

Class: 10

Subject: Accounting

Chapter: 06 (Journal)

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Important Topics Exposition:

[The important information of this chapter has been provided here at a glance.]

1. The details of the transaction are recorded as the transaction takes place – In Journal.
2. Initially the transaction is recorded – In Journal.
3. Debit and credit aspects of the transaction are analyzed – In Journal.
4. Acts as a helper for preparing Ledger – Journal.
5. The total number and quantity of transactions is known – From Journal.
6. Error and faults of transactions inclusion and the possibility of being excluded from the Ledger reduces – through Journal transcription.
7. Rectification Journal, Adjusting Journal, Closing Journal, Opening Journal And Other Journal are called – Journal Proper.
8. Purchase Journal, Sales Journal And Cash Receipt Journal – are included in Special Journal.
9. All types of cash receipts are recorded – In Cash Receipt Journal.
10. Accounts are not written – in the name of goods, products, cheques etc.
11. If goods cash money, any asset which is stolen or destroyed, then these are recorded – In Miscellaneous Expense Account.
12. Taking any advantage from the owner, in that case the credit aspect will be – Capital Account.
13. Giving advantage to the owner, in that case the debit aspect will be – Drawings Account.
14. Assist in the preparation of Financial Statements – Adjusting Journal.
15. Income receivable or received in advance, depreciation and bad debt are included – In Adjusting Journal.
16. Through closing account – Revenue Income And Expenses, Drawings Account are closed.
17. Based on Invoices it is prepared – Purchase Journal And Sales Journal.
18. If the cost associated with the purchase and sale of the goods are included in the invoice, it is paid by – the buyer.
19. **Total Price = Purchase Price – Trade Discount + Purchase Related Cost.**
20. The source document of Purchase Return Journal is – Debit Note.
21. The source document of Sales Return Journal is – Credit Note.

CQs for Self-assessment:

1. Abu Talib sold and bought different kinds of goods. During the month of March, 2018 he received following goods from his debtors for various reasons:-

March-02	Returned from Hasan Traders of Comilla, 230kg onion at Tk. 40 per kg. Trade Discount @5%.
March-25	Returned from Habib & Sons of Rajshahi, 10 quintals rice at Tk. 80 per quintal. Trade discount @ 7%.

Requirement:

- a) Find out the amount of discount.
- b) Prepare a Debit Note for the transaction of 25th March, 2018.
- c) Prepare a Sales Return Book.

2. Following transactions occurred in the business of SK Grocery Shop:-

July – 01	Purchase 400 kg of rice Tk. 28 per kg from Rahim & Brothers @ 3% discount.
July – 02	80 kg dal Tk. 40 per kg returned to Hoq Store.
July – 05	Sold 40 kg onion Tk. 35 kg to CK Store allowing 5% discount. Invoice No – 308. Packing charge 100.
July – 08	50 kg rice returned to Rahim & Brothers since it was not according to sample. Debit Note – 234.
July – 10	10 liter of oil Tk. 40 per liter is returned from Latif Store due to inferior quality. Trade discount 20%, Credit Note – 134.
July – 23	5 kg of onion is returned from CK Store due to excess delivery.

Requirement:

- Prepare an Invoice for the transaction of June – 5.
- Prepare a Purchase Return Journal of SK Grocery Shop.
- Prepare a Sales Return Journal of SK Grocery Shop.

3. Md. Junayed is a businessman. In March 2018 his transactions were as follows:-

March – 01	Withdrew from bank for business Tk. 14,000.
March – 05	Sold goods to Mr. Ezaz Tk. 12,000 allowing 5.5% discount. Invoice no – 117.
March – 07	Goods purchased by cheque Tk. 5,000.
March – 09	Loan taken from Reham Tk. 10,000.
March – 18	Sold goods to Mr. Sakib Tk. 20,000 allowing @6% discount. Invoice no. 118 & Packing Charge Tk. 500.
March – 25	Rent paid in advance Tk. 2,000.
March – 29	Cash withdraw Tk. 1,000.

Requirement:

- What is the amount of sales discount of Mr. Junayed for the month of May?
- Prepare a Sales Journal from the above transactions.
- Record the above transactions of Mr. Junayed in General Journal except sales journal transactions.

4. Mr. Abid is a Computer trader. On January 2018 the following transactions occurred in his business:-

January – 01	10 Computers purchased from Rahi Computers at Tk. 42,000 each. Trade discount @5%. Invoice no – 501. Carriage expenses Tk. 1,000.
January – 10	8 Computers purchased from Akhi Computers at Tk. 45,000 each. Invoice no – 502. Trade discount @8% and packing expense Tk. 1,000.
January – 30	2 Computers returned to Rahi Computers due to inferior quality. Debit note no – 601.

Requirement:

- What is the total amount of incidental expenses of Mr. Abid Computers to purchase in January?
- Prepare a Debit Note considering the above transaction of January.
- Prepare a Purchase Journal of Mr. Abid Computers from the above transactions.

MCQs for Self-Assessment:

1. Which type of journal should be used for advance wages of Tk. 5,000?
a) Rectifying entry
b) Closing entry
c) Adjusting entry
d) Opening entry
2. By which journal drawings account is closed?
a) Opening
b) Adjustment
c) Closing
d) Rectification
3. Where does goods purchase on credit recorded?
a) Proper journal
b) Purchase journal
c) Opening journal
d) Sales journal

[Considering the following information, answer the question no. 4 & 5.]

Mr. Sayeem Trader's sales to Hisam Traders 5% discount Tk. 30,000, sales condition 3/15, net 40.

