

Journal Entry:

illustration 1

SN	Items	Nature	Incl Dec	Rules
1.	Cash Capital	Assets Capital	↑ ↑	Cash A/c — Dr To Capital A/c
2.	Furniture Cash	Asset Asset	↑ ↓	furniture A/c — Dr To Cash A/c.
3.	Salary Cash	Expance Asset	↑ ↓	Salary A/c — Dr To Cash A/c
4.	Rent Cash	Expance Asset	↑ ↓	Rent A/c — Dr To Cash A/c.
5.	Cash Interest	Assets Income	↑ ↑	Cash A/c — Dr To Income.

illustration 2

$$\text{Asset} = \text{Liability} + \text{capital}$$

$$68200 = 17200 + 51000$$

$$68200 = 68200$$

$$\rightarrow \text{Asset} = \text{liability} + \text{capital}$$

$$68720 = 17300 + C$$

$$C = 68720 - 17300$$

$$C = 51420$$

→ Cl capital - op capital = profit
 $51420 - 51000 = 420$

Balance Sheet

As liability	Rs	Asset	Rs
Capital 51000		Inventory	22900
+ profit 420	51420	Trade Receive	17500
loan	11500	Cash in hand	15600
Trade payable	5800	Fixed Asset	12720
	68720		68720

ills

Profit during the year 5000
 Assets at the beg A
 Liability at the beg 12000

Assets at the end B
 liability at the end C

closing stock 87000
 total lia including 50000

★ Assets at the Beginning

$$A = L + C$$

$$= 12000 + 30000 = 42000$$

$$\text{profit} = \text{cl cap} - \text{op cap}$$

$$5000 = 35000 - \text{op cap}$$

$$\text{op cap} = 30000$$

★ liability at the end = AE - CE = 50000 - 35000

A = L + C } asset at the end. = 15000

= 50000 }

<u>ill/4</u>	particular	L	Dr	Cr
<u>1.</u>	Bank A/c _____ Dr To Sahil's capital A/c [Being: owner introduce a capital]	1	4000	4000
<u>2.</u>	Cash A/c _____ Dr To Bank A/c [Being: Cash withdraw from bank.]	3	200	200
<u>3.</u>	Cash A/c _____ Dr To y's loan A/c [Being: loan taken from Mr y]	3	500	500
<u>4.</u>	Salary A/c _____ Dr To Cash A/c [Being salary paid]	5	300	300

(ii) Salary A/c	or	5	100	
To Outstanding Salary A/c		6		100
5. Furniture A/c	or	7	500	
To Cash A/c		8		500
[Being : furniture purchase ₹ 500]				

Bank Account

Dr		Cr	
particular	Rs	particular	Rs
To Capital A/c	4000	By cash A/c	200
		By balance old	3800
	4000		4000
To balance old	3800		

Capital A/c

Dr		Cr	
particular	Rs	particular	Rs
To balance old	4000	By Bank A/c	4000
	4000		4000
		By balance old	4000

Dr		Cash A/c		Cr	
particular	Rs	particular	Rs	particular	Rs
To Bank A/c	200	By salary A/c	300		
To Y's loan A/c	500	By furniture A/c	500		
To Bal c/d	100				
	800				800

Dr		Y's loan A/c		Cr	
particular	Rs	particular	Rs	particular	Rs
To Bal c/d	500	By cash A/c	500		
	500				500
		By bal b/d	100		
					100

Dr		Salary A/c.		Cr	
particular	Rs	particular	Rs	particular	Rs
To Cash A/c	300	By bal c/d	400		
To o/s salary	100				
	400				
To bal b/d	400				

Dr		o/s salary A/c		Cr	
particular	Rs	particular	Rs	particular	Rs
To Bal b/d	100	By salary	100		
	100				100
		To bal b/d	100		
					100

Dr. Furniture A/c		Cr	
particular	Rs	particular	Rs
To Cash A/c.	500	By balance c/d	500
	500		500
To bal b/d	500		

Trial Balance.

particular	Dr	Cr
Bank	3800	
Capital		4000
cash		100
y's loan		500
Salary	400	
Salary o/s		100
fur niture	500	
	4700	4700

