

# 14

## LEDGER POSTING OF DAY BOOK

### 14.1 INTRODUCTION

When the transactions for a given period have been recorded in Accounting Voucher, Day Books and Subsidiary Day Books, the next step is to classify these records according to the accounts affected. This classification is done in another book called the Ledger.

Recording of various accounting vouchers in the Day Book and Subsidiary Day Books marks the completion of the first stage in the process of accounting. The second stage in the accounting process is the posting of Day Book and Subsidiary Day Books into ledger. In this lesson, we shall learn the posting of Day Book into ledger.

### 14.2 OBJECTIVES

After a careful study of this lesson, you will be able to :

- explain the meaning of ledger;
  - draw the format of ledger;
  - enumerate the types and importance of ledger;
  - interpret the rules of posting of Day Book into the ledger;
  - enter the items from receipt side of the Day-Book on the Credit side of relevant ledger accounts;
  - balance the ledger accounts;
  - enter the items from the payment side of the Day Book on the debit side of relevant ledger accounts;
-



**Notes :**

- (i) The word 'Dr' on the left hand top corner denotes the debit side, while 'Cr' on the right hand top corner denotes the credit side.
- (ii) The figure '9' on the left hand top corner denotes the particular page number of the ledger.
- (iii) V.No stands for Accounting Voucher number.
- (iv) F Stands for folio or page number of Day Book.

**Importance of Ledger**

Ledger is an important book of Account. The chief function of ledger is to classify all the items appearing in the Day Book or Subsidiary Day-Books under their appropriate accounts. At the end of the accounting period, each account will contain the entire information of all the transactions relating to it. The following are the advantages of a ledger :

1. **Knowledge of Business Results**  
While finding out business results the revenue and expenses are matched with each other. Only ledger provides compact information about revenues and expenses.
2. **Knowledge of Book value of Assets**  
Ledger records every asset separately. Hence, it can readily give the knowledge of Book value of asset.
3. **Useful for Managerial Decisions**  
The information given in different ledger account will help the management in preparing planned budgets. They also help the management in keeping the check on performance.
4. **Knowledge of Financial Position**  
Ledger provides information about assets and liabilities of the business. From this we can judge whether the financial position of the business is sound or weak.
5. **Instant Information**  
The business always needs to know what owes to others and what the others owe to it. The ledger accounts provide this information at a glance.

**Types of Ledger**

In large scale business organisations the number of accounts may run into hundreds. It is not always possible for a businessman to accommodate all these accounts in one ledger. They, therefore, maintain more than one ledger.

These ledgers may be as follows :

1. **Assets Ledger** : containing accounts relating to assets only e.g. Machinery account, Building account, Furniture account, etc.
2. **Liabilities Ledger** : Containing the accounts of various liabilities e.g. Capital (Owner or partner), Loan account, Bank overdraft, etc.
3. **Revenue Ledger** : Containing the revenue accounts eg. Sales account, Commission earned account, Rent received account, interest received account, etc.
4. **Expenses Ledger** : Containing the various accounts of expenses incurred, eg. Purchase account, Wages account, Rent paid account, Electricity charges account, etc.
5. **Debtors' Ledger** : Containing the accounts of the individual trade debtors of the business. Individuals, firms and institutions to whom goods and services are sold on credit by business become the 'trade debtors' of the business.
6. **Creditors Ledger** : Containing the accounts of the individual trade Creditors of the business. Individuals, firms and institutions from whom a business purchases goods and services on credit are called 'trade creditors' of the business.
7. **General Ledger** : Contained all those accounts which are not covered under any of the above types of ledger. For example Landlord's A/c, Prepared insurance, etc.

### Ledger Posting

Posting is the process of opening necessary A/c and transferring the information recorded in the Day Books to these accounts in the ledger, according to accounting rules. Thus, the transactions are entered in respective accounts in the ledger. It is a step towards finding out the balance in every account in the ledger.

---

### INTEXT QUESTIONS 14.1

---

- A Fill in the blanks with a suitable word or words:
- (i) Ledger contains various ..... in it.
  - (ii) The ..... in a ledger helps in locating the accounts contained in it.
  - (iii) The process of transfer of entries from Day Book to ledger is called .....
-

- (iv) Ledger is also called .....
- (v) The pages of ledger are consecutively .....
- (vi) The pages of ledger are known as .....
- (vii) Credit side is on the ..... of an account.

