Class: 9th Tender Heart High School
Commercial Studies
Lokesh Arora

classmate Date 11/11/24 Page 1

Good Morning Students,
This lesson is of Class 9th for the subject of Commercial studies. The topic for today is Journal Entries which is covered in Ch - 7 'Accounting Books and Statements' of your books 'Commercial Studies. This lesson is being submitted to you on 11/11/24 and the voice is of Mr. Lokesh Arora

Students we were doing Journal entries in our previous lesson. Today we will discuss few more Journal entries.

Ist Entry is
Cash deposited into Bank. ₹ 20,000.

In this transaction, two accounts involved are Cash and Bank. Cash is a real account and rule for real account is Debit what comes in and credit what goes out. Cash is going out, so cash account will be credited.
Bank is a artificial personal account and the rule for personal account is debit the receiver and credit the giver. Bank is a

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receiver so bank account will be debited.
The journal entry will be recorded as under:-

Bank A/c Dr 20,000
To Cash A/c 20,000
(Being cash deposited into Bank).

Next transaction is
Owner Withdrew for personal use Cash ₹ 5000 from office
In this transaction two accounts involved are Cash and Owner.
But in journal name of owner is not written. If owner invest money it is treated as capital and if owner withdrew money for personal use it is treated as drawings. In this transaction, owner has withdrawn money so the second account involved is drawings account.
Cash is a real account and the rule for real account is debit what comes in and credit what goes out. Cash is going out so cash account will be credited.

Drawings (owner) is personal account and Owner is receiver of the Cash. Rule for personal account is, Debit the receiver and credit the

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Giver. Owner is receiver so drawings account will be debited.
The transaction will be recorded as under! -

Drawings A/c Dr 5,000
To Cash A/c 5,000
(Being cash withdrawn by the owner for the personal use).

Next transaction is!
Withdrew from Bank for Office use ₹ 6000.
In the transaction, cash is withdrawn from the bank for office use. In this transaction two accounts involved are Cash and Bank.
Cash is a real account and rule for real account is Debit what comes in and credit what goes out. Cash is coming in, So cash account will be debited.
Bank is a personal account and rule for personal account is Debit the receiver and credit the Giver. Bank is giver of Money so Bank account will be credited.
The transaction will be recorded as under!:

Cash A/c Dr 6,000
To Bank A/c 6,000
(Being cash withdrawn from bank for office use)

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Next transaction is

Cash withdrawn from bank for personal use ₹ 3000

When anything is taken by owner for personal use, it is treated as drawings. In this transaction two accounts involved are Drawings and Bank.
Drawings (Owner) is a personal account and rule for personal account is Debit the receiver and credit the Giver. Owner is receiver in this transaction so drawings account will be debited.
Bank is a personal account and rule for personal account is Debit the receiver and credit the giver. Bank is a giver so bank account will be credited.

The transaction will be recorded as under:-

Drawings A/c Dr 3,000
To Bank A/c 3,000.
(Being cash withdrawn from bank for personal use).

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Next transaction is
Paid to Sumit ₹ 7000 by Cheque.

In this transaction we have paid a cheque to sumit. Cheque is type of money/cash so it will be treated as real account.
Other account invalued is Sumit.

Sumit is Personal account and rule for personal account is Debit the receiver and Credit the giver. Sumit is receiver of cheque so sumit account will be debited.

Other account invalued is cheque (which will be written as Bank). Cheque is form of money so we will treat it as Real account. Rule for real account is Debit what comes in and Credit what goes out. Cheque is going out so Cheque A/c (Bank A/c) will be credited.
The transaction will be recorded as under :-

Sumit A/c — Dr 7,000
To Bank A/c 7,000.
(Being cheque paid to Sumit)

Next transaction is
Received a cheque of ₹ 5000 from Ravi

In this transaction two accounts involved are Ravi and Cheque (Bank). Ravi is a Personal Account. Rules for personal account are Debit the Receiver and Credit the Giver. Ravi is Giver of Cheque. So Ravi account will be Credited.
Other account involved is Cheque (Bank) account which is treated a real account.
Rule for real account is Debit what comes in and Credit what goes out. Cheque is Coming in so Cheque (Bank) account will be debited.
The transaction will be recorded as under

Bank A/c Dr 5,000
To Ravi A/c 5,000
(Being Cheque received from Ravi).

