

Accounting for Goods and Service Tax (GST) DK Goel Class 11

Accountancy Solutions

Students can refer below for solutions for all questions given in your DK Goel Accountancy Textbook for Class 11 in Chapter 10

Short Answer Question

Question 1: What is GST?

Solution 1: GST stands for Goods and Services tax. It is tax levied indirectly on the supply of goods and services.

Question 2: Name the two central taxes that have merged into GST.

Solution 2: Below are the two central taxes that have merged into GST:-

- (i) Custom duty
- (ii) Excise duty

Question 3: Name the two-state taxes that have merged into GST.

Solution 3: Below are the two central taxes that have merged into GST:-

- (i) VAT
- (ii) Purchase Tax

Question 4: Give two advantages of GST.

Solution 4:

Below are the two advantages of GST:-

- (i) GST reduce the sales without receipts and corruption.
- (ii) GST reduce multiple tax evasion.

Question 5: What is the full form of CGST?

Solution 5: Central Goods and Services Tax is the full form of CGST.

Question 6: What is the full form of SGST?

Solution 6: State Goods and Services Tax is the full form of CGST.

Question 7: What is the full form of IGST?

Solution 7: Integrated Goods and Services Tax is the full form of IGST.

Question 8: What is CGST?

Solution 8: Integrated Goods and Service Tax applies to CGST. On intra-state or inside state transactions, it is charged. The central government oversees the CGST which is administered by the CGST Act.

For Example: A dealer of Delhi sells goods to a dealer of Delhi worth Rs. 1,50,000. Suppose the CGST and SGST rate is 12%. In the case the seller will charge 6% of CGST and 6% of SGST Rs. 9,000 as CGST and Rs. 9,000 as SGST.

Question 9: What is IGST?

Solution 9: Integrated Goods and Service Tax applies to IGST. It is imposed on purchases from inter-state outlets. The IGST is monitored by the IGST Act.

For Example: A dealer of Mumbai sells goods to a dealer in Uttar Pradesh worth Rs. 1,25,000. Suppose the IGST rate is 12%. In the case the seller will charge Rs. 15,000 as IGST.

Practical Question for DK Goel Solutions Class 11 Chapter 10

Question 1: Pass entries in the books of Mukerjee & Sons. assuming all transactions have

taken place within the state of Uttar Pradesh. Assume CGST @9% and SGST @ 9%.

2018	Particulars
March 01	Bought goods for Rs. 5,00,000 from Mehta Bros
March 04	Goods sold for Rs. 8,00,000 to Munjal & Co.
March 15	Paid for advertisement Rs. 40,000 by cheque.
March 18	Bought furniture for office use Rs. 50,000 and payment made by cheque
March 25	Paid for printing and stationery Rs. 8,000.
March 31	Payment of the balance amount of GST.

Date	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
Mar. 01	Purchases A/c Input CGST A/c Input SGST A/c To Mehta Bros. A/c (Bought goods from Mehta bros. and GST paid @18%)	Dr. Dr. Dr.	5,00,000 45,000 45,000	5,90,000
Mar. 04	Munjal & Co. A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold to Munjal & Co. and GST applied @18%)	Dr.	9,44,000	8,00,000 72,000 72,000
Mar. 15	Advertisement A/c Input CGST A/c Input SGST A/c To Bank A/c (Amount paid for advertisement)	Dr. Dr. Dr.	40,000 3,600 3,600	47,200
Mar. 18	Furniture A/c Input CGST A/c Input SGST A/c To Bank A/c (Bought furniture for office use)	Dr. Dr. Dr.	50,000 4,500 4,500	59,000
Mar. 25	Printing & Stationery A/c Input CGST A/c Input SGST A/c To Cash A/c (Paid amount for stationery and printing)	Dr. Dr. Dr.	8,000 720 720	9,440
Mar. 31	Output CGST A/c Output SGST A/c To Input CGST A/c To Input SGST A/c (Availed Input tax credit)	Dr. Dr.	53,820 53,820	53,820 53,820
Mar. 31	Output CGST A/c Output CGST A/c To Bank A/c	Dr. Dr.	18,180 18,180	36,360

(GST Payment set-off)		17,93,640	17,93,640
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Point in mind:-

GST Rate Structure:- Goods and Service are divided into five slabs for collection of GST:

Essential items including food 0%

Common Use Items 5%

Standard Rate 12%

Maximum Goods and all services Standard Rate 18%

Luxury items and tobacco 28%

Question 2: Pass entries in the books of Devdhar & Bros. Odisha, assuming all transactions have been entered within the state, charging CGST and SGST @ 9% each.

