

Model Test Paper 12

Answers

Question 1

- (i) (a) *Provision for Doubtful Debts* is the amount provided for debts that are doubtful of recovery. It is a charge against profit and is debited to Profit and Loss Account. In the Balance Sheet, it is shown as deduction from the amount of debtors.
- (b) *Accumulated Depreciation* is the amount of depreciation provided on the fixed asset till date. It is shown as deduction from the amount of fixed asset in Balance Sheet.
- (ii) Materiality Concept prescribes that recording the transaction should be guided by materiality. It means a transaction that can influence the decision of the user should be accordingly recorded and reported. For example, stationery purchased and not fully consumed is shown as consumed because it will not affect the decision of the user.
- (iii) Depreciation is a fall in the value of an asset due to its use, efflux of time or obsolescence. It is an expense and if an expense is not charged to Profit and Loss Account correct profit or loss will not be known.
- (iv) The Journal entry is:
- | | | | |
|--------------------------|--------|----------|----------|
| Computer A/c | ...Dr. | ₹ 50,000 | |
| To Jagjeet's Capital A/c | | | ₹ 50,000 |
- (Being the purchase of computer for office use, an old personal computer given in exchange and balance by personal cheque)
- (v) *Accrued income* means the income which has been earned but not received during the current accounting period.
- Adjusting Entry for Accrued Income:*
- | | | | |
|--------------------------|--------|--|--|
| Accrued Income A/c | ...Dr. | | |
| To Respective Income A/c | | | |
| To Output CGST A/c | | | |
| To Output SGST A/c | | | |
| To Output IGST A/c | | | |
- (Being the accrued income accounted in the books)
- (vi) IGST will be charged by Ashutosh because the transaction is an inter-state supply (sale).
- (vii) The term 'Contra Entry' is used in recording of transactions in Cash Book when Cash is deposited into or withdrawn from the bank. The term means that contra entries are not posted to any account since it affects Cash Account and Bank Account, which are maintained in the Cash Book itself.
- (viii) No, Bank Reconciliation Statement is not a part of Double Entry System of accounting. It is a method to reconcile the balance of Bank Account maintained in the books of account with the Customer's Account maintained by the bank.
- (ix) *Secret Reserve* is a reserve that exists but is not placed under any of the heads of reserves. It is created by providing for expenses in excess of the amount that is necessary. For example, providing excess depreciation or expenses.
- (x) Machinery Account will be debited by ₹ 1,25,000, ₹ 1,00,000 being cost of machinery and ₹ 25,000 the expense on overhauling it, which is necessary to put the machinery to use.

Question 2

A. JOURNAL OF MOHAN

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Profit and Loss A/c (Loss by Fire) ...Dr. To Insurance Co. (Being the claim of loss by firm admitted for less amount by insurance company)		2,500	2,500
(ii)	Creditors' A/c ...Dr. To Debtors' A/c (Being the common amount of debtors and creditors set off) (Note)		8,000	8,000
(iii)	Cash/Bank A/c ...Dr. Bad Debts A/c (₹ 10,000 × 60/100) ...Dr. To Manish (Being 40% recovered and balance written off on Manish's insolvency)		4,000 6,000	10,000
(iv)	Profit and Loss A/c ...Dr. To General Reserve A/c (Being the amount transferred to General Reserve)		20,000	20,000

Note: An amount of ₹ 18,000 is due from Ramesh and ₹ 8,000 is also due to Ramesh. Therefore, common amount of ₹ 8,000 is to be deducted from the debtors' balance as well as the creditors' balance.

B. Rohit
BANK RECONCILIATION STATEMENT as on 31st March, 2019

Particulars	Amount Details (₹)	Amount ₹
Balance as per Bank Statement (Cr.)		1,00,000
<i>Add:</i> Cheque recorded in Cash Book but not deposited	15,000	
As per standing instruction, bank paid in Systematic Investment Plan	15,000	
Cheques deposited but not yet Collected	50,000	
Bank charges plus CGST and SGST charged but not recorded in Cash Book	1,120	81,120
		1,81,120
<i>Less:</i> Cheque deposited in Bank but not recorded in Cash Book	10,000	
Cheques issued but not presented for payment	25,000	
Cheque of ₹ 6,000 wrongly entered in the cash column of the Cash Book	6,000	41,000
Balance as per Cash Book (Dr.)		1,40,120