B. Match the column A with column B:

A	B
(i) Left hand side of an account	(a) Ledger
(ii) Book containing accounts	(b) Liabilities ledger
(iii) Pages No of the Ledger	(c) Debit side
(iv) Abbreviation of account	(d) Revenue ledger
(v) Machinery account, Building accounts, Furniture Accounts, etc.	(e) Expenses ledger
(vi) Loan's account, Bank over-draft accounts, etc.	(f) Folio
(vii) Rent paid, wages paid electricity charges etc.	(g) A/c
(viii) Sales account, commission account, interest received account etc.	(h) Assets ledger

C. Put a tick Mark (✓) against the correct answer :

- (i) The book in which all accounts of the firm are maintained is known as :
  - (a) Cash Book
  - (b) Ledger
  - (c) Journal
  - (d) Day Book
- (ii) Which of the following is not the basic objective of preparing ledger :
  - a) To know debtors and creditors of the business.
  - b) To know financial position of the business.
  - c) To know effect of common transactions of the business.
  - d) To know whether proprietor has sold his house.

## 14.4 POSTING THE DAY BOOK INTO THE LEDGER

Posting of the Day book into the ledger involves making entries in the relevant accounts in ledger in an appropriate manner. The 'Relevant Account' in the ledger is the account with the same title as in the Day Book.

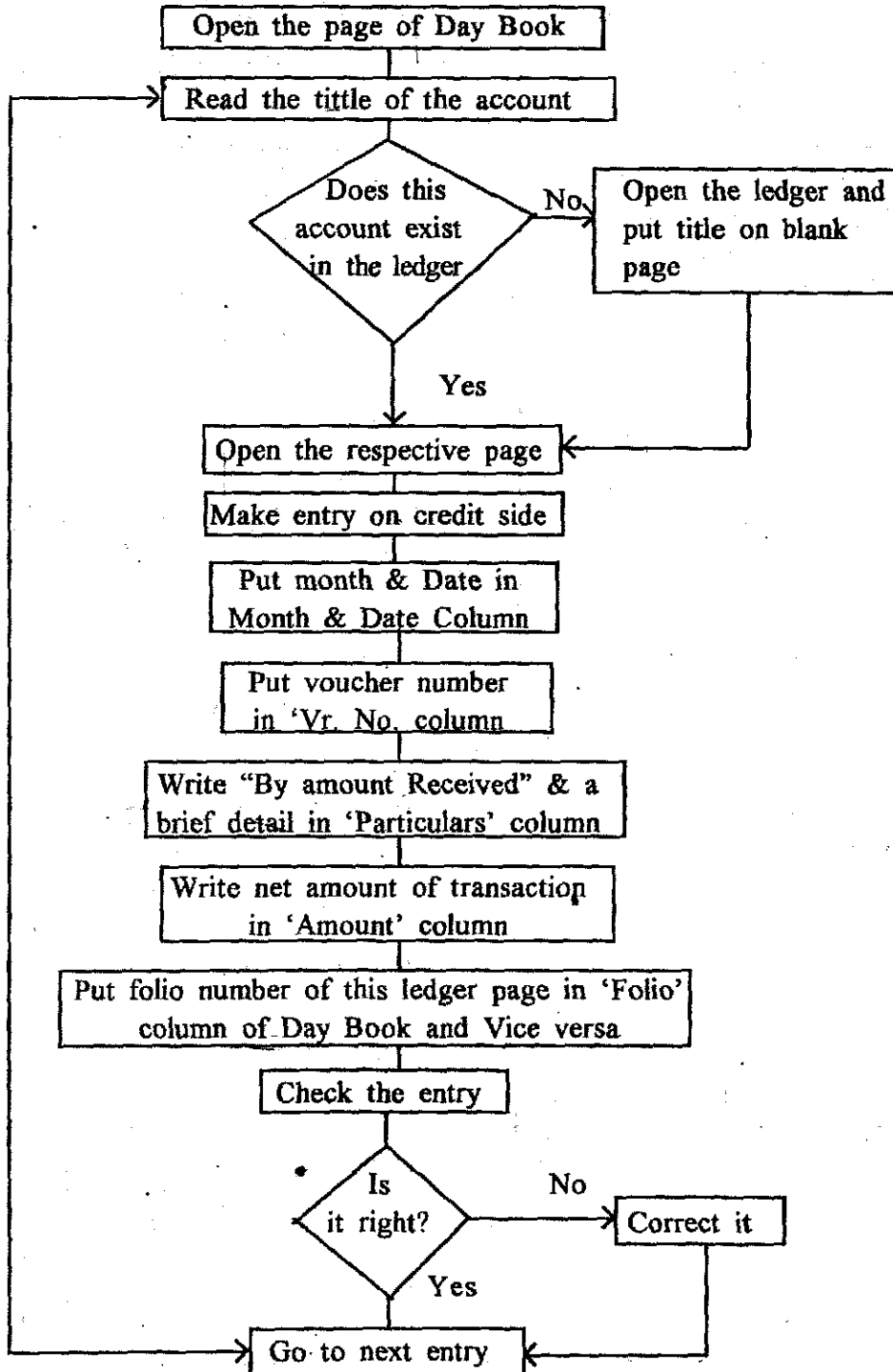
The Day book consists of Receipt side and payment side. The information recorded in the receipt side of the Day Book will be posted on the credit side of the concerned account in the ledger. The information recorded on the payment side of the Day Book will be recorded on the debit side of the concerned account on the ledger. Let us study the posting of the two sides separately.

