

CA. Naresh Aggarwal's

ACADEMY of ACCOUNTS

Accounting • Costing • Taxation • Financial Management

West Patel Nagar, New Delhi. Ph:8800215448. Website: www.academyofaccounts.org

Self Balancing Ledgers

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Q-1: The undermentioned particulars have been extracted from the books of Mr. A. You are required to prepare the Sales Ledger Adjustment A/c as on 30.06. 2017 :

	Rs.
Balance as on 01.01.2017	45,000
Credit Sales	95,000
Cash Sales	53,250
Cash Received from Debtors	75,000
Discount Allowed	480
Bills Accepted	7,120
Returns Inwards	5,430
Bills Receivable Dishonoured	1,120
Bad Debts Written off	3,890
Amount Received against bad debts written off last year	175
Sundry Charges debited to customers	500
Transfers to Bought Ledger	100
<i>[Closing Balance: Rs.49,600]</i>	

Q-2: Mr. Tyagi has maintained his account on self-balancing system. From the following information, prepare the necessary adjustment accounts in the respective ledgers:

	Rs.
Balance as on 01.01.2017	45,000
Creditors Balance on 01.01.2017	90,200
Creditors Balance on 01.01.2017 (Debit)	5,500
Credit purchases during the year	2,45,200
Cash paid to Creditors during the year	1,60,000
Bills payable accepted during the year	1,05,000
Goods returned to Creditors	5,200
Discount received from creditors	5,400
Creditors Balance on 31.12.2017 (Debit)	6,800
Transfer from Creditors Ledger to Debtors Ledger	5,000
<i>[Closing Balance: Rs.56,100]</i>	

Q-3: From the following information, prepare necessary Ledger Adjustment Account in respective Ledgers of Mr. Amandeep who has maintained his accounts on Self-Balancing System :

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Debtors Debit Balance on 01.04.2017	40,000
Debtors Credit Balance on 01.04.2017	5,000
Credit sales to Debtors	1,50,000
Cash received from Debtors	80,000
Bills accepted by Debtors	50,000
Bills dishonoured by Debtors	10,000
Discount allowed to Debtors	2,000
Sales Returns from Debtors	15,000
Debtors Credit Balance on 31.03.2018	5,000
<i>[Closing Balance: Rs.53,000]</i>	

Q-4: The following information is given to you for April you are required to prepare in General Ledger :

(a) Sales Ledger Adjustment Account, (b) Bought Ledger Adjustment Account

	Rs.
Debtors on 1st April	2,00,000
Creditors on 1st April	1,00,000
Credit sales	4,00,000
Credit purchases	1,90,000
Cash received from Debtors	2,80,000
Discount allowed	14,000
Bad Debts written off	7,000
B/R Received	15,000
Cash paid to suppliers	1,50,000
B/P issued	60,000
Cash purchases	3,000
Discount received	4,000
Cash Sales	2,000
<i>[Debtors Closing Balance: Rs.2,84,000; Creditors Closing Balance: Rs.76,000]</i>	

Q-5: In a business three ledgers are in use viz. (1) A Creditors Ledger, (2) A Debtors Ledger and (3) A General Ledger. The following is the summary of the transactions with the debtors and creditors of the business for the month of January. Open the necessary adjustment accounts in the respective ledgers:

	Rs.
Debtors Balance on 1st January	40,000
Creditors Balance 1st January	46,250
Credit Sales	24,500
Credit Purchases	11,250
Received cash from Debtors	19,500
Discount allowed to them	500
Cash paid to Creditors	24,960
Discount allowed by them	540
Received Bills Receivable	7,500

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Bills Payable accepted	3,750
Returns Outwards	1,500
Returns Inwards	2,195
Allowance to Debtors	....	....	....	680
Allowance from Creditors	....	....	....	375
Bad Debts written off	....	....	....	1,125
Bills Receivable dishonoured	....	....	....	940

[Debtors Closing Balance: Rs.26,375; Creditors Closing Balance: Rs.33,940]

Q-6: Assuming that the system of self-balancing has been introduced, show how the General Ledger Adjustment Account will appear in the Debtors' as well as Creditors Ledger from the following information

Balance as on 1st April 2016:	Debit (Rs.)	Credit (Rs.)
Debtors Ledger	35,700	500
Creditors Ledger	300	27,800

Figures for the year ended 31st March, 2017:		Rs.	
Cash received from customers	....	....	1,60,400
Discounts and allowances allowed to them	....	....	4,500
Bad Debts written off	....	....	6,000
Transfer from Debtors Ledger to Creditors	....	....	4,000
Payments to Creditors	....	....	95,000
Discount and allowance allowed by them	....	....	2,700
Credit Purchases	....	....	1,10,000
Credit Sales	....	....	1,85,000
Purchase Returns	....	....	1,400
Sales Returns	....	....	2,600
B/R Received	....	....	7,500
B/P accepted	....	....	5,000

[Debtors Closing Balance: Rs.35,200; Creditors Closing Balance: Rs.29,400]

Q-7: From the following information, prepare Sales Ledger Adjustment Account as would appear in the General Ledger:

		Rs.	
Sales Ledger (Debtors) balance on 1.1.2017	....	....	44,910
Purchase Ledger (Creditors) balances on 1.1.2017	....	....	32,170
Receipts from Customers	5,46,420

(including Rs.760 in respect of debts written off in 2015)

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Cash Sales	50,000
Credit Sales	5,81,270
Returns Outwards	4,250
Returns Inwards	8,630
Bad Debts written off	....	....	10,410
Discounts allowed by suppliers	....	....	2,510
Cash received from suppliers in respect of over payment	....	....	480
Increase provision for Bad Debts on 31.12.2017	....	....	1,240
Sales Ledger credit balance as on 31.12.2017	....	....	820