Question 3

A. Kapur Watch Co., Delhi
PURCHASES BOOK

Date	Particulars	Invoice No.	L.F.	Details ₹	Cost ₹	Input CGST ₹	Input SGST ₹	Input IGST ₹	Total ₹
2019 March 2	M/s Titoni Watches, Switzerland 100 Watches @ ₹ 50,000 each <i>Add:</i> Customs Duty			50,00,000 25,00,000 75,00,000					
	<i>Add:</i> IGST @ 12 %			9,00,000 84,00,000	75,00,000	...	...	9,00,000	84,00,000

March 10	Titan Watches, Bengaluru 10 Watches @ ₹ 10,000 each Add: IGST @ 12 %			1,00,000 12,000 <u>1,12,000</u>	1,00,000	...	...	12,000	1,12,000
March 12	Timex Watches, Delhi 25 Watches @ ₹ 5,000 each Add: CGST @ 6 % SGST @ 6%			1,25,000 7,500 7,500 <u>1,40,000</u>	1,25,000	7,500	7,500	...	1,40,000
March 31					<u>77,25,000</u>	<u>7,500</u>	<u>7,500</u>	<u>9,12,000</u>	<u>86,52,000</u>

SALES BOOK

Date	Particulars	Invoice No.	L.F.	Details ₹	Sale Value ₹	Output CGST ₹	Output SGST ₹	Output IGST ₹	Total ₹
2019									
March 23	Ethos Watches, Delhi 20 Titoni Watches @ ₹ 1,00,000 each Add: CGST @ 6 % SGST @ 6%			20,00,000 1,20,000 1,20,000 <u>22,40,000</u>	20,00,000	1,20,000	1,20,000	...	22,40,000
March 25	Grand Watches, Kolkata 20 Titoni Watches @ ₹ 95,000 each Add: IGST @ 12%			19,00,000 2,28,000 <u>21,28,000</u>	19,00,000	...	...	2,28,000	21,28,000
March 30	Amazon 10 Titoni Watches @ ₹ 90,000 each 5 Titan Watches @ ₹ 12,000 each 10 Timex Watches @ ₹ 5,500 each Add: CGST @ 6 % SGST @ 6%			9,00,000 60,000 55,000 <u>10,15,000</u> 60,900 60,900 <u>11,36,800</u>	10,15,000	60,900	60,900	...	11,36,800
March 31					<u>49,15,000</u>	<u>1,80,900</u>	<u>1,80,900</u>	<u>2,28,000</u>	<u>55,04,800</u>

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2019				
March 31	Purchases A/c ...Dr. Input CGST A/c ...Dr. Input SGST A/c ...Dr. Input IGST A/c ...Dr. To M/s Titoni Watches, Switzerland To Titan Watches, Bengaluru To Timex Watches, Delhi (Being the purchase of goods)		77,25,000 7,500 7,500 9,12,000	84,00,000 1,12,000 1,40,000
March 31	Ethos Watches, Delhi ...Dr. Grand Watches, Kolkata ...Dr. Amazon ...Dr. To Sales A/c To Output CGST A/c To Output SGST A/c To Output IGST A/c (Being the goods sold)		22,40,000 21,28,000 11,36,800	49,15,000 1,80,900 1,80,900 2,28,000

M.46
An Aid to Accountancy—ISC XI
B. JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Donation A/c ...Dr. To Bank A/c (Being 2 desktop computers donated)		44,800	44,800
(ii)	Drawings A/c ...Dr. To Purchases A/c To Input CGST A/c To Input SGST A/c (Being the goods withdrawn for personal use, Input CGST and Input SGST reversed)		11,200	10,000 600 600

Question 4
A.

Delhi Cricket Club
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31st March, 2019

Dr.		Cr.	
Expenditure	₹	Income	₹
To Salaries	3,60,000	By Subscription	5,04,000
Add: Outstanding (2018–19)	40,000	Less: Received for:	
	4,00,000	2017–18	20,000
Less: Outstanding (2017–18)	36,000	2019–20	37,500
	3,64,000		57,500
To Coaches Fee	2,90,000		4,46,500
Add: Outstanding (2018–19)	35,000	Add: Outstanding (2018–19)	53,500
	3,25,000	By Coaching Fee	4,50,000
Less: Outstanding (2017–18)	25,000	By Donation (Cricket Bats)	50,000
	3,00,000	By Tournament Fee	1,00,000
To Repairs and Maintenance (Sports Facilities)	12,000	Less: Tournament Expenses	90,000
To Courier and Postage	1,500	By Interest on Fixed Deposit	5,200
To Electricity Expenses	11,500	By Interest on Savings Account	1,550
Less: Outstanding (2017–18)	3,000		
	8,500		
To Water Expenses	5,000		
Less: Outstanding (2017–18)	1,000		
	4,000		
To Stationery	2,000		
To Loss on Sale of Sports Material	1,200		
To Depreciation on:			
Furniture	3,060		
Computers	10,000		
	13,060		
To Sports Material Written off	55,000		
To Surplus—Excess of Income over Expenditure	2,55,490		
	10,16,750		10,16,750

