

**Q41.** The Trial Balance of M/s. Gupta & Sons shows a difference of 52,200. To prepare the Final Account on 31<sup>st</sup> March, 2021, this difference is placed in a Suspense Account. Afterwards the following errors ere disclosed. Pass the necessary entries to rectify them and show the Suspense Account.

- I. Purchases Book total had been undercasted by 20,000.
- II. A cheque received from Vasudev for 7,800 had been debited in the Cash Book but not posted in Vasudev's Personal Account.
- III. Returns Outward Book had been overcasttd by 10,000.
- IV. Goods returned by Yash Pal's worth 15,000 have been entered in Returns Outward Book. However, Yash Pal's Account is correctly posted.

**Solution –**

**Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	Purchases A/c .....Dr  To Suspense A/c (Being Purchases Book was under Debited, Now rectified)		20,000	20,000
2	suspence A/c .Dr  To Vasudev's A/c (Being amount received from Vasudev was not recorded in his account, now rectified)		7,800	7,800
3	Return Outwards A/c ....Dr  To Suspense A/c (Being Return Outwards Book was over credited, now rectified)		10,000	10,000
4	Return Inward A/c .....Dr		15,000	

	Return Outward A/c To Suspense A/c (Being goods returned by Yash Pal & Return Outwards Book wrongly credited instead of return inward book, now rectified)	....Dr		15,000	30,000
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### Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
	To Balance c/d		52,200		By Purchases A/c		20,000
	To Vasudev's A/c		7,800		By Return Outward A/c		10,000
					By Return Inwards A/c		15,000
					By Return Outwards A/c		15,000
			60,000				60,000

#### Q-42

**42. Rajesh drew a Trial Balance for the year ended 31st March, 2024, There was a difference which closed through Suspense Account. On a scrutiny, through following errors were found:**

- (i) Purchase Book for the month of April 2023 was undercasted by ₹ 1,000.**
- (ii) Sales Book of October 2023 was overcasted by ₹10,000.**
- (iii) A furniture purchased for ₹8,100 was entered in the Furniture Account as ₹ 810.**
- (iv) Goods taken by the proprietor ₹2,000 for gift of his daughter were not recorded.**
- (v) Machinery purchased for ₹10,000 was entered in the Purchases Book.**

**Pass necessary Journal entries to rectify the same and ascertain the difference in the Trial Balance that was shown under Suspense Account in respect of the above items.**

**[Ans.: Difference in Trial Balance- 18,290]**

**Q43.** There was an error in the Trial Balance of Ram Gopal on 31<sup>st</sup> March, 2021 and the difference in books was carried to the Suspense Account. On going through the books, you find that:

- I. 540 received from Mayank was posted to the debit side of his account
- II. 100 being purchases return was posted to the debit of the Purchases Account.
- III. Discount of 300 received was posted to the debit of the Discount allowed Account.
- IV. 374 paid for motor car repairs were debited to the Motor Car Account as 174.
- V. 400 paid to Naman were debited to the account of Manan.

Pass the Journal entries to rectify the above errors and state what amount was carried to the Suspense Account.

**Solution – Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	Suspense A/c .....Dr To Mayank's A/c (Being Cash received from Mayank was wrongly debited to his account, now rectified)		1,080	1,080
2	Suspense A/c ....Dr		200	

	To Purchases A/c			100
	To Purchases Return A/c			100
	(Being Purchases account wrongly debited instead of Purchases Return account by 100, now rectified)			
3	Suspense A/c .....Dr		600	
	To Discount allowed A/c			300
	To discount received a/c			300
	(Being Discount received Account wrongly debited by 300, now rectified)			
4	Motor Car Repair A/c .....Dr		374	
	To Motor Car A/c			174
	To Suspense A/c			200
	(Being Motor Car account wrongly Debited by 174 instead of Repair account by 374, now rectified)			
5	nanan's A/c .....Dr		400	
	To maman's A/c			400
	(Being Naman account wrongly debited instead of Manan account, now rectified)			

### Suspense Account

S.No.	Particulars	J.F.	Amount	S.No.	Particulars	J.F.	Amount
2017				2017			
Mar 31	To Mayank A/c		1,080	Mar 31	By Balance b/d		1,680

Mar 31	To Purchases Rt. A/c		100	Mar 31	By Motor Car Repair A/c		200
Mar 31	To Purchase A/c		100				
Mar 31	To Discount A/c		600				
			1,880				1,880

**Q44. Trial Balance of a bookkeeper shows an excess of debits over credits by 261. This difference is placed in a Suspense Account to facilitate books closure. Later on the following errors were discovered:**

- I. A credit item of 349 has been debited to a Personal Account as 439.
- II. A sum of 625 written off from fixtures as depreciation has not been posted to the Depreciation Account.
- III. 9,000 paid for Furniture bought have been charged to the Purchases Account.
- IV. A discount allowed to a customer has been credited to him as 145 in place of 154.
- V. A sale of 594 was posted as 495 in the Sales Account.
- VI. The total of Returns Inward Book has been added 10 short.

