

Q31. Rectify the following errors:

- I. Sale of old furniture worth 3,000 treated as Sales of goods.
- II. Sales Book added 5,000 short.
- III. Rent of Proprietor's residence, 6,500 debited to Rent Account.
- IV. Goods worth 11,970 returned by Manav posted to his debit as 11,790.

Solution -**Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	Sales A/c .....Dr To Furniture A/c (Being sale account wrongly credited instead of furniture account, now rectifies)		3,000	3,000
2	Suspense A/c ....Dr To Sales A/c (Being Sales Book was under credited, now rectified)		5,000	5,000
3	Drawings A/c ....Dr To Rent A/c (Being Rent Account wrongly debited instead of drawing account, now rectified)		6,500	6,500
4	Suspense A/c .....Dr To Manav's A/c (Being Manav Account was wrongly debited by 11,790 instead of 11,970, now rectified)		23,760	23,760

Q32. There was a difference in the Trial Balance of M/s. Jain & Sons, Prepared for the year ended 31st March, 2009. The accountant put the difference in Suspense Account.(old question)
The following errors were found:

- I. Purchases Return Book total 400 has not been posted to Ledger Account**
 - II. 5,100 spent on legal expense for the newly acquired Building was debited to the Building Account as 1,500.**
 - III. A sale of 6,540 to Rajat has been credited to his account.**
- Rectify the errors and show the Suspense Account with Nil Closing balance.**

Solution – Books of M/s Jain & Sons
Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	<p>Suspense A/c .....Dr</p> <p>To Purchases Return A/c</p> <p>(Being Purchased Return account not debited in Purchases book, now rectified)</p>		400	400

2	Building A/c To Suspense A/c (Being Building account short debited by 3,600, now rectified)	....Dr		3,600	3,600
3	Rajat's A/c To Suspense A/c (Being Goods Sold to Rajat of 6,540 was wrongly to Credit of his account instead to debt in his account, now rectified)	....Dr		13,080	13,080

Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
	To Balance b/d		17,080		By Creditors A/c		400
					By Building A/c		3,600
					By Rajat's A/c		13,080
			17,080				17,080

Q32. Give the Journal entries to rectify the following errors:

- I. Purchases Book was overcast by 1,000.
- II. Installation charges on new machinery purchased 500 were debited to Sundry Expenses Account as 50.
- III. Radhey Shyam returned goods worth 500 which were entered in the Purchases Return Book.
- IV. Goods taken by the proprietor for 5,000 have not been entered in the books at all.

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	<p>Suspense A/c .....Dr</p> <p>To Purchases A/c</p> <p>(Being Purchases Book was over debited, now rectifies)</p>		1,000	1,000
2	<p>Machinery A/c .....Dr</p> <p>To Sundry Expense A/c</p> <p>To Suspense A/c</p> <p>(Being Sundry Expense Account debited by 50 instead of Machinery account by 500, now rectified)</p>		500	50 450
3	<p>Sales Return A/c ....Dr</p> <p>Purchases Return A/c ....Dr</p> <p>To Radhey Shyam's A/c</p> <p>(Being Purchases Return Book wrongly credited instead of Sales book, now rectified)</p>		500 500	1,000
4	<p>Drawings A/c .....Dr</p> <p>To Purchases A/c</p> <p>(Being material withdrawn by the proprietor for personal use was not recorded, now rectified)</p>		5,000	5,000

Q33. Rectify the following errors:

- I. The total of one page of Sales Book was carried forward as 370 instead of 317.**
- II. 540 received from Yatin were posted to the debit of his Account.**
- III. Purchases Return Book was overcast by 300.**
- IV. An item of 1,062 entered in Sales Return Book had been posted to the debit of customer who returned the goods.**
- V. 1,500 paid for furniture purchased had been charged to ordinary Purchase Account.**

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Sales A/c .....Dr To Suspense A/c (Being Sales Book over Carried of by 54, now rectifies)		54	54
2	Cash A/c ....Dr To Yatin A/c (Being an amount of 540 received from Yatin wrongly posted to the debit side of his account, now rectified)		540	540
3	Purchases Return A/c ....Dr To Suspense A/c		300	300