BALANCE SHEET
as at 31st March, 2019

Liabilities	₹	Assets	₹
Subscription Received in Advance	37,500	Cash in Hand	31,550
Coaching Fee Payable	35,000	Cash at Bank	1,96,400
Salaries Payable	40,000	Fixed Deposits (₹ 14,00,000 + ₹ 4,00,000)	18,00,000
Sports Fund	2,56,000	Subscription Receivable	53,500
<i>Capital Fund:</i>		Furniture	30,600
Opening Balance	19,75,000	Less: Depreciation	3,060
Add: Surplus	2,55,490	Computers	50,000
Entrance Fee	1,00,000	Less: Depreciation	10,000
	23,30,490	Sports Material	5,50,000
			26,98,990
	26,98,990		26,98,990

Working Notes:

1. Donation of Cricket Bats will be accounted as donation received and the amount of donation as Cricket Bats (₹ 50,000) will be added to Sports Material.

2. Sports Material written off is calculated as follows:	₹
Opening Balance	3,60,000
Add: Purchases	2,00,000
Donation (Value of Cricket Bats)	50,000
	6,10,000
Less: Sports Material Sold (Book Value)	5,000
	6,05,000
Less: Value as at 31st March, 2019	5,50,000
Value of Sports Material Written off	55,000

- B. The grant received will be shown in the Receipts side of Receipts and Payments Account and on the liabilities side of the Balance Sheet, it being a specific grant for construction of Hostel for sportspersons.

Question 5

Yuvraj Singh
TRADING AND PROFIT AND LOSS ACCOUNT

Dr.	₹	Cr.	₹
Particulars		Particulars	
To Opening Stock	2,25,000	By Sales	55,72,000
To Purchases	35,64,750	By Loss of Stock by Fire A/c	15,000
To Gross Profit c/d	21,07,750	By Closing Stock	3,10,500
	58,97,500		58,97,500
To Salaries	3,60,000	By Gross Profit b/d	21,07,750
To General Expenses	17,500		
To Carriage Outwards	17,500		

M.48
An Aid to Accountancy—ISC XI

To Rent	3,00,000		
Less: Drawings	1,50,000	1,50,000	
To Provision for Doubtful Debts	27,500		
Add: Bad Debts	25,000		
	52,500		
Less: Old Provision	30,000	22,500	
To Depreciation on:			
Computers	18,000		
Building	22,000		
Furniture and Fixtures	7,550	47,550	
To Loss of Stock by Fire A/c		6,800	
To Net Profit transferred to Capital Account		14,85,900	
		21,07,750	21,07,750

BALANCE SHEET as at 31st March, 2019

Liabilities	₹	Assets	₹
Sundry Creditors	16,90,000	Cash in Hand	75,500
Bills Payable	1,75,000	Bank Balance	6,45,650
Output IGST	40,250	Add: Capital Introduced	2,00,000
Output CGST	200	Amount Received from Debtor	25,000
Output SGST	200	Sundry Debtors	6,00,000
Capital	3,83,550	Less: Debtors Written Off	50,000
Add: Capital Introduced	2,00,000		5,50,000
Net Profit	14,85,900	Less: Provision for Doubtful Debts	27,500
	20,69,450	Closing Stock	3,10,500
Less: Drawings	1,68,000	Insurance Company (claim)	10,000
	19,01,450	Computers	90,000
		Less: Depreciation	18,000
		Building	11,00,000
		Less: Depreciation	22,000
		Furniture and Fixtures	75,500
		Less: Depreciation	7,550
		Land	8,00,000
	38,07,100		38,07,100

Notes:

- Net Realisable Value (Market Value) of Closing Stock is *less* than the Cost hence, as per Prudence Concept stock is taken at lower of the two, *i.e.*, net realisable value.
- Accounting entries for loss of stock by fire:

