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शक्तिउत्थानआश्रमलखीसरायबिहार

Class 11 commerce   Sub. ACT Date 17.01.2021

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Trial Balance and Rectification of Errors

Question 21:

Trial balance of Madan did not agree and he put the difference to suspense account. He discovered the following errors:

(a) Sales return book overcast by Rs 800.
(b) Purchases return to Sahu Rs 2,000 were not posted.
(c) Goods purchased on credit from Narula Rs 4,000 though taken into stock, but no entry was passed in the books.
(d) Installation charges on new machinery purchased Rs 500 were debited to sundry expenses account as Rs 50.
(e) Rent paid for residential accommodation of madam (the proprietor) Rs 1,400 was debited to Rent account as Rs 1,000.

Rectify the errors and prepare suspense account to ascertain the difference in trial balance.

ANSWER:

Journal

S. No.	Particulars		L.F.	Debit Amount Rs	Credit Amount Rs
(a)	Suspense A/c	Dr.		800	
	To Sales Return A/c				800
	(Sales Return Book overcast by Rs 800, now rectified)				
(b)	Sahu	Dr.		2,000	
	To Purchases Return A/c				2,000
	(Goods returned to Sahu, were **not** posted, now rectified)				
(c)	Purchases A/c	Dr.		4,000	
	To Narula				4,000
	(Goods purchased from Narula were **not** posted, now rectified)				

(d)	Machinery A/c	Dr.	500	
	To Sundry Expense A/c			50
	To Suspense A/c			450
	(Installation charges on machinery Rs 500 wrongly debited to Sundry Expenses Account as Rs 50, now rectified)			
(e)	Drawings A/c	Dr.	1,400	
	To Rent A/c			1,000
	To Suspense A/c			400
	(Rent paid for residential accommodation of proprietor as 1,400, was posted to Rent Account as Rs 1,000, now rectified)			

Suspense Account

Dr.   Cr.

S. No.	Particulars	J.F.	Amount Rs	S. No.	Particulars	J.F.	Amount Rs
(a)	Sales Return		800	(d)	Machinery		450
	Balance c/d		50	(e)	Drawings		400
			850				850

Note: As per the solution Suspense Account shows a credit balance of Rs 50. However, as per the answer given in the book, it is a credit balance of Rs 2050. In order to match answer with the book item (b) is taken as, 'Purchases return to Sahu Rs 2,000 were not posted to Sahu's Account.' Thus, the rectifying entry for this error will be as:

      Sahu's A/c   Dr.   2,000
        To Suspense A/c   2,000

Question 22:
Trial balance of Kohli did not agree and showed an excess debit of Rs 16,300. He put the difference to a suspense account and discovered the following errors:
  (a) Cash received from Rajat Rs 5,000 was posted to the debit of Kamal as Rs 6,000.
  (b) Salaries paid to an employee Rs 2,000 were debited to his personal account as Rs 1,200.

(c) Goods withdrawn by proprietor for personal use Rs 1,000 were credited to sales account as Rs 1,600.

(d) Depreciation provided on machinery Rs 3,000 was posted to Machinery account as Rs 300.

(e) Sale of old car for Rs 10,000 was credited to sales account as Rs 6,000. Rectify the errors and prepare suspense account.

ANSWER:

Journal

S. No.	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
(a)	Suspense A/c Dr.		11,000	
	To Rajat			5,000
	To Kamal			6,000
	(Cash received from Rajat Rs 5,000 wrongly posted in the debit of Rajat's Account as Rs 6,000, now rectified)			
(b)	Salaries A/c Dr.		2,000	
	To Employee			1,200
	To Suspense A/c			800
	(Salaries paid to employee wrongly posted to Employee's Account as Rs 1,200, now rectified)			
(c)	Sales A/c Dr.		1,600	
	To Suspense A/c			600
	To Purchases A/c			1,000
	(Goods drawn by proprietor for personal use Rs 1,000 wrongly credited to Sales Account as Rs 1,600, now rectified)			
(d)	Suspense A/c Dr.		2,700	
	To Machinery A/c			2,700
	(Depreciation on machinery Rs 3,000 wrongly credited to Machinery Account as Rs 300, now rectified)			
(e)	Sales A/c Dr.		6,000	
	Suspense A/c Dr.		4,000	
	To Car A/c			10,000

(Sale of old car for Rs 10,000 wrongly posted to Sales Account
as Rs 6,000, now rectified)

Suspense Account

Dr.   Cr.

S. No.	Particulars	J.F.	Amount Rs	S. No.	Particulars	J.F.	Amount Rs
(a)	Rajat		5,000		Balance b/d		16,300
	Kamal		6,000	(b)	Salaries		800
(d)	Machinery		2,700	(c)	Sales		600
(e)	Car		4,000				
			17,700				17,700