

DK Goel Solutions for Class 11 Accountancy Chapter 14 Trial Balance and Errors

Very Short Answer Question

Q.1 What is the trial balance?

Answer: Trial balance is a worksheet record book that reflects the debit and credit balance of all the registered accounts.

Q.2 State any four functions or objectives of trial balance?

Answer:

The four functions of trial balance are.

- (i) To ascertain the calculation of the ledger account
- (ii) To detect the error
- (iii) To summarize the ledger account
- (iv) To prepare final account

Q.3 Is trial balance conclusive proof of the accuracy of the books of accounts?

Answer: No, the trial balance is not conclusive proof of accuracy in the books of account as there are many errors that impacts the trial balance.

Q.4 Name two errors which cannot be disclosed while preparing trial balance.

Answer: The two errors which cannot be disclosed while preparing trial balance are.

- (i) Omission errors
- (ii) Commission error

Q.5 Define the error of Omission.

Answer: If any transaction is not recorded either in a subsidiary book or journal it is known as the error of omission.

Q.6 Give an example of the error of Omission.

Answer: If a product is purchased from Deepak on credit but the transaction is not registered in the book. This Error will affect the trial balance.

Q.7 Explain errors of Commission

Answer: If a wrong transaction is recorded either in subsidiary book or journal is known as error of commission.

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Q.8 Give an example of errors of Commission

Answer: If a product is purchased from Hari on credit for ₹ 1000 but the transaction has been registered in the purchase book as ₹ 500

Q.9 Define compensating error.

Answer: When one error is equalized by some other error is known as compensating error.

Q.10 Give an example of compensating error.

Answer: While recording the transaction of Arvind's account, ₹ 50 was posted in the debit section instead of ₹ 500. Similarly, in Dev's account ₹500 was posted in credit section instead of ₹50. So, both the transaction neutralized the error and total in the trial balance.

Q.11 What is error of principle?

Answer: When a primary principle is violated while making registering the transaction is known as error of principle.

Q.12 Give an example of error of principle?

Answer: While in recording the transaction if the purchase of furniture is debited to purchase account instead of furniture account.

Q.13 ₹2,100 salary was recorded as ₹2,000 in salary account and advertisement costing ₹7,700 was recorded as ₹7,800. Name the type of error

Answer: The error made here is compensating error.

Q.14 Mention the error made when someone violates the rule of account

Answer: The error made here is an error of principle.

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Practical Questions

Q.1 Given below are a Cash Book and Ledger extracts relating to the books of M/s Ram Chander & Sons as at 31st January 2015. You are required to prepare a Trial Balance.

Dr.					Cash Book					Cr.	
Date	Particulars	L.F.	Cash	Bank	Date	Particulars	L.F.	Cash	Bank		
2015			₹	₹	2015			₹	₹		
Jan. 1	To Capital A/c		5,00,000		Jan. 2	By Bank A/c	C	4,30,000			
Jan. 2	To Cash A/c	C		4,30,000	Jan. 3	By Purchases A/c				42,000	
Jan. 10	To Sales A/c		36,000								
Jan. 12	To Sales A/c			20,000	Jan. 20	By Mukesh				5,52,000	
					Jan. 27	By Rent A/c		8,000			
Jan. 15	To Navdeep			4,70,000							
Jan. 18	To Onkareshwar			2,65,000							
			5,36,000	11,85,000				4,38,000	5,94,000		
					Jan. 31	By Balance c/d		98,000	5,91,000		
			5,36,000	11,85,000				5,36,000	11,85,000		
Feb. 1	To Balance b/d		98,000	5,91,000							

Dr.		Capital Account						Cr.	
Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount		
Jan. 31	By Balance		5,00,000	Jan 1	By Cash		5,00,000		

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	b/d					A/c	
			6,40,000	Feb 1		By Balance b/d	5,00,000

Dr.	Purchase Account						Cr.
Date 2015	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
Jan. 3	To Bank A/c		42,000				
31	To Sundries as per Purchase Book		6,40,000				

Dr.	Purchase Return Account						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
				Jan. 31	By Sundries as per Purchase return book		10,000

