

# VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 11 commerce Sub. ACT Date 13.9.2020

Teacher name – Ajay Kumar Sharma

## Recording of Transactions-I

### Illustration 3

Prove that the accounting equation is satisfied in all the following transactions of Sita Ram house by preparing the analysis table. Also record the transactions in Journal.

- (i) Business commenced with a capital of Rs. 6,00,000.
- (ii) Rs. 4,50,000 deposited in a bank account.
- (iii) Rs. 2,30,000 Plant and Machinery Purchased by paying Rs. 30,000 cash immediately.
- (iv) Purchased goods worth Rs. 40,000 for cash and Rs. 45,000 on account.
- (v) Paid a cheque of Rs. 2,00,000 to the supplier for Plant and Machinery.
- (vi) Rs. 70,000 cash sales (of goods costing Rs. 50,000).
- (vii) Withdrawn by the proprietor Rs. 35,000 cash for personal use.
- (viii) Insurance paid by cheque of Rs. 2,500.
- (ix) Salary of Rs. 5,500 outstanding.
- (x) Furniture of Rs. 30,000 purchased in cash.

### Solution

#### Journal

Date	Particulars	L.F.	Debit Amount Rs.	Credit Amount Rs.
(i)	Cash A/c Dr. To Capital A/c (Business started with cash)		6,00,000	6,00,000
(ii)	Bank A/c Dr. To Cash A/c (Cash deposited into the bank)		4,50,000	4,50,000
	Total c/f		10,50,000	10,50,000

	Total c/f		10,50,000	10,50,000
(iii)	Plant and Machinery A/c Dr. To Cash A/c To Creditors A/c (Purchase of plant and machinery by paying Rs. 30,000 cash and balance on a later date)		2,30,000	30,000 2,00,000
(iv)	Purchases A/c Dr. To Cash A/c To Creditors A/c (Bought goods for cash as well as on credit)		85,000	40,000 45,000
(v)	Creditor's A/c Dr. To Bank A/c (Payment made to the supplier of plant and machinery)		2,00,000	2,00,000
(vi)	Cash A/c Dr. To Sales A/c (Sold goods on profit)		70,000	70,000
(vii)	Drawings A/c Dr. To Cash A/c (Withdrew cash for personal use)		35,000	35,000
(viii)	Insurance A/c Dr. To Bank A/c (Paid insurance by cheque)		2,500	2,500
(ix)	Salary A/c Dr. To Outstanding salary A/c (Salary outstanding)		5,500	5,500
(x)	Furniture A/c Dr. To Cash A/c (Furniture purchased for cash)		30,000	30,000
	Total		17,08,000	17,08,000

#### Test Your Understanding - II

State the title of the accounts affected, type of account and the account to be debited and account to be credited :

	Rs
1. Bhanu commenced business with cash	1,00,000
2. Purchased goods on credit from Ramesh	40,000
3. Sold goods for cash	30,000
4. Paid salaries	3,000
5. Furniture purchased for cash	10,000

**Statement showing the effect of various transaction on accounting equation**  
(Figures in rupees)

No.	Cash	Bank	Stock	Furniture	Plant and Machinery	Total	=	Non-trade Creditors	Trade Creditors	Capital	Total
1	6,00,000	-	-	-	-	6,00,000	=	-	-	6,00,000	6,00,000
2	6,00,000 (4,50,000)	4,50,000 4,50,000	-	-	-	6,00,000 2,00,000	=	-	-	6,00,000	6,00,000
3	1,50,000 (30,000)	-	-	-	2,30,000	8,00,000	=	2,00,000	-	-	2,00,000
4	1,20,000 (40,000)	4,50,000	-	-	2,30,000	8,00,000	=	2,00,000	-	600,000	8,00,000
5	80,000	4,50,000 (2,00,000)	85,000	-	2,30,000	8,45,000	=	2,00,000 (2,00,000)	45,000	600,000	8,45,000
6	80,000 70,000	2,50,000	85,000 (50,000)	-	2,30,000	6,45,000	=	-	45,000	6,00,000	20,000
7	1,50,000 (35,000)	2,50,000	35,000	-	2,30,000	6,65,000	=	-	45,000	6,20,000	20,000
8	1,15,000	2,50,000 (2,500)	35,000	-	2,30,000	6,30,000	=	-	45,000	(35,000)	6,65,000
9	1,15,000 (30,000)	2,47,500	35,000	-	2,30,000	6,27,500	=	-	45,000	5,85,000	6,30,000
10	1,15,000 (30,000)	2,47,500	35,000	30,000	2,30,000	6,27,500	=	5,500	45,000	(2,500)	6,27,500
	85,000	2,47,500	35,000	30,000	2,30,000	6,27,500	=	5,500	45,000	5,77,000	6,27,500