2018	Particulars
Mar-04	Purchased goods for Rs. 5,00,000 from Sunil Bros.
Mar-07	Goods returned to Sunil Bros. for Rs. 20,000.
Mar-10	Sold goods to Mehta & Co. for Rs. 8,00,000.
Mar-12	Goods returned by Mehta & Co. for Rs. 30,000.
Mar-20	Goods withdrawn by Proprietor for personal use Rs. 10,000.
Mar-25	Goods distributed as free samples Rs. 5,000.
Mar-26	Paid advertisement expenses by cheque Rs.20,000.
Mar-31	Payment made of balance amount.

Solution 2:

Date	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
March 04	Purchases A/c Input CGST A/c Input SGST A/c To Sunil Bros. A/c (Purchases goods from Sunil Bros.)	Dr. Dr. Dr.	5,00,000 45,000 45,000	5,90,000
March 07	Sunil Bros. A/c To Purchases Return A/c To Input CGST A/c To Input SGST A/c (Goods returned to Sunil Bros.)	Dr.	23,600	20,000 1,800 1,800
March 10	Mehta & Co. A/c To Sales A/c To Output CGST A/c To Output SGST A/c	Dr.	9,44,000	8,00,000 72,000 72,000

March 12	(Sold goods to Mehta & Co.) Sales Return A/c Output CGST A/c Output SGST A/c To Mehta & Co. A/c (Goods Returned by Mehta & Co.)	Dr. 30,000 Dr. 2,700 Dr. 2,700	35,400
March 20	Drawings A/c To Purchases Return A/c To Input CGST A/c To Input SGST A/c (Goods withdrawn for personal use)	Dr. 11,800	10,000 900 900
March 25	Free Samples A/c To Purchases Return A/c To Input CGST A/c To Input SGST A/c (Goods distributed as free samples)	Dr. 5,900	5,000 450 450
March 26	Advertisement A/c Input CGST A/c Input SGST A/c To Bank A/c (Advertisement expenses paid)	Dr. 20,000 Dr. 1,800 Dr. 1,800	23,600
March 31	Output CGST A/c Output SGST A/c To Input CGST A/c To Input SGST A/c (Availed Input tax credit)	Dr. 43,650 Dr. 43,650	43,650 43,650
March 31	Output CGST A/c Output SGST A/c To Bank A/c (Balance tax paid to government)	Dr. 25,650 Dr. 25,650	25,650
		17,72,900	17,72,900

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Question 3: Record the following transactions in the books of Sahdev & Sons assuming all transactions have been entered within the state of Bihar, Charging CGST and SGST @ 9% each.

Particulars
1. Bought goods from Nanak Bros. for Rs. 4,00,000 at 10% trade discount and 3% cash discount on the purchase price. 25% of the amount paid at the time of purchase.
2. Sold goods to Kumar & Sons. for Rs. 2,00,000 at 20% trade discount and 5% cash discount on sale price. 60% of the amount received by Cheque.
3. Received from Gopi Chand Rs. 38,000 by Cheque after deducting 5% cash discount.
4. Paid Rs. 20,000 for rent by Cheque.
5. Paid Rs. 50,000 for salaries by Cheque.
6. Goods worth Rs. 10,000 distributed as free samples.

