illustration: 4.

Prepare a Debit vouchers of XYZ traders, 10, Patel Nagar, New Delhi from the following information. Aug. 1 2015 Salary paid for the Month of July 2015 vide salary sheet No. 7 Rs. 15,000

Received Rs. 	M/s XYZ Traders 10, Patel Nagar, New Delhi	
	Voucher No. : 215	
	Date : - 01/08/2015	
	DEBIT :- Salary A/C (Being salary paid for July 2015 vide salary sheet No. - 7	Amount (In Rs.)
		15,000
	Total	15,000
Affix Revenue Stamp	Signature Manager	
	Signature Accountant	

Credit Voucher

Credit voucher is prepared for cash received by the business firm Such as Sale of goods for Cash, Payment received from any of Debtors, Income received etc.

Format of Credit Voucher

M/s Pratibha Furnitures 180, Nai Sarak, Delhi	
Voucher No	Date.....
Credit	Amount (In Rs.)
	Total
Signature Manager	Signature Accountant

Illustration: 5.

Prepare a Credit vouchers of Shyam traders, 156, Subhash Nagar, New Delhi from the following information.:- Oct.5, 2015 Sold goods for cash vide cash memo no. 401 Rs. 16,600

Credit Voucher

Shyam Traders 156, Subhash Nagar, New Delhi	
Voucher No : 520	Date :- 05/10/2015
Credit :- Sales A/C (Being Cash Sales Vide Cash Memo No. 401)	Amount (In Rs.)
	16,600
	Total 16,600
Signature Manager	Signature Accountant

Transfer Voucher/Non-Cash Voucher

This type of vouchers are prepared in those transactions which do not involve Cash. Such as Credit Sales, Credit Purchases, Bad Debts, Depreciation charged etc.

Transfer Voucher

Shyam traders 156, Subhash Nagar, New Delhi	
Voucher No --	Date:
DEBIT:-	Amount (Rs.)
	Total
CREDIT:	Amount (Rs.)
	Total
Signature Manager	Signature Accountant

Illustration: 6

Prepare a Transfer voucher of Shyam traders. 156, Subhash Nagar, New Delhi from the following information:- Feb. 15, 2015 Sold goods to Ram Traders vide Invoice/Bill no. 120 Rs. 24,000

Shyam traders 156, Subhash Nagar, New Delhi	
Voucher No.:- 102	Date:- 15/02/2015
DEBIT:- Ram Traders	Amount (Rs.)
	24,000
Total	24,000
CREDIT:- Sales A/C (Being Cash Sales vide (Invoice/Bill no.-120)	Amount (Rs.)
	24,000
Total	24,000
Signature Manager	Signature Accountant

JOURNAL

The first book in which the transactions of a business unit are recorded is called Journal. Here, business transactions are recorded in chronological order i.e. in the order in which they occur. Each record in a journal is called an entry. As a journal is the first book in which entries are recorded. It is also known as a book of original entry.

FORMAT OF JOURNAL

Date	Particulars	L. F.	Amount (Rs.) Dr.	Amount (Rs.) Cr.
------	-------------	----------	---------------------	---------------------

Ledger Folio (L.F.): Ledger Folio is the page No. of Ledger on which the Debit A/c & Credit A/c are to be posted.

TYPES OF ENTRIES

- (1) **Simple Entry:** It is that entry in which only two accounts are affected i.e. one account is debited and another account is credited with an equal amount.

Example : Purchase of goods worth ₹ 5,000 from Ramesh by the business firm. The simple entry is.

JOURNAL

Date	Particulars	₹	Amount (Rs.) Dr.	Amount (Rs.) Cr.
	Purchase A/c To Ramesh (Being goods purchased from ramesh)	Dr.	5,000	5,000

(2) **Compound Entry** : It is that entry in which more than two accounts are involved. Compound Entries can further be classified into single compound entry and double compound entry.

In Single Compound Entry Several accounts are to be debited and only one account is to be credited or only one account is to be debited and several accounts are to be credited.

Example : A business firm pays rent ₹ 2,000, salaries ₹ 1,500. freight ₹ 500 on 1 Jan. 2013, the single compound entry is

JOURNAL

Date	Particulars	L. F.	Amount (Rs.) Dr.	Amount (Rs.) Cr.
	Rent A/C Dr.		2,000	
	Salaries A/C Dr.		1,500	
	Freight A/C Dr.		500	
	To Cash A/C			4000
	(Being Rent, Salary & freight Paid Cash)			

In Double Compound Entry, several accounts are to be debited which are accompanied by several credit accounts.

Example : A firm receives cash ₹ 20,000 and cheque ₹ 10,000 in return of sale of goods for ₹ 25,000 and furniture ₹ 5,000.

Date	Particulars	L. F.	Amount (Rs.) Dr.	Amount (Rs.) Cr.
	Cash A/C Dr.		20,000	
	Bank A/C Dr.		10,000	
	To Sales A/C			25,000
	To Furniture A/C			50,00
	(Being goods & Furniture sold for cash)			

(3) **Opening Entry**:- The entry passed to record the closing balances of the previous year is called opening entry. While passing an opening entry, all assets accounts are debited and all liabilities accounts are credited.

Example : The various balances of xyz ltd on 1st April 2013 were as follows Debt Balance : Cash ₹ 20,000 furniture ₹ 50,000 Building ₹ 1,00,000 & Debtors ₹ 30,000 Credit Balance : Creditors ₹ 50,000, Bank loan ₹ 25,000.

JOURNAL

Date	Particulars	L. F.	Amount (Rs.) Dr.	Amount (Rs.) Cr.
	Cash A/C	Dr.	20,000	
	Furniture A/C	Dr.	50,000	
	Building A/C	Dr.	1,00,000	
	Debtors A/C	Dr.	30,000	
	To Creditors A/C			50,000
	To Bank Loan A/C			25,000
	To Capital A/C			1,25,000
	(Being recording of the opening balances OF Assets, Liabilities and Capital)			

Transaction related to Goods

1. Goods purchased for cash

Purchase A/C Dr.
 To Cash A/C

(Being goods purchased for cash)

3. Goods sold for cash

Cast A/C Dr.
 To Sales A/C

(Being goods sold for cash on credit)

5. Withdrawal of goods by owner for personal use.

Drawings A/c Dr.
 To Purchases A/c

(Being goods withdrew by owner for personal use)

7. Goods given as charity

Charity A/c Dr.
 To Purchases A/c

(Being goods given as charity)

2. Goods purchased from ram on credit

Purchase Dr.
 To Ram

(Being goods purchased from ram on credit)

4. Goods sold on credit to mohan

Mohan Dr.
 To Sales A/C

(Being goods sold to mohan)

6. Goods distributed as free samples

Advertisement A/c Dr.
 To Purchases A/c

(Being goods distributed as free samples)

8. Goods lost by fire/flood/ theft etc.

Loss by fire/theft A/c Dr.
 To Purchase A/c

(Being goods lost by fire/flood/theft)

Note : Purchases A/c is credited in the above mentioned entries at

S. No. 5 to 8 because the goods are going out of our business on cost and it is not a sale hence, deducted from the purchases A/c.