**Pass the Journal entries to correct these errors and prepare the Suspense Account.**

**Solution - Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	<p>suspense A/c .....Dr</p> <p>To Drawings A/c</p> <p>(Being Personal account was wrongly debited instead of credit amount, now rectified)</p>		788	788
2	<p>Depreciation A/c ....Dr</p> <p>To Suspense A/c</p>		625	625

	(Being depreciation on Fixture was not debited to depreciation account, now rectified)			
3	Furniture A/c .....Dr To purchase A/c (Being Purchases Account wrongly debited instead of Furniture account, now rectified)		9,000	9,000
4	Suspense A/c .....Dr To Customer A/c (Being Discount allowed under casted by 9, now rectified)		9	9
5	suspense A/c .....Dr To Sales A/c (Being sale account short casted by 99, now rectified)		99	99
6	Return Inward A/c ....Dr To Suspense A/c (Being Return Inwards Book was short casted by 10, now rectified)		10	10

### Suspense Account

S.No.	Particulars	J.F	Amount	S.No.	Particulars	J.F	Amount
	To Drawing A/c		788		By Balance b/d		261
	To Debtors A/c		9		By Depreciation A/c		625

	To Sales A/c		99		By Sales Return A/c		10
			896				896

**Q44.** The accountant of a firm finds that the Trial Balance as on 31<sup>st</sup> March, 2024 is out by an excess debit of 283. He placed the amount in the Suspense Account. In the first week of April, 2024, he discovered the following errors. Pass the Journal entries necessary to rectify these errors and show the Suspense Account as it would appear at the end of the week. Have you any comment to make?(old question)

- I. Cash paid to Amar Nath 75, was posted to the credit of Amar Singh's Account as 57.
- II. Discount allowed by Brijesh of 5 was not entered in the Cash Book but Brijesh stands debited correctly.
- III. No entry was made for goods worth 40 taken away by proprietor for personal use.
- IV. 500 received from Jhaveri Bros. for interest on loan advanced to them were recorded in the Cash Book. But the entry was not posted in the Ledger.
- V. The total of Returns Outward Book was short by 100.

**Solution –**

**Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	Amar Nath's A/c .....Dr Amar Singh's A/c ....Dr To Suspense A/c  (Being Amar Singh credited by 57 instead of Amar Nath account by 75 on account on his dues, now rectified)		75 57	132

2	Suspense A/c To Discount Received A/c (Being Discount received by Brijesh was forget to entered in Discount column, now rectified)	....Dr	5	5
3	Drawings A/c To Purchases A/c (Being goods taken by owner not entered in the books, now rectified)	....Dr	40	40
4	Suspense A/c To Interest on Advance A/c (Being received amount of interest on advance not posted into ledger, now rectified)	.....Dr	500	500
5	Suspense A/c To Return Outwards A/c (Being Return Outwards Book under credited, now rectified)	.....Dr	100	100

### Suspense Account

S.No	Particulars	J.F	Amount	S.No.	Particulars	J.F	Amount
	To Discount Received A/c		5		By Balance b/d		283
	To Interest on Advance A/c		500		By Amar Nath's A/c		75
	To Return Outwards A/c		100		By Amar Singh's A/c		57
					By Balance c/d		190



			605				605
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**Q45. Rectify the following errors found in the books of Bheem. Trial Balance had 930 excess credits. The difference has been posted to a Suspense Account:**

- I. The total of Returns Inward Book has been cast 1,000 short.
- II. The purchase of an office table costing 3,000 has been passed through the Purchases Book.
- III. Cartage paid for the newly purchased machinery 3750 posted to cartage account
- IV. A Purchase of 670 had been posted to the Creditors Account as 600.
- V. A cheque for 2,000 received from Nakul had been dishonoured and was passed to the debit of the Allowances Account.
- VI. An amount of 15,720 due from Prasad written off as had in a previous year, was recovered and credited to the Personal Account of Prasad.

**After rectification reflect the transactions in the Suspense Account.**

**Solution – Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	Return Inward A/c .....Dr  To Suspense A/c  (Being Return Inward was under Debited, now rectified)		1,000	1,000
2	Furniture A/c ....Dr  To Purchases A/c		3,000	3,000

	(Being Purchases Account wrongly debited instead of Furniture account, now rectified)			
3	machinary A/c .....Dr To cartage A/c (Being cartage Account wrongly debited instead of machinary account, now rectified)		3,750	3,750
4	Suspense A/c .....Dr To Creditors A/c (Being Creditors account under casted by 70, now rectified)		70	70
5	Nakul's A/c .....Dr To Allowances A/c (Being Nakul cheque was dishonoured and it was entered in Allowance account instead of Nakul, now rectified)		2,000	2,000
6	Prasad A/c .....Dr To Bad Debt Recovered A/c (Being Prasad personal account wrongly credited instead of Bad Debt recovered account, now rectified)		15,720	15,720

### Suspense Account

S.No.	Particulars	J.F	Amount	S.No.	Particulars	J.F	Amount
	To Balance b/d		930		By Return Inwards A/c		1,000
	To Creditors A/c		70				

			1,000				1,000
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**Q46. The Trial Balance of S. Sen did not agree and the difference in books was carried to a Suspense Account. Pass the entries required to rectify the following errors which accounted for the difference.**

