Recording of Transactions – II

Standard difficulty · 20 questions · 40 marks · Time: 45 minutes

Name: _____ Date: _____ Score: ____ / 40

Show your working for Sections B and C. Answers are on the last page — try every question first!

Section A — Choose the correct answer — 8 × 1 = 8 marks

1. The cash book is both a book of original entry and a:
   (a) balance sheet **(b)** voucher **(c)** trial balance **(d)** ledger account

2. In which book is this first recorded: goods returned by a customer?
   (a) sales return book **(b)** petty cash book
   (c) journal proper **(d)** cash book

3. A cash book opens with ₹17,000. Then: Received cash from Asha ₹25,000; Paid wages in cash ₹4,500; Paid rent in cash ₹11,000; Cash sales ₹6,500. What is the closing cash balance?
   (a) ₹32,000 **(b)** ₹64,000 **(c)** ₹33,000 **(d)** ₹83,000

4. Which of these is a contra entry in a double column cash book?
   (a) Withdrew cash from the bank for office use ₹15,500
   (b) Withdrew from the bank for personal use ₹14,500
   (c) Received a cheque from Vikram and deposited it into the bank ₹5,500
   (d) Paid wages in cash ₹18,000

5. A petty cashier on the imprest system was given ₹5,000. Payments: cartage ₹370, postage ₹100, cartage ₹430, stationery ₹310, stationery ₹340, refreshments ₹130. How much will the head cashier reimburse?
   (a) ₹3,320 **(b)** ₹5,000 **(c)** ₹1,680 **(d)** ₹2,050

6. The purchases book records these credit purchases: Coral Crockery: 90 dinner sets at ₹1,620 each, less 10% trade discount; Silverline Footwear: 90 sandals at ₹840 each, less 20% trade discount; Bluebell Stores: 70 school bags at ₹850 each, less 5% trade discount. With what total is the purchases account debited?
   (a) ₹2,49,225 **(b)** ₹2,48,225 **(c)** ₹2,80,900 **(d)** ₹1,17,005

7. A double column cash book opens with cash ₹29,000 and bank ₹50,000. Then: Paid wages in cash ₹24,000; Received a cheque from Meera and deposited it into the bank ₹19,000; Cash sales ₹17,000; Received cash from Meera ₹21,000; Paid rent in cash ₹4,500. What is the closing bank balance?
   (a) ₹38,500 **(b)** ₹69,000 **(c)** ₹50,000 **(d)** ₹71,000

8. Goods were bought on credit from Meera for ₹35,000 and ₹30,000; goods of ₹2,500 were returned and ₹37,000 was paid. What is the balance of Meera's account?
   (a) ₹30,500 **(b)** ₹25,500 **(c)** ₹28,000 **(d)** ₹62,500

Section B — Short answer — 8 × 2 = 16 marks

9. What is a cash book?

10. In which book is each first recorded? (a) the opening entry at the start of the year (b) goods returned by a customer

11. Find the closing balance of a single column cash book: opening balance ₹17,000; Cash sales ₹13,000; Paid rent in cash ₹2,500; Paid wages in cash ₹18,000; Received cash from Vikram ₹12,000.

12. A double column cash book opens with cash ₹14,000 and bank ₹39,000. Find (a) the closing cash balance (b) the closing bank balance. (1) Received a cheque from Nisha and deposited it into the bank ₹5,000. (2) Paid wages in cash ₹9,000. (3) Bought goods and paid by cheque ₹4,500. (4) Paid Pooja by cheque ₹22,500. (5) Cash sales ₹15,000.

13. Imprest ₹5,000. Petty payments: conveyance ₹390, postage ₹400, postage ₹380, stationery ₹170, stationery ₹110, refreshments ₹430. Find (a) the total spent (b) the balance with the petty cashier.

14. Find the total of the sales book: Bluebell Stores: 100 school bags at ₹570 each, less 10% trade discount; Rainbow Toys: 100 toy cars at ₹270 each, less 5% trade discount. Which account is credited with it?

15. Write the totals and postings of the sales return book: Rohan returned goods of ₹3,000 and Anita returned goods of ₹1,000.

16. Karan, a customer, returns goods worth ₹3,500 bought on credit. (a) Which note does the firm send to Karan? (b) In which book does the firm record the return? (c) Which account is credited?