### Posting the receipt side of Day Book

Entries from the receipt side of the Day Book are entered on the credit side of the respective accounts in the ledger. The following steps should be taken in posting the receipt side of the Day Book:

1. Read the title of the account in Day Book and trace this title in ledger. If the title is not there, open an account with that title.
  2. Put month and date in Month and Date column.
  3. On the credit side in the 'Particulars' column of the account, the word "By amount received" are entered.
  4. Brief details as given in 'Receipt' column of the Day Book are entered in the 'Particulars' column of the account just below the words "By amount received".
  5. Write the amount of transaction in the 'Amount' column of the account on the credit side. This amount should be same as given on the receipt side 'amount' column of the Day Book against the respective account title.
  6. Put folio or ledger page in 'Folio' column of the Day Book and the folio of the Day Book in the 'Folio' column of the account on credit side.
  7. In case the Day Book has a 'transfer' column it will be posted to the ledger account by writing the word "By amount as per Day Book" in the 'Particulars' column of the account.
-

Posting the Receipt Side of the Day Book :



Example : Post the Day Book into the ledger.

Day Book (receipt side only)

18

Month & Date	Vr. No.	Receipts	F	Amount Rs.	Month & date	Vr. No.	Payments	F	Amount Rs.
1996 Oct.12	9	To Commission Account (Receipt No.48 Dt. 1.7.96 from S.L. & Co.)	54	900					
	17	To Interest Account (Interest amount received on debentures)	6	450					
	42	To Capital Account (Additional Capital)	40	10,000					
	4	To Raj Account (as per Cash receipt No. 3351)	23	800					

Solution

Ledger  
Commission Account

54

Dr.

Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Oct.12	9	By amount received (Receipt No. 48 Dt. 1.7.96 from S.L. & Co.	18	900

Similarly, all other entries will be made.

**Interest Account**

6

Dr.

Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Oct.12		By amount received (Interest on debentures)	18	450

**Capital Account**

7

Dr.

Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Oct.12		By amount received (Additional capital introduced)	18	10,000

**Raj Account**

8

Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Oct.12	49	By amount received (as per cash receipt No.335)	18	800

