

Principles of Accounting - ICOM Part 1 Principles of Accounting Chapter 7 Short Question Preparation

Q1. What is sale return journal?

Ans 1: The goods we have sold on credit if subsequently returned by the customers to us for some solid reasons are recorded in a book known as sales return journal. This book is also known as return as inward book.

Q2. What is purchase return book?

Ans 1: The goods we have bought on credit if subsequently returned to the supplier for being defective are recorded in a book known as Purchases Return book. Purchases Return book is also known as Return Outwards books.

Q3. Define cash payment journal.

Ans 1: Cash payment journal is one in which all payments made in cash or by cheque are recorded. Sometimes it is called the cash disbursements journal. Cash payments journal is particular designed to record transactions that decrease the amount of cash.

Q4. Define Debit note?

Ans 1: If goods bought on credit are returned to the seller for any solid reasons, the buyer debits the seller accounts and informs the seller through a note. This notice is called "Debit Note".

Q5. What is sales books?

Ans 1: A book of original entry in which only credit sales are recorded chronologically is called sales journal or sales book.

Q6. Define the subsidiary books?

Ans 1: Under double entry accounting system, transactions are first of all recorded in journal and thereafter posted to the ledger. The book which gives additional help to the ledger is called subsidiary book.

Q7. Define Special Journal.

Ans 1: By special journal we mean, journal in which transactions relating to a certain group are recorded. Special journal is again sub divided into eight journals e.g cash journal, Sales journal, purchase journal, sales journal etc..