4. What type of discount according to the stem?
a) Sales discount
b) Discount allowed
c) Discount received
d) Trade discount
5. If Hisam Traders payment his debt the money within 10 days. How many discount money is received?
a) Tk. 855
b) Tk. 1,425
c) Tk. 900
d) Tk. 1,500
6. Which one is needed for recording the income accrued in the statement of financial position?
a) Posting to ledger
b) Preparing worksheet
c) Adjusting entries
d) Closing entries
7. It is to be closed through closing journal -
i) Sales account
ii) Income tax
iii) Creditors account
Which one is correct?
a) i & ii
b) ii & iii
c) i & iii
d) i, ii & iii
8. Which item maintain is not compulsory?
a) Journal
b) Ledger
c) Cash book
d) Financial statement
9. Where the transaction should record before recording in ledger for reducing the possibility of mistake?
a) In complete book
b) In journal
c) In trial balance
d) In cash book
10. Which is purchase journal prepared based on?
a) Invoice
b) Debit note
c) Credit note
d) Cash memo
11. In the cash payment journal, we record –
a) Machinery sale
b) Receipt from debtors
c) Purchase
d) Sales
12. Which one will be included in sales journal?
a) Sales on credit
b) Sales old furniture
c) Sales on cash
d) Sales on bill
13. Which one is known from journal?
a) Account of buyers assets
b) Account of income and expenditure
c) Total number and quantity of transactions
d) Quantity of liabilities
14. Mr. Saikot purchased furniture Tk. 10,000 for resale. The furniture is – for his business.
a) Expense
b) Asset
c) Income
d) Equity
15. Which one is increased for interest on bank overdraft?
a) Goods
b) Service
c) Asset
d) Equity
16. For outstanding salary which account is to be debited in journal?
a) Salary
b) Salary payable
c) Outstanding salary
d) Cash
17. For depreciation on machinery which account is to be credited?
a) Depreciation
b) Machinery
c) Accumulated depreciation
d) Both a & b

18. Which one is recorded in journal proper?
 i) Goods purchase on credit Tk. 5,000
 ii) Assets purchase on credit Tk. 20,000
 iii) Bad debt written off Tk. 1,000
 Which one is correct?
 a) i & ii
 b) ii & iii
 c) i & iii
 d) i, ii & iii
19. Which one of the following would cause total assets to be decreased by Tk. 10,000?
 i) Depositing Tk. 10,000 in the bank
 ii) Collecting Tk. 10,000 from debtors
 iii) Paid to creditors Tk. 10,000
 Which one is correct?
 a) i & ii
 b) ii & iii
 c) i & iii
 d) i, ii & iii
20. Sale of furniture in case of furniture trading business is?
 a) Revenue income
 b) Deferred revenue income
 c) Capital income
 d) Capital expenditure
- [Considering the following information, answer the question no. 21 & 22.]**
 on the 20th July 2018, Mr. Rupam purchase goods from Kanak Traders for Tk. 30,000; at discount of 10%. The condition was 2/10 net 30 for collection dues.
21. What amounts will Mr. Rupam in his book of account for the transaction?
 a) Tk. 3,000
 b) Tk. 30,000
 c) Tk. 27,000
 d) Tk. 33,000
22. The term “2/10 net 30” means –
 i) 10% discount will be allowed if buyer is able to pay the dues 10 days
 ii) 2% discount will be allowed if buyer is able to pay the dues 10 days
 iii) The dues will be paid within 30 days
 Which one is correct?
 a) i & ii
 b) ii & iii
 c) i & iii
 d) i, ii & iii
23. Purchased 100 pieces shari from Laboni Tk. 1000 each. Trade discount 12%. In this transaction amount of discount is –
 a) 10,000
 b) 1,00,000
 c) 12,000
 d) 1,10,000
24. Salary paid by owner, which a/c will be credited?
 a) Cash a/c
 b) Salary a/c
 c) Capital a/c
 d) Drawing a/c
25. Which one is correct journal of purchase return?
 a) Purchase a/c – Debit
 Purchase return a/c - Credit
 b) Purchase return a/c – debit
 Purchase a/c – Credit
 c) Creditor a/c – Debit
 Purchase return a/c – Credit
 d) Purchase return a/c – Debit
 Creditor a/c – Credit
26. How many types of special journal are there?
 a) 2
 b) 6
 c) 4
 d) 7
27. Journal paper is used to record –
 i) When asset purchased
 ii) When depreciation charged on fixed asset
 iii) When discount allowed to customers
 Which one is correct?
 a) i & ii
 b) ii & iii
 c) i & iii
 d) i, ii & iii
28. Special journal is required –
 i) goods purchase of account
 ii) outstanding rent
 iii) sales return
 Which one is correct?
 a) i & ii
 b) ii & iii
 c) i & iii
 d) i, ii & iii

29. What will be the journal if goods are drawn for personal use?
- a) Drawing a/c – Dr
Cash a/c - Cr
 - b) Drawing a/c – Dr
Purchase a/c – Cr
 - c) Purchase a/c – Dr
Drawing a/c – Cr
 - d) Cash a/c – Dr
Drawing a/c – Cr
30. After accounting period, which account will be closed?
- a) Land
 - b) Salary
 - c) Machinery
 - d) 10% bank loan
31. If goods destroyed by fire which one will be debited?
- a) Miscellaneous expense a/c
 - b) Purchase a/c
 - c) Goods destroyed a/c
 - d) Closing stock a/c
32. Discount received Tk. 1500. Which journal is correct of the following?
- a) Cash a/c – Debit
Discount a/c – Credit
 - b) Creditors a/c – Debit
Discount a/c – Credit
 - c) Debtors a/c – Debit
Discount a/c – Credit
 - d) Cash a/c – Debit
Debtors a/c – Credit
33. Goods distributed as free, which one will be credited?
- a) Miscellaneous expense a/c
 - b) Purchase a/c
 - c) Goods a/c
 - d) Advertisement a/c