**Note :**

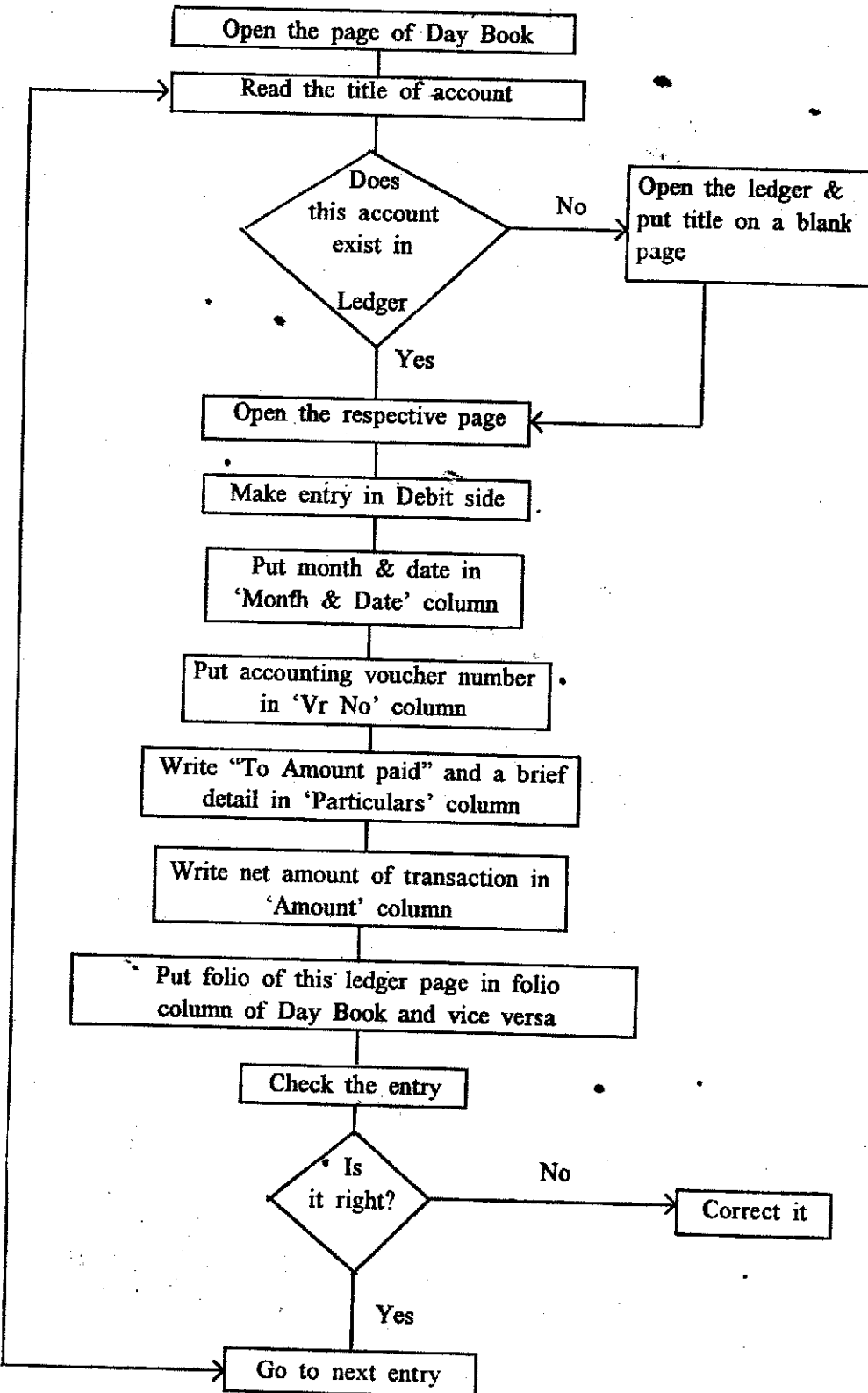
The arrows given in the above example show the places where each entry is posted from the day book into the relevant ledger account.

**Posting the Payment side of the Day Book**

Entries from the payment side of the Day Book are recorded on the debit side columns of the respective accounts in the ledger. The steps in posting the payment side of the Day Book are similar to the steps in posting the receipt side of the Day Book:

1. Read the title of account in the Day Book, trace this title in ledger. If the title is not there, open an account with the new title.
2. Write the month and date in 'Month & Date' column.
3. On the debit side 'particulars' column of the account in the ledger, the words "To amount paid" are entered.
4. Brief details given in 'Payment' column of the Day Book are entered in the 'Particulars' column of the account just below the words "To amount paid".
5. Write the amount of transaction in 'Amount' column.
6. Put folio of this ledger page in folio column of Day Book and vice versa.
7. In case the Day Book has a "Transfer" column, it will be posted to the ledger account by writing the words "To amount as per Day Book" in the 'Particulars' column of the account.

