

→ ACCOUNTING FOR GOODS AND SERVICE TAX [GST]

GST is a comprehensive indirect tax levied at prescribed rate each time the sale is made.

like → 0%, 5%, 12%, 18%, 28%

Before GST :-

- Sales Tax
- VAT
- Excise duty
- Service tax

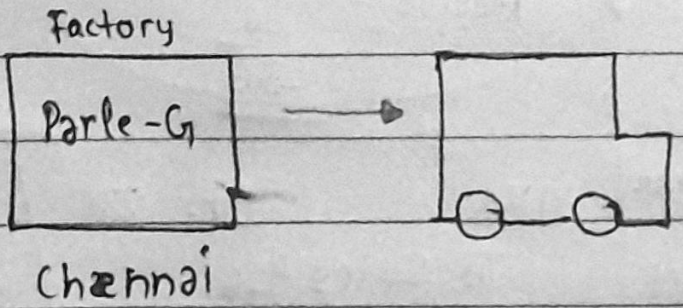
→ For One Nation
One tax

↓ introduce

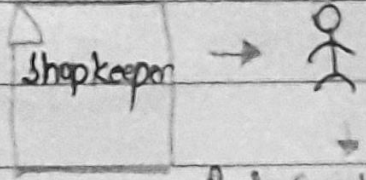
GST

- GST is a distination based tax and is also considered as supply based tax • → [Charged by seller]

Ex :-



distination based tax



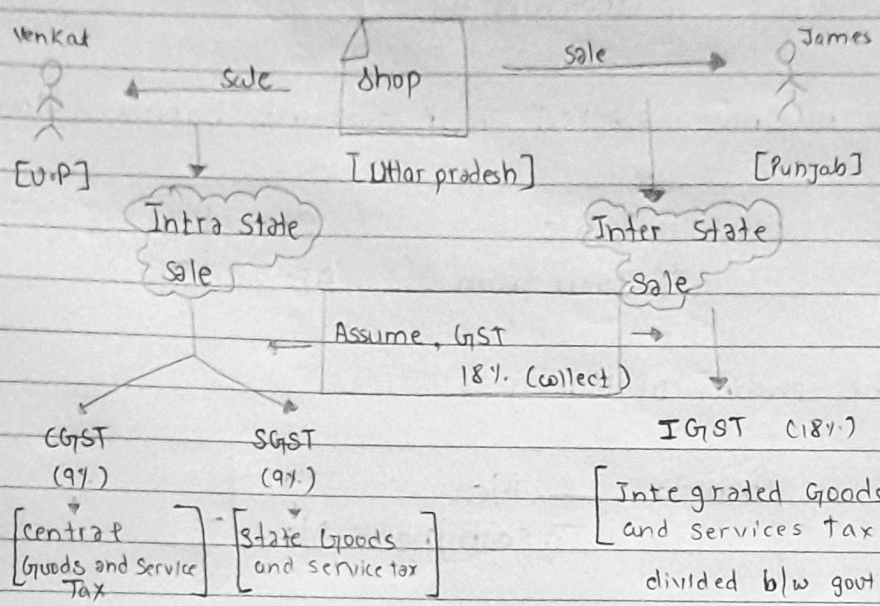
Parle-G = 10 ₹ (₹)
(+) GST = 1

deposite to govt.



CONCEPT

(example)



Types of GST

Sale / Purchase within the state

Sale / Purchase outside the state

CGST

SGST

UTGST

IGST

Central GST

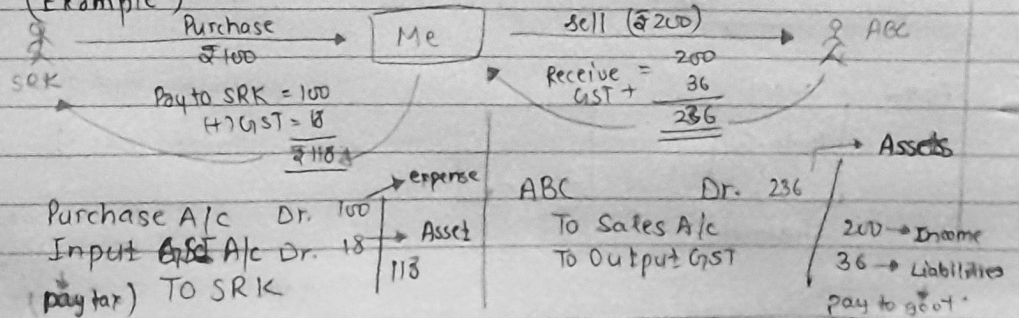
State GST

Union Territory GST

Integrated GST

Input GST / Output GST ?

(Example)



Note

- $CGST + SGST = IGST$
- Input $CGST, IGST, SGST$
 - Purchase / Expenses / Purchase return
- Output $CGST, SGST, IGST$
 - Sales / Income / Sale return

→ Entries : →

1. For the purchase of goods.

Purchase A/c	Dr.	-	
Input GST A/c	Dr.	-	
↓ To Cash / Bank / Supplier / creditor			-
[CGST, IGST or SGST]			

2. For Purchase Return of goods.

Supplier / creditor A/c	Dr.	-	
To Purchase return A/c		-	
To Input GST A/c		-	
↳ Reverse of GST			

3. For the payment of Expenses.

Expenses A/c	Dr.	-	
Input GST A/c	Dr.	-	
To Cash / Bank A/c		-	

4. For the sales of goods.

Cash / Bank / customer A/c	Dr.	-	
To Sales A/c		-	
To Output GST		-	

5. For the Sale return :-

Sales return A/c	Dr	-	
Output GST A/c	Dr.	-	
To Customer A/c		-	

6. For Income received.

Cash / Bank A/c	Dr.	-	
To Income A/c		-	
To Output GST A/c		-	