

CBSE CLASS 11 ACCOUNTANCY
FINANCIAL ACCOUNTING PART-1
REVISION NOTES
CHAPTER-4
RECORDING OF TRANSACTIONS-2

➤ **Cash Book**

Cash book is a book in which all the transactions related to cash receipts and cash payments are recorded.

• **Types of Cash Book**

1. Single Column Cash Book.
2. Double Column Cash Book.
3. Petty Cash Book.

1) Single Column Cash Book

Illustration

Enter the following transactions in a single column cash book for the month of January 2008 from the following particulars:

January 2008	Rs.
1. Cash in hand	2,000
2. Goods sold	18,000
3. Paid salaries to employees	10,000
4. Payment made to a creditor A by cheque	5,000
5. Cash sales of Rs. 30,000 out of which Rs. 5,000 immediately deposited into bank	
6. Cash sales of Rs. 28,000 out of which Rs. 10,000 was deposited into bank on 12th January	

7.	Purchased goods from Hari Ram	6,000
8.	Paid to transporter	1,000
9.	Sold goods to Manik Chand	3,000
10.	Paid electricity bill	500
11.	Paid to Mr. Sharma Rs.140 and discount received Rs.10	

Solution

Dr. CASH BOOK (SINGLE COLUMN) Cr.

Date	Particulars	V. No.	L.F.	Amount Rs	Date	Particulars	V. No.	L.F.	Amount Rs.
2008 Jan					2008 Jan				
1	To Balance b/d			2,000	3	By Salaries			10,000
2	To Sales			18,000	12	By Bank			10,000
5	To Sales			25,000	8	By Transporter			1,000
6	To Sales			28,000	10	By Electricity Bil			500
					11	By Mr. Sharma			140
					31	By Balance c/d			51360
				73000					73000
2008 Feb.									
1	To Balance b/d			51,360					

2. Two Column Cash Book

Illustration:

From the following information prepare a Two column cash book.

2006		
March 1	Cash in hand	5000
March 1	Cash at bank	6000
March 3	Cheque received from Naresh	3000
	Discount allowed	100
March 4	Cheque received from Naresh was deposited into bank	
March 6	Naresh's cheque dishonored	
March 7	Cheque paid to Ram	4000
	Discount received	200
March 9	Cash withdrawn from bank for office use	2000
March 10	Withdrawn from bank for paying income tax	2500
March 12	Cheque received from Harish and endorsed it to Shivam on 13th March	4000
March 14	Given a cheque to Amber for cash purchase of furniture for office use	3000
March 16	Cash purchase of Rs. 1,500 less 10% trade discount	
March 18	Cheque received for sales of Rs. 10,000 less 10% trade discount cheque was immediately deposited into bank	
March 25	Paid commission by cheque	2000
March 27	Paid rent	3000
March 28	Received bank interest	1000
March 29	Paid bank charges	500
March 31	Paid into bank the entire balance after retaining Rs. 500 at office	

Solution:

Dr.

CASH BOOK (TWO COLUMN)

Cr.

Date	Particulars	V. No	L. F.	Cash	Bank	Date	Particulars	V. No	L.F.	Cash	Bank
2006 Mar ch 1	To Balance b/d			5000	6000	2006 mar ch	By Bank			3000	
	To Naresh			3000			By Naresh				3000
	To Cash		C		3000		By Ram				4000
	To Bank		C	2000			By Cash		C		2000
	To Harish			4000			By Drawings				2500
	To Sales				9000		By Shivam			4000	
	To Bank				1000		By Furniture				3000
	Interest				2150		By Purchases			1350	
	To Cash		C				By Commission				2000
							By Rent			3000	
							By Bank charges				500
							By Bank		C	2150	
							By Balance c/d			500	4150
				14000	21150					14000	21150
Apr. 1	To Balance b/d			500	4150						

➤ **Petty Cash Book**

Petty Cash Book is the book which is used for the purpose of recording expenses involving petty amounts.

- **Recording of Petty Cash**

Petty cash given to the Petty Cashier for small payments is recorded on the credit side of the Cash Book as 'By Petty Cash Account' and is posted to the debit side of the Petty Cash Account in the Ledger.

- **System of Petty Cash**

Petty Cash Book may be maintained by ordinary system or by imprest system.

- **Imprest System**

Under this system an estimate is made of amount required for petty expenses for a certain period.

