

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 11 commerce Sub. ACT Date 19.01.2021

Teacher name – Ajay Kumar Sharma

Trial Balance and Rectification of Errors

Question 25:

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

- (a) In the sales book for the month of January total of page 2 was carried forward to page 3 as Rs 1,000 instead of Rs 1,200 and total of page 6 was carried forward to page 7 as Rs 5,600 instead of Rs 5,000.
- (b) Wages paid for installation of machinery Rs 500 was posted to wages account as Rs 50.
- (c) Machinery purchased from R & Co. for Rs 10,000 on credit was entered in Purchase Book as Rs 6,000 and posted there from to R & Co. as Rs 1,000.
- (d) Credit sales to Mohan Rs 5,000 were recorded in Purchases Book.
- (e) Goods returned to Ram Rs 1,000 were recorded in Sales Book.
- (f) Credit purchases from S & Co. for Rs 6,000 were recorded in sales book. However, S & Co. was correctly credited.
- (g) Credit purchases from M & Co. Rs 6,000 were recorded in Sales Book as Rs 2,000 and posted there from to the credit of M & Co. as Rs 1,000.
- (h) Credit sales to Raman Rs 4,000 posted to the credit of Raghvan as Rs 1,000.
- (i) Bill receivable for Rs 1,600 from Noor was dishonoured and posted to debit of Allowances account.
- (j) Cash paid to Mani Rs 5,000 against our acceptance was debited to Manu.
- (k) Old furniture sold for Rs 3,000 was posted to Sales account as Rs 1,000.
- (l) Depreciation provided on furniture Rs 800 was not posted.
- (m) Material Rs 10,000 and wages Rs 3,000 were used for construction of building. No adjustment was made in the books.

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

ANSWER:

S. No.	Particulars	L.F.	Debit Amount Rs	Credit Amount Rs
(a)	Sales A/c To Suspense A/c (Net balance of Sales Book overcasted by Rs 400, now rectified)	Dr.	400	400
(b)	Machinery A/c To Wages A/c To Suspense A/c (Wages paid for installation of machinery wrongly posted as Rs 50 to Wages Account, now rectified)	Dr.	500	50 450
(c)	Machinery A/c Suspense A/c To Purchases A/c To R & Co. A/c (Purchased machinery from R & Co. Rs 10,000 wrongly posted to Purchases Book as Rs 6,000 and posted to R & Co. Account Rs 1,000, now rectified)	Dr. Dr.	10,000 5,000	6,000 9,000
(d)	Mohan To Sales A/c To Purchases A/c	Dr.	10,000	5,000 5,000

	(Goods sold to Mohan Rs 5,000 wrongly recorded in the Purchases Book, now rectified)			
(e)	Sales A/c	Dr.	1,000	
	To Purchases Return A/c			1,000
	(Goods returned to Ram wrongly recorded in the Sales Book, now rectified)			
(f)	Purchases A/c	Dr.	6,000	
	Sales A/c		6,000	
	To Suspense A/c			12,000
	(Purchased goods from S & Co. wrongly recorded in the Sales Book; however, correctly credited to S & Co. Account, now rectified)			
(g)	Purchases A/c	Dr.	6,000	
	Sales A/c	Dr.	2,000	
	To M & Co.			5,000
	To Suspense A/c			3,000
	(Purchased goods from M & Co. Rs 6,000 wrongly recorded in Sales Book as Rs 2,000 and credited to M & Co. Account as Rs 1,000, now rectified)			
(h)	Raman	Dr.	4,000	
	Raghvan	Dr.	1,000	
	To Suspense A/c			5,000

	(Sold goods to Raman Rs 4,000 wrongly posted to the credit of Raghavan's Account as Rs 1,000, now rectified)			
(i)	Noor A/c	Dr.	1,600	
	To Allowance A/c			1,600
	(B/R dishonoured, which was received from Noor, wrongly debited to Allowance Account instead of Noor, now rectified)			
(j)	Bills Payable A/c	Dr.	5,000	
	To Manu			5,000
	(Amount of Bill Payable paid to Mani wrongly debited to Manu's Account, now rectified)			
(k)	Sales A/c	Dr.	1,000	
	Suspense A/c	Dr.	2,000	
	To Furniture A/c			3,000
	(Old furniture sold for Rs 3,000 wrongly posted to Sales Account as Rs 1,000, now rectified)			
(l)	Depreciation A/c	Dr.	800	
	To Furniture A/c			800
	(Depreciation on furniture was not posted, now rectified)			
(m)	Building A/c	Dr.	13,000	
	To Purchases A/c			10,000

	To Wages A/c		3,000
(Material Rs 10,000 and wages Rs 3,000 that were used for construction of building were not recorded, now rectified)			

Note: In item (m), it has been assumed that the materials used in the construction of building are part of stock in trade.

Suspense Account

Dr. **Cr.**

S. No.	Particulars	J.F.	Amount Rs	S. No.	Particulars	J.F.	Amount Rs
(c)	Purchases		5,000	(a)	Sales		400
(k)	Furniture		2,000	(b)	Machinery		450
				(f)	Purchases		6,000
					Sales		6,000
				(g)	Purchases		3,000
				(h)	Raman		4,000
	Balance c/d		13,850		Raghvan		1,000
			20,850				20,850
			20,850				20,850