



**JOURNAL**

| <b>Date</b> | <b>Particulars</b>   | <b>L.F.</b> | <b>Debit Amount<br/>(₹)</b> | <b>Credit Amount<br/>(₹)</b> |
|-------------|--|-------------|-----------------------------|------------------------------|
| (i)         | No entry will be passed for receiving order  |             |                             |                              |
| (ii)        | Bank A/c<br>To AK & Co.<br>(Advance received from AK & Co.)  | Dr.         | 25,000                      | 25,000                       |
| (iii)       | Outstanding Salaries A/c<br>To Cash/Bank A/c<br>(Outstanding salaries paid)                              | Dr.         | 40,000                      | 40,000                       |
| (iv)        | Bharat<br>To Sales A/c<br>To Output IGST A/c<br>(Sold goods to Bharat, charged IGST @ 12%)               | Dr.         | 11,200                      | 10,000<br>1,200              |
|             | Returns Inward A/c<br>Output IGST A/c<br>To Bharat<br>(Goods returned by Bharat so Output IGST reversed) | Dr.<br>Dr.  | 2,000<br>240                | 2,240                        |
| (v)         | Feroz<br>To Bank A/c<br>(Cheque of Feroz deposited with bank got dishonoured)                            | Dr.         | 20,000                      | 20,000                       |



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|------|---|------|---------------------|----------------------|
|      | (vi) Cash A/c Dr.<br>Bad Debts A/c Dr.<br>To Feroz<br>(Amount received from Feroz and remaining became bad)       |      | 8,000<br>12,000     | 20,000               |
|      | (vii) Cheques in Hand A/c Dr.<br>To Mohan<br>(Cheque received from Mohan)   |      | 25,000              | 25,000               |
|      | Bank A/c Dr.<br>To Cheques in Hand A/c<br>(Mohan's cheque deposited into bank)                                    |      | 25,000              | 25,000               |
|      | (viii) Purchases A/c Dr.<br>Input IGST A/c Dr.<br>To Barun<br>(Goods purchased from Barun with IGST @ 12%)        |      | 10,000<br>1,200     | 11,200               |
|      | Arun Dr.<br>To Sales A/c<br>To Output IGST A/c<br>(Goods sold to Arun, charging IGST @ 12%)                       |      | 22,400              | 20,000<br>2,400      |
|      | (ix) Returns Inward A/c Dr.<br>Output IGST A/c Dr.<br>To Arun<br>(Goods returned by Arun so Output IGST reversed) |      | 6,000<br>720        | 6,720                |



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|-------------|---|-------------|-----------------------------|------------------------------|
|             | Barun Dr.<br>To Returns Outward A/c<br>To Input IGST A/c<br>(Goods returned to Barun so Input IGST reversed)  |             | 3,360                       | 3,000<br>360                 |
| (x)         | Purchases A/c Dr.<br>Input IGST A/c Dr.<br>To Bank A/c<br>(Goods purchased with 12% IGST)   |             | 2,00,000<br>24,000          | 2,24,000                     |
| (x)         | Bank A/c Dr.<br>To Sales A/c<br>To Output CGST A/c<br>To Output SGST A/c<br>(Goods sold charging CGST and SGST @ 6% each)                             |             | 2,80,000                    | 2,50,000<br>15,000<br>15,000 |
| (xi)        | Insurance Premium A/c Dr.<br>Input CGST A/c Dr.<br>Input SGST A/c Dr.<br>To Bank A/c<br>(Insurance premium paid & Input CGST & Input SGST recognised) |             | 10,000<br>600<br>600        | 11,200                       |
| (xii)       | Cash A/c Dr.<br>To Capital A/c<br>(Further capital introduced by the proprietor)  |             | 1,00,000                    | 1,00,000                     |



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|------|--|------|---------------------------------|----------------------------|
|      | (xiii) Insurance Co. Dr.<br>Loss of Stock by Fire A/c Dr.<br>To Purchases A/c<br>To Input CGST A/c<br>To Input SGST A/c<br>(Loss of goods by fire recoverable from Insurance Co Rs. 75,000 remaining loss hence Purchases, Input CGST and Input SGST reversed) |      | 75,000<br>37,000                | 1,00,000<br>6,000<br>6,000 |
|      | (xiv) Machinery A/c Dr.<br>Input IGST A/c Dr.<br>To Bank A/c<br>(Purchase of machinery, cartage & installation capitalized, Input IGST recognized)   |      | 65,000<br>6,000                 | 71,000                     |
|      | (xv) Bank A/c Dr.<br>Discount Allowed A/c (45,000x2%) Dr.<br>To Sales A/c [(40,000x125%)x90%]<br>To Output CGST A/c (45000-900)*6%<br>To Output SGST A/c (45000-900)*6%<br>(Sale of goods allowed trade & cash discount charging Output CGST and Output SGST)  |      | 49,392<br>900                   | 45,000<br>2,646<br>2,646   |
|      | (xvi) Machinery A/c Dr.<br>Bank Charges A/c Dr.<br>Input CGST A/c [(50,000+500)x6%]<br>Input SGST A/c [(50,000+500)x6%]<br>To Bank A/c<br>(Machinery purchased with demand draft)  |      | 50,000<br>500<br>3,030<br>3,030 | 56,560                     |



**Working Note Item (xv)**

Let Sales = 100

Profit on Sales = 20

Cost =  $100 - 20 = 80$

Profit on Cost =  $20/80 = 25\%$

