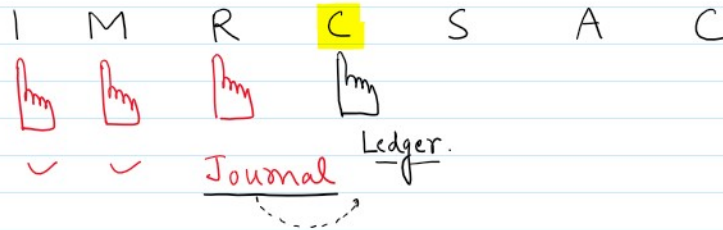


CH - **LEDGER**

(V.V.V. Imp) * * *
12th Role ✓



→ A ledger is a "Book of Final entry" since all the transactions recorded in Book of original entry (i.e. Journal) are transferred (posted) in the ledger

→ Ledger is also known as **PRINCIPAL BOOK**

→ Ledger is a **master record** of all the accounts in the business

T-shape

→ Ledger is prepared from **JOURNAL**

→ From ledger, we prepare Trial Balance and Balance Sheet

→ Format of ledger

Dr.				ACCOUNT				Cr.	
Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount		
	To xxx				By xxx				
	To xxx				By xxx				
	To xxx				By xxx				
			<hr/>				<hr/>		

J/F = Journal Folio

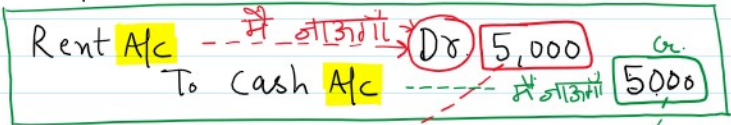
CASTING
जाँचने

POSTING (✓) → CASTING (✓) → BALANCING (✓)

1. Posting of Simple Journal entry.

Transaction :- Rent paid ₹ 5,000

JOURNAL :-



LEDGER :-

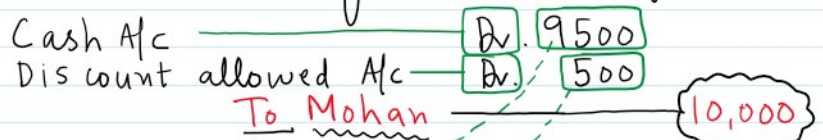
Dr. Rent A/c				Cr.			
Date	Particulars	J/F	₹	Date	Particulars	J/F	₹
	To CASH A/c		5,000				

Dr. Cash A/c				Cr.			
Date	Particulars	J/F	₹	Date	Particulars	J/F	₹
					By RENT A/c		5,000

2. Posting of Compound Journal Entry ☹️

Transaction :- Cash received ₹ 9,500 from Mohan in full settlement against the dues of ₹ 10,000

JOURNAL :-



LEDGER :-

Dr. Cash A/c			Cr.		
Date	Particulars	J/F	Date	Particulars	J/F
	To MOHAN				
					9500

Dr. Discount allowed A/c			Cr.		
Date	Particulars	J/F	Date	Particulars	J/F
	To MOHAN				
					500

Dr. Mohan			Cr.		
Date	Particulars	J/F	Date	Particulars	J/F
				By CASH A/c	
				By Discount allowed A/c	
					9500
					500

3. POSTING OF OPENING ENTRY

Details :
 (1 April) Stock ₹ 10,000
 Cash ₹ 8,000
 Building ₹ 60,000

(1 April)

Cash ₹ 8,000
Building ₹ 60,000
Sohan ₹ 28,000
(Creditor)

JOURNAL :

Stock A/c ————— Dr. 10,000
Cash A/c ————— Dr. 8,000
Building A/c ————— Dr. 60,000

To Sohan 28,000
To Capital A/c 50,000

Ledger :

Dr.		Stock A/c			Cr
1 April	To Balance B/d	10,000			

Brought Down

Dr.		Cash A/c			Cr
1 April	To Balance B/d	8,000			

Dr.		Building A/c			Cr
1 April	To Balance B/d	60,000			

Dr.		Sohan (Creditor)			Cr
			1 April	By Balance B/d	28,000

Dr.		Capital A/c			Cr
			1 April	By Balance B/d	50,000

* While Balancing, only Real & Personal Accounts are Balanced. Nominal Accounts are never balanced in fact they are transferred to Trading or P&L A/c.
However, in this chapter we will not follow the above rule because we are very small kids.

x ————— x ————— x ————— x ————— x

✓✓ Madan commenced business on 1st January, 2021 introducing capital in cash ₹ 1,00,000.
His other business transactions during the month were as follows:

2021		₹
Jan. ✓ 1	Started business with cash.....	1,00,000
Jan. ✓ 2	Bought goods for cash.....	20,000
Jan. ✓ 3	Sold goods for cash.....	7,000
Jan. ✓ 15	Sold goods to Shraavan.....	6,000
Jan. ✓ 18	Bought goods on credit from Anurag.....	50,000
Jan. ✓ 19	Goods returned to Anurag..... →	5,000
Jan. ✓ 20	Sold goods for cash.....	30,000
Jan. ✓ 22	Paid electricity bill.....	1,000
Jan. ✓ 28	Paid telephone bill.....	500
Jan. ✓ 29	Paid rent.....	800
Jan. ✓ 31	Paid wages.....	3,000

