

Ledger

Solution 1

Cash Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan. 1	To Balance b/d	8,000	Jan. 1	By Purchases A/c	3,800
Jan. 4	To Vijay A/c	1,980	Jan. 8	By Plant A/c	300
Jan. 15	To Rahim A/c	300	Jan 31	By Balance c/d	7,180
Jan. 18	To Sales A/c	1,000			
		11,280			11,280
Feb.1	To Balance b/d	7,180			

Bank Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	25,000	Jan 31	By Balance c/d	25,000
		25,000			25,000
Feb.1	To Balance b/d	25,000			

Inventory Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	20,000	Jan 31	By Balance c/d	20,000
		20,000			20,000
Feb.1	To Balance b/d	20,000			

Building Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	10,000	Jan 31	By Balance c/d	10,000
		10,000			10,000
Feb.1	To Balance b/d	10,000			

Vijay Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	2,000	Jan 4	By Cash A/c	1,980
			Jan 4	By Discount Allowed A/c	20
		2,000			2,000

Madhu Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	2,000	Jan 31	By Balance c/d	2,000
		2,000			2,000
Feb.1	To Balance b/d	2,000			

Anand Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	5,000	Jan 1	By Balance b/d	5,000
		5,000			5,000
			Feb.1	By Balance b/d	5,000

Kapil Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	7,000	Jan 1	By Balance b/d	7,000
		7,000			7,000
			Feb.1	By Balance b/d	7,000

Capital Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	55,000	Jan 1	By Balance b/d	55,000
		55,000			55,000
			Feb.1	By Balance b/d	55,000

Purchases Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Cash A/c	3,800	Jan 31	By Balance c/d	4,000
Jan 1	To Discount Rec. A/c	200			
		4,000			4,000
Feb.1	To Balance b/d	4,000			

Discount Received Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	200	Jan 1	By Purchases A/c	200
		200			200
			Feb.1	By Balance b/d	200

Discount Allowed Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 4	To Vijay A/c	20	Jan 31	By Balance c/d	20
		20			20
Feb.1	To Balance b/d	20			

Plant Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 8	To Mukesh A/c	5,000	Jan 31	By Balance c/d	5,300
Jan 8	To Cash A/c	300			
		5,300			5,300
Feb.1	To Balance b/d	5,300			

Mukesh Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	5,000	Jan. 8	By Plant A/c	5,000
		5,000			5,000
			Feb.1	By Balance b/d	5,000

Sales Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	1,600	Jan. 12	By Rahim A/c	600
			Jan. 18	By Cash A/c	1,000
		1,600			1,600
			Feb.1	By Balance b/d	1,600

Rahim Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 12	To Sales A/c	600	Jan 15	By Cash A/c	300
			Jan 15	By Bad Debts A/c	300
		600			600

Bad Debts Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 15	To Rahim A/c	300	Jan 31	By Balance c/d	300
		300			300
Feb.1	To Balance b/d	300			

Solution 2

Journal Entries

S.No	Particulars	L.F.	Debit	Credit
1.	Cash A/c Dr.		20,000	
	To Capital A/c			20,000
	(Being commencement of business)			
2.	Purchases A/c Dr.		4,000	
	To Y A/c			4,000
	(Being purchase of goods for credit)			
3.	Y A/c Dr.		2,000	
	To Cash A/c			2,000
	(Being cash paid to Y)			
4.	Z A/c Dr.		4,000	
	To Sales A/c			4,000
	(Being sale of goods)			
5.	Cash A/c Dr.		6,000	
	To Z A/c			6,000
	(Being cash received from Z)			
6.	Purchases A/c Dr.		4,000	
	To Y A/c			4,000
	(Being purchase of goods)			
7.	Y A/c Dr.		2,000	
	To Cash A/c			2,000
	(Being cash paid to Y)			
8.	Z A/c Dr.		4,000	
	To Sales A/c			4,000
	(Being sale of goods)			
9.	Cash A/c Dr.		2,000	
	To Z A/c			2,000
	(Being cash received from Z)			

Cash Account

Date	Particulars	Amount	Date	Particulars	Amount
	To Capital A/c	20,000		By Y A/c	2,000
	To Z A/c	6,000		By Y A/c	2,000
	To Z A/c	2,000	Jan 31	By Balance c/d	24,000
		28,000			28,000
Feb.1	To Balance b/d	24,000			

Capital Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	20,000		By Cash A/c	20,000
		20,000			20,000
			Feb.1	By Balance b/d	20,000

Purchase Account

Date	Particulars	Amount	Date	Particulars	Amount
	To Y A/c	4,000	Jan 31	By Balance c/d	8,000
	To Y A/c	4,000			
		8,000			8,000
Feb.1	To Balance b/d	8,000			

Y's Account

Date	Particulars	Amount	Date	Particulars	Amount
	To Cash A/c	2,000		By Purchase A/c	4,000
	To Cash A/c	2,000		By Purchase A/c	4,000
Jan 31	To Balance c/d	4,000			
		8,000			8,000
			Feb.1	By Balance b/d	4,000

Z's Account

Date	Particulars	Amount	Date	Particulars	Amount
	To Sales A/c	4,000		By Cash A/c	6,000
	To Sales A/c	4,000		By Cash A/c	2,000
		8,000			8,000

Sales Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 31	To Balance c/d	8,000		By Z	4,000
				By Z	4,000
		8,000			8,000
			Feb.1	By Balance b/d	8,000

Solution 3

Stationary Account

Date	Particulars	Amount	Date	Particulars	Amount
Jan 1	To Balance b/d	480	Jan 31	By Balance c/d	2,560
Jan 5	To Bank A/c	800			
Jan 15	To Five star Stationary Mart A/c	1,280			
		2,560			2,560
Feb 1	To Balance b/d	2,560			

Solution 4

- (i) Ledger is known as principal books of accounts as it provides full information regarding all the transactions pertaining to any individual account. Ledger contains all set of accounts (viz. personal, real and nominal accounts)
- (ii) Rules regarding posting of entries in the ledger:
1. Separate account is opened in ledger book for each account and entries from journal are posted to respective ledger account accordingly.

2. It is a practice to use words 'To' and 'By' while posting transactions in the ledger. The word 'To' is used in the particular column with the accounts written on the debit side while 'By' is used with the accounts written in the particular column of the credit side. These 'To' and 'By' do not have any meanings but are used to the account debited and credited.
3. The concerned account debited in the journal should also be debited in the ledger but reference should be of the respective credit account.