

**Illustration 1.**

Enter the following transactions in a Simple Cash Book of Reema, Delhi:

2023		₹
Jan. 1	Started business with cash	1,00,000
Jan. 2	Opened a bank account and deposited	50,000
Jan. 3	Purchased goods for cash from Kalra Electricals, Delhi	20,000
Jan. 3	Sold goods on credit to Raman	5,000
Jan. 5	Received from Raman	3,000
Jan. 7	Paid Rent	4,000
Jan. 8	Sold Goods for cash	10,000
Jan. 10	Withdrew cash from bank	7,000
Jan. 27	Purchased Furniture in cash	15,000
Jan. 31	Paid Salaries	5,000

**Solution:****In the Books of Reema, Delhi**

Dr.				CASH BOOK				Cr.	
Date	Particulars		L.F.	₹	Date	Particulars		L.F.	₹
2023					2023				
Jan. 1	To	Capital A/c		1,00,000	Jan. 2	By	Bank A/c		50,000
Jan. 5	To	Raman		3,000	Jan. 3	By	Purchases A/c		20,000
Jan. 8	To	Sales A/c		10,000	Jan. 7	By	Rent A/c		4,000
Jan. 10	To	Bank A/c		7,000	Jan. 27	By	Furniture A/c		15,000
					Jan. 31	By	Salaries A/c		5,000
					Jan. 31	By	Balance c/d		26,000
				1,20,000					1,20,000
Feb. 1	To	Balance b/d		26,000					

**Notes:** One can draw the following conclusions from the above Cash Book:

1. In the Single Column Cash Book, only cash receipts and cash payments are recorded.
2. Credit transactions (January 3, sold goods of ₹ 5,000 to Raman on credit) are not recorded.
3. Debit side total is bigger or equal to the credit side total since the payments cannot exceed the available cash.
4. It is like an ordinary account.

**Illustration 2.**

Prepare Double Column Cash Book with Cash and Bank Columns from the following information:

2022	₹	2022	₹
Sept. 1	Cash in Hand 75,000	Sept. 15	Goods Purchased 20,000
	Bank Overdraft 35,000		(Payment by Cheque)
Sept. 2	Paid Wages 2,000		Received Cash Discount 472
Sept. 5	Cash Sales 70,000	Sept. 20	Paid Rent 5,000
	Allowed Cash Discount 944	Sept. 25	Drew from bank for personal use 4,000
Sept. 10	Cash Deposited in Bank 40,000	Sept. 30	Salary Paid 10,000

**Solution:**

Dr.

## DOUBLE COLUMN CASH BOOK

Cr.

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2022					2022				
Sept. 1	To Balance <i>b/d</i>		75,000	...	Sept. 1	By Balance <i>b/d</i>		...	35,000
Sept. 5	To Sales A/c		69,056	...	Sept. 2	By Wages A/c		2,000	...
Sept. 10	To Cash A/c	C	...	40,000	Sept. 10	By Bank A/c	C	40,000	...
Sept. 30	To Balance <i>c/d</i> (Bank Overdraft)		...	18,528	Sept. 15	By Purchases A/c		...	19,528
					Sept. 20	By Rent A/c		5,000	...
					Sept. 25	By Drawings A/c		...	4,000
					Sept. 30	By Salary A/c		10,000	...
					Sept. 30	By Balance <i>c/d</i>		87,056	...
			1,44,056	58,528				1,44,056	58,528
Oct. 1	To Balance <i>b/d</i>		87,056	...	Oct. 1	By Balance <i>b/d</i>		...	18,528

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Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2022				
Sept. 5	Discount Allowed A/c ...Dr. To Sales A/c (Being the discount allowed for immediate payment)		944	944
Sept. 15	Purchases A/c ...Dr. To Discount Received A/c (Being the discount received for immediate payment)		472	472

**Illustration 3.**

Record the following transactions of Subash, Kochi in a Two-column Cash Book and balance the book on 31st January, 2023:

Date	Particulars	₹	Date	Particulars	₹
2023			2023		
Jan. 1	Cash Balance	1,000	Jan. 16	Bought goods	6,000
Jan. 1	Bank Balance	14,500	Jan. 19	Issued cheque to Shyam	3,700
Jan. 1	Received advance by cheque	60,000		Discount received from him	300
Jan. 2	Withdrew from Bank	10,000	Jan. 20	Drew from Bank	3,000
Jan. 3	Purchased goods from Amit for ₹ 13,000 and paid by cheque ₹ 12,500 in settlement		Jan. 22	Cash drawn from bank for personal use	2,000
Jan. 4	Paid wages for constructing cycle stand	2,500	Jan. 22	Cheque issued to Shyam returned unpaid	
Jan. 5	Received from Mohan a cheque for ₹ 9,800 against dues of ₹ 10,000 in settlement of his account		Jan. 24	Cash Sales	1,700
Jan. 8	Mohan's cheque deposited into Bank		Jan. 27	Received from Rakesh	18,000
Jan. 14	Purchased stationery for cash	1,500		Discount Allowed	500
Jan. 14	Cheque of Mohan returned unpaid		Jan. 28	Deposited cash in Bank	15,000
			Jan. 28	Issued cheque for cash purchases	2,000
			Jan. 30	Paid rent by cheque	2,000

**Solution:****In the Books of Subash, Kochi**

Dr.