Students, Before going further in this topic I will give you few transactions to recorded, You may pause the audio for few minutes and record the transactions in your note book.

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Pass the necessary Journal entries.

1. Suresh started business with Cash 1,00,000.
2. Deposited into Bank ₹ 10,000.
3. Withdrew from bank ₹ 3000.
4. Received Cheque from Suraj ₹ 5000
5. Withdrew for personal use from office cash ₹ 8000.
6. Paid cheque to Ajay ₹ 4000.
7. Withdrew from bank for personal use ₹ 2000.

Journal

Date	Particulars	L.F.	Dr Amount	Cr. Amount
1.	Cash A/c Dr		1,00,000	
	To Capital A/c			1,00,000
	(Being business started with Cash)			
2.	Bank A/c Dr		10,000	
	To Cash A/c			10,000
	(Being cash deposited into bank)			
3.	Cash A/c Dr		3,000	
	To Bank A/c			3,000
	(Being Cash withdrawn from Bank for office use)			
4.	Bank A/c Dr		5000	
	To Suraj A/c			5000
	(Being Cheque received from Suraj			

Journal

Date	Particulars	LF	Dr Amount	Cr. Amount
5	Drawings A/c Dr		8,000	
	To Cash A/c			8,000
	(Being Cash withdrawn from business for personal use)			
6.	Ajay A/c Dr		4,000	
	To Bank A/c			4,000
	(Being cheque issued to Ajay)			
7.	Drawings A/c Dr		2,000	
	To Bank A/c			2,000
	(Being Cash withdrawn from bank for personal use)			
	Total.		1,32,000	132,000

Now we will discuss functions of Journal.

Functions:

(1) Analytical Function:-
The amount which is to be debited or credited to a ledger account is first analysed in the Journal. The Journal reveals the two ledger which are affected by a particular transaction.

(2) Recording Function:-
Every Journal entry is supported by narrations. Narration to an

entry in the Journal provides information about a transaction.

3. Historical function:-
Transactions are recorded in the Journal in a chronological order. Therefore, the Journal provides a chronological record of transactions during the year.

Advantages of Journal:
(1) Chronological Record.
(2) Explanation of transactions
(3) Reduced Possibility of Errors.
(4) Convenience.
(5) Double Entry.
(6) Division of labour.
(7) Detection of Errors.
(8) Reliable Evidence.
For explanation refer to page 186-187.

Reasons for limiting use of Journal.

(1) If all the transactions are recorded, it would become too long to handle.
(2) A business firm likes to ascertain the cash balance everyday. Therefore, cash transactions are recorded directly in a seperate cash book. Therefore, cash transactions are left out of Journal.

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With this, I am ending my topic here. I will give you few Journal entries, you are requested to record the transactions in your note book.

Qu 1. Journalise the following transactions in the books of Mr. Chatterjee.

2020		₹
Jan 1	Started business with Cash	50,000.
2.	Purchased Goods for Cash	30,000
3.	Purchased furniture for Cash	5,000
4.	Paid rent to landlord	1,500
5.	Sold Goods for Cash	25,000
6.	Paid carriage	500
9	Paid for advertisement	1,000
11	Sold goods to Ram on Credit	15,000
12.	Purchased Stationery	400
13.	Goods returned by Ram	1,500
14	Received Cash from Ram	800
15.	Paid salaries to Staff	3,000

Qu 2. Journalise the following transactions in the books of Mr. Vibas!-

2020		₹
Aug 1	Started business with Cash	59,000
2.	Purchased typewriter from Amit	7,000.
3.	Purchased Goods on credit from Ahmed	38,000
4.	Deposited cash into bank	30,000
5.	Paid Carriage on Purchases.	300
7	Returned goods to Ahmed	1,000
8.	Sold Goods to Mandeep Singh	48,000

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2020			₹
Aug	10	Paid carriage on sales	500
	12	Mandeep Singh returned us Goods	700
	13	Paid to Ahmed by cheque	30,000
	14	Received cash from Mandeep Singh	45,000
	17	Withdrew from bank cash for office use	10,000
	18	Withdrew cash for personal use	1,500
	19	Received Interest	2,000
	20	Paid salaries to staff	4,000

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