### Posting the payment side of the Day Book



**Example 2**

Post the payment side of the Day Book into the ledger

**Day Book**

Month & Date	Vr. No.	Receipts	F	Amount Rs.	Month & date	Vr. No.	Payments	F	Amount Rs.
					1996 Aug. 8	7	By Electricity Charges (Charges paid for the month of July '96)	42	820
						10	By Charges A/c (Purchased raw material as per cash memo No.19 of Malhotra Bros.)	27	25,000
						17	By Machinery A/c Purchased Machines from M/s. Classical vide Bill No.113)	42	18,000
						21	By Bharat & Co. (Paid cash on account)	49	7,000

**Solution**

**Electricity Account**

Dr.

Cr. 12

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1996 Aug 8	7	To amount (Paid for Month dated July' 1996)	25	820					

Similarly other posting will be made

**Purchase Account**

Dr.

Cr. 27

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
1996 Aug 8	10	To amount Paid (Purchased raw material as per cash Memo No. 19 of Malhotra Bors. 1)	25	25,000					

**Machinery Account**

Dr.

Cr. 42

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1996 Aug 8	12	To amount Paid (Purchased machine from M/s. Classics vide No.113)	25	18,000					

**Bharat & Co. Account**

Dr.

Cr. 49

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
1996 Aug 8	21	To amount Paid (cash on account 1996)	25	7,000					

The arrows given in the above example show the movement and placement of each entry from the payment side of Day Book into the Debit side of the respective ledger account.

**Example - 3**

Post the following Day Book into the ledger

**Royal Stores****Day Book**

Month & Date	Vr. No.	Receipts	F	Bank Amount Rs.	Cash Amount Rs.	Month & Date	Vr. No.	Payments	F	Bank Amount Rs.	Cash Amount Rs.
1996 Nov. 12	01	To Capital A/c (Capital introduced)	06	10,000	—	1996 Nov. 12	4	By Wages A/c (Paid wages for Oct. 96 vide cheque No.96435)	16	300	—
"	03	To Sales A/c (Cash sales vide cash memo No. 87-96)	36	—	7,000	"	5	By Purchases A/c (Goods Purchased vide Memo No. 27)	28	3,000	—
"	06	To Cash A/c (Cash deposited in Bank)	—	3,000	—	"	6	By Furniture A/c (Purchased office table vide Memo No. 310)	43	—	800
"	08	To Loan A/c (Borrowed from D Lal)	56	—	5,000	"	6	By Bank A/c (Deposited cash in Bank)	—	—	3,000
"	12	To Bank A/c (Cash withdrawn vide Cheque No. 86491)	—	—	5,000	"	12	By Cash A/c (Cash withdrawn for office use vide Cheque No. 86491)	—	5,000	—

**Solution**

Note that entries through vouchers No. 6 in the Day Book pertain to cash drawn from bank and entry for voucher No. 12 pertain to cash deposited into bank. Therefore, entries "By Bank A/c" and "By Cash A/c" on the payment side, and "To Bank A/c" and "To Cash A/c" on the receipt side will not be posted into ledger because 'Cash' and 'Bank' columns in the Day Book represent the two sides of cash A/c and Bank A/c. Thus, these entries stand posted automatically in their accounts.

**Sales Account**

Dr. 36 Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Nov. 12	3	By amount received (Cash sales vide Cash Memo No. 87-96)	32	7,000

**Capital Account**

Dr. 6 Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
					1996 Nov.12	1	By amount received (Capital) introduced by Cheque)	32	10,000

**Wages Account**

Dr. 16 Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1996 Nove.12	4	To amount paid (Wages paid for Oct. 96 by Cheque No.96435)	32	300					

**Purchases Account**

Dr. 28 Cr.

Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1996	5	To amount paid vide Memo No.27	32	3,000					

### Furniture Account

Dr.										43 Cr.	
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.		
1996 Nov.12	6	To amount paid vide Memo No.310	32	800							

### Loan Account

Dr.										55 Cr.	
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.		
					1996 Nov. 12	8	To amount received (Borrowed from D. Lal)	32	5000		

### Balancing of an Account

Balance is the difference between the total of debits and Total of credits of an Account. If debit side total is more than the credit side, the Account shows a debit balance. Similarly, the balance will be credit if the credit side total of an Account is more than the debit side total. The following steps are to be followed in Balancing the Ledger Accounts:

- Total up the two sides of an Account on a rough sheet.
- Determine the difference between the two sides because the credit side is heavier and the balance calculated on debit side is actually a credit balance.
- Put the difference as last item on the 'Shorter side' of the account such that the totals of the two sides of the account are equal. These totals should be horizontally opposite to each other.
- If the difference amount is written on debit side (i.e., if credit side is bigger) then write as "To Balance C/d" (C/d stands for carried down). If difference is written on credit side (ie, if debit side is bigger) then write it as "By Balance C/d."

The Balance then should be brought down or carried forward to the next period. If the difference was put on credit side as "By Balance c/d" it should now be written on the debit side of the Account as "To Balance b/d" (b/d stands for brought down) and vice versa. A debit balance will automatically be brought down on the debit side and a credit balance on the credit side.

### **Balancing of different types of Accounts**

**Assets :** All assets Accounts are balanced. The debit balance of this Account indicates increase in Assets and credit Balance indicates decrease in an Asset.

**Liabilities :** All Liabilities accounts are balanced. The debit balance of this Account indicates decrease in Liabilities and credit balance indicates increase in Liabilities.

**Capital :** Account is always Balanced.

**Expense and Revenue :** These Accounts are not balanced but are simply totalled up. The debit total of Expense/Loss will increase the Expense/Loss and vice versa. In the same manner, credit total of Revenue/Income will increase income and Vice Versa. At the time of preparing the Trial Balance, the totals of these are shown in Trial Balance.

The Balance of Assets, Liabilities and Capital Accounts will be shown in Balance Sheet whereas total of Expense/Loss and Revenue/Income will be transferred to the Trading and Profit and Loss Account. These Accounts are, thus, closed.

If two sides of an Account (usually Assets, Liabilities and Capital) are equal there will be no balance. The Account is then simply closed by totalling up of the two sides.

Examples : Post the following Day Book into Ledger and balance the accounts ;

Dr.

Cr. 57.

Month & Date	Vr. No.	Receipts	F	Transfer Amount Rs.	Bank Amount Rs.	Cash Amount Rs.	Month & Date	Vr. No.	Payments	F	Transfer Amount Rs.	Bank Amount Rs.	Cash Amount Rs.
1997 Aug. 10	01	To Capital A/c (Amount invested)		—	—	10,000	1996 Aug. 10	4	By Rent Paid (Being Rent Paid Cheque No.		—	300	—
Aug 10		To Loan A/c (Rent received vide Cheque No.....)		5,000	5,000		"		By Furniture (Being Amount Paid for Table included)		—	—	500
Aug 10		To Sales A/c (Being Cash sales vide Bill No.....)				1,000	"		By Purchases		500	—	—
Aug 10		To Creditors (Being goods purchased on credit vide Bill No.....)		500	—	—	"		By Creditors (Cash paid to Creditors)		—	—	400
Aug 10		To Creditors (Being Credit purchases vide Bill No.....)		300	—	—	"		By Purchases (vide Bill No.....)		300	—	—
							31st Aug		By postage (Being Postage paid on Dec 23)		—	—	150
				800	5,000	11,000			By Balance C/d		—	4,700	9,950
											800	5,000	11,000

**Capital Account**

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & date	Vr. No.	Particulars	F	Amount Rs.
1997 Aug 10		To Balance c/d		10,000	1997 Aug. 10	01	By amount received (Capital introduced)	57	10,000
				10,000					10,000
					Sept.		By Balance b/d		10,000

**Rent Account**

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month &	Vr. No.	Particulars	F	Amount Rs.
1997 Aug	4	To Amount c/d (Rent for July 97 vise cheque No-)		300	31st Aug 1997	4	By Transfer to Trading profit and loss Account	57	300

**Furniture Account**

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1997 Aug 10	4	To Amount Paid (Table purchased)	57	500	1997 Aug. 8 31	2	By balance c/d		500
				500					500
1997 Sept 1		To Balance b/d		500		500			

**Loan Account**

Dr.					Cr.36				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
31st Aug 1997	01	To Balance c/d		5,000	1997 Aug. 10	01	By Amount received (Loan from D. Lal Cheque No.)	57	5,000
				5,000					5,000
					Sept. 1		By Balance b/d		5,000