7. Rs. 5,000 due from Chanderkant are bad-debts.

8. Sold household furniture for Rs. 15,000 and the proceeds were invested into business.

Solution 3:

S.no	Particulars	L.F	Debit (Rs.)	Credit (Rs.)	
1.	Purchases A/c	Dr.	3,60,000		
	Input CGST A/c	Dr.	32,400		
	Input SGST A/c	Dr.	32,400		
	To Cash A/c			1,03,014	
	To Nanak Bros. A/c			3,18,600	
	To Discount Received A/c			3,186	
	(goods purchased and GST @)				
2.	Kumar & Sons A/c	Dr.	75,520		
	Bank A/c	Dr.	1,07,616		
	Discount Allowed A/c	Dr.	5,664		
	To Sales A/c			1,60,000	
	To Output CGST A/c			14,400	
	To Output SGST A/c			14,400	
	(Being Sold goods 9% paid)				
3.	Bank A/c	Dr.	38,000		
	Discount Allowed A/c	Dr.	2,000		
	To Gopi Chand A/c			40,000	
		(Received amount in full settlement from Gopi Chand)			
	Rent A/c	Dr.	20,000		
	Input CGST A/c	Dr.	1,800		
Input SGST A/c	Dr.	1,800			
	To Bank A/c			23,600	
	(Rent paid)				
4.	Salaries A/c	Dr.	50,000		
	To Bank A/c			50,000	
	(Salaries Paid)				
5.	Advertisement A/c	Dr.	11,800		
	To Purchases A/c			10,000	
	To Input CGST A/c			900	
	To Input SGST A/c			900	
	(Goods distributed as free samples)				
6.	Bad Debts A/c	Dr.	5,000		
	To Chanderkant A/c			5,000	
	(Debtor chanderkant proved bad-debts)				
7.	Cash A/c	Dr.	15,000		
	To Capital A/c			15,000	
	(Additional capital introduce into the business)				
			7,59,000	7,59,000	

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Question 4: Pass entries in the books of Mr. Roopani of Gujarat assuming CGST @ 9% and SGST@ 9%.

Particulars

1. Purchased goods for Rs. 2,00,000 from Suryakant of Jaipur (Rajasthan) on Credit.
2. Sold goods for Rs. 1,50,000 to Mr. Pawar of Mumbai (Maharashtra) and the cheque received was sent to bank.
3. Sold goods for Rs. 2,50,000 within the state on credit.
4. Paid insurance premium of 20,000 by cheque.
5. Purchased furniture for office for Rs. 60,000 by cheque.
6. Payment made of balance amount of GST.

Solution 4:

S.no.	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
1.	Purchases A/c Input IGST A/c To Suryakant (Purchased goods on credit basis)	Dr. Dr.	2,00,000 36,000	2,36,000
2.	Bank A/c To Sales A/c To Output IGST A/c (Goods sold)	Dr.	1,77,000	1,50,000 27,000
3.	Debtors A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold on credit)	Dr.	2,95,000	2,50,000 22,500 22,500
4.	Insurance Premium A/c Input CGST A/c Input SGST A/c To Bank A/c (Insurance premium payment)	Dr. Dr. Dr.	20,000 1,800 1,800	23,600
5.	Office Furniture A/c Input CGST A/c Input SGST A/c To Bank A/c (Office furniture purchased)	Dr. Dr. Dr.	60,000 5,400 5,400	70,800
6.	Output IGST A/c To Input IGST A/c (Set-off Input IGST credit up to Rs.27,000 and balance to be adjusted against Output CGST)	Dr.	27,000	27,000
7.	Output CGST A/c To Input CGST A/c To Input SGST A/c To Bank A/c (Setoff Input tax credit and paid balance)	Dr.	22,500	7,200 9,000 6,300
8.	Output SGST A/c To Input SGST A/c To Bank A/c (Setoff Input tax credit availed and paid balance)	Dr.	22,500	7,200 15,300

		8,74,400	8,74,400
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Working Note:-

Calculation of GST

Outstanding IGST = Output IGST – Input IGST

Outstanding IGST = Rs. 27,000 – Rs. 36,000

Outstanding IGST = (Rs. 9,000)

Set off of GST:-

Output CGST can set-off by both Input CGST and Input IGST

CGST outstanding = Output CGST – Input IGST – Input CGST

CGST outstanding = Rs. 22,500 – Rs. 9,000 – Rs. 7,200

CGST outstanding = Rs. 6,300

Outstanding SGST = Output SGST – Input SGST

Outstanding SGST = Rs. 22,500 – Rs. 7,200

Outstanding SGST = Rs. 15,300

Question 5: Pass entries in the books of Sh. Jagdish Mishra of Lucknow (U.P.) assuming CGST @ 6% and SGST @ 6%.

