

Question No. 1

M/s. Mangrove Arts were unable to agree the Trial Balance as on 31st March, 2024 and have raised a suspense account for the difference. Next year the following errors were discovered:

- (i) Repairs made during the year were wrongly debited to the building A/c - Rs. 52,500.
- (ii) The addition of the 'Freight' column in the purchase journal was short by Rs. 9,000.
- (iii) Goods to the value of Rs. 6,150 returned by a customer, Leena., had been posted to the debit of Leena. and also to sales returns.
- (iv) Sundry items of furniture sold for Rs. 1,80,000 had been entered in the sales book, the total of which had been posted to sales account.
- (v) A bill of exchange (received from Lucky & Co.) for Rs. 45,000 had been returned by the bank as. dishonoured and had been credited to the bank and debited to bills receivable account.

You are required to pass journal entries to rectify the above mistakes.

Question No. 2

Ram Lakhan and Bharat are partners in a firm. On 1st April 2022 their fixed capital stood at Rs. 1,50,000, Rs. 75,000 and Rs. 75,000 respectively.

As per the provision of partnership deed:

- (1) Bharat was entitled for a salary of 15,000 p.a.
- (2) All the partners were entitled to interest on capital at 5% p.a.
- (3) Profits and losses were to be shared in the ratio of Capitals of the partners.

Net Profit for the year ended 31st March, 2023 of Rs. 99,000 and 31st March, 2024 of Rs. 1,35,000 was divided equally without providing for the above adjustments.

You are required to pass an adjustment journal entry to rectify the above errors.

Question No. 3

M/s. VB wires were unable to agree the Trial Balance as on 31st March, 2024 and have raised a suspense account for the difference. Next year the following errors were discovered:

- (i) Repairs made during the year were wrongly debited to the building A/c - Rs. 37,500.
- (ii) The addition of the 'Freight' column in the purchase journal was short by Rs. 4,500.
- (iii) Goods to the value of Rs. 3,150 returned by a customer, Seven & Co., had been posted to the debit of Seven & Co. and also to sales returns.
- (iv) Sundry items of furniture sold for Rs. 90,000 had been entered in the sales book, the total of which had been posted to sales account.
- (v) A bill of exchange (received from Comfort & Co.) for Rs. 60,000 had been returned by the bank as. dishonoured and had been credited to the bank and debited to bills receivable account.

You are required to pass journal entries to rectify the above mistakes.

Question No. 4

Give journal entries to rectify the following errors located in the books of a trader after preparing the trial balance:

- (i) An amount of Rs. 13,500 received on account of interest was credited to commission account.

- (ii) A sale of Rs. 5,920 was posted from sales book to the debit of M/s Kamal traders at Rs. 5,290.
- (iii) Rs. 44,000 paid for purchase of Air conditioner for the personal use of proprietor debited to Machinery A/c.
- (iv) Goods returned by customer for Rs. 20,000. The same have been taken into stock but no entry passed in the books of accounts.

Question No. 5

Mr. Manas was unable to agree the Trial Balance last year and wrote off the difference to the Profit and Loss Account of that year. Next year, he appointed a Chartered Accountant who examined the old books and found the following mistakes:

- (i) Purchase of a scooter was debited to conveyance account Rs. 30,000. Mr. Manas charges 10% depreciation on scooter.
- (ii) Purchase account was over cast by Rs. 1,00,000.
- (iii) A credit purchase of goods from Mr. Sam for Rs. 20,000 was entered as sale.
- (iv) Receipt of cash from Mr. Anand was posted to the account of Mr. Bhaskar Rs. 10,000.
- (v) Receipt of cash from Mr. Paras was posted to the debit of his account, Rs. 5,000.
- (vi) Rs. 5,000 due by Mr. Ramesh was omitted to be taken to the Trial Balance.
- (vii) Sale of goods to Mr. Ram for Rs. 20,000 was omitted to be recorded.
- (viii) Amount of Rs. 23,950 of purchase was wrongly posted as Rs. 25,930.

Suggest the necessary rectification entries.

Question No. 6

M/s. Satya Paul steels were unable to agree the Trial Balance as on 31st March, 2024 and have raised a suspense account for the difference. Next year the following errors were discovered:

- (i) Repairs made during the year were wrongly debited to the building A/c - Rs. 37,500.
- (ii) The addition of the 'Freight' column in the purchase journal was short by Rs. 4,500.
- (iii) Goods to the value of Rs. 3,250 returned by a customer Parth., had been posted to the debit of Parth and also to sales returns.
- (iv) Sundry items of furniture sold for Rs. 50,000 had been entered in the sales book, the total of which had been posted to sales account.
- (v) A bill of exchange (received from Comfort & Co.) for Rs. 60,000 had been returned by the bank as dishonoured and had been credited to the bank and debited to bills receivable account.

You are required to pass journal entries to rectify the above mistakes.

Question No. 7

The Trial Balance of Mr. Sarvesh Kumar as on 31st March, 2024 did not tally and the difference was posted to Suspense Account. On a scrutiny of the books the following errors were detected:

- (i) The total of Sales Returns Book for January 2024 has been casted short by Rs. 1,000.
- (ii) Freight paid for installation of a Machine Rs. 6,500 was posted to the Freight Account as Rs. 5,600.
- (iii) Goods of the value of Rs. 2,500 returned by a customer were entered in the Sales day Book and posted therefrom to the credit of his account.
- (iv) Rs. 18,000 paid for purchase of old Motorcycle for personal use of Mr. Sarvesh Kumar was debited to conveyance account.
- (v) A purchase of Rs. 6,700 had been posted to creditor's account as Rs. 6,000.

- (vi) Receipt of cash Rs. 5,000 from Mr. Avinash was posted to the debit of his account.
- (vii) A cheque for Rs. 2,500 received from Mr. Alok had been dishonoured and was posted to the debit of Mr. Ashok.
- (viii) Sale of Rs. 8,500 to Mr. Deepak was recorded in the sales book correctly but while posting in ledger credited to his account.
- (ix) The total of "Discount Allowed" column in the cash for the month of December 2023 amounting to Rs. 3,800 was not posted.
- (x) Sale of old office table for Rs. 2,200 treated as sale of goods.

You are required to pass necessary journal entries with narrations to rectify the above errors.

Question No. 8

Pass the necessary journal entries to rectify the following errors, using a Suspense Account:

- (i) Goods of the value of Rs. 500 returned by Mr. A were entered in the Sales Day Book and posted there from to the credit of his account;
- (ii) Rs. 250 entered in the Sales Returns Book, has been posted to the debit of Mr. R, who returned the goods;
- (iii) A sale of Rs. 700 made to Mr. Q was correctly entered in the Sales Day Book but wrongly posted to the debit of Mr. S as Rs. 70;
- (iv) The total of "Discount allowed" Column in the Cash Book for September amounting to Rs. 350 was not posted.