### Creditor's Account

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1997 Aug 10		To Amount Paid		400	1997 Aug 10		By Amount rec. A/c (Being the account of purchases as per Bill No.11)		500
Aug 31		To Balance c/d		400	Aug 10		By Amount rec. A/c (Being the amount of purchases as		300
				800					800
					Sept. 1		By Balance b/d		400

### Postage Account

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1997 Aug 10		To Amount Paid	57	150	1997 Aug 31		By transfer to Trading and Profit & Loss A/c		150

### Sales Account

Dr.					Cr.				
Month & Date	Vr. No.	Particulars	F	Amount Rs.	Month & Date	Vr. No.	Particulars	F	Amount Rs.
1997 Aug 31		To Transfer to Trading and Profit & Loss A/c		1,000	1997 Aug 10		By Amount received		1,000
				1,000			By Balance b/d		1,000

## INTEXT QUESTIONS 14.2

- A. Fill in the blanks with suitable word or words :
- i) The entries from the payment side of Day Book are entered on the ..... side of the respective account in the ledger.
  - ii) In the 'Particulars' column on Debit side of the account in the ledger, the words ..... are written.

- iii) The ..... of the account in the ledger should be the same as that used in the Day Book.
- iv) The page number of the Day Book is entered in the ..... column in the ledger account.
- v) The Figures appearing in the amount column of the \_\_\_\_\_ and the amount column of the respective \_\_\_\_\_ in the ledger must be the same.

B. Fill in the blanks with suitable word or words :

- i) The balances of assets accounts are usually \_\_\_\_\_ balances.
- ii) The balances of liability accounts are always \_\_\_\_\_ balances.
- iii) The capital Account generally has \_\_\_\_\_ balances.
- iv) The Revenue and expense accounts are closed by transferring the balances to \_\_\_\_\_.

C. Give full words for :

- c/d \_\_\_\_\_.
- b/d \_\_\_\_\_.

---

## 14.5 WHAT YOU HAVE LEARNT

- Ledger is a bound register with pages ruled in account form to enable the preparation of accounts.
  - Ledger is a permanent record of business transactions which are classified according to various accounts to which they pertain.
  - Ledgers may be Assets Ledger, Liabilities Ledger, Revenue ledger, Expense ledger, Debtors' ledger, Creditors' ledger and General ledger.
  - The Receipt side of the Day Book is posted to the Credit side of the relevant account in the ledger.
  - The payment side of the Day Book is posted to the Debit Side of the relevant account in the ledger.
  - Brief details of transaction as given in Day Book are also entered in 'Particulars' column of the relevant accounts in the ledger.
-

- The page No. of Day Book from where entries are being posted is entered in folio column of the various relevant accounts.
- In the ledger Book, the balances of Assets, Liabilities and Capital are carried forward to the next period. Revenue and Expense accounts are closed by transferring their balances to Trading and Profit and Loss A/c.
- The balance of an account is written on the side having lower/ lesser total, so that its total becomes equal to the total of the other side.
- The balance amount is shown on the following day in the side which has higher total.

### 14.6 TERMINAL QUESTIONS

1. What is ledger? Why is ledger prepared?
  2. Why is ledger known as the primary book or the principal book of accounts? Can profit of the business and its financial position be known without maintaining ledger?
  3. Enumerate the various types of ledgers which may be maintained by a business.
  4. What is the rule for posting the receipt side of the Day Book into the ledger account?
  5. What is rule for positing the payment side of the Day Book into the ledger accounts?
  6. What are the advantages of a ledger?
  7. Point out the difference in posting the receipt side of the Day Book & the payment side of the Day Book into the ledger Accounts.
  8. Indicate whether each of the following is an asset, liability, a revenue or an expense and whether it normally has a debit or a credit balance.  
(i) Cash (ii) Office supplies (iii) Bill payable (iv) Fees earned  
(v) Interest on Loan (vi) Office Equipment (vii) Rent Paid  
(viii) Salaries (ix) Bills receivable (x) Interest on investment  
(xi) Building (xii) Commission earned (xiii) Wages (xiv) Loan Borrowed (xv) Typewriter purchased.
-

## 9. Post the following the Day Book into the ledger :-

Dr.