Dr.	Sales Account						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
				Jan. 10	By Cas A/c By Bank A/c By Sundries as per sales book		36,000 20,000 9,25,000

Dr.	Sales Return Account						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
	To Sundries as per sales return book		15,000				

Dr.	Mukesh						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount

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Jan. 7	To Purchase return A/c		10,000	Jan. 6	By Purchases A/c		6,40,000
20	To Bank A/c		5,52,000				6,40,000
31	To Balance c/d		78,000	Feb. 1	By Balance b/d		78,000
			6,40,000				
Dr.	Navdeep						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
Jan. 13	To Sales A/c		6,00,000	Jan. 6	By Purchases A/c		6,40,000
20	To Bank A/c		6,00,000	Jan. 15	By Bank A/c		6,40,000
			6,00,000	Jan. 31	By Balance c/d		1,30,000
Feb 1	To Balance c/d		1,30,000				6,00,000
Dr.	Onkareshvar						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
Jan. 14	To Sales A/c		3,25,000	Jan. 15	By Sales Return A/c		15,000
			3,25,000	Jan. 18	By Bank A/c		2,65,000
Feb 1	To Balance c/d		45,000	Jan. 31	By Balance c/d		45,000
							3,25,000
Dr.	Rent Account						Cr.
Date 2015	Particulars	J.F.	Amount	Date 2015	Particulars	J.F.	Amount
Jan. 27	To Cash A/c		8,000				

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The solution for this question is as follows:

Trial Balance of M/s Ram Chander & Sons as on January 31, 2015			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Cash		98,000	
Bank		5,91,000	
Capital			5,00,000
Purchases		6,82,000	
Purchases Return			10,000
Sales			9,81,000
Sales Return		15,000	
Mukesh			78,000
Navdeep		1,30,000	
Onkareshvar		45,000	
Rent		8,000	
Total		15,69,000	15,69,000

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Q. 2 From the following balances, taken from the books of M/s Dwarka Parshad & Sons as at 31st March 2017, prepare a Trial Balance in proper form: –

Name of Accounts	(₹)	Name of Accounts	(₹)
Cash in Hand	4,500	Machinery	24,000
Bank Overdraft	8,000	Land & Buildings	50,000
Opening Stock	20,000	Debtors	18,400
Purchases	80,000	Creditors	8,500
Purchases Returns	2,000	Bills Receivable	2,850
Sales	1,30,000	Bills Payable	1,650
Sales Returns	5,000	Capital	60,000
Travelling Expenses	1,800	Drawings	6,000
Discount Allowed	600	Rent	3,700
Discount Received	1,500	Salaries	3,600
		Loan (Cr.)	10,000
		Interest on Loan	1,200

The solution for this question is as follows:

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Trial Balance of Sh. Dwarka Prashad as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Cash in Hand		4,500	
Overdraft			8,000
Opening Stock		20,000	
Purchases		80,000	
Purchases Return			2,000
Sales			1,30,000
Sales Return		5,000	
Travelling Expenses		1,800	
Discount Allowed		600	
Discount Received			1,500
Machinery		24,000	
Land & Building		50,000	
Debtors		18,400	
Creditors			8,500
Bills Receivable		2,850	
Bills Payable			1,650
Capital			60,000
Drawings		6,000	
Rent		3,700	
Salary		3,600	
Loan			10,000
Interest on Loan		1,200	—

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Total		2,21,650	2,21,650
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Q. 3 (A) Prepare a Trial Balance from the following balances as at 31st March 2017: –

	(₹)		(₹)
Stock on 1-4-2016	28,800	Returns Inwards	7,500
Purchases	82,000	Returns Outwards	5,600
Sales	1,60,000	Carriage Inwards	1,640
Wages	16,160	Carriage Outwards	3,200
Salaries	6,400	Furniture	12,000
Repair Charges	500	Motor Car	80,000
Commission Received	800	Cash in Hand	4,700
Sundry Debtors	24,200	Bank Overdraft	25,400
Sundry Creditors	7,300	Investments	20,000
Capital	90,000	Interest on Investments	2,400
Drawings	4,400		

The solution for this question is as follows:

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Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Stock		28,800	
Purchases		82,000	
Sales			1,60,000
Salary		6,400	
Repair Charges		500	
Wages		16,160	
Commission Received			800
Sundry Debtors		24,200	
Sundry Creditors			7,300
Capital			90,000
Drawings		4,400	
Return Inwards		7,520	
Return Outwards			5,600
Carriage Inwards		1,640	
Carriage Outwards		3,200	
Furniture		12,000	
Motor Car		80,000	
Cash In Hand		4,700	
Bank Overdraft			25,400
Investment		20,000	
Interest on Investment			2,400
Total		2,91,500	2,91,500

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Q.3 (B) Prepare a Trial Balance from the following balances taken as at 31st March 2017:–

	(₹)		(₹)
Capital	2,50,000	Purchases	2,15,300
Drawings	24,000	Sales	3,80,000
Debtors	57,000	Miscellaneous Expenses	8,200
Creditors	28,500	Miscellaneous Receipts	3,600
Land & Building	1,80,000	Bad Debts	7,100
Plant	1,20,000	Bills Receivable	5,000
Stock on 1-4-2016	22,800	Loan from X	20,000
Factory Expenses	16,600	Interest on X's Loan	3,000
Office Expenses	7,700	Cash in hand	8,400
Purchases Return	6,000	Goodwill	10,000
Stationery	500		
Freight	2,500		

The solution for this question is as follows:

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Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Capital			2,50,000
Drawings		24,000	
Debtors		57,000	
Creditors			28,500
Land & Building		1,80,000	
Plant		1,20,000	
Stock on 1-4-2007		22,800	
Factory Expenses		16,600	
Office Expenses		7,700	
Purchases Return			6,000
Stationery		500	
Freight		2,500	
Purchases		2,15,300	
Sales			3,80,000
Miscellaneous Expenses		8,200	
Miscellaneous Receipts			3,600
Bad Debts		7,100	
Bills Receivable		5,000	
Loan from X			20,000
Interest on X's Loan		3,000	
Cash		8,400	
Goodwill		10,000	

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Total		6,88,100	6,88,100
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Q.4 Following balances were extracted from the books of Ravinder Associates as at 31st March, 2017:

	(₹)		(₹)
Sundry Debtors	4,10,000	Stock (April 1, 2016)	2,30,000
Sundry Creditors	80,000	Premises	12,00,000
Rent and Taxes	48,000	Fixtures & Fittings	3,10,000
Purchases	34,00,000	Bad Debts written off	8,000
Sales	56,00,000	Rent received from sub-let of part of premises	30,000
Trade Expenses	12,000	Loan from Mukul	1,50,000
Returns Outwards	80,000	Interest on Mukul's Loan	15,000
Returns Inwards	1,20,000	Drawings	40,000
Expenses	4,000	Cash in hand	75,000
Motor Vehicles	6,50,000	Stock on 31st March, 2017	
Electricity	25,000	(not adjusted)	3,80,000

You are required to prepare the trial balance treating the difference as his capital.

The solution for this question is as follows:

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The solution for this question is as follows:

Trial Balance of Ravinder Associates as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Sundry Debtors		4,10,000	
Sundry Creditors			80,000
Rent & Taxes		48,000	
Purchases		34,00,000	
Sales			56,00,000
Trade Expenses		12,000	
Return Outwards			80,000
Return Inwards		1,20,000	
Expenses		4,000	
Motor Vehicles		6,50,000	
Electricity		25,000	
Opening Stock (on April 01, 2004)		2,30,000	
Premises		12,00,000	
Fixture & Fittings		3,10,000	
Bad Debts written off		8,000	
Loan from Mukul			1,50,000
Interest on Mukul's Loan		15,000	
Drawings		40,000	
Cash in Hand		75,000	
Rent received from Sub-let of part of Premises			30,000

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Capital (<i>Balancing Figure</i>)			6,07,000
Total		65,47,000	65,47,000

Note: In this trial balance closing stock of ₹ 3,80,000 will not be registered because it has not been accounted yet.