Transaction related to Bank

- | | |
|---|--|
| <p>1. Cash deposited into the bank
Bank A/c Dr.
 To Cash A/c
(Being cash deposited into bank)
(from bank for office use)</p> <p>3. When cheque is received from
customer and deposited into
bank same day.
Bank A/c Dr.
 To Customer's personal A/c
(Being cheques deposited into bank)
(personal use)</p> <p>5. When cheque is received from
customer and not deposited into
bank same day.

Cheque-in-hand A/c Dr.
 To customer's personal A/c</p> <p>7. When payment is made through
cheque
Personal A/c Dr
 To Bank A/c
(being payment made to.....by
cheque)</p> <p>9. When interest is allowed by
the bank.
Bank A/c Dr
 To Interest A/c
(Being interest allowed by bank)
(deducted)</p> | <p>2. Cash withdrawn for office use.
Cash A/c Dr.
 To Bank A/c
(Being cash withdrew)</p> <p>4. Cash withdrawn for
personal use by owner.

Drawing A/c Dr.
 To Bank A/c
(Being cash withdrew for</p> <p>6. When above cheque
(Point 5) is deposited
later into bank
Bank A/c Dr
 To cheque-in-hand A/c
(Being cheques deposited
into bank received
from.....On.....)</p> <p>8. When expense is paid
through cheque.
Expense A/c Dr
 To Bank A/c
(Being expense paid by
cheque)</p> <p>10. When Bank charges for
the services provided.
Bank Charges A/c Dr
 To Bank A/c
(Being Bank charges</p> |
|---|--|

Note:- Bank A/C will be debited if the amount is deposited/credited by bank & Bank A/C will be credited if the amount is withdrawn/debited by bank.

Note:- Cash will be debited if business receives it & Credited if Business paid it.

Transaction related to Expense or Income

- | | |
|--|---|
| <p>1. Expense paid by bank / Cash by the Business
Expense A/C Dr.
 To Cash/ Bank A/C
(Being expense paid by cash/Bank not paid)</p> <p>3. Expense paid in advance

Prepaid Expense A/C Dr.
 To Cash/Bank A/C
(Being expense paid in advance by cash/ Bank)</p> <p>5. Income due but not received

Accrued/Outstanding Income A/C Dr.
 To Income A/C
(Being Income due but not received advance)</p> | <p>2. Expense is outstanding during a current F.Y.
Expense A/C Dr.
 To Outstanding Exp. A/C
(Being expense is due but not paid)</p> <p>4. Income received in Cash/Bank
Cash/Bank A/C Dr
 To Income A/C
(Being Income received in cash / bank)</p> <p>6. Income received in cash /Bank in advance.
Cash/Bank A/C Dr.
 To Prepaid Income A/C
(Being income received in advance)</p> |
|--|---|

Transaction related to Assets /Liabilities

- | | |
|---|--|
| <p>1. When Assets is purchased in Cash/Bank
Assets A/C Dr.
 To Cash/Bank A/C
(Being Assets purchased in cash/Bank.)</p> <p>3. Assets Sold by the business</p> | <p>2. Depreciation charged on assets
Depreciation A/C Dr.
 To Assets A/C
(Being Depreciation charged on assets @.....%)</p> <p>4. Liability arise when business raise funds.</p> |
|---|--|

Cash/Bank A/C Dr.
 To Assets A/C
(Being Assets sold in cash/Bank)

5. Payment of Liability
Liability A/C Dr.
 To Cash/Bank A/C
(Being Liability paid in cash/Bank)

Cash/Bank A/C Dr.
 To Liability A/C
(Being fund raised)

Some other Journal Entries

1. Bad Debts (when Debtors fail to pay due)
Bad Debts
 To Debtors A/C
(Being amount Bad Debts)
3. Debtors Become insolvent
Cash/Bank A/C Dr. (Amt. Received)
Bad Debts Dr. (Amt. not rec.)
 To Debtors A/C (the due amount)
(Being Debtors become insolvent could pay only.....Paise in a Rupees)
5. Interest on drawing
Capital A/C Dr.
 To Interest on Drawing A/C
(Being Interest on Drawing charged by business From capital A/C)

2. Bad Debts Recovered
Cash / Bank A/C Dr.
 To Bad Debts Recovered A/C
(Being bad debts recovered)
4. Interest on Capital
Interest on Capital A/C Dr.
 To Capital A/C
(Being Interest on capital credited by business in capital A/C)

Illustration 7 : Pass necessary Journal entries relating to Mr. X for the month of January 2015.

2015

- Jan. 1 Started business with Rs. 20,000 and furniture Rs. 4,000
- Jan. 1 Bought shop fitting Rs. 4,000 and a car Rs. 6,000 and payment made in cash.
- Jan. 2 Paid into Bank Rs. 8,000
- Jan. 3 Paid rent Rs. 2,000 by cheque.
- Jan. 10 Purchased on credit goods for Rs. 5,000 from Mr. Khatana.
- Jan. 12 Cash Sales Rs. 10,000
- Jan. 15 Paid wages Rs. 500 and Commission Rs. 200 by cash.
- Jan. 20 Sold good to shyam Rs. 15000 Bank charges Rs. 500
- Jan. 21 Withdrew cash for personal use Rs. 5,000
- Jan. 23 bought goods for cash Rs. 14,000.
- Jan. 25 paid to Mr. Khatana by cash 4800 in full settlement of his account.
- Jan. 28 Received cash from shyam Rs. 14500 in full settlement of his account.
- Jan.31 salary outstanding for the month Rs. 5,000
- Jan. 31 Paid insurance charges for whole year in advance Rs. 12,000

Solution : In the books of Mr. X.

Journal

Date	Particulars	L. F.	Amount (Rs.) Dr.	Amount (Rs.) Cr.
2015 Jan-01	Cash A/c Furniture A/c To capital A/c (Being business started with cash and furniture).	Dr. Dr.	20,000 4,000	24,000
2015 Jan-01	Furniture & Fitting A/C Car A/C To Cash A/c (Being Purchase of Fitting & Car.)	Dr. Dr.	4,000 6,000	10,000
2015 Jan-02	Bank A/C To Cash A/C (Being cash paid into Bank)	Dr.	8,000	8,000
2015 Jan-03	Rent A/C To Bank A/C (Being rent paid by cheque)	Dr.	2,000	2,000
2015 Jan-10	Purchase A/C To Mr. Khatana (Being goods purchased on Credit from Mr. Khatana)	Dr.	5,000	5,000
2015 Jan 12	Cash A/C To Sales A/C (Being goods sold for cash)	Dr.	10,000	10,000
2015 Jan-15	Commission A/C Wages A/C To Cash A/C (Being wages & Commission paid by cash)	Dr. Dr.	200 500	700
2015 Jan-20	Shaym To Sales A/C (Being goods to shyam on credit)	Dr.	15,000	15,000