	(Being Purchases Return Book was over credited by 300, now rectified)			
4	<p>Suspense A/c .....Dr</p> <p>To Customer's A/c</p> <p>(Being Goods Return by Customer 1,062 was posted wrongly to the debit of his account, now rectified)</p>		2,124	2,124
5	<p>Furniture A/c ....Dr</p> <p>To Purchases A/c</p> <p>(Being Purchases Account wrongly debited instead of Furniture account, Now rectified)</p>		1,500	1,500

Q35. Rectify the following errors by passing Journal entries:

- I. Old furniture sold for 500 has been credited to Sales Account.
- II. Machinery purchased on credit from Raman for 2,000 recorded through Purchases Book as 16,000.
- III. Cash received from Rajat 5,000 was posted to the debit of Bhagat as 6,000.
- IV. Depreciation provided on machinery 3,000 was posted to Machinery Account as 300.(old question)

Solution – Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	<p>Sales A/c .....Dr</p>		500	

	<p>To Furniture A/c</p> <p>(Being Sale account wrongly credited instead of sale of old Furniture, now rectifies)</p>			500
2	<p>Machinery A/c .....Dr</p> <p>Raman's A/c .....Dr</p> <p>To Purchases A/c</p> <p>(Being Purchase account wrongly credited by 16,000 instead of machinery account as 2,000, now rectified)</p>		<p>2,000</p> <p>14,000</p>	16,000
3	<p>Suspense A/c .....Dr</p> <p>To Bhagat's A/c</p> <p>To Rajat's A/c</p> <p>(Being Bhagat account wrongly debited as 6,000 instead of Rajat's account as 5,000, now rectified)</p>		11,000	<p>6,000</p> <p>5,000</p>
4	<p>Suspense A/c .....Dr</p> <p>To Machinery A/c</p> <p>(Being Machinery account short credited 300 instead of 3,000 Re-credited machinery account by 2,700, now rectified)</p>		2,700	2,700

Q34. Rectify the following errors by passing Journal entries:

- I. A sum of 470 received from Ganga was posted to her debit as 740.
- II. A debit balance of 550 in the personal account of Mr. Jhon was undercast.
- III. Bills Receivable from Brown for 3,000 posted to the credit of Bills Payable Account and credited to Brown's Account.
- IV. Goods returned by Mridul 225 have been entered in the Returns Outward Book.

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Suspense A/c (740+470) .....Dr To Ganga's A/c (Being Ganga account wrongly debited by 740 instead of credit to Ganga 470 now rectifies)		1,210	1,210
2	Mr.John's A/c .....Dr To Suspense A/c (Being Mr. John's Personal account was under Debited by 550, now rectified)		550	550
3	Bills Payable A/c .....Dr Bills Receivable A/c .....Dr To Suspense A/c (Being Bills Payable account wrongly credited instead of Bills Receivable, now rectified)		3,000 3,000	6,000

4	Sales Return A/c	.....Dr		225	
	Purchases Return A/c	.....Dr		225	
	To Mridul's A/c				450
	(Being Return Outward book wrongly recorded in the Return Inwards Book, now rectified)				

Q35. While trying to close his books for the year ended 31st March, 2014, Mahesh found that the Trial Balance did not agree. He traced the following errors:

- I. In the Sales Book for the month of January total of page no. 2 was carried forward to Page No. 3 as 1,000 instead of 1,200 and total of Page No. 6 was carried forward to Page No. 7 as 5,600 instead of 5,000.
- II. Goods returned to Ram 1,000 were recorded in the Sales Book.
- III. Bill Receivable for 1,600 from Noor was Dishonoured and posted to debit of Allowances Account.

