

# UDHNA COLLEGE

TYBCOM SEM-6

ADVANCED ACCOUNTING & AUDITING PAPER-8

CH: DESHI NAMA SYSTEM

## 1. Introduction

Two methods of writing accounts are prevalent : (1) Double Entry system and (2) Deshinama System. Deshi nama system is a very old system, derived and adopted in the Indian subcontinent, to write accounts. This system is older than double entry system. There is a good deal of similarity between the two systems, from the view point of accounting principles. Still, however because of its specific peculiarities this system shines out as against other systems. In this system the books are known as 'Vahi' and therefore this system is also known as 'Vahi Khata paddhati'. This system is written in the regional language. However, the system is very old, it is a scientific and complete method. It is very easy to write and understand the accounts by Deshi Nama System.

## 2. Characteristics of Deshi Nama System

Characteristics of deshi nama system are as under :

(1) **Books** : The books under deshi nama are covered with the red cloth and are hard bound. A design is made on this cover by thick string. These books are in the vertical form and contain plain white blank sheets tied with strings. However, now a days simple books of accounts, with lined pages are also in use.

(2) **Vikram Samvat** : Deshi nama is usually maintained for a vikram samvat year. i.e. from Kartak sud 1(ekam) to Aso vad-30 (Amaas). Now-a-days it is also maintained as per income-tax rules for a financial year (From 1st April to 31st March)

(3) **Page for Pooja** : On the first page of Rojmal or Bethomel the businessman writes the name of God; he worships and also writes a prayer to the God like "Shri Ganeshay Namah", "Shri Laxmi Matajinu Tej Hajo" etc. This page is termed as puja page. No accounting entry is recorded on this page.

(4) **Use of the word 'Shri'** : In deshi nama, while recording an entry in the Rojmel, bethomel or subsidiary books, the name of the account(khata) is preceded with the word 'Shri' e.g. if Interest (Vyaj) account is to be written, it will be written as "Shri Vyaj Khate". Shri is considered as sign of omen.

(5) **Sal / Folds** : The pages in each of the books of accounts are with folds(sal). Rojmel, bethomel and Khatavahi have pages with eight folds. But pages in subsidiary books have six folds. However, now in changing times, pages without folds and with columns drawn are being used.

(6) **Credit (Jama) and debit (Udhar) side** : In the books for deshi nama system, out of total eight folds, first four folds on the left hand side are known as jama (credit) side and the remaining four folds as udhar (debit) side. Thus, the left hand side is known as Jama side and the right hand side is known as Udhar side.

Jama				Udhar			
1	2	3	4	5	6	7	8

**Note** : To explain the folds (sal) here a line is drawn instead of the folds.

(7) **Methods of writing in folds/sal** : In deshi nama, while recording a transaction in rojmel or bethomel on either the credit or debit side, the amount of the economic transaction is recorded in the first fold(sal) of the side. In the remaining three folds, the name of the account affected and the debit or credit to it; is written. Below the name of the account, a brief detail/narration of the economic transaction is given and below such brief detail/ narration, ledger folio number is written in the third or fourth fold. In deshi nama, the name of the account of the transaction is written after drawing a line. Generally, the first fold, is for the amount and the remaining three folds are for the particulars of the transaction.

(8) **Method of writing the amount** : While entering the amount in Deshi Nama books, a sign (    ) known as 'Holayo' or 'Olayo' is put between the amount in rupees and paise. Many businessmen now a days use the sign of equality (=), instead of 'Olayo'. E.g. an amount of 121    <sup>25</sup> or 121=25 (Rupees one hundred twenty one and twenty five paise).

(9) **Language** : Books of accounts in Deshi Nama system are written in the regional language, e.g. in Gujarat, Deshi Nama is written in Gujarti language.

(10) **Ink** : Generally, deshi nama is written in black ink. However, blue ink is also used now a days.