Date	Particulars	L. F	Amount (Rs.) Dr.	Amount (Rs.) Cr.
2015 Jan-20	Bank Charges A/C Dr. To Bank A/C (Being bank charges debited from bank A/C)		500	500
2015 Jan-21	Drawing A/C Dr. To Cash A/C (Being cash withdrew for personal use)		5,000	5,000
2015 Jan-23	Purchase A/C Dr. To cash A/C (Being goods purchased by cash)		14,000	14,000
2015 Jan-25	Mr. Khatana Dr. To Cash A/C To Discount Received A/C (Being cash paid to Mr. Khatana in full Sett.)		5,000	4,800 200
2015 Jan-28	Cash A/C Dr. Discount allowed A/C Dr. To Shyam (Being cash received from shyam in full sett.))		14,500 500	15,000
2015 Jan-31	Salary A/C Dr. To Outstanding Salary A/C (Being salary due but not paid)		5,000	5,000
2015 Jan-31	Prepaid Insurance A/C Dr. Insurance A/C Dr. To Cash A/C (Being insurance paid for the whole year)		11,000 1,000	12,000

Note:- In the last entry insurance is paid for the whole year that's why insurance for 11 month is treated as prepaid & insurance for the month of January is treated as expense.

Goods and Services tax (GST)

Gst is an indirect tax levied on the sale of goods and rendering of services. GST came into effect from July 1, 2017 and replaced existing multiple cascading taxes levied by the Central and State Governments.

GST is levied at every step in the production process, but is refunded to all parties in the chain of production other than the final consumer.

Goods and Services are divided into five tax slabs for collection of tax i.e. 9%, 5% 12%, 18% and 28% except petroleum products and alcoholic drinks.

Characteristics of GST

- (1) Most of the indirect taxes of the Centre and states are integrated under the GST.
- (2) The Centre and States will store GST tax revenues at 50:50 ratio (except the IGST). The GST going to the centre is called Central GST and that goes to the states is known as State GST.
- (3) GST belongs to the VAT family as tax revenues are collected on the basis of value added i.e. GST paid (Input GST) is SET OFF AGAINST GST COLLECTED (OUTPUT GST) and thus GST is levied on the incremental value of goods or services supplied.
- (4) GST integrates goods and service taxes into one unified tax regime. Earlier goods and services were imposed and administered differently.
- (5) GST proposes a four-tier rate structure. The tax slabs are fixed at 5%, 12%, 18% and 28% besides the 0% tax on essentials.

Objectives of Goods and Services Tax

- (1) GST has eased the doing of business as most of the indirect taxes of centre and states are integrated under it (GST).
- (2) GST reduces the cost of goods as GST paid (input GST) is set off against GST collected (output GST) and thus tax on tax is eliminated.
- (3) GST ensure timely collection of taxes and electronic return filing which reduces the possibilities of tax evasion.
- (4) Introduction of GST and removal of multiple indirect taxes will increase foreign direct investment also in the country.

- (5) GST integrates goods and service taxes into one unified tax regime by eliminating various unnecessary indirect taxes.

Types of Taxes Under GST

GST is levied under following three types

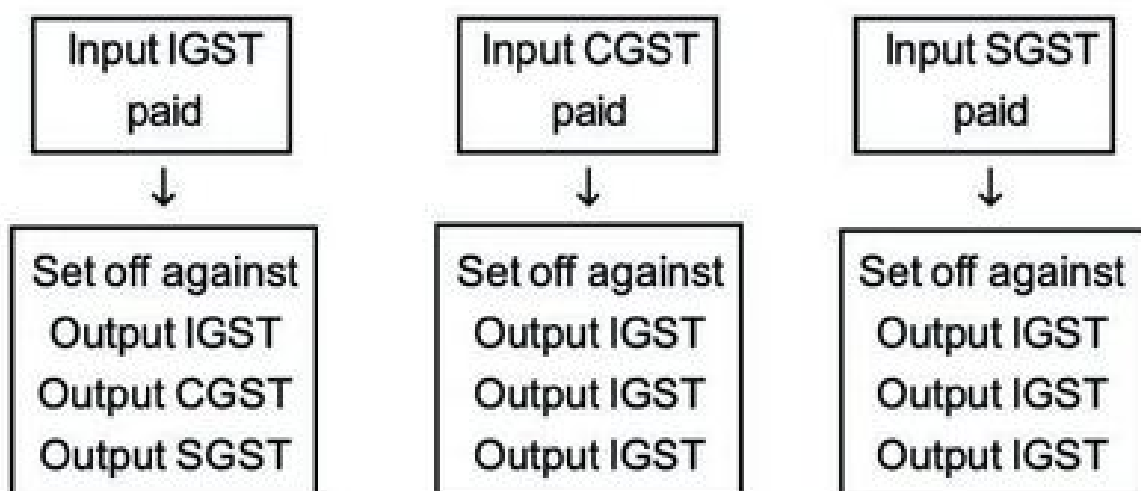
- (1) Central GST (CGST)
- (2) State GST (SGST)
- (3) Integrated GST (IGST)

Both CGST and SGST are levied on intra-state supply (i.e. sales within the state) at half of the prescribed rate of tax. Suppose the rate of GST is 18% then 9% will be levied as CGST and 9% as SGST. In fact, CGST indicate the share of Central Government while SGST indicate the share of State Government. In case of Union Territory like Delhi, Chandigarh etc. Union territory GST (UTGST) is levied instead of SGST alongwith CGST.

Integrated GST (IGST) is levied on inter state supply (i.e. sales out side the state) and the entire amount will go to Central Government. Suppose, a dealer of Gujarat Sell Goods of Worth Rs.10,000 to a dealer of Maharashtra and IGST rate is 18%, the Rs. 1800 will be charged as IGST by the Seller and the whole amount will go to Central Government.

GST paid is categorised into input CGST, input SGST/UTGST and input IGST while GST collected is categorised into output CGST, output SGST/UTGST and output IGST.

GST paid is set off against GST collected in the prescribed order as given in the diagram.



Note: Input IGST is first set off against output IGST, then against output CGST and then against output SGST, if required.

Input CGST is first set off against output CGST & then against output IGST. Similarly Input SGST is set off first against output SGST and then against output IGST, if required.