	₹	₹
Loss of Stock by Fire A/c	16,800	
To Trading A/c		15,000
To Input CGST A/c (6% of ₹ 15,000)		900
To Input SGST A/c (6% of ₹ 15,000)		900
Insurance Company (claim)	10,000	
Profit and Loss A/c	6,800	
To Loss of Stock by Fire A/c		16,800
- Half of the premises is used for residence. Therefore, half of the rent, *i.e.*, ₹ 1,50,000 *plus* CGST and SGST @ 6% each is debited to Drawings. Input CGST and Input SGST Accounts are credited by ₹ 9,000 each, reversing the Input CGST and Input SGST.
- Input CGST, Input SGST and Input IGST Accounts shall be first adjusted against Output CGST, Output SGST and Output IGST Accounts respectively. Thereafter, balances in Output CGST and Output SGST Accounts will be ₹ 200 each and balance of Output IGST Account will be ₹ 40,250 (*i.e.*, 2,55,250 – ₹ 2,15,000).

Question 6

A. Gross Profit is ₹ 3,75,000 and Sales is ₹ 18,75,000, determined as follows:

TRADING ACCOUNT for the year ended...			
Dr.	₹	Cr.	₹
Particulars		Particulars	
To Opening Stock	50,000	By Sales (Balancing Figure)	18,75,000
To Purchases	16,50,000	By Closing Stock	1,50,000
Less: Purchases Return	60,000		
To Carriage Inwards	10,000		
To Gross Profit c/d*	3,75,000		
	20,25,000		20,25,000

*Gross Profit = 25% of ₹ 15,00,000 (i.e., ₹ 50,000 + ₹ 15,90,000 + ₹ 10,000 – ₹ 1,50,000) = ₹ 3,75,000.

Note: Salaries and Wages, being indirect expense, will be debited to Profit and Loss Account.

B. JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2019 April 1	Cash A/c ...Dr. Bank A/c ...Dr. To Capital A/c (Being the capital introduced)		1,00,000 9,00,000	10,00,000
April 2	Computer and Printer A/c ...Dr. Input CGST A/c ...Dr. Input SGST A/c ...Dr. To Bank A/c To Capital A/c (Being the computer and printer purchased for office use, an old personal computer valued at ₹ 10,000 given in exchange and balance paid by cheque)		50,000 3,000 3,000	46,000 10,000
April 3	Purchases A/c ...Dr. Input IGST A/c ...Dr. To Discount Received A/c To Bank A/c (Being the goods purchased against cheque, paid IGST @ 12%, received 2% cash discount)		2,70,000 32,400	6,048 2,96,352
April 10	Tata Sons ...Dr. To Sales A/c To Output CGST A/c To Output SGST A/c (Being the goods sold allowing 10% trade discount, cash discount of 2% is to be allowed if cheque is received within 15 days)		4,03,200	3,60,000 21,600 21,600
April 14	Stationery A/c ...Dr. Input CGST A/c ...Dr. Input SGST A/c ...Dr. To Cash A/c (Being the stationery purchased, paid CGST and SGST @ 6% each)		1,000 60 60	1,120
April 28	Bank A/c ...Dr. To Advance Against Sale A/c (Being the advance received)		2,00,000	2,00,000
April 30	Bank A/c ...Dr. To Tata Sons (Being the cheque received from Tata Sons against the sale on April 10)		4,03,200	4,03,200

M.50

Question 7

A.

MACHINERY ACCOUNT					
Dr.			Cr.		
Date	Particulars	₹	Date	Particulars	₹
2016 April 1	To Kapil Bros. (WN 1)	7,00,000	2017 Mar. 31	By Depreciation A/c (₹ 7,00,000 × 10/100)	70,000
			Mar. 31	By Balance c/d	6,30,000
		7,00,000			7,00,000
2017 April 1	To Balance b/d	6,30,000	2018 Mar. 31	By Depreciation A/c (₹ 6,30,000 × 10/100)	63,000
			Mar. 31	By Balance c/d	5,67,000
		6,30,000			6,30,000
2018 April 1	To Balance b/d	5,67,000	2018 Dec. 1	By Depreciation A/c (₹ 5,67,000 × 10/100 × 8/12)	37,800
			Dec. 1	By Bank A/c 3,20,000	
				Less: Dismantling Charges 20,000	3,00,000
			Dec. 1	By Loss on Sale of Machinery (WN 2)	2,29,200
		5,67,000			5,67,000