Enter the above transactions in his books of account. JOURNAL → LEDGER

Sol:-

JOURNAL

1 Jan	Cash A/c ^① To Capital A/c ^②	Dr 100000	100000
2 Jan	Purchase A/c ^③ To Cash A/c	Dr 20000	20000
3 Jan	Cash A/c To Sales A/c ^④	Dr. 7000	7000
15 Jan	Shraavan ^⑤ To Sales A/c	Dr. 6000	6000
18 Jan	Purchase A/c To Anurag ^⑥	Dr 50000	50000
19 Jan	Anurag To purchase Return A/c ^⑦	Dr 5000	5000
20 Jan	Cash A/c To Sales A/c	Dr 30000	30000
22 Jan	Electricity A/c ^⑧ To Cash A/c	Dr. 1000	1000
28 Jan	Telephone expense A/c ^⑨ To Cash A/c	Dr. 500	500
29 Jan	Rent A/c ^⑩ To Cash A/c	Dr 800	800

29 Jan Rent A/c⁽¹⁰⁾ Dr 800
 To Cash A/c 800

31 Jan Wages A/c⁽¹¹⁾ Dr 3000
 To Cash A/c 3000

POSTING (✓) → CASTING (✓) → Balancing

Dr.		Cash A/c		Cr.	
1 Jan	To Capital A/c	1,00,000	2 Jan	By Purchase A/c	20,000
3 Jan	To Sales A/c	7,000	22 Jan	By electricity A/c	1,000
20 Jan	To Sales A/c	30,000	28 Jan	By Telephone A/c	500
			29 Jan	By Rent A/c	800
			31 Jan	By Wages A/c	3,000
			31 Jan	By Balance dd	1,11,700
		137,000			137,000

Dr.		Capital A/c		Cr.	
			1 Jan	By Cash A/c	1,00,000
31 Jan	To Balance dd	1,00,000			
		1,00,000			1,00,000

Dr.		Purchase A/c		Cr.	
2 Jan	To Cash A/c	20,000	31 Jan	By Balance dd	70,000
18 Jan	To Anurag	50,000			
		70,000			70,000

Dr.		Sales A/c		Cr.	
31 Jan	To Balance dd	43,000	3 Jan	By Cash A/c	7,000
		43,000	15 Jan	By Shruvan	6,000
			20 Jan	By Cash A/c	30,000
					43,000

Dr		Shravan		Cr.	
15 Jan	To Sales A/c	6,000			
			31 Jan	By Balance fd	6,000
		6,000			6,000

Dr		Anurag		Cr.	
19 Jan	To Purchase Return A/c	5,000	18 Jan	By Purchase A/c	50,000
31 Jan	To Balance fd	45,000			
		50,000			50,000

Dr		Purchase Return A/c		Cr.	
31 Jan	To Balance fd	5,000	19 Jan	By Anurag	5,000
		5,000			5,000

Dr		Electricity A/c		Cr.	
22 Jan	To Cash A/c	1,000			
			31 Jan	By Balance fd	1,000
		1,000			1,000

Dr		Telephone A/c		Cr.	
28 Jan	To Cash A/c	500			
			31 Jan	By Balance fd	500

		31 Jan	By Balance fd	500
		500		500

Dr. Rent A/c Cr.

29 Jan	To Cash A/c	800		
		800	31 Jan	By Balance fd
				800
		800		800

Dr. Wages A/c Cr.

31 Jan	To Cash A/c	3,000		
		3,000	31 Jan	By Balance fd
				3,000
1 Feb	To Balance B/d	3,000		3,000

Summarising
TRIAL BALANCE

Particulars	Dr. (£)	Cr. (£)
1. Cash A/c	1,11,700	
2. Capital A/c		1,00,000
3. Purchase A/c	70,000	
4. Sales A/c		43,000
5. Purchase Return A/c		5,000
6. Shraavan	6,000	
7. Anurag		45,000
8. Electra City A/c	1,000	
9. Telephone expense A/c	500	
10. Rent A/c	800	
11. Wages A/c	3,000	
	1,93,000	1,93,000

OMG !!! Dr = Cr.

OMG!!! Dr = Cr

Difference between Journal and Ledger

<i>Basis</i>	<i>Journal</i>	<i>Ledger</i>
1. Nature of Book	It is a book of original or primary entry.	It is a book of final entry.
2. Basis for Preparation	Source documents (such as vouchers, receipts, etc.) are the basis for recording transactions in the Journal.	Journal is the basis for recording transactions in the Ledger.
3. Stage of Recording	Recording in the Journal is the first stage.	Recording in the Ledger is the second stage.
4. Object	It is prepared to record all transactions in a chronological order.	It is prepared to see the net effect of various transactions affecting a particular account.
5. Format	Journal has five columns: 1. Date, 2. Particulars, 3. Ledger Folio, 4. Debit Amount, 5. Credit Amount.	Ledger has four identical columns on both debit and credit sides: 1. Date, 2. Particulars, 3. Journal Folio, 4. Amount.