Accounting Entries/Journal Entries involving GST

(i) For Purchase of Goods

Purchase	A/c	Dr
Input CGST	A/c	Dr.
Input SGST	A/c	Dr.
To creditors/Bank A/c		

(ii) For Sale of Goods

Debtors/Bank	A/c	Dr.
To Sales		
To output CGST	A/c	
To output SGST	A/c	

(iii) For payment of expense

Expense	A/c	Dr.
Input CGST	A/c	Dr.
Input SGST	A/c	Dr.
To Bank		

(iv) For distributing goods as free samples

Advertisement	A/c	Dr.
To Purchases		
To Input CGST	A/c	
To Input SGST	A/c	

- (v) For Purchase returns
- | | | |
|---------------------|-----|-----|
| Creditor's | A/c | Dr. |
| To purchase returns | A/c | |
| To Input CGST | A/c | |
| To Input SGST | A/c | |
- (vi) For Sales Returns
- | | | |
|--------------|-----|-----|
| Sales Return | A/c | Dr. |
| Output CGST | A/c | Dr. |
| Output SGST | A/c | Dr. |
| To Debtor's | A/c | |
- (vii) For Purchase of Fixed Assets.
- | | | |
|----------------|-----|-----|
| Fixed Asset | A/c | Dr. |
| Input CGST | A/c | Dr. |
| Input SGST | A/c | Dr. |
| To Bank/Vendor | A/c | |
- (viii) For setting off Input CGST against output CGST.
- | | | |
|---------------|-----|-----|
| Output CGST | A/c | Dr. |
| To Input CGST | A/c | |
- (ix) For setting off input SGST against output SGST.
- | | | |
|---------------|-----|-----|
| Output SGST | A/c | Dr. |
| To Input SGST | A/c | |
- (x) For setting off input IGST against output IGST
- | | | |
|---------------|-----|-----|
| Output IGST | A/c | Dr. |
| To Input IGST | A/c | |
- (xi) For payment of GST to Government.
- | | | |
|------------|-----|-----|
| Input CGST | A/c | Dr. |
| Input SGST | A/c | Dr. |
| Input IGST | A/c | Dr. |
| To Bank | A/c | |

Illustration on Setting of GST

Illustration: Based on following information make journal entries for setting of GST.

Input	CGST	4000
Input	SGST	4000
Input	IGST	5000
Input	CGST	5000
Input	SGST	5000
Input	IGST	5000

JOURNAL

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
	Output IGST A/c Dr.		4000	
	To Input IGST A/c			4000
	(Being input IGST set off against output IGST)			
	Output CGST A/c Dr.		5000	
	To Input CGST A/c			4000
	To Input IGST A/c			1000
	(Being input CGST and input IGST set off against output CGST)			
	Output SGST A/c Dr.		5000	
	To Input SGST A/c			4000
	To Bank A/c			1000
	(Being Input SGST Set off against output SGST and balance paid.)			

Illustrations based on GST

Illustration : Journalise the following entries.

- (i) Goods costing Rs. 5000 were given as charity, which were purchased after payment of CGST and SGST @6% each.
- (ii) Goods costing Rs. 2000 were used by the prope proprietor, which were purchased after payment of CGST and SGST @12% each.
- (iii) Goods of rs. 2000 were destroyed by fire which were purchased after payment of CGST and SGST @6% each.

JOURNAL

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Charity A/c Dr.		5600	
	To Purchase A/c			5000
	To Input CGST A/c			300
	To Input SGST A/c			300
	(Being goods given as charity)			
(ii)	Drawings A/c Dr.		2480	
	To Purchase A/c			2000
	To Input CGST A/c			240
	To Input SGST A/c			240
	(Being goods used by proprietor)			
(iii)	Loss of Goods by Fire A/c Dr.		2240	
	To Purchase A/c			2000
	To Input CGST A/c			120
	To Input SGST A/c			120
	(Being goods destroyed by Fire)			

Illustration

- (i) Goods costing Rs. 1,00,000 were sold to ram at a profit of 25% on sales less 10% Trade discount plus CGST and SGST @6% each.
- (ii) Ram was allowed rebate of rs. 5,000 due to poor quality of goods sold to him.
- (iii) Goods having list price rs. 40,000 were sold to Ravi at a trade discount of 10% plus CGST and SGST @6% each and allowed cash discount @10%. Half of the amount was paid immediately.

JOURNAL

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Ram Dr.		126000	
	To sales A/c			112500
	To output CGST A/c			6750
	To output SGST A/c			6750
	(Being goods sold to Ram)			
(ii)	Rebate A/c Dr.		5000	
	Output CGST A/c Dr.			300
	Output SGST A/c Dr.			300
	To Ram			5600
	(Being rebate allowed to Ram and output CGST & SGST reversed)			
(iii)	Cash A/c Dr.		18144	
	Ravi Dr.		20160	
	Discount allowed A/c Dr.		2016	
	To Sales A/c			36000
	To output CGST A/c			2160
	To output SGST A/c			2160
	(Being goods sold and cash discount allowed on half payment received in cash)			

Illustration based on GST and setting off GST.

Illustration—Journalise the following entries. Also set-off GST.

- (i) Purchased goods costing Rs. 1,50,000 within state after paying CGST and SGST @6% both.
- (ii) Sold goods for Rs. 2,00,000, CGST and SGST both levied on them @6%.
- (iii) Purchased goods for rs. 1,00,000 from other state, IGST paid was 12%.
- (iv) Sold goods of rs. 80,000 to other states, IGST paid was 12%.

JOURNAL

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(i)	Purchase A/c Dr.		150000	
	Input CGST A/c Dr.		9000	
	Input SGST A/c Dr.		9000	
	To Bank A/c			168000
	(Being goods purchased for cash)			
(ii)	Bank A/c Dr.		224000	
	To Sales A/c			200000
	To output CGST A/c			12000
	To output SGST A/c			12000
	(Being goods sold for cash)			
(iii)	Purchase A/c Dr.		100000	
	Input IGST A/c Dr.		12000	
	To Bank A/c			112000
	(Being goods purchased from other state)			

Date	Particulars	L.F.	Dr. Rs.	Cr. Rs.
(iv)	Bank A/c To Sales A/c To output IGST A/C (Being goods sold to other state)	Dr. Dr.	89600	80000 9600
(v)	Output IGST A/c To Input IGST A/C (Being Input IGST set off against output IGST)	Dr.	9600	9600
(vi)	Output CGST A/c To Input CGST A/c To Input IGST A/C To Bank A/c (Being Input CGST & Input IGST set off against output CGST and balance paid)	Dr.	12000	9000 2400 600
(vii)	Output SGST A/c To Input SGST A/c To Bank A/c (Being Input SGST set off against output SGST and balance paid.)	Dr.	12000	9000 3000

BOOKS OF ORIGINAL ENTRY/SPECIAL PURPOSE BOOKS

As the business grows and number of transactions increase, it becomes necessary for the business to divide the recording work. The books maintained are illustrated below:

<i>Transactions</i>	<i>Further classification</i>	<i>Subsidiary Books Maintained</i>
<i>Cash & Bank Related Transactions</i>	<i>Only Cash</i> <i>Cash & Bank Transactions</i> <i>Cash payment of small amount</i>	<i>Simple Cash Book</i> <i>Double Column Cash book</i> <i>Petty Cash Book</i>
<i>Transaction Other than Cash & Bank</i>	<i>Credit Sale</i> <i>Credit Purchases</i> <i>Sales Returns/ Returns Inward</i> <i>Purchases Returns /Returns outward</i> <i>Any other transaction</i>	<i>Sales Book</i> <i>Purchases Book</i> <i>Sales returns Book</i> <i>Purchases Returns Book</i> <i>Journal Proper</i>

Advantages of Maintaining Subsidiary Books

- Division of work
- Leads to Specialization
- Easy to maintain Ledger
- Check on frauds
- Easy to fix responsibility
- Quick availability of Required information.