### 3. Books of Accounts under Deshi Nama System

(1) **Rough Book** : In business, transactions take place continuously during a day. It is not convenient to write the books during the day. There is possibility of forgetting to record some transactions while making the transactions of receipts and payments. At the same time, it is also not proper, if receipts and payments. i.e. Transactions are not at all recorded. Therefore, in order not to forget the transactions, small traders record their transactions of the day on a slate or loose sheets or in a diary, such record is known as tanchan or tippan.

For a big businessman, the transactions are many and hence, they record them either in a diary or notebook or a book maintained for this purpose. Such a record book is termed as 'Ghadiya', 'Sudiyun' or 'Daniya'. These are the different terms used for the rough book of record. A book in use for such rough records is known as 'Adadhiya'. The businessman takes brief notes in such 'Adadhiya' as per his requirements. With the help of such a rough book, at the end of the day or at convenient time, organized accounting is done. If any transaction is forgotten to be recorded in the Rojmel or if any error has occurred, it can be traced/ verified with the help of such rough book.

(2) **Rojmel** : The way in which a journal is maintained under the Double Entry System of accounting, Rojmel is maintained in the same way under Deshi Nama. Thus, Rojmel is the basic or primary book of accounting under Deshi Nama. Cash and credit transactions are recorded in Rojmel. Closing balance derived on the basis of transactions recorded, shows cash on hand, which is termed as 'Purant Baki'.

Rojmel is maintained every day. At the end of the account entries for the day, cash balance is found out. That is why, it is known as Rojmel. Ledger is prepared with the help of Rojmel.

(3) **Bethomel** : Bethomel is another form of Rojmel. Small traders/businessmen, whose quantum of transactions is comparatively less, may maintain a complete 'Mel' at the end of a week or fortnight or month and balance is extracted. Such Mel is known as 'Bethomel' or 'Thammel'. Thus, Bethomel or Thammel is a composite or collective Rojmel for a predetermined period of days.

(4) **Khatavahi / Ledger** : Ledger (khatavahi) is a main book of accounts. In Khatavahi, (ledger), ledger accounts are opened and posting is done in such ledger accounts, from Rojmel, Bethomel and subsidiary books. Like Rojmel, for Khatavahi (ledger) also a book containing eight – fold pages is used. First four folds are for debit side and other four folds are for credit side. Usually, one page is kept for each account.

(5) **Peta Nondho / Subsidiary Books** : Big businessmen, whose quantum of business/ economic transactions is comparatively larger, maintain certain additional books, in addition to Rojmel which are known Peta Nondh or Peta Vahi (subsidiary books). Transactions, which are recorded in Peta Nondh are not recorded in Rojmel or Bethomel. Following Peta Nondh are used in Deshi Nama.

(i) JamaaNondh (Purchase Book) , (ii) Udharnondh (Sales Book or Vakara nondh), (iii) Dagina Mel (Janas Vahi or Stock Register), (iv) Aankda Vahi (Sudha Vahi or Kachi Vahi) , (v) Ughrani Nondh (vi) Jangad Nondh (vii) Karar Nondh (viii) Vyaj Vahi (ix) Hundi Vahi (x) Kabala Vahi or Karar Nondh (xi) Bank vahi etc.

(6) **Aavro** : All those transactions recorded in Rojmel or Bethomel and Subsidiary books, are again recorded in another book at the end of fifteen days or a month. Such book is called 'Aavro'. Aavro is prepared like Rojmel and for the purpose, a book that has pages with eight folds is used. After preparing Aavro at the end of a specified period, the closing balance (Purnat Baki) is arrived at. Such closing balance is tallied with the closing balance (Purant Baki) as per Rojmel or Bethomel because such balance in both the books should be the same. When posting is done after completing Aavro, it is known as Paku Namu because Namu is accumulated in one account and recorded again. It is said that "Aavro kare te bhul nahi kare" (The one who makes Aavro will not make any mistake).