March	Particulars
5	Purchased goods for Rs. 2,50,000 from Virender Yadav of Patna (Bihar).
12	Sold goods costing Rs. 60,000 at 50% profit to Partap Sinha of Ranchi.
14	Purchased goods for Rs. 70,000 from Ram Nath of Kanpur against cheque.
18	Sold goods at Varanasi (U.P.) Costing Rs. 2,25,000 at 33½% profit less trade discount 10% against cheque which was deposited into the bank.
20	Paid rent Rs. 25,000 by cheque.
31	Payment made of balance amount of GST.

Solution 5 :

S.no	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
Mar. 5	Purchases A/c Input IGST A/c To Virender Yadav (Bought goods on credit)	Dr. Dr.	2,50,000 30,000	2,80,000
Mar. 12	Partap Sinha A/c To Sales A/c To Output IGST A/c (goods sold on credit)	Dr.	1,00,800	90,000 10,800
Mar. 14	Purchases A/c	Dr.	70,000	

Mar. 14	Purchases A/c Input CGST A/c Input SGST A/c To Bank A/c (Bought goods against cheque)	Dr. Dr. Dr.	10,000 4,200 4,200	78,400
Mar. 18	Bank A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold against cheque)	Dr.	3,02,400	2,70,000 16,200 16,200
Mar. 20	Rent A/c Input CGST A/c Input SGST A/c To Bank A/c (Rent paid by cheque)	Dr. Dr. Dr.	25,000 1,500 1,500	28,000
Mar. 31	Output IGST A/c To Input IGST A/c (Setoff input tax credit)	Dr.	10,800	10,800
Mar. 31	Output CGST A/c To Input CGST A/c To Input IGST A/c (Setoff input tax credit)	Dr.	16,200	5,700 10,500
Mar. 31	Output SGST A/c To Input SGST A/c To Input IGST A/c To Bank A/c (Setoff input tax credit and paid balance)	Dr.	16,200	5,700 8,700 1,800
			8,32,800	8,32,800

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Question 6: Pass entries in the books of all parties in the following cases assuming CGST @ 6% and SGST @ 6%.

March	Particulars
1	Mahesh Chandra of Bihar purchased goods for Rs. 1,00,000 from Sunil Soren of Jharkhand and sold the same to Deepak Patnaik of Odisha for Rs. 1,50,000.
5	Deepak Patnaik sold goods to Suresh Yadav of Odisha for Rs. 1,80,000.
10	Suresh Yadav sold goods to Ravi Chakravarti of West Bengal for Rs. 2,50,000.
14	Ravi Chakravarti sold goods costing Rs. 2,50,000 to Sanjay Diwedi of West Bengal at a profit of 40% on cost.

Solution 6:

Journal Entries In the Books of Mahesh Chand, Bihar for the month of ...

S.no.	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
Mar. 1	Purchases A/c Input IGST A/c	Dr. Dr.	1,00,000 12,000	

	To Sunil Soren (Purchased goods and IGST @ 12% Paid)		1,12,000	
Mar. 1	Deepak Patnaik To Sales A/c To Output IGST A/c (goods sale and IGST @ 12% paid)	Dr.	1,68,000	1,50,000 18,000
	Total		2,80,000	2,80,000

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Journal Entries In the Books of Sunil Soren, Jharkhand for the month of

S.no.	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
March 1	Mahesh Chand To Sales A/c To Output IGST A/c (Sale goods and IGST @ 12% paid)	Dr.	1,12,000	1,00,000 12,000

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Journal Entries In the Books of Deepak Patnaik, Odisha for the month of

S.no	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
Mar. 1	Purchases A/c Input IGST A/c To Mahesh Chand (Goods purchased plus 12% IGST)	Dr. Dr.	1,50,000 18,000	1,68,000
Mar. 5	Suresh Yadav A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods plus 6% CGST and SGST each)	Dr.	2,01,600	1,80,000 10,800 10,800
			3,69,600	3,69,600

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Journal Entries In the Books of Suresh Yadav, Odisha for the month of

S.no	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
Mar. 5	Purchases A/c Input CGST A/c Input SGST A/c To Deepak Patnaik (Goods purchased plus 12% IGST)	Dr. Dr. Dr.	1,80,000 10,800 10,800	2,01,600
Mar. 10	Ravi Chakravarti To Sales A/c To Output IGST A/c (Sold goods plus 12% IGST)	Dr.	2,80,000	2,50,000 30,000
			4,81,600	4,81,600

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Journal Entries In the Books of Ravi Chakravarti, West Bengal for the month of

JOURNAL ENTRIES IN THE BOOKS OF RAVI CHANNAI, WEST BENGAL FOR THE MONTH OF ...