Cash Book

Cash book shows all the transaction related to cash receipt and payments. Cash book serves two purpose. First, all the cash transactions are recorded first time in cash book it becomes Book of original entry. Second, there is no need to prepare Cash a/c in ledger it also play the role of Principal Book.

Simple Cash Book

All the cash receipts are shown in left hand side i.e. Debit side and all the cash payments are shown in right hand side i.e. Credit Side.

Points to Remember

- Cash in hand/opening balance of cash is shown in Dr. side of the Cash Book as "To Balance b/d"

- Only transaction of cash receipts and payments are recorded in this book.
- This book never shows a credit balance because one can't pay more than the cash one have.

Illustrations 8:

Record the following transactions in the Cash Book (Single Column)

2015	Transactions	Rs.	2015	Transactions	Rs.
Jan. 1	Cash in Hand	12,000	Jan. 5	Received from Ram	3,000
Jan. 7	Paid rent	300	Jan. 8	Sold goods	3,000
Jan. 10	Paid to Shyam	7,000	Jan. 15	Purchased goods from Mohan	5,000
Jan. 27	Purchased furniture	2,000	Jan. 31	Paid Salaries	1,000

Dr.					Cr.				
Cash Book (Single Column)									
Date	Particular	V.No	L.F.	Amount	Date	Particular	V.No.	L.F.	Amount
2015					Jan. 07	By Rent A/C			300
Jan. 01	To Balance B/d			12,000	Jan. 10	By Shyam			7,000
Jan. 05	To Ram			3,000	Jan. 27	By Furniture A/C			2,000
Jan. 08	To Sales A/C			3,000	Jan. 31	By Salaries A/C			1,000
					Jan. 31	By Balance C/d			7,700
				18,000					18,000
Feb. 1	To Balance b/d			7,700					

Notes : One can draw the following conclusions:

1. In a Simple Cash Book only cash receipts and cash payments are recorded. Credit transaction are not recorded. Purchases from Mohan of Rs. 5,000 on 15th Jan is a credit purchase hence, is not recorded in the Cash Book.
2. The debit side is always bigger than the credit side since the payments can never exceed the available cash. This is true even for daily balances.
3. It is like an ordinary account.

Illustration 9 : Enter the following transactions in the cash book with discount column for the month of April 2015. April

1. Cash in hand ₹ 50,000
11. Cash Sales ₹ 25,000

12. Goods sold to Aryan on credit for ₹ 20,000
13. Purchased goods from Khushi on credit for ₹ 30,000.
14. Purchased stationary for ₹ 1,000 in cash.
25. Received from Aryan ₹ 19,500 in full settlement.
26. Paid to Khushi ₹ 29,000 as full & final payment.
27. Deposited into bank ₹ 5,000.
30. Paid to Vishal, on old creditor ₹ 9,800 and received discount of ₹ 200.

Dr.				Cash Book				Cr.			
Date	Particular	V.N.	L.F.	Amount	Date 2015	Particular	V.N.	L.F.	Amount		
2015					Apr-14	By Stationery			1,000		
April 01	To Balance b/d			50,000	Apr-26	By Khushi			29,000		
April 11	To Sales A/C			25,000	Apr-27	By Bank A/C			5,000		
April 25	To Aryan			19,500	Apr-30	By Vishal			9,800		
					Apr-30	By Bal. c/d			49,700		
				94,500					94,500		
Feb. 1	To Balance b/d			49,700							

CASH BOOK WITH CASH AND BANK COLUMN

In this case the Cash Book is ruled with two amount columns on either side of the cash book namely, "Cash and Bank". Cash columns in such a case will record actual cash received in the debit side and payments in the credit side. Cheques received should be entered on the debit side of the bank column when it deposited in the bank. The payments by cheques should be entered on the credit side in bank column and also when cash is withdrawn from the bank.

IMPORTANT ENTRIES

(1) **Contra Entries** : These entries affect cash and bank columns both at the same time. To indicate contra entry "C" is mentioned in the L.F column of the cash Book. Following two cases result in Contra entries.

- (a) Depositing cash into Bank ₹ 1,000. It will increase bank balance, so bank column is debited and cash balance will decrease, so cash column is credited.

Dr.				Cash Book (with Cash & Bank Column)								Cr.	
Date	Particulars	V.N.	L.F.	Cash Rs.	Bank Rs.	Date 2015	Particulars	V.N.	L.F. C	Cash Rs.	Bank Rs.		
2015 April 01	To Cash A/C				1000		By Bank A/C			1000			

- (b) Withdrawn from Bank for office use ₹ 1,000. It will increase cash balance, so cash column is debited and bank balance will decrease, so bank column is credited.

Dr.						Cr.					
Cash Book (with Cash & Bank Column)											
Date	Particulars	V.N.	L.F.	Cash Rs.	Bank Rs.	Date 2015	Particulars	V.N.	L.F. C	Cash Rs.	Bank Rs.
2015 April 01	To Bank A/C		C	1000			By Cash A/C				1000

(2) Entries relating to cheques :

- (a) When any payment is made by cheque : It will reduce the bank balance and thus bank column will be credited.
- (b) When any payment is received in the form of cheque and no information about its deposit into bank is given. In this case it is assumed that the cheque is deposited into bank on the same day when it is received & so bank A/c will be debited.
- (c) When any payment is received in the form of cheque and it is deposited into bank on same day than bank A/c will be debited. When payment is received in the form of cheque on one day & its is deposited into Bank on other day i.e. when two dates, one for the receipt of cheque and the other for deposit. In this case no entry it to be recorded at the time of receiving the cheque. Entry is to made when cheque deposited in the bank, as bank column is debited.

Illustration 10 : Record the following transactions in the cash book with cash and Bank columns.:- 2015

- Jan.1 Cash balance ₹ 10,000 & Bank balance ₹ 7,000.
- Jan.2 Cash received from sale of furniture ₹ 8,000 and paid into Bank 5,000
- Jan.5 Paid to Mr. Kasana by Cheque ₹ 2,000, who allowed discount of 50
- Jan.10 Received cheque from Mr. Nagar for ₹ 2,400 and allowed him discount of ₹ 100.
- Jan.15 Paid wages by cash ₹ 500 and salaries by cheque ₹ 1,000.
- Jan.20 Deposited Mr. Nagar Cheque into Bank.
- Jan.22 Drawn from Bank for office use ₹ 2,000.
- Jan.25 withdraw cash ₹ 1,000 and from bank ₹ 500 for personal use.
- Jan.30 Received cheque from Mr. Lohiya for ₹ 2,500 and paid into Bank

Dr. **Cash Book (with Cash & Bank Column)** Cr.