Solution – In the Books of Mr. Mahesh
Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Sales A/c	.....Dr	400	
	To Suspense A/c			400
	(Being Sale book was under debited by 200, now rectifies)			

2	Sales A/c To Purchases Return A/c (Being Sales Book was wrongly Credited instead of Purchases Return account, now rectified)	....Dr		1,000	1,000
3	Noor's A/c To Allowances A/c (Being Allowances account wrongly debited instead of Noor's account, now rectified)	....Dr		1,600	1,600

Q36. Pass the rectification entries for the following transaction:

- I. An Amount of 2,000 received from Mohan on 1st April, 2024 had been entered in the Cash Book as having been received on 31st March, 2024.
- II. The balance in the account of Rahim 1,000 had been written off as bad but no other account has been debited.
- III. An addition in the Returns Inward Book has been cast 100 short.
- IV. A cheque for 200 drawn for the Petty Cash Account has been posted in the account of Asif.
- V. A discounted bill of exchange for 20,000 returned by the firm's bank had been credited to the Bank Account and Debited to Bills Receivable Account. A cheque was received later from the customer for 20,000 and duly paid.
- VI. Ramesh's Account was credited with 840 twice instead of once.

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Mohan's A/c .....Dr To Cash A/c (Being Cash received from Mohan, wrongly debited to his account, now rectifies)		2,000	2,000
2	Bad Debts A/c ....Dr To Suspense A/c (Being Bad Debt of Rahim was not posted to Bad Debts account, now rectified)		1,000	1,000
3	Return Inwards A/c ....Dr To Suspense A/c (Being Return Inward Book was under debited, now rectified)		100	100
4	Petty Cash A/c .....Dr To Asif's A/c (Being Asif account wrongly debited instead of Petty cash account, now rectified)		200	200
5	Customer A/c .....Dr To Bills Receivable A/c (Being A discounted bill dishonoured wrongly debited to bill receivable, Now rectified)		20,000	20,000
6	Ramesh's A/cDr To Suspense A/c		840	840

	(Being twice credited Ramesh's account, Now rectified)			
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Q37. Pass the rectification entries for the following transaction:

- I. Repairs to plant amounting to 2,000 had been charged to plant and machinery account.
- II. An entry of ₹ 1,450 representing the selling price of goods returned to Mohan had been made in Return Outwards Book and posted. The amount should have been ₹ 1,300, the invoice value of the good in question.
- III. A cheque for 8,500 received from Sandesh was credited to the account of Ramesh.
- IV. Goods to the value of 7,000 returned by Prateek were included in closing stock, but no entry was made in the books.
- V. Goods costing 5,000 were purchased for various members of the staff and the cost was included in 'Purchases'. A similar amount was deducted from the salaries of the staff members concerned and the net payments to them debited to Salaries Account.
- VI. Credit purchase of old machinery from Sohan for 1, 70,000 was entered in the Purchase Book as purchase from Mohan for 7, 10,000. 30,000 paid as repairing charges on the reconditioning of a newly purchased second hand machinery were debited to General Expenses Account.
- VII. Debit and Credit totals of discount columns in the Cash Book which come to 400 and 370 respectively have not been posted to Discount Account.

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Repair A/c .....Dr To Plant and Machinery A/c		2,000	2,000

	(Being Plant and Machinery account wrongly debited by 2,000, now rectified)			
2	Return outward A/c .....Dr To mohan A/c (Being return outward overcost, now rectified)		150	150
3	Ramesh A/c .....Dr To Sandesh A/c (Being Ramesh account wrongly credited instead of Sandesh account, now rectified)		7,500	7,500
4	Sales Return A/c .....Dr To Prateek A/c (Being Good returned but forget to enter in the book, now rectified)		7,000	7,000
5	Salaries A/c .....Dr To Purchases A/c (Being Purchase account wrongly debited instead of credit, Now rectified)		5,000	5,000
6	Machinery A/c .....Dr Mohan's A/c .....Dr To Purchases A/c To Sohan's A/c		2,00,000 7,10,000	7,10,000 1,70,000

	To General Expenses A/c (Being Purchases account wrongly debited by 7,10,000, Now rectified)			30,000
7 a	Discount Allowed A/c .....Dr To Suspense A/c (Being Debit column of discount allowed not posted in the books, Now rectified)		400	400
7 b	Suspense A/c .....Dr To Discount Received A/c (Being Credit column of discount allowed not posted in the books, now rectified)		370	370

Preparation of Suspense Account:-

Q-38 There was a difference in the Trial Balance of M/s. Jain & Sons, prepared for the year ended 31st March, 2024. The accountant put the difference in Suspense Account. The following errors were found:

(i) Purchases Return Book total Rs. 400 has not been posted to Ledger Account.