**Also, prepare the Suspense Account:**

- I. A Sales Invoice for 1,000 for goods sold on credit to mr. robert was entered in the Purchases Book but in the Ledger, the amount was correctly debited to the account of mr. robert**
- II. Goods bought on credit from babu ram for 1,500 were wrongly debited to his account as 5,100.**
- III. An amount of 275 was posted as 325 to the debit side of the Commission Account.**
- IV. The Sales Book for the month of April was undercasted by 100.**
- V. 460 paid for building repairs was debited to the Building Account as 640.**

**Solution –**

**In the Books of S.Sen**

**Journal Entries**

<b>S.No</b>	<b>Particulars</b>	<b>L.F</b>	<b>Debit</b>	<b>Credit</b>
1	Suspense A/c .....Dr To Sales A/c To Purchases A/c (Being Purchases book was wrongly debited on account of sale to mr. robert and debited to his account, now rectified)		2,000	1,000 1,000
2	Suspense A/c .....Dr		6,600	

	To Babu ram s A/c (Being babu ram account was wrongly debited as 5,100 instead of 1,500, now rectified)			6,600
3	Suspense A/c .....Dr To Commission A/c (Being Commission Account over casted by 50, now rectified)		50	50
4	Suspense A/c .....Dr To Sales A/c (Being Sales Book was under credited, now rectified)		100	100
5	Building Repair A/c .....Dr Suspense A/c To Building A/c (Being Building account wrongly debited by 460 instead of Building Repair account as 640, now rectified)		460 180	640

### Suspense Account

S.No.	Particulars	J.F	Amount	S.No.	Particulars	J.F	Amount
	To Sales A/c		1,000		By Balance b/d		8,930
	To Purchases A/c		1,000				
	To baburam A/c		6,600				
	To Commission A/c		50				
	To Sales A/c		100				

	To Building A/c		180				
			<hr/> 8930				<hr/> 8,930

**Q47.** The accountant of a firm found that his Trial Balance was out (excess credit) by 742. He placed the amount in a Suspense Account and subsequently found the following errors:

- I. A discount of 178 was allowed to bharat but in his account only 100 is recorded.
- II. The total of the Purchases Book was 1,000 short.
- III. A sale of 375 to Kohli was entered in the Sales Book as 735.
- IV. From the Purchases Book, Bose's Account was debited with 175.
- V. Cash 250 received from Maitra against debt previously written off was credited to his account.
- VI. Purchase of office furniture worth 750 on credit from Delhi Furniture was entered in the Purchases Book.
- VII. While carrying forward the total of the Sales Book from one page to another the amount of 11,358 was written as 11,538.
- VIII. The proprietor took goods of the value of 150 for his domestic consumption. No record of it has been made in the Books.
- IX. Repairs bill of 410 for the proprietor's personal car has been paid by the firm and debited to the Repairs Account.
- X. A sale to Kassim of 700 has been entered in the Purchases Book.

Rectify the errors by means of suitable Journal entries and show the Suspense Account.

**Solution –**

**Journal Entries**

S.No	Particulars	L.F	Debit	Credit
1	<p>Suspense A/c .....Dr</p> <p>To bharat A/c</p> <p>(Being discount of 178 was allowed to bharat but in his account only 100 is recorded, now rectified)</p>		78	78

2	Purchases A/c .....Dr  To Suspense A/c  (Being total of the Purchases Book was 1,000 short, now rectified)		1,000	1,000
3	Sales A/c .....Dr  To Suspense A/c  (Being sales of 375 to Kohli was entered in the Sales Book as 738, now rectified)		360	360
4	Suspense A/c .....Dr  To Bose A/c  (Being Purchase from Bose 175 was debited to his account, now rectified)		350	350
5	Maitra's A/c .....Dr  To Bad Debt Recovered A/c  (Being Cash received from Maitra which had been previously written off as bad debt was credited to account, now rectified)		250	250
6	Furniture A/c .....Dr  To Purchases A/c  (Being Purchases of office furniture was wrongly entered in the Purchases Book, now rectified)		750	750

7	Sales A/c To Suspense A/c (Being total of Sales Book carry forward by excess amount, Now rectified)	....Dr		180	180
8	Drawings A/c To Purchases A/c (Being Goods drawn by proprietor was not recorded, now rectified)	....Dr		150	150
9	Drawing A/c To Repairs A/c (Being Repair of proprietor personal car was wrongly debited to Repair account, now rectified)	....Dr		410	410
10	Suspense A/ To Sales A/c To Purchases A/c (Being sale to suspense was wrongly entered in the Purchases Book, Now rectified)	....Dr		1,400	700 700

### Suspense Account

S.No.	Particulars	J.F	Amount	S.No.	Particulars	J.F	Amount
	To Balance b/d		742		By Purchases A/c		1,000

	To bharat A/c		78		By Sales A/c		360
	To Bose's A/c		350		By Sales A/c		180
	To Sales A/c		700		By Balance c/d		1,030
	To Purchases A/C		700				
			<hr/> 2,570				<hr/> 2,570