**TWO-COLUMN CASH BOOK**

Cr.

Date	Particulars	L.F.	Cash ₹	Bank ₹	Date	Particulars	L.F.	Cash ₹	Bank ₹
2023					2023				
Jan. 1	To Balance <i>b/d</i>		1,000	14,500	Jan. 2	By Cash A/c	C	...	10,000
Jan. 1	To Advance A/c		...	60,000	Jan. 3	By Purchases A/c (₹ 13,000 – ₹ 500)		...	12,500
Jan. 2	To Bank A/c	C	10,000	...	Jan. 4	By Building A/c		2,500	...
Jan. 8	To Cheques in Hand A/c		...	9,800	Jan. 14	By Stationery A/c		1,500	...
Jan. 20	To Bank A/c	C	3,000	...	Jan. 14	By Mohan		...	9,800
Jan. 22	To Shyam		...	3,700	Jan. 16	By Purchases A/c		6,000	...
Jan. 24	To Sales A/c		1,700	...	Jan. 19	By Shyam		...	3,700
Jan. 27	To Rakesh		18,000	...	Jan. 20	By Cash A/c	C	...	3,000
Jan. 28	To Cash A/c	C	...	15,000	Jan. 22	By Drawings A/c		...	2,000
					Jan. 28	By Bank A/c	C	15,000	...
					Jan. 28	By Purchases A/c		...	2,000
					Jan. 30	By Rent A/c		...	2,000
					Jan. 31	By Balance <i>c/d</i>		8,700	58,000
			33,700	1,03,000				33,700	1,03,000
Feb. 1	To Balance <i>b/d</i>		8,700	58,000					

**Note:** Journal entries for Discount Allowed and Discount Received will be passed as follows:

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2023				
Jan. 3	Purchases A/c ...Dr. To Discount Received A/c (Being the discount received against payment made by cheque)		500	500
Jan. 5	Cheques in Hand A/c ...Dr. Discount Allowed A/c ...Dr. To Mohan (Being the discount allowed to Mohan against payment received by cheque)		9,800 200	10,000
Jan. 14	Mohan ...Dr. To Discount Allowed A/c (Being the cheque of Mohan dishonoured, Discount Allowed written back)		200	200
Jan. 19	Shyam ...Dr. To Discount Received A/c (Being the discount received against payment made by cheque)		300	300
Jan. 22	Discount Received A/c ...Dr. To Shyam (Being discount received written back on cheque returning unpaid)		300	300
Jan. 27	Discount Allowed A/c ...Dr. To Rakesh (Being the discount allowed to Rakesh against payment received)		500	500

**Illustration 4.**

Prepare Double Column Cash Book with Cash and Bank Columns from following information:

2022		₹
Sept. 1	Cash in Hand	7,500
	Bank Overdraft	35,000
Sept. 2	Paid Wages	2,000
Sept. 5	Cash Sales	70,000
Sept. 10	Cash Deposited in Bank	40,000
Sept. 15	Goods Purchased against Cheque	20,000
Sept. 20	Paid Rent	5,000
Sept. 25	Drew from bank for personal use	4,000
Sept. 30	Salary Paid	10,000

**Solution:**

CASH BOOK (DOUBLE COLUMN)										Cr.	
Date		Particulars	L.F.	Cash ₹	Bank ₹	Date		Particulars	L.F.	Cash ₹	Bank ₹
2022						2022					
Sept.	1	To Balance <i>b/d</i>		7,500	...	Sept.	1	By Balance <i>b/d</i>		...	35,000
Sept.	5	To Sales A/c		70,000	...	Sept.	2	By Wages A/c		2,000	...
Sept.	10	To Cash A/c	C	...	40,000	Sept.	10	By Bank A/c	C	40,000	...
Sept.	30	To Balance <i>c/d</i> (Bank Overdraft)		...	19,000	Sept.	15	By Purchases A/c		...	20,000
						Sept.	20	By Rent A/c		5,000	...
						Sept.	25	By Drawings A/c		...	4,000
						Sept.	30	By Salary A/c		10,000	...
						Sept.	30	By Balance <i>c/d</i>		20,500	...
				77,500	59,000					77,500	59,000
Oct.	1	To Balance <i>b/d</i>		20,500	...	Oct.	1	By Balance <i>b/d</i>		...	19,000