Date	Particulars	V.N.	L.F.	Cash Rs.	Bank Rs.	Date 2015	Particulars	V.N.	L.F.	Cash Rs.	Bank Rs.
2015 Jan 01	To Bal B/d			10000	7000	Jan. 2	By Bank A/C		C	5000	
Jan 02	To Furniture			8000		Jan 5	By Mr. Kasana				2000
Jan 02	To Cash A/C		C		5000	Jan 5	By Wages A/C			500	
Jan 20	To Mr. Nagar				2400	Jan 15	By Salaries A/C				1000
Jan 22	To Bank A/C		C		2000	Jan 22	By Cash		C		2000
Jan 30	To Mr. Lohiya				2500	Jan 25	By Drawing A/C			1000	500
Feb 01	To Bal B/d			18000	18900	Jan 31	By Bal. c/d			11500	13400
				11500	13400					18000	18900

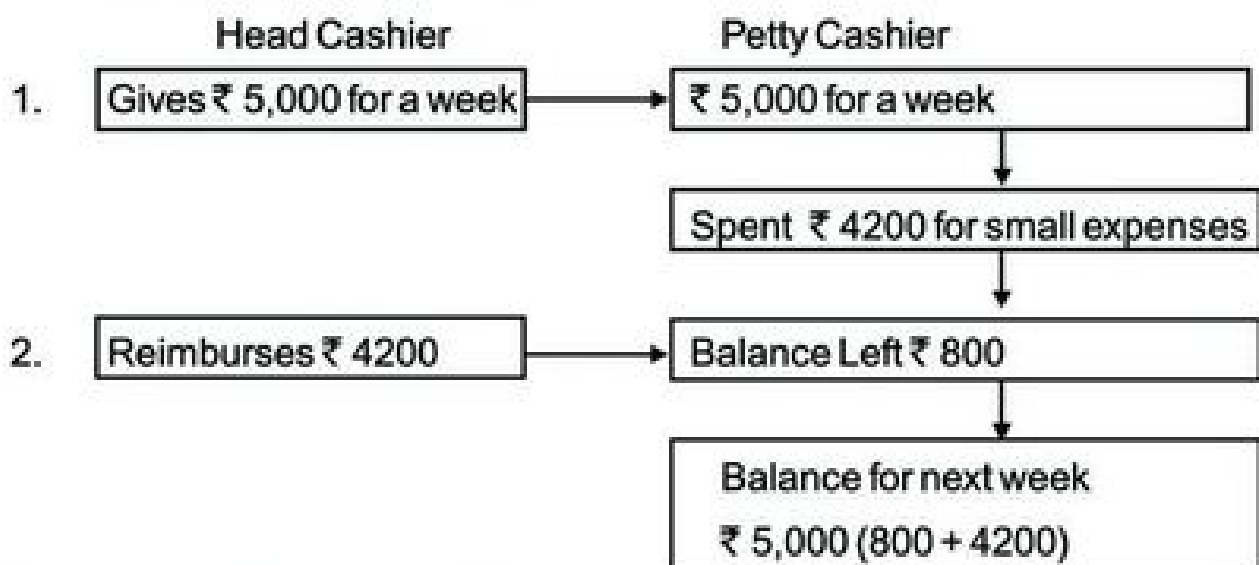
Petty Cash Book

Business has to incur small expenses which are repetitive in nature. To save the time and efforts of head cashier, business appoints a petty cashier. He is entrusted with the duty of paying these expenses.

Imprest System of Petty Cash Book

Under this system, Head cashier gives a fixed amount to petty cashier for a definite period. At the end of given period, Head cashier reimburses the amount actually spent by the petty cashier resulting the same amount with petty cashier which he had in the beginning of the period

This can be illustrated as under.



Advantage of Petty Cash Book

- Saving of time and efforts of Head cashier
- Control on Petty expenses.
- Less chances of fraud.

Illustrations 11: Prepare a Petty Cash book on the imprest system from the following transactions:-

2015		Amt. (R)
Jan. 1	Receive cash from Head cashier	1000
Jan. 2	Bought stationary	80
Jan. 3	Paid for registered post	120
Jan. 4	Bought Pen/Pencils for office use	90
Jan. 4	Paid for Speed Post	50
Jan. 5	Paid for refreshment	250
Jan. 6	Bought postal stamps	40

Solution :

Petty Cash Book

<i>Receipts</i>	<i>Date</i>	<i>Particular</i>	<i>V. No.</i>	<i>Total Expense</i>	<i>Stationary</i>	<i>Postage</i>	<i>Sundries</i>
1000	2015						
	Jan. 1	To Cash					
	Jan. 2	By Stationary		80	80		
	Jan. 3	By Postage		120		120	
	Jan. 4	By Stationary		90	90		
	Jan. 4	By Speed Post		50		50	
	Jan. 5	By Refreshment		250			250
	Jan. 6	By Postage		40		40	
	Total Jan. 7			630	170	210	250
	Jan. 7	By Bal. c/d		370			
370	Jan. 8	To Bal. b/d					
630	Jan. 8	To Cash A/C					

Cash Book Involving GST

Prepare Single Column Cash Book for the month of June 2018, from the following transactions.

2018	Rs.
June 1 Cash in hand	17,500
June 4 Cash sales, including CGST and SGST @ 6% each	1,72,480
June 5 Deposited Cash into Bank	1,40,000
June 5 paid Cheque to a Creditor Rs. 34,930 after deducting Cash Discount of Rs. 2,170	
June 6 Salary paid in cash	15,750
June 6 Cash Sales of Rs. 1,26,000 plus CGST and SGST @ 6% each. Out of which Rs. 1,40,000 was deposited in Bank on June 9.	
June 11 Paid Cash Rs. 3,150 plus CGST and SGST @ 6% each to Delhi Transco Ltd. against their Bill No. 186.	
June 22 Paid Cash for Office Lighting repair Deposited CGST and SGST @6% each on above	1,400
June 23 Purchased Goods on Credit from Varun & Co. Rs. 10,500 plus IGST @ 12%	
June 25 paid Cash to Tarun, a creditor, after deducting discount Rs. 350.	6,650
June 27 Paid Telephone Bill in Cash	6,300
June 30 Cash Collected from Naman (Debtor) Rs. 31,500 after allowing discount of rs. 1,750.	

Cash Book (Single Column)

Date	Particulars	L.F.	Rs.	Date	Particulars	L.F.	Rs.
2018 1	To Balance b/d		17,500	June 5	By Bank A/c		1,40,000
June 4	To sales A/c		1,54,000	June 6	By Salary A/c		15,750
June 4	To Output CGST A/c		9,240	June 8	By Bank A/c		1,40,000
June 4	To Output SGST A/c		9,240	June 11	By Freight A/c		3,150
June 6	To Sales A/c		1,26,000		By Input CGST A/c		189
June 6	To Output CGST A/c		7,560		By Input SGST A/c		189
June 6	To Output SGST A/c		7,560	June 22	By Office Expenses A/c		1,400
June 30	To Naman		31,500	June 22	By Input CGST A/c		84
				June 22	By Input SGST A/c		84
				June 26	By Tarun		6,650
				June 27	By Telephone Exp. A/c		6,300
				June 30	By Balance c/d		48,804
			3,62,500				3,62,500
July 1	To Balance b/d		48,804				

Double Column Cash Book Question

Prepare Double Column Cash Book for the month of June 2018, from the following transactions.