- **Types of Petty Cash Book**

1. Simple Petty Cash Book and
2. Analytical Petty Cash Book.

1. Simple Petty Cash Book

Illustration: From the following information, write up a Simple Petty Cash Book for the first week of April 2012:

Date	Particulars	Rs.
2012		
April 1	Received Rs. 4,000 from Chief Cashier for Petty Cash	
April 2	Bought Postage stamps	200
April 4	Paid bus fare	120
April 5	Purchased stationery for office use	1000
	Paid for milk and sugar for office tea	600

April 6	Paid to window cleaner	80
April 7		

Solution:

Amount Recieved	Cash Book Folio	Date	Particulars	Voucher No.	Amount Paid
4000		2012			
		April 1	To Cash A/c		
		April 2	By Postage A/c		200
		April 4	By Travelling		
		April 5	Exp. A/c		120
		April 6	By Stationery A/c		1000
		April 7	By Office Expenses A/c		600
			By Miscellaneous Exp. A/c		80
	By Balance c/d		2000		
4000					4000

2. Analytical Petty Cash Book

Illustration: Prepare an Analytical Petty Cash Book on the Imprest System from the following:

Jan.2012		Rs.
1	Received Rs. 1,000 for Petty Cash	
2	Paid bus fare	5
2	Paid cartage	25
3	Paid for postage and telegrams	50

3	Paid wages for casual labourers	60
4	Paid for stationery	40
4	Paid auto charges	20
5	Paid for repairs to chairs	150
5	Bus fare	10
5	Cartage	40
6	Postage and telegrams	70
6	Conveyance charges	30
6	Cartage	30
6	Stationery	20
6	Refreshment to customers	50

Solution:

In The Books of _____

Receipts	Date	V.No.	Particulars	Total Payment	Conveyance	Cartage	Stationary	Postage and telegrams	Wages	Sundries
			To Cash A/c							
			To Conveyance A/c							
			By Cartage A/c	5	5					
			By Postage and Telegrams A/c	25		25				
			By Wages A/c	50				50		
				60					60	

			By Stationery A/c							
			By Conveyance A/c	40			40			
			By Repairs of Furniture A/c	20	20					
			By Conveyance A/c	150						150
			By Cartage A/c	20	20					
			By Postage and Telegrams A/c	40		40				
			By Conveyance A/c	70				70		
			By Cartage A/c	30	30					
			By Stationery A/c	30		30				
			By Stationery A/c	20			20			
			By General Exp. A/c	50						50
				600	65	95	60	120	60	200

	Jan 6		By Balance c/d	400						
1000				1000						
400	Jan 8		To Balance b/d To Cash A/c							

➤ **Purchases Book**

It is a book in which all the credit purchases of goods are recorded.

Illustration: Enter the following transactions in the Purchases Book of Rozer Electronics Delhi.

2010	Particulars
Jan 3	Bought from Bharat Electric Co. Dwarka Delhi on credit (Invoice No. 1238) 100 Tube light @ Rs. 40 each 50 Table fans @ Rs. 415 each 30 Electric Iron -Bajaj @ Rs. 200 each Trade Discount 10%
Jan 9	Purchased from Ashoka Traders, Karol Bag, New Delhi on credit (Invoice No. 551) 30 Table fans – Polar @ 600 each 20 Mix grinders – Usha @ Rs.500 each Trade Discount 15%
Jan 16	Bought goods from Royal Electric Co. Kashmiri Gate, Delhi on credit (Invoice No. 252) 20 Duson Bulbs @ Rs.100 per dozen 10 Table fans @ Rs. 500 each Less : Trade Discount 15%
Jan 22	Bought from Prakash Lamps, Delhi for cash (Memo No. 715) 10 Table fans – Orient @ Rs. 600 each

Jan 29	Bought from Laxmi Furniture, Rohtak on credit (Invoice No. 4312) 2 Tables @ 2000 each 10 Chairs @ Rs. 400 each.
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Solution:

In the books of Rozer Electronics, Delhi

Purchases Book or Purchases Journal

Date	Name of the supplier (a/c to be credited)	Invoice No.	LF	Detail	Amount
2010		1238		Rs. 4,000	
Jan 3	Bharat Electric Co: Dwarka, Delhi 100 Tube lights @ Rs. 40 each 50 Table Fans @ Rs. 415 each 30 Electric iron @ Rs. 200 each			20,750 <u>+6,000</u> 30,750 <u>-3,075</u>	27,675
Jan 9	Less : Trade Discount 10% Ashoka Traders, Karol Bag, New Delhi 30 Table fans – Polar @ 600 each 20 Mix grinders – Usha @ Rs.500 each Less : Trade Discount 15%	581		18,000 <u>+10,000</u> 28,000 <u>-4,200</u>	23,800
Jan 16	Royal Electric Co. K Gate Delhi 20 Dozen Bulbs @ Rs.100 Dozen 10 Table Fans @ Rs. 500 each Less: Trade Discount 15%	252		2,000 <u>+5,000</u> 7,000 <u>-1,050</u>	5,950

Jan 31	Purchases A/c	Dr.				57,425
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➤ **Sales Book**

Sales Book or Sales Journal is a book in which all the credit sales of goods are recorded. Recording in Sales book is done on the basis of invoice issued to the customers.

