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## STP COMPUTER EDUCATION

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SUBJECT:- TALLY ERP - 9

### Chapter 3 Journal Entries

**Meaning of a Journal:** A Journal is the primary book of accounts in which transactions are first recorded in a chronological order, i.e., as they are entered into. Transactions are recorded in the Journal book from the accounting voucher that is prepared on the basis of source documents, i.e., cash memo, invoices, purchase bills, etc.)

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## GOLDEN RULES OF ACCOUNTING

TYPES OF ACCOUNT	DEBIT	CREDIT
Personal Account	The Receiver	The Giver
Real Account	What Comes In	What Goes out
Nominal Account	Expenses and Losses	Income and Gains

Personal Accounts are those accounts which represent persons and organisations. Examples include:-

- Suppliers
- Customers
- Corporate bodies and institutions

Real Accounts are those accounts which represent assets. Examples include:-

- Buildings
- Furniture
- Cash

Nominal Accounts are accounts where income and expenses are recorded. Examples include:-

- Sales
- Cost of goods sold
- Salary Expense

ACCOUNT	DEBIT ( Dr. )	CREDIT ( Cr. )
Assets Account	Increase	Decrease
Liabilities Account	Decrease	Increase
Capital Account	Decrease	Increase
Revenue Account	Decrease	Increase
Expense Account	Increase	Decrease

## Format of journal entries

Date	Particulars	I/f	Dr. Amount	Cr. Amount

### Examples of Journal Entries : -

1) Purchase Furniture In cash ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Furniture A/c -----Dr. To Cash A/c -----Cr.		2000	2000

2) Purchase Furniture through cheque ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Furniture A/c -----Dr. To Bank A/c -----Cr.		2000	2000

3) Purchase goods from Ankit on credit ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Purchase A/c -----Dr. To Ankit A/c -----Cr.		2000	2000

4) Purchase goods from Ankit in cash ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Purchase A/c -----Dr. To Cash A/c -----Cr.		2000	2000

5) Sold Furniture In cash ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Cash A/c -----Dr. To Furniture A/c -----Cr.		2000	2000

6) Sold Furniture through cheque ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Bank A/c -----Dr. To Furniture A/c -----Cr.		2000	2000

7) Sold goods to Ankit on credit ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Ankit A/c -----Dr. To Sales A/c -----Cr.		2000	2000

8) Sold goods to Ankit in cash ..... 2000

Date	Particulars	I/f	Dr. Amount	Cr. Amount
	Cash A/c -----Dr. To Sales A/c -----Cr.		2000	2000

# Questions

## 1. Journalise the following transactions.

a) Purchase goods from Ram on Credit.	15,000
b) Purchase goods from Ram in cash.	10,000
c) Cash paid to Ram.	5,000
d) Cheque Paid to Ram.	10,000
e) Sold goods to Shyam Credit.	20,000
f) Sold goods to Shyam in Cash.	15,000
g) Cash Received from Shyam.	8,000
h) Cheque Received from Shyam.	12,000
i) Salary Paid in Cash.	15,000
j) Rent Received Through Cheque.	10,000

## 2. Journalise the following transactions of Mr. Satish:

a) Rahul started business with cash	10,000
b) Paid into bank	6,000
c) Bought goods from M/s S. Singh & Co. on credit	2,000
d) Purchased furniture	200
e) Purchased adding machine	800
f) Purchased typewriter	600
g) Paid for postage	15
h) Sold goods for cash	400
i) Sold goods on credit to M/s. Sharda & Co.	1,000
j) Paid to M/s. S. Singh & Co.	1,950
k) Discount allowed by them	50
l) Sold goods to M/s. Ray & Co.	560
m) Received cheque from M/s. S. Sharda & Co. (In full settlement of amount due from them)	975
n) Paid for electric charges	10
o) Paid salary	150
p) Paid rent by cheque	200
q) Drew for private use	350

**3. The following are the transactions of R. Singh & Co. for the month of July. You are required to journalise them:**

a) Started business with cash	8,000
b) Cash paid into Bank	5,000
c) Bought stationary for cash	30
d) Bought goods for cash	2,100
e) Bought postage stamp	10
f) Sold goods for cash	750
g) Bought office furniture from Bannerjee Bros.	500
h) Sold goods to Mahendra	1,000
i) Received cheque from Mahendra	1,000
j) Paid Banneries Bros. by cheque	500
k) Sold goods to Vinod & Co.	500
l) Bought goods from S. Sharma & Bros.	700
m) Bought goods for cash from S. sanjay & Co.	225
n) Sold goods to P. Puneet	350
o) Vinod & Co. paid on account	250
P) Paid S. sharma & Bros. by cheque n full settlement	685
q) Paid Salaries	250

**4. Write up the following transactions in the Journal of Ashok, and post them to Ledger for April, 2006:**

a) Commenced business with cash	40,000
b) Deposited in bank	30,000
c) Bought goods for cash	5,000
d) Sold goods to Amit	2,500
e) Bought goods from Parvat	5,100
f) Received cash from sumit	1,950
g). Discount allowed	50
h) Paid cash to Parvat	3,900
i) Discount allowed	1200
j) Received cash for goods sold	2,750
k) Bought goods from Mohit	2,350
l) Withdrew for private expenses	1,000
m) Received cash from Sumit and deposited into bank	500
n) Paid sundry trade expenses	250
o) Paid Rent	450

p) Paid cash to Mohit	2,300
q) Discount allowed	50
r) Goods sold to Romy	4,750
s) Paid for carriage	50