Cr		Journal Entry in the Books of		in (000)	
RS	particular	Dr	Cr	Dr	Cr
500	2022 <u>11/12</u> Bank A/c To Capital A/c [Being: owner introduce Capital]	Dr 400000			400000
500	<u>3/12</u> Cash A/c To Bank A/c. [Being: Cash withdrawn from bank]	Dr 2000			2000
	<u>5/12</u> Purchase A/c To Bank A/c [Being: purchase goods for Bank]	Dr 15000			15000
	<u>8/12</u> Bank A/c To Sales A/c [Being: goods sold for Bank]	Dr 16000			16000
	<u>10/12</u> Furniture A/c To Bank A/c. [Being: a furniture purchase for Bank]	Dr 2500			2500
	<u>21/12</u> Arvind's A/c To Sales A/c [Being: Goods sent to Arvind]	Dr 2000			2000

10000	<u>26/12</u>	Amrit A/c — dr To Cash A/c To discount A/c [Being: amount paid to Amrit with full Settlement]	9500	9500 50
00	<u>31/12</u>	Stationary A/c — dr Rent A/c — dr Salary A/c — dr To discount Bank [Being: Cash paid for expenses]	200 5000 2000	7200.
	<u>31/12</u>	Advertice expance A/c — dr To purchase A/c [Being: Goods sent for free sample]	2000	2000

Topic 2 Traditional Approach Account

Real A/c

↓
All assets

Nominal A/c

↓
All Inc & exp

Personal A/c

↓
debtor & creditor
o/s exp
prepaid exp
Accrued & advance
Inc

illustration 6 Building - Real A/c

- Purchase - Nominal A/c
- Sale - Nominal
- Bank Fixed deposit - Personal
- Rent - Nominal
- ols Rent - personal
- Adj purchase - Nominal
- closing stock - Real
- Investment - Real
- Trade Receivable - Personal
- Red debt - Nominal
- Sales tax payable - personal
- Discount - Nominal
- Capital - Personal
- Interest Receivable - Personal
- Rent Receive in Advance - Personal
- Red debt Recover - Nominal
- Depreciation - Nominal
- personal tax - personal.

illustration 7 Journal Entry in the Books of Ramesh

Date	Particular	₹	Dr	Cr
2022				
11/4	Bank A/c - Dr To Capital A/c		1000000	
	[Being: Ramesh start ed Business with Capital]			1000000

31/04 Purchase A/c — Dr 50000
 To Cash A/c 50000
 [Being: goods purchase for cash]

5/04 Cash A/c — Dr 10000
 To Bank A/c 10000
 [Being: cash withdrawn for Bank]

13/04 Krishna's A/c — Dr 150000
 To Sales A/c 150000
 [Being: goods sold to Krishna On credit]

20/4 Purchase A/c — Dr 225000
 To Shyam's A/c 225000
 [Being: good purchase to Shyam on credit]

2/04 Bank A/c — Dr 145000
 Discount A/c — Dr 5000
 To Krishna's A/c 150000
 [Being cash Receive from Krishna & dis allowed to him]

26/4 Shyam A/c — Dr 225000
 To Bank A/c 215000
 To Discount A/c 10000
 [Being cash paid to Shyam & dis Rec by him]

30/04 Bank A/c — Dr 800000
 To Sales A/c 800000
 [Being: goods sold for cash]

30/04 Rent A/c — Dr 50000
 Salary A/c — Dr 1000000
 To Bank A/c 150000
 [Being: Amount paid for Rent & Salary]

★ Goods & Service Tax.

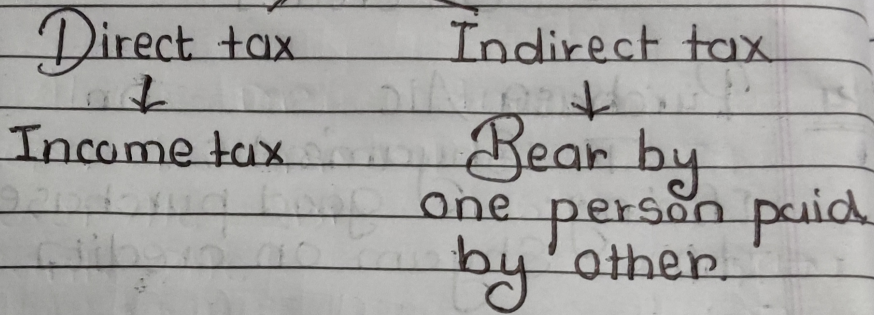


Illustration 8 In the Books of Mr Rohit

Journal Entry

Date	particular	£	Dr	Cr
1.	Purchase A/c — Dr		50000	
	CGST Input A/c — Dr		4500	
	SGST Input A/c — Dr		4500	
	To Sabil's A/c			59000
	[Being: goods purchase]			