S.no	Particulars	L.F	Debit (Rs.)	Credit (Rs.)
Mar. 10	Purchases A/c Input IGST A/c To Suresh Yadav (Purchased goods @ 12% IGST)	Dr. Dr.	2,50,000 30,000	2,80,000
Mar. 14	Sanjay Diwedi To Sales A/c To Output CGST A/c To Output SGST A/c (Sold Goods cost Rs. 2,50,000 @ 40% Profit plus 6% CGST and SGST each)	Dr.	3,92,000	3,50,000 21,000 21,000
	Total		6,72,000	6,72,000

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Question 7: Pass entries in the books of Krishnan of Bengaluru (Karnataka) in the following cases:

Particulars
1. Purchased goods from Karunakaran of Chennai for Rs. 1,00,000. (IGST @18%)
2. Sold goods to Ganeshan of Bengaluru for Rs. 1,50,000. (CGST @ 6% and SGST @ 6%)
3. Sold goods to S. Nair of Kerala for Rs. 2,60,000. (IGST @18%)
4. Purchased a Machinery for Rs. 80,000 from Surya Ltd. against cheque. (CGST @ 9% and SGST @ 9%)
5. Paid rent Rs. 30,000 by cheque. (CGST @ 6% and SGST @ 6%)
6. Purchased goods from Ram Mohan Rai of Bengaluru for Rs. 2,00,000. (CGST @ 6% and SGST @ 6%)
7. Paid insurance premium Rs. 10,000 by cheque. (CGST @ 9% and SGST @ 9%)
8. Received commission Rs. 20,000 by cheque which is deposited into bank. (CGST @ 9% and SGST @ 9%)
9. Payment made of balance amount of GST

Solution 7:

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
1	Purchases A/c Input IGST A/c To Karunakaran's (Goods Purchased on credit)	Dr. Dr.	1,00,000 18,000	1,18,000
2	Ganeshan's To Sales A/c	Dr.	1,68,000	1,50,000

	To Sales A/c			4,50,000
	To Output CGST A/c			9,000
	To Output SGST A/c			9,000
	(Sold goods on credit and)			
3	S. Nair's	Dr.	3,06,800	
	To Sales A/c			2,60,000
	To Output IGST A/c			46,800
	(Being goods sold on credit and @ 18% IGST paid)			
4	Machinery A/c	Dr.	80,000	
	Input CGST A/c	Dr.	7,200	
	Input SGST A/c	Dr.	7,200	
	To Bank A/c			94,400
	(Motorbike purchased against cheque)			
5	Rent A/c	Dr.	30,000	
	Input CGST A/c	Dr.	1,800	
	Input SGST A/c	Dr.	1,800	
	To Bank A/c			33,600
	(Rent paid by cheque)			
6	Purchases A/c	Dr.	2,00,000	
	Input CGST A/c	Dr.	12,000	
	Input SGST A/c	Dr.	12,000	
	To Ram Mohan Rai A/c			2,24,000
	(Goods purchased on credit)			
7	Insurance Premium A/c	Dr.	10,000	
	Input CGST A/c	Dr.	900	
	Input SGST A/c	Dr.	900	
	To Bank A/c			11,800
	(Insurance premium paid by cheque)			
8	Bank A/c	Dr.	23,600	
	To Commission A/c			20,000
	To Output CGST A/c			1,800
	To Output SGST A/c			1,800
	(Commission received and deposited in bank)			
9	Output IGST A/c	Dr.	18,000	
	To Input IGST A/c			18,000
	(GST set-off and Input tax credit availed)			
10	Output CGST A/c	Dr.	10,800	
	Output SGST A/c	Dr.	10,800	
	To Input CGST A/c			10,800
	To Input IGST A/c			10,800
	(GST set-off Input tax credit availed)			
11	Output IGST A/c	Dr.	28,800	
	To Input SGST A/c			11,100

Question 8: Prepare a book for all the parties mentioned below assuming CGST and SGST 9% each.