Month & Date	Vr. No.	Receipts		F	Transfer Amount Rs.	Cash Amount Rs.	Month & Date	Vr. No.	Payments		F	Transfer Amount Rs.	Cash Amount
		Vr. No.	Amount						Vr. No.	Amount			
1995 May 5	01	To balance b/d			—	25,000	1995 May 5	1	By Typewriter A/c (Being typewriter purchased vide cash memo No. 3275)			—	4,250
"	02	To Sales A/c (Being credit sale Bill No. 406)			2,250	—	"	2	By M/s Nidhi (Being the amount of credit sale vide Bill No. 406)			2,250	—
"	03	To Bank A/c (Being cash with- drawn from Bank vide Ch. No.4816)			—	1,600	"	4	By Furniture A/c purchased office Bank table vide Cash memo No. 309)			—	1,500
"	07	To M/s Nidhi Mktg (Being amount received in cash vide Receipt No. 46)			—	1,600	"	5	By Stationery A/c (Being note book & ball pens purchased)			—	1,300
"	087	To interest A/c (By interest received)			—	1,250	"	6	By Stamp & Postage A/c (Being stamp tickets & postage charges)			—	37
					2,250	29,450			By balance c/d			2,250	23,650
													29,450

Cr.

## 10. Post the following Day-Book into the ledger :

Dr.

Month & Date	Vr. No.	Receipts	F	Transfer Amount Rs.	Cash Amount Rs.	Month & Date	Vr. No.	Payment	F	Transfer Amount Rs.	Cash Amount
1995 April 8		To balance b/d	—	20,000	400	1995 April 8	2	By Electricity A/c (Being wire purchased cash Memo No. 4635)		642	—
"	01	To Commission A/c (Being the amount of commission received)		—	240	"	3	By Wages A/c (Being wages paid for March)		—	2,400
"	04	To Bank A/c (Being the amount drawn from Bank)	—	—	8,000	"	5	By Rent A/c (Being rent paid by Ch. No. 86417)		1,200	—
"	07	To Sales A/c (Being the amount of Sales vide Cash No. 12)	—	—	5,000	"	6	By Purchases A/c (Being the bill paid for revenue)		—	2,000
"	12	To Loan A/c (Being loan received from J.R & Sons by Ch. No. 36720)	—	10,000	—	"	04	By Office Cash A/c (Being amount withdrawn from Bank)		8,000	—
				30,000	13,640			By balance c/d		20,158	9,240
				30,000	13,640					30,000	13,640

Cr.

Post the receipt side of the Day Book into the ledger.

**Day Book**

Month & Date	Vr. No.	Receipts	F	Amount Rs.	Month & date	Vr. No.	Payments	F	Amount Rs.
1996 July	27	To Sales Account (Cash sales, Cash memo No. 45)	32	670					
	34	To Commission Account (Being Commission received from S.I. & Co.)	46	105					
	38	To Interest A/c (Interest amount received)	15	275					
	51	To Loan A/c (from M. Mktng)	56	5,000					

12. Post the payment side of the Day Book into the ledger :

**Day Book (Payment side only)**

Month & Date	Vr. No.	Receipts	F	Amount Rs.	Month & date	Vr. No.	Payments	F	Amount Rs.
					1996 Sept.8	7	By Wages Wages paid for the month of Aug.)	18	2,500
						12	By Rent A/c (Rent paid for the month of Aug.)	29	500
						26	By Furniture A/c (Purchase office table)	45	750
						35	By Stamp & Postage (Stamp & Postage Charges paid)	53	35

## 14.7 ANSWERS TO INTEXT QUESTIONS

- 14.1 (A) (i) accounts (ii) Folio  
 (iii) Ledger Posting (iv) Principal Book of Accounts  
 (v) Numbered (vi) Folio  
 (vii) Right hand side
- (B) (i) c (ii) a (iii) f (iv) g  
 (v) h (vi) b (vii) e (viii) d
- (C) (i) b (ii) d
- 14.2 A. (i) debit (ii) To Amount paid  
 (iii) Title (iv) Folio  
 (v) Day Book, Account
- B. i) Debit ii) Credit  
 iii) Credit iv) Trading and Profit and Loss A/c
- C. i) Carried down  
 ii) Brought down