triangel⁺

800000
800000
150000

(2)	Purchase A/c	Dr	36000	
	CGST A/c	Dr	3240	
	SGST A/c	Dr	3240	
	To Bank A/c			20000
	To Sam's A/c			22480
	[Being goods purchase]			
(3)	Drawing A/c	Dr	23600	
	To purchase A/c			20000
	To CGST A/c			1800
	To SGST A/c			1800
	[Being: Cash/goods withdraw for personal use]			
(4)	Rent A/c	Dr	30000	
	SGST Input A/c	Dr	1800	
	CGST Input A/c	Dr	1800	
	To Cash A/c			33600
	[Being: Cash paid for Rent]			
	[NOTE: Outflow cash always Input]			
(5)	Sam A/c	Dr	5310	
	To purchase Ret A/c			4500
	To Input CGST A/c			409
	To Input SGST A/c			409
	[Being: goods Returned by Sam]			
(6)	Furniture A/c	Dr	40000	
	Input IGST A/c	Dr	4800	
	To Bank			44800

(6) ① Furniture + GST = 44800
 $x + \frac{12}{100}x = 44800$

$\therefore \frac{100x + 12x}{100} = 44800$

$\therefore \frac{112x}{100} = 44800$

$\therefore x = 40000$

② $\frac{44800}{112} \times 12 = 4800$ GST

$\therefore \frac{44800}{112} \times 100 = 40000$ furniture

(7)

Purchase A/c	Dr	140000	
Input CGST A/c	Dr	12600	
Input SGST A/c	Dr	12600	
To Bank A/c			100000
To Symphay's			65200
[Being goods purchase]			

extra

Purchase goods from Ram ₹ 100000
 trade discount @ 10%, CGST & SGST
 @ 9%. Cash dis @ 10%. all amount
 paid to Ram.

→ Purchase A/c ———— dr [100000 x 10%] 9000
 Input CGST A/c ———— dr [90000 x 9%] 7290
 Input SGST A/c ———— dr 7290
 To Dis Receive A/c 9000
 To Bank A/c. 95580

extra Purchase Goods to Mohan ₹ 200000 & trade discount 10%, CGST & SGST @ 9% each. Cash dis 10% only half payment in cash

Purchase A/c ———— dr 180000
 Input CGST A/c ———— dr 15390
 Input SGST A/c ———— dr 15390
 To Dis Rec A/c 9000
 To Bank A/c 95580
 To Mohan A/c 106200

Mohan [200000 x 10% =] 180000

	90000
(-) Dis 9000	90000
	₹ 8100
	+ 8100
+ SGST 7290	106200
+ CGST 7290	
Cash: → 95580	

extra Purchase Goods 500000 from zahir, Trade discount 5%, CGST & SGST @ 9% cash dis 10% only 70% amount on cash

→ Purchase A/c Dr 475000
 Input CGST A/c Dr 39757.5
 Input SGST A/c Dr 39757.5
 To Dis Receive A/c 33250
 To Bank A/c 353115
 To Zahir A/c. 39757.5
 ↓
 475000

(-) 33250
 33250

 299250
 (+) CGST 26932.5
 SGST 26932.5

 353115

142500
 CGST (+) 12825
 SGST (+) 12825

 168150

GST = 26932.5 +
 12825

 39757.5

extra Goods sold to Ram ₹ 200000
 T.D @ 5%.
 CGST, SGST @ 9%.
 cash dis @ 5%.
 only 60% amount Receive.

Bank A/c Dr 127794
 dis Allow Dr 5700
 Raman A/c Dr 89680
 To Sale A/c 19000
 To output SGST 16587
 To output CGST 16587

33250
~~353115~~
~~397524~~
 68150

190000

114000 (-) 5700 <hr style="width: 80%; margin-left: 0;"/> 108300 (+) 9747 (+) 9747 <hr style="width: 80%; margin-left: 0;"/> 127194	76000 (+) 6840 (+) 6840 <hr style="width: 80%; margin-left: 0;"/> 89680 GST 6840 + 9747 = 16587.
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Illustration 9