Aavro is useful for detecting errors and mistakes in all the transactions in the books of accounts and it is also useful as a tool of control 'Aavro' is generally maintained by shroffs and big businessmen.

#### 4. Terms of Deshi Nama System

Specific words are used in Deshi Nama to record transactions in books of accounts which carry specific meaning, which are as under :

(1) **Shri Bhandol Khatu** : In deshi nama, capital is known as Shri Bhandol. When the owner starts a new business, as well as during the year of the business, he brings in this personal funds in the form of cash, goods, assets, receivables, they are recorded as capital in 'Shri Bhandol Khate'. However, now a days many businessmen record their capital to 'Shri Mudi (capital) khate'.

In a partnership firm, the total capital of the firm is not recorded in Shri Mudi (capital) khate or Shri Bhandol Khate. For this purpose, separate individual (name wise) capital accounts of partners are maintained. E.g. Shri Kirtan Nu Mudi Khatu, Shri Shrey Nu Mudi Khatu.

(2) **Shri Gharkharch Khatu** : In Deshi Nama, withdrawal by the owner from the firm for personal purpose is debited to 'Shri Gharkharch Khate'. Whenever the owner takes away for personal use, the goods or asset or cash, or pays from the firm for his personal expenses, it is debited to Shri Gharkharch Khate. In a partnership firm, like capital account - separate drawing accounts for each partner is maintained. E.g. Shri Riya Nu Upad Khatu, Shri Samarth Nu Upad Khatu. Many businessmen maintain 'Shri Upad Khatu' instead of 'Shri Ghrkarch khatu'.

(3) **Shri Dukan Kharch Khatu** : The businessman keeps such account for small and miscellaneous expenses. When the expense is incurred after a very long time or the amount of expense is very small it is debited to 'Shri Dukan Kharch'. E.g. Wages, Cold drinks, Tea expenses, Postage expenses etc.

(4) **Shri Vatav Khatu** : Shri Vatav Khatu in Deshi Nama has wide connotation than discount (Vatav) account under Double Entry System. Here cash discount, Allowance, Commission, loss due to fire in the business, bad debts, loss (any other ) etc. are debited to 'Shri Vatav Khate'. However, now a days businessmen maintain separate accounts for each expense or loss or profit or gain, e.g., Shri Ghalkhad (Bad Debts) khatu, Shri Commission Khatu etc.

(5) **Shri Vigat Khatu** : When on any one particular day or in any one particular transaction, more than one accounts get debit or credit effect simultaneously, the total amount of the transaction is recorded against Shri Vigat Khate. In the sub folds below Shri Vigat Khate, the accounts which are affected are written with the amount of each such account, separately. In the ledger, each of the accounts recorded in the sub folds below 'Shri Vigat Khate' are opened and the page no. of the ledger, on which each such account is opened is recorded in Rojmel, below such affected account.

"Shri Vigat Khatu" is not opened in ledger because there is no account affecting Vigat Khatu. The purpose of opening Vigat khatu is to save both the time and labour, but the use of this account is very rare.

(6) **Shri Shah Khatu or Shri ..... Khatu** : During the course of the business if any transaction takes place with a person and if the name of such person is forgotten, the amount of receipt or payment is recorded to 'Shri Shah Khate'. In future when the name of the person is remembered, a reverse entry is passed by recording the amount to respective person's correct account and Shri Shah khatu is closed. Shri Shah khatu is also used when the name of the person is not to be disclosed. Instead of using Shri Shah khatu in the transaction it is recorded as "Shri..... khate". In such a case whenever the name of the person is remembered, his name is written in the space left after the word 'shri' ..... . For this purpose only, some space is left blank between 'Shri' and 'Khate'. However as this is a faulty method from the view point of accounting, very less use of Shri ..... khate is found . Such tradition is not acceptable from the view point of taxation.