Working Notes:

- Total amount payable to Kapil Bros. is ₹ 7,20,000 (i.e., ₹ 1,80,000 × 4), but Machinery Account will be capitalised by ₹ 7,00,000. The extra payment of ₹ 20,000 on account of interest will be treated as revenue expenditure and charged to Profit and Loss Account of relevant accounting year. It means, interest is not added to the cost of the asset.
- Calculation of Profit/Loss on Sale of Machinery:

Particulars	₹
Cost of Machine as on 1st April, 2016	7,00,000
Less: Depreciation up to 1st December, 2018:	
2016-17 (1st Year)	70,000
2017-18 (2nd Year)	63,000
From 1st April, 2018 to 1st December, 2018 (8 months)	37,800
	1,70,800
Book Value as on 1st December, 2018	5,29,200
Less: Sale Proceeds (₹ 3,20,000 – ₹ 20,000)	3,00,000
Loss on Sale of Machinery	2,29,200

B.

STATEMENT OF AFFAIRS
as at 1st April, 2018

Liabilities	₹	Assets	₹
Bills Payable	20,000	Bank and Cash	67,100
Creditors	33,100	Stock and Debtors	1,86,000
Capital (Balancing Figure)	3,50,000	Machine	1,50,000
	4,03,100		4,03,100

STATEMENT OF AFFAIRS (BEFORE ADJUSTMENTS)
as at 31st March, 2019

Liabilities	₹	Assets	₹
Creditors	87,000	Cash in Hand	30,000
Capital (Balancing Figure)	4,92,500	Cash at Bank (As per Cash Book) (Note)	52,300
		Stock	1,34,000
		Debtors	93,200
		Machine	1,50,000
		Motorcycle	1,20,000
	<u>5,79,500</u>		<u>5,79,500</u>

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2019

Particulars	₹
Capital as on 31st March, 2019	4,92,500
Add: Drawings	45,000
Adjusted Capital at the end	<u>5,37,500</u>
Less: Capital as on 1st April, 2018	3,50,000
Profit before Adjustments	1,87,500
Less: Bad Debts	4,000
Reserve for Bad and Doubtful Debts	4,460
Depreciation on Machine	15,000
Depreciation on Motorcycle	12,000
Net Profit for the year	<u><u>1,52,040</u></u>

Note: Calculation of Bank Balance as per Cash Book:

	₹
Bank Balance as per Bank Statement	59,300
Less: Cheque issued but not yet presented for payment	7,000
Bank Balance as per Cash Book	<u><u>52,300</u></u>

Question 8

A.

JOURNAL

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
(i)	Suspense A/c ...Dr. To Purchases A/c To Sales A/c (Being the sale of goods wrongly entered in Purchases Book, now rectified)		20,000	10,000 10,000
(ii)	Suspense A/c ...Dr. To Aamir (Being Aamir wrongly debited with wrong amount, now rectified)		66,000	66,000
(iii)	Suspense A/c ...Dr. To Commission A/c (Being the excess amount debited, now rectified)		500	500
(iv)	Suspense A/c ...Dr. To Sales A/c (Being the undercast of Sales Book, now rectified)		1,000	1,000
(v)	Repairs A/c ...Dr. Suspense A/c ...Dr. To Building A/c (Being the repairs wrongly debited to Building A/c, now rectified)		4,600 1,800	6,400

Dr.		SUSPENSE ACCOUNT		Cr.	
Particulars	₹	Particulars	₹		
To Purchases A/c	10,000	By Balance b/d (Difference in Trial Balance)		89,300	
To Sales A/c	10,000	—Balancing Figure			
To Aamir	66,000				
To Commission A/c	500				
To Sales A/c	1,000				
To Building A/c	1,800				
	89,300				89,300

B. JOURNAL OF JASPRIT				
Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2019 Jan. 1	Samuel ...Dr. To Sales A/c (Being the goods sold)		1,56,000	1,56,000
Jan. 1	Bills Receivable A/c ...Dr. Bank A/c ...Dr. Discount Allowed A/c ...Dr. To Samuel (Being the acceptance and cheque received)		1,26,000 24,000 6,000	1,56,000
Jan. 1	Bank A/c ...Dr. Discounting Charges A/c ...Dr. To Bills Receivable A/c (Being the Bills Receivable discounted)		1,23,000 3,000	1,26,000
March 4	Samuel ...Dr. To Bank A/c To Discount Allowed A/c (Being the Bills Receivable dishonoured and bank paid noting charges)		1,31,846	1,27,000 4,846
March 15	Bank A/c ...Dr. Bad Debts A/c ...Dr. To Samuel (Being 40 paise in a rupee received from Samuel's estate)		52,738 79,108	1,31,846