Illustration:

Enter the following transactions in the Sales book of M/s Salim & Co. Hyderabad

2012	
May 4	Sold to Gupta Bros. New Delhi (Invoice No. 175) 10 dozen Pencils @ Rs. 20 per dozen 14 gross Rubbers Rs. 5 per dozen
May 14	Sold to M/s Fazal Mirza & Co. Mumbai (Invoice No.200) 5 Dozen Gum Bottle @ Rs. 5 per bottle 70 dozens Rulers @ Rs. 15 per dozen Less : 10% Trade Discount
May 17	Sold old Newspapers for Rs. 200 (Invoice No. 215)
May 21	Sold to M/s Rajendra & Co. Ghaziabad (Invoice No. 255) 10 reams of Papers @ Rs. 60 per ream Less : Trade Discount @ 10%
May 25	Sold to M/s Dhyanchand & Co. Delhi for cash (Invoice No. 285) 10 dozen pens @ Rs. 120 per dozen for cash
May 30	Sold to Cheap Stores, New Delhi (Invoice No. 299) 10 dozens Pencils @ Rs. 18 per dozen Less: Trade Discount @ 10%
May 31	Sold old furniture to M/s Kashyapel Co. on credit for Rs. 1700 (Invoice No.300)

Solution:

Sales Book (Sales Journal)

Date	Invoice No.	Name of the customers (Account to be debited)	LF	Amount	
				Details (Rs.)	Total (Rs.)
2012 May 4	175	Gupta Bros. New Delhi 10 Dozen Pencils @ Rs. 20 per dozen 14 gross Rubbers @ Rs. 5 per dozen		200 <u>+840</u>	1040
May 14	200	Fazal Mirza & Company Mumbai 5 dozen Gum Bottles @ Rs.5 per bottle 70 dozens rulers @ Rs. 15 per dozen Less: Trade Discount @ 10%		300 <u>+1050</u> 1350 <u>-135</u>	1215
May 21	255	Rajendra & Company, Ghaziabad 10 reams papers @ Rs/ 60 per ream Less: Trade discount @ 10%		600 <u>-60</u>	540
May 30	299	Cheap Stores, new Delhi 10 dozens Pencils @ Rs/ 18 per dozen		180	

		Less: Trade Discount @ 10%		<u>-18</u>	162
		Sales A/c	Cr.		2,957

➤ **Purchase Return Book**

This book is used to record return of goods which has been purchased earlier on credit basis.

Illustration:

Prepare purchase return book from the following transactions:

2011	
March 4	Returned to Roy & Co. Kolkata : (Debit Note No.225) 2 Collapsible Chairs @ Rs. 200 each.
March 8	Returned to Mohan Furniture Ludhiana (Debit Note No. 245) 4 Chairs @ Rs. 150 each Less : 10% Trade Discount
March 15	Returned to Rao Ltd. Mumbai (Debit Note No.315) 1 Steel Almirah of Rs. 4000.

Solution:

Purchases Return Journal (Return Outward Book)

Date	Debit Note No.	Name of the Supplier (Account to be debited)	LF	Amount	
				Detail	Total
2011					
March 4	225	Roy & co. Kolkata 2 Collapsible Chairs @ Rs. 200			400
March 8	245	Mohan Furniture, Ludhiana			

		4 Chairs @ Rs. 150 Less: Trade Discount 10%	600 60	540
March 15	315	Rao Ltd. Mumbai 1 Steel Almirah Purchases Return A/c Cr.		4000 4940

➤ **Sales Return Book**

Sales return book is a book in which sales return of goods are recorded.

Illustration:

From the following information prepare Return Inward Book

2004	
March 11	M/s Neelkamal & Co. returned 600 units which were sold @ Rs. 150 per unit (Credit Note No. 26)
March 20	M/s Rohan & Co. returned 200 units which were sold @ Rs. 100 per unit (Credit Note No. 152).

Solution:

Return Inward (Sales Return) Book

Date	Particulars (Name of the customer i.e. account to be credited)	Credit Note No.	LF	Amount	
				Detail	Total
2004					
March 11	Neelkamal & Co. 600 units Rs. 150 per unit	26			90,000
March 20	Rohan & Co. 200 units @ Rs.100 per unit	152			20,000

March 31	Sales Return Account		Dr.		1,10,000
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