2018		
June	1	Cash in Hand Rs. 1,440, Overdraft at bank Rs. 18,000
June	4	Capital introduced Rs. 24,000 out of which Rs. 19,200 is by cheque and is deposited in the bank.
June	5	Purchased goods from Tanu Traders, Jaipur for Rs. 3,600 CGST and SGST @ 6% each and they allowed trade discount Rs. 240. The amount was paid by cheque.
June	5	Good purchased for cash Rs. 4,800 plus CGST and SGST @ 6% each.
June	6	Sold good to Naresh on credit Rs. 6,000 plus CGST and SGST @ 6% each.

2018

June	7	Received cheque from Sanjay ₹ 2,940. Allowed him discount Rs. 60.
June	11	Cheque received from Sanjay deposited into bank.
June	12	Settled the account of Uday & Co. ₹ 900 by paying cash ₹ 816
June	13	Cash received from Naresh ₹ 5,700 in full settlement of his account of ₹ 6,000
June	17	An amount of ₹ 1,200 due from Pawan & Sons written off as bad debts in the previous year, now received.
June	18	Received from Naveen on behalf of Navjot ₹ 240.
June	20	Received a cheque for ₹ 960 from Naman, which was endorsed to Om.
June	21	Old furniture sold for ₹ 840 plus CGST and SGST @ 6% each, payment received in cash.
June	26	Withdrawn from bank ₹ 3,600.
June	26	Drew from bank for household expenses ₹ 1,200 and for income tax ₹ 600
June	26	Drew from bank for household expenses ₹ 1,200 and for income tax ₹ 600.
June	29	Trupti, who owed ₹ 480 became insolvent and paid 60 paise in a rupee.
June	29	Received repayment of a loan advanced to Sunny ₹ 3,600 and deposited out of it ₹ 3,000 into the bank.
June	30	Interest debited by bank ₹ 450.
June	30	Deposited with the bank the entire balance after retaining ₹ 2,400 at office.

TWO COLUMN CASH BOOK

Date	Particulars	L.F.	Cash	Bank Rs.	Date	Particulars	L.F.	Cash Rs.	Bank Rs.
2018 1	To balance b/d		1,440	...	June 1	By Balance b/d		...	18,000
June 4	To Capital A/c		4,800	19,200	June 5	By Purchases A/c		...	3,360
June 11	To Cheque in Hand A/c		...	2,940	June 5	By Input CGST A/c		...	202
June 13	To Naresh		5,700	...	June 5	By Input SGST A/c		...	202
June 17	To Bad Debts Recovered A/c		June 5	By Purchases A/c		4,800	...
			1,200	...					
June 18	To Navjot		240	...	June 5	By input CGST A/c		288	...
June 21	To Furniture A/c		840	...	June 5	By Input SGST A/c		288	...
June 21	To Output CGST A/c		51	...	June 12	by Uday & co..		816	...
June 21	To Output SGST A/c		51	...	June 26	by cash A/c	C	...	3,600
June 26	To Bank A/c	C	3,600	...	June 26	By Drawings A/c		...	1,800
June 29	To Trupti		288	...	June 29	By Bank A/c	C	3,000	...
June 29	To Loan to Sunny A/c		3,600	...	June 30	By Interest A/c		...	450
June 29	To Cash A/c	C	...	3,000	June 30	By Bank A/c	C	10,218	...
June 30	To Cash A/c	C	...	10,218	June 30	By Balance c/d		2,400	7,744
				21,810	35,358			21,810	35,358
July 1	To Balance b/d		2,400	7,744					

SPECIAL PURPOSE SUBSIDIARY BOOKS

Purchase Book

In this book, only those transactions are recorded which are related to credit purchases of goods in which the business deals in. Recording is made on the basis of Bills/ Invoices issued by the Suppliers.

Transactions not recorded in purchases Book

- Purchases of goods for cash.
- Purchases of Assets meant for long term, not for resale.

Illustration 12 : Enter the following transaction in the Purchase Book of M/s Ajeet Stationers.

2015

- Aug.1 Brought from Aggarwal Book House (Invoice No. 205)
 25 Dozen Pencils @ ₹ 30 per dozen
 20 Dozen Ball pens @ ₹ 10 per pen Trade discount @ 10%
- Aug. 5 Brought furniture of ₹ 20,000 on credit from M/s Interior Decor
 (Invoice No. 109)
- Aug.8 Shivani Bros, sold to us (Invoice No. 626)
 30 Registers @ ₹ 50 each
 50 Note Books @ ₹ 20 each
- Aug.17 Brought from Tushar stationers : (Cash Memo No. 101)
 300 Refills @ ₹ 5 each
 10 Ink pads @ ₹ 50 each
 Trade discount @ 10%

Note :-

1. Transaction of Aug. 5 is related to credit purchases of furniture i.e. an Asset.
2. On Aug. 17, goods bought for cash, Hence both the transaction are not recorded in Purchases Book.

Solution:- In the Books of M/s Ajeet Stationers.

PURCHASE BOOK

Date	Particular	Inv. No	LF.	Details	Amount
2015	Agarwal Book House	205			
Aug. 1	25 Dozen Pencils @ Rs. 30 per dozen			750	
	20 Dozen Ball pens @ Rs. 10 per pen			2400	
				3150	
	Less:-Trade discount@ 10%			315	2835

Date	Particular		Inv. No.	LF	Details	Amount
Aug. 8	Shivani Bros.		636			
	30 Registers @ 50 each				1500	
	50 Note Books @ Rs. 20 each				1000	2500
Aug. 31	Purchase A/c	Dr.				5335

Sales Books/Sales Journal

In this book, transactions for credit sales of goods are recorded. The source documents for this book is duplicate copy of invoice/bills issued to the customers.

Transactions not recorded in Sales Book

- Sales of goods for cash
- Sales of Assets

Illustration 13 : From the following transactions. Prepare a Sales Book of Subhash Furnitures.

2015

- Jul.7 Sold to Anil furniture house (Invoice No. 107)
200 Tables @ Rs. 150 each
100 Chairs @ Rs. 100 each
Trade discount @ 10%
- Jul.8 Sold Air Conditioner to Ram Rs. 12,000
- Jul.20 Sold to Rama Furnitures (Cash Memo no. 3001)
10 Beds @ Rs. 2,500 each
- Jul.29 Sold to Jitesh Woods (Invoice No. 506)
10 Dressing Tables @ Rs. 1.700 each
5 tables @ Rs. 500 each.
Trade Discount @ 10%

Solution :

In the books of M/s Subhash Furniture

Sales Book

Date	Particular	Inv. No	LF.	Details	Amount
2015	<i>Anil Furniture House</i>	107			
Jul-07	200 Tables @ Rs.150 each			30,000	
	100 Chairs @ Rs.100 each			10,000	
				40,000	
	<i>Less:-Trade discount@ 10%</i>			4,000	36,000
Jul-29	<i>Jitesh Woods</i>	506			
	10 Dressing tables @ Rs. 1,700 each			17,000	
	5 tables @ Rs. 500 each			2,500	
				19,500	
	<i>Less:-Trade discount@ 10%</i>			1950	17,550
Jul-31	<i>Sales A/c</i>	Cr.			53,550

Note:-

1. Transaction of July15 is related to sale of asset,
2. Sale of Rama Furniture is made for cash, hence not recorded in Sales Book.