(ii) Rs. 5,100 spent on legal expense for the newly acquired Building was debited to the Building Account as Rs. 1,500.

(iii) A sale of Rs. 6,540 to Rajat has been credited to his account.

Rectify the errors and show the Suspense Account with Nil closing balance.

Solution -

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	<p>Suspence A/c .....Dr</p> <p>To purchase return A/c</p> <p>(Being purchase return book total was not poted to purchase return account, now rectify)</p>		400	400
2	<p>building A/c ....Dr</p> <p>To suspence A/c</p>		3600	3600

	(Being 5,100 spent on legal expense for the newly acquired Building was debited to the Building Account as Rs. 1,500, now rectify)			
3	Rajat A/c .....Dr To suspense A/c (being sale of Rs. 6,540 to Rajat has been credited to his account now rectified)		13080	13080

Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
	To purchase return a/c		400		By Building a/c		3600
	To difference in the trial balance		16280		By rajat a/c		13080
			16680				16680

Q39. A Trial Balance disclosed a difference of 417 placed on the credit side of the Suspense Account. Later on the following errors were located:

- I. Goods worth 200 purchased from Sohan had been posted to his account as 250.**
- II. A purchase of furniture for 500 was recorded in the Purchases Book.**
- III. Instead of crediting Gian's Account with 512, it was debited with 215.**
- IV. Goods worth 130 returned by Gian were entered in the Sales Book and posted there from to the credit of Gian's Personal Account.**

Pass the rectifying entries and prepare a Suspense Account.

Solution -

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Sohan's A/c .....Dr To Suspense A/c (Being Sohan's account over credited now debit with excess amount)		50	50
2	Furniture A/c ....Dr To Purchases A/c (Being Purchases Book wrongly debited instead of furniture account, now rectified)		500	500
3	suspence A/c ....Dr To Gian's A/c (Being instead of Gain Account credited by 512 it was debited by 215, now rectified)		727	727
4	Sales Return A/c .....Dr		130	

	Sales A/c To Suspense A/c (Being Sales account wrongly credited instead of Sales returned account, now rectified)Dr		130	260
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Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
	To Gian's A/c		727		By Balance b/d		417
					By Sohan's A/c		50
					By Sales Return A/c		130
							130
			727		By Sales A/c		727

Q40. There was a difference of 720 in the Trial Balance which has been transferred to the credit side of the Suspense Account. Pass the Rectifying entries and prepare a Suspense Account to rectify the following errors:

- I. An amount of 375 now posted on the debit side of the Commission Account instead of 275.
- II. Credit amount of 260 posted to the debit of the Personal Account as 360.
- III. Goods sold to Surinder recorded in Purchases Book 300.
- IV. D's bill for erection of godown at a cost of 1,200 has been charged to the Repairs Account.

Solution –

Journal Entries

S.No	Particulars	L.F	Debit	Credit
1	Commission A/c.....Dr		100	

	To Cash A/c (Being Commission account was wrongly debited by 100, now rectified)			100
2	suspence A/c Dr To Personal A/c (Being Purchases Book wrongly debited instead of furniture account, now rectified)		620	620
3	Surinder A/c ....Dr To Sales A/c To purchase a/c (Being sale to Surinder wrongly posted in Purchase Book instead of Sales book, now rectified)		600	300 300
4	Godown A/c .....Dr To repair A/c (Being bill for erection of godown at a cost of 1,200 has been charges to the Repair Account, now rectified)		1,200	1,200

Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
	To Commission A/c		100		By Balance b/d		720
	To Personal A/c		620				
			720				720