Note: If some discount was allowed by the creditor (drawer) while taking cheque or bill, then on dishonour of cheque or bill such 'Discount Allowed' shall be written back in the books of Drawer. Thus, Discount allowed proportionally written back = ₹ 6,000 × ₹ 1,26,000 / ₹ 1,56,000 = ₹ 4,846.

Question 9

- A. (i) *Utility Software:* Utility Software is a set of computer programs used to perform supporting operations in a computer. Utility Software usually focuses on how the computer infrastructure (including the computer hardware, operating system, application software and data storage) operates. Due to this focus, utilities are often rather technical and targeted at people with an advanced level of computer knowledge.

Most Utility Softwares are highly specialised and designed to perform only a single task or a small range of tasks. However, there are also some Utility Softwares which combine several features in one piece of software.

Most major operating systems come with several pre-installed utilities. Like: Disk storage, Disk defragmenters, Disk checkers, Disk cleaners, Disk space analysers, Disk partitions, Backup, Disk compression, File managers, Anti-virus, Data compression, etc.

(ii) *Application Software*: Application Software is the user-oriented program which is designed and developed for performing certain jobs, such as accounting, word processing and designing. For example, if an enterprise has to maintain its accounts, it will install an accounting software such as Tally or Busy. Similarly, if a person has to design, he will install PageMaker or Coreldraw.

Accounting software or program used in a business depends on the size and requirements of the organisation. Softwares available off-the-shelf are Tally, Busy and many others. But Tally and Busy are the most commonly used accounting softwares. The available accounting softwares are data based and designed for use with Windows as the Operating System.

B. In the Books of Shikhar											
Dr.						Cr.					
CASH BOOK											
Date	Particulars	L.F.	Discount Allowed ₹	Cash ₹	Bank ₹	Date	Particulars	L.F.	Discount Received ₹	Cash ₹	Bank ₹
2019						2019					
Jan. 1	To Balance <i>b/d</i>			1,230	...	Jan. 1	By Balance <i>b/d</i>			...	25,750
Jan. 2	To Sales A/c			15,700	...	Jan. 3	By Bank A/c	C		15,000	...
Jan. 2	To Output CGST A/c			942	...	Jan. 7	By Bank A/c	C		7,300	...
Jan. 2	To Output SGST A/c			942	...	Jan. 10	By Purchases A/c			...	4,500
Jan. 3	To Cash A/c	C		...	15,000	Jan. 10	By Input CGST A/c			...	270
Jan. 5	To Mohan		200	7,300	...	Jan. 10	By Input SGST A/c			...	270
Jan. 7	To Cash A/c	C		...	7,300	Jan. 13	By Stationery A/c			750	...
Jan. 20	To Prabhu			...	15,000	Jan. 13	By Input CGST A/c			45	...
Jan. 25	To Bank A/c	C		4,750	...	Jan. 13	By Input SGST A/c			45	...
Jan. 31	To Balance <i>c/d</i>			...	15,540	Jan. 18	By Mohan (Note)			...	7,300
						Jan. 25	By Cash A/c	C		...	4,750
						Jan. 31	By Salary A/c			...	10,000
						Jan. 31	By Balance <i>c/d</i>			7,724	...
			200	30,864	52,840				...	30,864	52,840
Feb. 1	To Balance <i>b/d</i>			7,724	...	Feb. 1	By Balance <i>b/d</i>			...	15,540

Note: It should be noted that discount may be allowed when payment is received by cheque but this discount should be written back if the cheque is dishonoured. The entry for writing back the discount allowed should be passed through *Journal Proper*. Likewise, discount may be received when payment is made through cheque, such discount received should be written back, if the cheque is dishonoured by *Journal Proper*. However, the entry for bank will be passed through *Cash Book*.

JOURNAL PROPER

Date	Particulars	L.F.	Dr. (₹)	Cr. (₹)
2019 Jan. 18	Mohan To Discount Allowed A/c (Being the discount allowed to Mohan written back on dishonour of his cheque)	...Dr.	200	200