	<u>Date</u>	<u>particular</u>	<u>L</u>	<u>F</u>	<u>Dr</u>	<u>Cr</u>
	2022					
	31/7	Bank A/c Dr				
		To Sales A/c			56000	
		To CGST A/c				50000
		To SGST Output A/c				3000
		[Being: goods sold]				3000
	<u>4/6</u>	Sujit A/c Dr				
		To Sales A/c			28000	
		To CGST Output A/c				25000
		To SGST Output A/c				1500
		[Being goods sold on credit]				1500
	<u>5/6</u>	Bank A/c Dr				
		Dis Allow A/c Dr			25200	
		To Sujit A/c			2800	
		[Being: Cash Receive by Sujit]				28000

6/16 Bank A/c ———— DR 12000
 Kapil A/c ———— DR 21600
 To Sale A/c 30000
 To SGST A/c 3600
 To CGST output "

10/16 Rebet A/c ———— DR 5000
 Output IGST A/c ———— DR 600
 To kapil 5600

12/16 Manpreet A/c ———— DR 59600
 To Sale A/c 80000
 To output IGST 9600

13/16 Sales Ret A/c ———— DR 16000
 Output IGST A/c ———— DR 1920
 To Manpreet 17920

20000 + 20% = 4000
 20000 - 4000 = 16000

17/16 Cash A/c ———— DR 16800
 To Commission A/c 1500
 To CGST output 900
 To SGST output 900

Extra Rec ₹ 15800 from kapil full & final settlement

Bank A/c	Dr	[21600 - 5600]	15800
Dis Allow A/c	Dr		200
To kapil A/c			16000

(2) Rec 71000 from Manpreet Out of Rebet.

Bank A/c	Dr	(89600 - 17920)	71000
To Manpreet A/c			71000

Illustration 10 Purchase

	Dr	Cr
1. Mukesh A/c	44800	
To Sale A/c		40000
To CGST output A/c		2400
To SGST output A/c		2400
2. Cash A/c	85120	
Dis Allow A/c	4000	
To Sales A/c		80000
To CGST Output		4500
To SGST Output		4500
3. Cash A/c	19150	
Bank A/c	57150	
Dis Allow A/c	3600	
Mukesh A/c	53760	
To Sale A/c		120000
To CGST output		6000
To SGST Output		6000

120000		
72000	48000 credit	
Cash	Bank	(+2880)
18000	54000	(+22880)
(-) 900	(-) 2700	53760.
17100	51300	
+ 1026	+ 3078	GST 1026
+ 1026	+ 3078	3078
19152	57456	2880
		6984

Practical
Q.1

- Rent outstanding - Personal [Liab]
- closing stock - Real [Asset]
- Bank Fixed deposit - personal [Asset]
- Sale - Nominal - [Income]
- Cash - Real - [Asset]
- Bad debt - Nominal - [Expense]

- Capital - ~~Asset~~ Capital [Personal]
- Tax payable - personal [liability]
- Trade Rec - personal [Asset]
- Depreciation - Nominal [Expense]
- Drawing - Personal [Expense]

Journal Entry

particular		Dr	Cr
Salary A/c	Dr	75000	
To purchase	Cr		75000

②	Machinery A/c — Dr To Cash A/c	18000	18000
③	Drawing A/c — Dr To Petty Cash A/c	17000	17000
④	Cash A/c — Dr Dis Allow A/c — Dr To Sale A/c	175000 5000	180000
⑤	Purchase A/c — Dr To Cash A/c To dis Rec A/c	180000	175000 5000

Q.3 $A = L + C$

150000	250000	<u>1250000</u>
<u>225000</u>	150000	75000
1450000	<u>75000</u>	1375000
④ M 5700000	(2800000)	<u>5980000</u>

P 40
2021

Q.5

Machine	1200000	Trade Rec	55000
A/c pay	100000	[1555000 - 1500000]	
Inv	60000	Loan -	250000
Total lia	1415000	Closing stock	1065000
Cash	20000	110000 - 35000	
Bank	80000	loss incur	25000
		capital	10000

→ Asset + Cash = Liability

$$1395000 + x = 1415000$$

- Trade Rec
- + Machine = 20000
- + Inv
- + Bank

$$\begin{aligned} \text{loan} &= \text{total lia \& cap} - \text{closing cap} \\ &= 1415000 - 1065000 + 100000 \\ &= 250000 \end{aligned}$$

	Opening	100000
+	Int	100000
-	loss	(35000)
	closing cap.	1065000

$$\begin{aligned} \text{Trade Receivable} &= 1555000 - 1500000 \\ &= 55000 \end{aligned}$$