Q. 5 The following trial balance has been prepared by an inexperienced accountant. Redraft it in a correct form: –

Name of Accounts	Debit ₹	Credit ₹
Land and Building	1,20,000	
Plant and Machinery	92,000	
Wages	18,200	
Discount Allowed		1,620
Discount Received	730	
Purchases	1,26,000	
Sales		2,40,000
Return Inwards		6,500
Return Outwards	3,370	
Opening Stock	15,000	
Debtors	30,000	
Creditors		20,000
Carriage on Sales		3,280
Carriage on Purchase	2,800	
Insurance	1,500	
General Expenses	6,100	
Cash in Hand	2,400	

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Bank Overdraft	12,100	
Capital		1,54,000
Drawings		4,800
Total	4,30,200	4,30,200

The solution for this question is as follows:

Trial Balance				
Name of Accounts	L.F.	Debit ₹	Credit ₹	
Land & Building		1,20,000		
Plant & Machinery		92,000		
Wages		18,200		
Discount Allowed		1,620		
Discount Received			730	
Purchases		1,26,000		
Sales			2,40,000	
Return Inwards		6,500		
Return Outwards			3,370	
Opening Stock		15,000		
Debtors		30,000		
Creditors			20,000	
Carriage on Sales		3,280		
Carriage on Purchases		2,800		

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Insurance A/c		1,500		
General Expenses		6,100		
Cash in Hand		2,400		
Bank Overdraft			12,100	
Capital			1,54,000	
Drawings		4,800		
Total		4,30,200	4,30,200	

Q. 6

Following is the Trial Balance as at 31st March, 2015 :				
Heads of Account	L.F.	Debit ₹	Credit ₹	
		₹	₹	
Capital			3,20,000	
Fixed Assets		1,80,000		
Drawings		60,000		
Debtors		2,40,000		
Creditors			1,80,000	
Purchases		7,10,000		
Sales			10,50,000	
Bank Balance		45,000		
Cash in Hand		30,000		
Salary		1,65,000		
Rent		1,20,000		
		15,50,000	15,50,000	

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Having prepared the Trial Balance, it was discovered that following transactions remained unrecorded:

(i) Goods were sold on credit amounting to ₹ 40,000.

(ii) Paid to creditors ₹ 22,000 by cheque.

(iii) Goods worth ₹ 7,000 were returned to a supplier.

(iv) Paid salary ₹ 15,000 by cheque.

Required:

(i) Pass Journal entries for the above-mentioned transactions and post them into Ledger.

(ii) Redraft the Trial Balance.

The solution for this question is as follows:

Journal Entry of Sh. Venkateshwar				
Date	Particulars	L.F.	Debit ₹	Credit ₹
i.	Debtors A/c	Dr.	40,000	
	To Sales A/c			40,000
	(Sold goods on credit)			
ii.	Creditors A/c	Dr.	22,000	
	To Bank A/c			22,000
	(Cheque given to creditors)			
iii.	Creditors A/c	Dr.	7,000	
	To Purchases Return A/c			7,000
	(Returned goods to a supplier)			
iv.	Salary A/c	Dr.	15,000	
	To Bank A/c			15,000
	(Paid salary)			

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Trial Balance				
Name of Accounts	L.F.	Debit ₹	Credit ₹	
Capital			3,20,000	
Fixed Assets		1,80,000		
Drawings		60,000		
Debtors		2,80,000		
Creditors			1,51,000	
Purchases		7,10,000		
Sales			10,90,000	
Bank Balance		8,000		
Cash in Hand		30,000		
Salary		1,80,000		
Rent		1,20,000		
Purchases Return			7,000	
Total		15,68,000	15,68,000	

Q.7 The following is the Trial Balance prepared by an inexperienced accountant. Redraft it in a correct form and give necessary notes: –

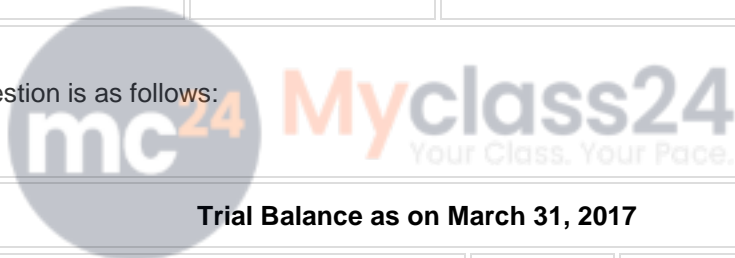
Trial balance for the year ending 31st March, 2017