2018	Particulars
Apr-05	Goods sold by manufacturer Anu of Delhi to a dealer Biraj of Delhi for Rs.50,000
Apr-07	Sold goods by Biraj to Chandan of Punjab for Rs.1,20,000

Apr-15	Sold goods by Chandan to Deepa of Punjab for Rs.1,50,000
Apr-20	Sold goods by Deepa to Eila of Maharashtra for Rs.1,50,000 at a profit of 33 ½% on cost.

Solution 8:

Journal Entries In the Books of Anu for the Month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 April 5	Biraj To Sales A/c To Output CGST A/c To Output SGST A/c (Goods sold and GST @ 18% applied)	Dr.	59,000	50,000 4,500 4,500

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Journal Entries In the books of Biraj for the Month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 April 5	Purchase A/c Input CGST A/c Input SGST A/c To Anu's A/c (Goods purchased and GST applied)	Dr. Dr. Dr.	50,000 4,500 4,500	59,000
April 7	Chandan's A/c To Sales A/c To Output IGST A/c (Sold goods outside the state)	Dr.	1,41,000	1,20,000 21,600

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Journal Entries In the books of Chandan for the Month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 April 7	Purchase A/c Input IGST A/c To Biraj's (Being purchases goods and GST paid @ 18%)	Dr. Dr.	1,20,000 21,000	1,41,600
April 15	Deepa To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods and GST paid @ 18%)	Dr.	1,77,000	1,50,000 13,500 13,500

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Journal Entries In the Books of Deepa for the Month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 April 15	Purchase A/c Input CGST A/c	Dr. Dr.	1,50,000 13,500	

April 20	Input SGST A/c To Chandra's A/c (Bought goods and GST paid @ 18%)	Dr.	13,500	1,77,000
	Eila's A/c To Sales A/c To Output IGST A/c (Goods sold and GST paid @ 18% from outside the state costing Rs. 1,50,000 at a profit of 33 ½% on cost)	Dr.	2,36,000	2,00,000 36,000

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Journal Entries in the Books of Eile for the Month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 April 5	Purchase A/c Input IGST A/c To Deepa (Purchases goods from outside the state)	Dr. Dr.	2,00,000 36,000	2,36,000

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Question 9: Pass entries in the books of Ashok Bros. assuming that all transactions have been entered within Delhi and assuming CGST @6% and SGST @ 6%.

2018	
Jan-02	Purchased goods for Rs.2,00,000
Jan-05	Sold goods for Rs.3,00,000 on credit
Jan-10	Purchased computer printer for office for Rs.50,000 and payment made by cheque
Jan-20	Paid legal consultation fee Rs.10,000
Jan-22	Paid rent Rs.20,000 by cheque
Jan-31	Payment made of the balance amount of GST

Solution 9:

Journal Entries in the Books of Ashok Bros. for the month of

S.no	Particulars	L.F.	Debit (Rs.)	Credit (Rs.)
2018 Jan 2	Purchase A/c Input CGST A/c Input SGST A/c To Creditor A/c	Dr. Dr. Dr.	2,00,000 12,000 12,000	2,24,000

Jan 5	(Purchase goods on credit and GST paid @ 12%) Debtors A/c To Sales A/c To Output CGST A/c To Output SGST A/c (Sold goods on credit and GST applied @ 12%)	Dr.	3,36,000	3,00,000 18,000 18,000
Jan 10	Office Equipment A/c Input CGST A/c Input SGST A/c To Bank A/c (Purchased printer and GST paid)	Dr. Dr. Dr.	50,000 3,000 3,000	56,000
Jan 20	Office Equipment A/c Input CGST A/c Input SGST A/c To Cash A/c (legal consultation fee and GST paid)	Dr. Dr. Dr.	10,000 600 600	11,200
Jan 22	Rent A/c Input CGST A/c Input SGST A/c To Bank A/c (Being rent paid)	Dr. Dr. Dr.	20,000 1,200 1,200	22,400
Jan 31	Output CGST A/c Output SGST A/c To Input CGST A/c To Input SGST A/c To Bank A/c (Set-off of GST and balance amount paid)	Dr. Dr.	18,000 18,000	16,800 16,800 2,400
			6,85,600	6,85,600