Section C — Word problems — 4 × 4 = 16 marks

17. Explain the advantages of special purpose books.

18. Prepare a double column cash book (cash and bank) from: opening balances cash ₹8,000, bank ₹53,000; (1) Cash sales ₹10,500; (2) Paid wages in cash ₹11,000; (3) Received a cheque from Ishaan and deposited it into the bank ₹7,000; (4) Received cash from Nisha ₹10,000; (5) Withdrew from the bank for personal use ₹2,000; (6) Paid rent in cash ₹10,000. Balance it.

19. A petty cashier receives an imprest of ₹4,000. Payments during the week: (1) postage ₹110; (2) refreshments ₹100; (3) stationery ₹390; (4) conveyance ₹400; (5) cartage ₹260; (6) conveyance ₹240. Prepare the analysis: (a) the total of each column (b) the total spent (c) the balance carried down (d) the amount reimbursed.

20. Prepare the purchases book of a trader from these credit purchases, and show how it is posted: (1) Coral Crockery: 60 dinner sets at ₹2,150 each, less 5% trade discount; (2) Kite Stationers: 100 notebooks at ₹190 each, less 20% trade discount; (3) Amber Textiles: 20 towels at ₹310 each, less 10% trade discount.

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Answer key

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Q	Answer	Working
1	**(d) ledger account**	—
2	**(a) sales return book**	—
3	**(c) ₹33,000**	₹17,000 + receipts − payments = ₹33,000
4	**(a) Withdrew cash from the bank for office use ₹15,500**	It affects both the cash and the bank columns
5	**(c) ₹1,680**	Reimbursement = amount spent = ₹1,680
6	**(b) ₹2,48,225**	90 × ₹1,620 − 10% = ₹1,31,220; 90 × ₹840 − 20% = ₹60,480; 70 × ₹850 − 5% = ₹56,525
7	**(b) ₹69,000**	₹50,000 + bank receipts − bank payments
8	**(b) ₹25,500**	₹65,000 − ₹2,500 − ₹37,000: a credit balance (owed to Meera)
9	**A book in which all cash receipts and payments are recorded in date order; it is a book of original entry and also the cash account.**	—
10	**(a) journal proper (b) sales return book**	—
11	**₹21,500**	₹17,000 + ₹25,000 − ₹20,500
12	**(a) ₹20,000; (b) ₹17,000**	Contra entries change both columns
13	**(a) ₹1,880; (b) ₹3,120**	₹5,000 − ₹1,880
14	**₹76,950; the sales account**	₹51,300 + ₹25,650
15	**Total ₹4,000: Sales Return A/c debited with ₹4,000; Rohan's account credited with ₹3,000 and Anita's with ₹1,000.**	—
16	**(a) a credit note; (b) the sales return book; (c) Karan's account**	Sales Return A/c Dr. ₹3,500; To Karan A/c ₹3,500
17	**Work is divided among staff, entries are made faster, similar transactions are grouped, posting is easier (totals are posted), errors and fraud are easier to find.**	—
18	**Receipts (Dr.): To Balance b/d: cash ₹8,000, bank ₹53,000; To Sales A/c: cash ₹10,500; To Ishaan A/c: bank ₹7,000; To Nisha A/c: cash ₹10,000 Payments (Cr.): By Wages A/c: cash ₹11,000; By Drawings A/c: bank ₹2,000; By Rent A/c: cash ₹10,000; By Balance c/d: cash ₹7,500, bank ₹58,000 Totals: cash ₹28,500, bank ₹60,000 on**	Closing cash ₹7,500, bank ₹58,000

Q	Answer	Working
	each side. Contra entries are marked C.	
19	**(a) Postage ₹110, Stationery ₹390, Conveyance ₹640, Cartage ₹260, Refreshments ₹100 (b) ₹1,500 (c) ₹2,500 (d) ₹1,500, which restores the imprest to ₹4,000**	₹110 + ₹390 + ₹640 + ₹260 + ₹100 = ₹1,500
20	**(1) Coral Crockery: ₹1,29,000 − 5% = ₹1,22,550** **(2) Kite Stationers: ₹19,000 − 20% = ₹15,200** **(3) Amber Textiles: ₹6,200 − 10% = ₹5,580** **Total ₹1,43,330: Purchases A/c debited with ₹1,43,330; each supplier's account credited with its net amount.**	Trade discount is deducted in the book itself and never posted