PURCHASE RETURNS/RETURNS OUTWARD BOOK

This book includes only those transactions which are related to returns of goods bought on credit. The goods may be returned due to various reasons such as goods bought being defective, supply of inferior quality goods etc. Entries in this book are made on the basis of Debit Note. A Debit note contains the name of the supplier to whom good are returned, details of goods returned

Illustration 14 : Enter the following transactions in the Purchases Returns Book of Vikas Traders

- 2015 Returned to Agarwal Book House (Debit Note No. 105)
- Aug. 5 5 Dozen Pencils @ Rs. 30 per Dozen
 Trade Discount @ 10%
- Aug. 10 Returned to Shivani Bros. (Debit Note No. 106)
 5 Resisters @ Rs. 50 each.

Solution:- In the Books of M/s Vikas Traders

PURCHASE RETURNS BOOK

Date	Particular	Dr. Note	LF.	Details	Amount
2015	Aggarwal Book House	105			
Aug.5	5 Dozen Pencils @ Rs. 30 per Dozen			150	
	Less:-Trade discount@ 10%			15	135
Aug. 10	Shivani Bros.	106			
	5 Registers @ 50 each			250	250
Aug. 31	Purchase Returns A/c				385
		Cr.			

Sales Returns Book

This book includes all the returns by customers of credit sales of goods. The Credit Note is used for recording entries in this book. The credit note contains the details of customers and goods returned.

Illustration 15: from the following transactions, Prepare a Sales Returns Book of Subhash Furnitures.

- 2015 Returned by Anil furniture house (Credit Note No.209)
- Jul-09 5 Table @ Rs. 150 each
- 10 Chairs @ Rs. 100 each Trade discount @ 10%
- Jul-30 Returned by Jitesh Woods (Credit Note No.210)
- 1 Dressing tables @ Rs. 1700 each
- Trade discount @ 10%

Solution:- In the books of M/s Subhash furnitures

Sales Returns Book

Date	Particular	Cr. Note	LF.	Details	Amount
2015	Anil Furniture House	209			
Jul-07	5 Table @ Rs. 150 each			750	
	10 Chairs @ Rs. 100 each			1,000	
				1,750	
	Less:-Trade discount @ 10%			175	1,575
Jul-29	Jitesh Woods	210			
	1 Dressing tables @ Rs. 1,700 each			1,700	
	Less:-Trade discount @ 10%			170	1,530
Jul-31	Sales Returns A/c	Dr.			3,105

Illustration : Prepare the Purchase Book and Purchase return book from following assuming CGST and SGST is levied @ 6% each.

2018

- 1 April Purchased on Credit from Pareek Bros., Delhi
 10 reams of paper @ Rs. 600 per ream
 12 registers @ Rs. 1000 per dozen
 Less: Trade Discount @ 10%.
- 10 April Purchased on Credit from Arora Book depot., Delhi.
 10 dozen registers @ Rs. 500 per dozen
 12 boxes of pencils @ Rs. 1000 per box.
 Less : Trade Discount @ 10%
- 12 April Returned 6 dozen registers to Arora Book Depot.
- 15 April Returned 5 reams of papers to Pareek Bros. Delhi.

PURCHASE BOOK

Date	Particulars	Invoice	Details	Input Cost	Input CGST	Input SGST	IGST	Total
2018								
April 1	Pareek Bros. Delhi							
	10 reams of paper @ Rs. 600 per ream			6000				
	12 registers @ Rs. 1000 per dozen			1000				
				7000				
	Less : Trade Discount @ 10%			700				
				6300				
	Add:							
	CGST @ 6%			378				
	SGST @ 6%			378				
				6300				
				7056	378	378	-	7056

Illustration

From the following transactions of M/S Virender & Co. of Lucknow. Prepare Sales Book.

2018

- Feb. 1 Sold to Anil Furniture House, Jabalpur Invoice No. 108 200 Tables @ Rs. 150 each.
100 chairs @ Rs. 100 each.
Trade Discount @ 10%
and IGST is charged 18%.
- Feb. 6 Sold to Rama furniture, Lucknow (Cash Memo No. 3005) 10 Beds @ Rs. 2500 each. and charged CGST and SGST @ 9% each.
- Feb. 7 Sold to Jitesh Furniture, Lucknow (Invoice No. 121)
10 Dressing table @ Rs. 1700 each.
S. Tables @ Rs. 500 Each.
Trade Discount @ 10%
and charged CGST and SGST @ 9% each.

M/s Virender & Co., Lucknow

Sales Book

Date	Particulars	Invoice No.	L F	Details	Sales Values	Output SGST	Output SGST	Output IGST	Total
2018									
Feb. 1	Anil Furniture House, Jabalpur 200 Tables @ Rs. 150 each 100 chairs @ Rs. 100 each	108		30,000 10,000 40000					
	Less: Trade Discount 10%			4000 36000					
	Add: IGST 18%			6480 42480	36000			6480	42430

Feb. 7	Jitesh Furniture, Lucknow	121						
	10 Drawing table @ Rs. 1200 each			17000				
	5 Tables @ Rs. 500 each			2500				
	Less: Trade Discount 10%			10500				
				1950				
				17550				
	Add: CGST 9%			1580				
	SGST 9%			1580				
Feb. 28				20710	17550	1580	1580	20710
				53500	1580	1580	6480	63190

Illustration :

From the following transactions, prepare Sales Return Book of M/s Virender & Co. of Lucknow.

2018

Feb. 4 Returned by Anil Furniture House, Jabalpur.

(Credit Note No. 215)

5 tables @ Rs. 150 each.

10 chains @ Rs. 100 each

Trade Discount 10%

IGST is charge @ 18%

Feb. 9 Returned by Jitesh Furniture, Lucknow

(Credit Note No. 217)

1 Dressing table @ 1700 each

Trade Discount 10%

CGST and SGST @ 9% each.

Solution :

Books of M/s Virender & Co., Lucknow

Sales Return Book

Date	Particulars	Debit Note No.	L F	Details	Value	Output SGST (Dr.)	Output SGST (Dr.)	Output IGST	Total
2018									
Feb. 4	Anil Furniture House Jabalpur								
	Stakes @ 150 each			750					
	10 above @ 100 each			1000					
				1750					
	Less: Trade Discount 10%			175					
				1575					
	Add. IGST 18%			284					
				1859	1575			284	1859
Feb. 9	Jitesh Furniture, Lucknow								
	1 Drawing table @ 11700 each			1700					
	Less: Trade Discount 100%			170					
				1530					
	Add: CGST 9%			138					
	SGST 9%			138					
				1806	1530	138	138	-	1806
					3105	138	138	274	3665