

JOURNALS : BOOKS OF ORIGINAL
ENTRY

SPECIAL JOURNAL

(b) If partially bad debts: If some amount is recoverable and some is bad from debtors is known as partially bad debts.

Accounting treatment for partially bad debts:

Cash a/c	Dr.	700	
Bad debts a/c	Dr.	300	
			1000
	To Debtor		

(Being cash received 70 paise in a rupee from debtors of 1,000)

TREATMENT OF DEPRECIATION

3. Depreciation : Fall in the value of fixed assets due wear and tear and passage of time.

Depreciation A/c Dr

To Fixed Assets

(Depreciation charged on asset)

ACCOUNTING TREATMENT FOR OUTSTANDING EXPENSES

4. Outstanding Expenses: Expenses due but not paid is known as outstanding expenses.

Expenses a/c	Dr.
To Outstanding Expenses	
(Being expense due but not paid)	

TREATMENT OF ACCRUED INCOME

6. **Accrued income** :The income which has been earned but has not been received, is called Accrued income.

Accrued Income

Dr.

To Income

(Income earned but not received)

TREATMENT OF INTEREST ON CAPITAL

8. Interest on Capital :interest on capital is an expenses for the business but gain gain for the proprietor .

Interest on capital A/c Dr.

 To capital A/c

(Being interest allowed on capital)

TREATMENT OF INTEREST ON DRAWING

9. Interest On Drawings: It is income for the business and it is charged on drawing so it reduce the capital.

Capital A/c	Dr.
To interest on drawings a/c	
(Being interest charged on drawings)	

10. Income Tax paid : Income tax is paid on personal income of the proprietor so it is treated as drawings for the business.

Drawings a/c	Dr.
To cash a/c	
(Being Income tax paid)	

11. Life Insurance premium paid: It is paid on personal life of the owner so it is also treated as drawings.

Drawings a/c	Dr.
To cash a/c	
(Being life insurance premium paid)	

12. Expenses paid on installation of fixed Assets:

Fixed assets A/c	Dr
To cash a/c	

13. Cash Discount : It is a loss or gain for the business so it is recorded in the books.

If discount allowed for immediate received :

Cash a/c Dr

Discount allowed (Loss) Dr.

To sales / debtor

Or if discount received for immediate payment

Purchase / creditor a/c Dr

To cash a/c

To discount received(gain)

SPECIAL TRANSACTION RELATED TO GOODS

1. Goods withdrawn for personal use .

Drawings a/c Dr.

To purchase a/c

2. Goods Given as a charity

Charity a/c Dr.

To purchase a/c

3. Good distributed as free samples

Free samples/ advertisement a/c Dr

To purchase a/c

4. Good loss by fire/ theft

4. Good loss by fire/ theft and not insured

Loss by fire/ theft a/c Dr

To Purchase a/c

5. Goods used in making an asset

Asset a/c Dr

To purchase a/c

6. Goods lost by fire and insured

(a) Entry for loss of goods

Loss by Fire a/c

To purchase a/c

(b) Claim admit to insurance company :

Insurance co. Dr

To loss by fire a/c

(c) Claim received from Insurance

Bank a/c Dr

Profit & loss a/c (Loss) Dr

To insurance company a/c

1. Pass journal entries for the following transactions
 - (i) Purchase goods of the list price of Rs20,000 from Vishal at 20 % trade discount against cheque payment.
 - (ii) Purchase goods of list price Rs20,000 from Naman at 15% trade discount against cash .
 - (iii) Purchase of goods of list price of Rs 30,000 from Amrit at 20% trade discount.
 - (iv) Purchase goods from Hari & Co. of list price of Rs40,000 for Rs35,000 against cash.
 - (v) Goods purchased from Amrit of list price of Rs10,000 returned
 - (vi) Sold goods to Parul of list price Rs 40,000 at 10% trade discount against cheque payment.
 - (vii) Sold goods to Aman of list price of Rs 30,000 at 10% trade discount against cash .

- (viii) Sold goods to Pawan of list price of Rs 20,000 at 10% trade discount .
- (ix) Sold goods to Yamini of list price of Rs25,000 for 23,000.
- (x) Sold goods costing Rs10,000 at cost plus 20% less 10% trade discount to Bhupesh.
- (xi) Sold goods purchased at list price of Rs50,000 sold at a profit of 25% less 10% trade discount against cheque.
- (xii) Aman returned goods of list price of Rs 10,000 sold to him at 10% trade discount .

Sale return a/c	Dr	9,000	
To Aman			9,000

	particulars	L. F	Debit	Credit
14.	Machinery a/c	Dr	65,000	
	Input IGST a/c	Dr	6,000	
	To cash			71,000
15.	Bank a/c	Dr		
	Discount allowed	Dr		
	To sales a/c			
	To output CGST a/c			
	To output SGST A/C			
	Cash a/c	Dr	1,12,000	1,00,000
	To capital			6,000
				6,000
	Loss by fire a/c	Dr	75,000	
	To Purchase a/c		37,000	
	To Input CGST a/c			1,12,000
	To Input SGST a/c			
	Insurance company a/c	Dr		
	To Insurance company			1,12,000

2. Journalize the following transactions in the books of Bhushan agencies :

- (i) Received cash from Bharat Rs20,000 , allowed him discount Rs 500.
- (ii) Received from Vikas Rs 35,000 by cheque , allowed him discount of Rs750.
- (iii) Received cash from Akhil Rs38,000 in settlement of his dues of Rs40,000.
- (iv) Received from Amrit Rs50,000 by cheque on account against dues of Rs60,000.
- (v) Paid cash Rs 39,200 to suresh in settlement of his dues of availed discount of 2%.
- (vi) Paid by cheque Rs 25,000 to Mehar in settlement of her dues of Rs26,000.

- (viii) Paid Rs 25,000 to Yogesh by cheque on account .
- (ix) Purchase goods costing Rs 60,000 from Akash & co. , paid 50% immediately availing 3% discount.