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Working Note:-

Calculation of GST Outstanding:-

Output CGST can set-off by both Input CGST and Input IGST

Outstanding CGST = Output CGST – Input CGST

Outstanding CGST = Rs. 18,000 – Rs. 12,000 – Rs. 3,000 – Rs. 600 – Rs. 1,200

Outstanding CGST = Rs. 18,000 – Rs. 16,800

Outstanding CGST = Rs. 1,200

Output SGST can set-off by both Input SGST and Input IGST

CGST outstanding = Output SGST – Input SGST

CGST outstanding = Rs. 18,000 – Rs. 12,000 – Rs. 3,000 – Rs. 600 – Rs. 1,200

CGST outstanding = Rs. 18,000 – Rs. 16,800

CGST outstanding = Rs. 1,200

Total Amount paid by bank for GST = Rs. 1,200 + Rs. 1,200 = Rs. 2,400

MCQs for Accountancy Class 11 with Answers Chapter 10 Accounting for Goods and Service Tax (GST)

Question On intra-state purchase of goods, which of the following accounts are debited:

- Input IGST Account.
- Input CGST Account and Input SGST Account.

- (c) Input IGST Account and Input CGST Account.
- (d) Input IGST Account and Input SGST Account.

▶ Answer

Question On inter-state (i.e., outside the state) purchase of goods, which of the following GST is levied:

- (a) IGST.
- (b) IGST and CGST.
- (c) CGST.
- (d) SGST.

▶ Answer

Question On inter-state sale of goods, which of the following account is credited:

- (a) Output CGST A/c.
- (b) Output IGST A/c.
- (c) Input IGST A/c.
- (d) Output SGST A/c.

▶ Answer

Question On intra-state (Le., within the state) purchase of goods, which of the following GST is levied:

- (a) CGST.
- (b) SGST.
- (c) CGST and SGST.
- (d) SGST and IGST.

▶ Answer

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Same textbooks, knock away

What is GST?

As explained in DK Goel Solutions class 11 Chapter 10 Goods and Services Tax is abbreviated as GST. It is a type of tax that is indirectly proportional to the supply of goods and services.

Mention the advantages of GST.

Here are the main advantages of GST –

- GST eliminates the cascading tax effects by bringing indirect tax regimes together.
- GST drives out multiple tax evasions to promote a corruption-free tax administration.
- GST presents a bunch of transparent and clear rules.
- GST helps in the control and regulation of the price of goods.

What is CGST?

CGST depicts the tax charged by the Central Government for the supply of goods and services around a state. Let's take an example to clarify the concept – Suppose a seller in Chennai sells a product with a cost price of Rs. 500 in Chennai, and the CGST is 5%. The seller will charge Rs. 525 for the product.

What are the taxes that comprise GST?

The Goods and Services Tax comprises two central taxes, namely, the Central Customs Duty and the Excise Duty taxes. While at the state level, GST includes VAT and purchase taxes.

What is IGST?

Integrated Goods and Services Tax is abbreviated as IGST. IGST is basically the tax charged by the State Government on the exchange of goods and services between states. For instance, if a seller from West Bengal sells the goods in Delhi with the cost price of the goods is Rs.1000, and the IGST is 10%. Then the seller will charge Rs.1100 for the goods.

What is the full form of SGST?

State Goods and Service Tax is abbreviated as SGST.

How to get good marks in the GST chapter of Accountancy Class 11?

GST is one of the most crucial topics in class 11, Accountancy. It is the most scoring topic, in which most students can secure full marks. With proper guidance, you can easily grab good marks in this chapter. Make sure you refer to the DK Goel Solutions Accountancy to get a handful of questions coupled with their solutions, and don't miss the most important ones. Practice the previous year's questions popping out from the topic.

One thought on “DK Goel Solutions Chapter 10 Accounting for Goods and Service Tax (GST)”



Vipul Tripathi says: *October 5, 2021 at 4:16 pm*

Thnx for the know 🙏

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