Particulars	Amount	Particulars	Amount
	₹		₹
Cash in Hand	5,200	Bank Overdraft	16,400
Plant & Machinery	75,000	Capital	50,000
Typewriter	6,400	Goodwill	8,000
Stock (1-4-2016)	13,100	Sundry Creditors	8,200

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Purchases	84,100	Sales	1,60,000
Carriage Inwards	2,800	Return Inwards	2,400
Carriage Outwards	1,600	Drawings	2,120
Sundry Debtors	18,300	Investments	4,000
Bills Payable	12,000		
Rent Paid	9,600		
Wages	16,500		
Advertisement	4,500		
Discount Received	3,200		
	2,52,300		2,51,120

The solution for this question is as follows:



Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Cash in Hand		5,200	
Plant & Machinery		75,000	
Typewriter		6,400	
Stock (1-4-2003)		13,100	
Purchases		84,100	
Carriage Inwards		2,800	
Carriage Outwards		1,600	
Sundry Debtors		18,300	
Bills Payable			12,000

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Rent Paid		9,600	
Wages		16,500	
Advertisement		4,500	
Discount Received			3,200
Bank Overdraft			16,400
Capital			50,000
Goodwill		8,000	
Sundry Creditors			8,200
Sales			1,60,000
Return Inwards		2,400	
Drawings		2,120	
Investment		4,000	
Suspense A/c (<i>Balancing Figure</i>)			3,820
Total		2,53,620	2,53,620

Note: Here, the trial balance does not match, so the difference amount ₹ 3,820 will be transferred to the Credit Balance of Trial Balance.

Q. 8 A book-keeper extracted the following Trial Balance as at 31st March, 2017:

Name of Accounts	Debit ₹	Credit ₹
Stock on 1.4.2016	2,50,000	
Purchases	6,50,000	
Sales		10,00,000
Motor Vans	3,80,000	
Debtors and Creditors	1,50,000	94,000

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Premises		3,00,000
Shop fittings		20,000
Interest on Bank Overdraft		16,000
Purchases Returns	10,000	
Sales Returns		20,000
Lighting and heating	18,000	
Capital		5,00,000
Discount Received	2,000	
Repairs	2,500	
Electricity		6,500
Bank Overdraft	2,00,000	
Stock on 31.3.2017	3,30,000	
Rent from subletting		15,000
Bills Receivable		8,000
Suspense Account (difference in books)		13,000
Total	19,92,500	19,92,500

The solution for this question is as follows:

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Trial Balance as on March 31, 2017			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Stock on 1.4.2004		2,50,000	
Purchases		6,50,000	
Sales			10,00,000
Motor Van		3,80,000	
Debtors		1,50,000	
Creditors			94,000
Premises		3,00,000	
Shop Fittings		20,000	
Interest on Bank Overdraft		16,000	
Purchases Return			10,000
Sales Return		20,000	
Lighting & Heating		18,000	
Capital			5,00,000
Discount Received			2,000
Repairs		2,500	
Electricity		6,500	
Bank Overdraft			2,00,000
Rent from subletting			15,000
Bills Receivable		8,000	
Total		18,21,000	18,21,000

Note: In trial balance the closing stock of ₹ 3,30,000 will not be mentioned, because it has not been accounted yet.

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Q.9 From the following ledger balances prepare trial balance:

Capital ₹ 20,800, Rent outstanding ₹ 1,420, Amount due to Param, ₹ 15,000, Drawing ₹ 2,800, Goodwill ₹ 12,000, Interest received ₹ 2,000, Discount received ₹ 1,580, Amount due from Deepan ₹ 26,000.

The solution for this question is as follows:

Trial Balance			
Name of Accounts	L.F.	Debit ₹	Credit ₹
Capital			20,800
Outstanding Rent			1,420
Due to Param			15,000
Drawings		2,800	
Goodwill A/c		12,000	
Interest Received			2,000
Discount Received			1,580
Due from Deepan		26,000	
Total		40,800	40,800