[Debtors Closing Balance: Rs.62,300]

Note: Provision for Bad Debts will not effect debtors balance hence ignored

Q-8: There are three self-balancing ledgers in use in a business viz. a Purchase Ledger, a Sales Ledger and a General Ledger. From the following particulars, write up the necessary adjustment accounts as they would appear in the General Ledger:

Balance as on 1st April 2016:		Rs.	
Debtors Balance in General Ledger Adjustment A/c	....	....	(Cr.) 60,500
Creditors Balance in General Ledger Adjustment A/c	....	....	(Dr.) 38,500

Figures for the year ended 31st March, 2017:		Rs.	
Credit sales during the year	....	....	40,000
Cash sales during the year	....	....	12,800
Cash purchases during the year	....	....	16,390
Credit purchases during the year	....	....	26,400
Creditors paid off during the year	....	....	35,200
Received through bank from Debtors	....	....	48,200
Discount Allowed to the business	....	....	375
Discount Allowed by the business	....	....	450
Returns Inwards	....	....	1,225
Returns Outwards	....	....	875
Accepted Bills payable during the year	....	....	3,200
Bills Receivable received	....	....	4,800
Bills Receivable dishonoured	....	....	200
Interest charged for dishonoured bills	....	....	15
Trade discount during the year	....	....	975
Bad Debts	....	....	375
Transfer from one ledger to another	....	....	195

Goods of the sales value of Rs.300 were returned by the customer for which fresh goods were issued. Though a credit note was issued for the return of the goods, the sales invoice was inadvertently not prepared for the issue of fresh goods.

[Debtors Closing Balance: Rs.45,470; Creditors Closing Balance: Rs.25,055]

Q-9: Prepare Purchases and Sales Ledger adjustment accounts as would appear in the Nominal Ledger from the following particulars:

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Balance as on 1st April 2016:	Debit (Rs.)	Credit (Rs.)
Balance on Purchase Ledger	174	2,388
Balance on Sales Ledger	2,924	48
Figures for the year ended 31st March, 2017:		Rs.
Purchases	13,036
Purchase Returns	512
Cash paid to suppliers	11,686
Discount Received	336
Sales	17,498
Sales Returns	234
Cash received from Customers	15,248
Discount Allowed	564
Bills Payable	450
Bills Receivable	824
Transfer from Purchases Ledger Sales Ledger	152
Purchases Ledger Balance (Debit)	154
Sales Ledger Balance (Credit)	84

[Debtors Closing Balance: Rs.3,436; Creditors Closing Balance: Rs.2,268]

Q-10: A firm has three ledgers in use viz. Debtors, Creditors Ledger and Nominal Ledger. Prepare Adjustment Accounts:

	Rs.
01.01.2017 : Balance of Debtors	16,000
01.01.2017 : Balance of Creditors	18,500

Transaction for the month of January are as follows :

Credit Purchases	....	4,500
Paid to Creditors	....	9,875
Received from Debtors	....	7,800
Returns Inward	....	875
B/P accepted	....	1,500
Bad Debts	....	450
Allowance to Debtors Allowance	275
Sales	9,800
Discount Received	325
Discount Allowed	200

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B/R Received	3,000
Returns Outward	600
Allowance from Creditors	150
B/R Dishonoured	375

[Debtors Closing Balance: Rs.14,025; Creditors Closing Balance: Rs.10,550]

Q-11. Prepare (i) the Creditors' Ledger Adjustment Account, and (ii) the Debtors' Ledger Adjustment Account as would appear in the General Ledger of M/s Hindustan Traders for the year ending from the following information:

Balance as on 1st April 2016:	Debit (Rs.)	Credit (Rs.)
Creditors Ledger	2,610	35,820
Debtors Ledger	43,860	720

Transactions during the year	Rs.
Purchases	1,98,540
Purchases Returns	7,680
Sales	2,62,470
Sales Returns	3,510
Cash Received from Debtors	2,28,630
Discount Allowed	8,460
Cash Paid to the Creditors	1,75,290
Discount Received	4,980
Cash Refunded to the Debtors	520
Bills Receivable received	12,360
Bills Payable issued	6,750
Bills Receivable dishonoured	750
Transfer from Bought to Sales Ledger	100
Transfer from Sales to Bought Ledger	40

Balances as on 31st March 2017:	Debit (Rs.)	Credit (Rs.)
Creditors Ledger	2,310	?
Debtors Ledger	?	1,360

[Debtors Closing Balance: Rs.55,140; Creditors Closing Balance: Rs.39,220]

Q-12: From the following particulars, prepare Debtors Ledger Adjustment Account and Creditors Ledger Adjustment Account in the General Ledger:

Balance as on 1st April 2016:	Debit (Rs.)	Credit (Rs.)
Creditors Ledger	100	45,000
Debtors Ledger	40,000	500

Transactions during the year	Rs.
Credit Purchases	2,00,000
Credit Sales	2,82,000
Purchase Returns	8,500

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Cash Sales	1,00,000
Cash Purchases	50,000
Cash Received from Debtors	2,32,000
Discount Allowed	....	....	....	8,000
Cash paid to Creditors	....	....	....	1,60,000
Discount Allowed by Creditors	....	....	....	5,000
Bills Payable issued	....	....	....	7,500
Bad Debts written off	....	....	....	2,000
Bills Receivable dishonoured	....	....	....	2,700
Transfer from Bought Ledger to Sales Ledger	....	....	....	1,300
Bad Debts already written off, now recovered	....	....	....	200
Sales Returns	....	....	....	3,500
Bills Receivable received	12,000

[Debtors Closing Balance: Rs.65,400; Creditors Closing Balance: Rs.61,700]

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