(7) **Shri Tasalmat Khatu** : This account is a temporary account just like as the suspense account in double entry system. During the trade when there is any receipt or payment but the name of the account is not remembered, the entry for the transaction made is recorded to Shri 'Tasalmat Khate'. When the reason for which the receipt or payment is remembered, the entry passed earlier is reversed and respective receipt or payment account is correctly recorded and Tasalmat Khatu is closed. Sometimes the name of the account to which the transaction is to be recorded but the name is not decided, it is recorded temporarily to Shri Tasalmat Khate and when the account is decided in future, correct account is debited or credited and Shri Tasalmat Khatu is closed by passing reverse entry.

(8) **Shri Desavar Khatu** : Whenever any person of the firm - 'Munim' or the owner himself goes out of station for purchase or sale of goods or for any other business purpose, a certain amount is given to him for the use and expenses. Such amount is debited to such person's "Deshavar kahte". Afterwards when the person returns and submits the details of his transactions, with the help of such details Shri Desavar Khatu is credited and closed and the correct entry is recorded for each of the transactions. Thus, this is a temporary account.

(9) **Shri Haththu Khatu** : When an amount is to be paid to the creditor of the business and such amount is sent to him through some person or aangadia, such amount is debited to "Shri Haththu khate" instead of debiting it to such creditor's account. Afterwards on getting the receipt from the creditor or aangadia, Shri Haththu khatu is closed by crediting it and the creditor's account is debited. Such account is a temporary one.

(10) **Shri Chanlla Khatu** : The businessmen develop business relations during the course of business. Due to such business relations, whenever there is any good occasion at the customer's or creditor's place, a gift or chanlla is to be given. Such amount is debited to "Shri Chanlla kahte". In the same way on a good occasion at his place, the businessman receives a chanlla or a gift, which is credited to 'Shri Chanlla khate', however, such tradition is now getting extinct. Now whenever chanlla or a gift is to be given it is treated as a business expense and is debited to "Shri Dukan kharch khate".

(11) **Shri Silak Vadghat Khatu** : Closing balance (silak) as per Rojmel or Bethomel should tally with the actual cash on hand. If they do not tally with the closing cash balance, efforts are made to detect the error by due verification. If the error is not detected in spite of such efforts and if the actual cash balance is more or less than balance as per Rojmel or Bethomel, the differential amount is recorded to "Shri Silak Vadghat khate".

If the actual cash balance is more than balance as per books of account, the differential amount is credited to "Shri Silak Vadghat Khate" and if the actual cash balance is found less, it is debited to 'Shri Silak Vadghat Khate'. In short, cash balance as per books of accounts is made equal to the actual cash balance. When the reason for such difference is traced, the reverse effect is given to "Shri silak vadghat khate" and it is closed and correct effect is given to the concerned account. Thus the correct balance is arrived at automatically.

(12) **Shri Ublek Khatu** : Whenever an amount is lent for a few days to a person in the business, it is debited to such person's "Ublek Khate". As such amount is to be received back within two to four days, its account is not opened in the ledger. For this purpose, under such ublek amount in Rojmel instead of L.F., 'U' is written, which indicates that the amount is not to be posted. On receiving back such ublek amount, "Shri Ublek Khatu" is credited in Rojmel, thus that account gets closed. If such amount is not received in the given time it is posted to in ledger to respective person's account by opening his account. However, these days the tradition of recording the ublek amount in Rojmel is getting extinct. Presently most of the businessmen do not even show ublek amount in Rojmel. Such note is not acceptable from the view-point of Taxation.

(13) **Upartapke** : When any person is lent an amount for a day or even for a shorter time, the amount so lent is not recorded as an entry in Rojmel. But in Rojmel, after finding out the closing balance such amount is shown separately as a part of balance as 'upartapke'. Assuming the amount of upartapke is in the balance, the amount of upartapke is shown separately. If the amount lent on upartapke is not received on next day, it is considered as ublek amount and recorded in Rojmel.

The amount of upartapke is also known as 'Haath Uchhini' amount. Now the tradition of upartapke is not in practice. Traders do not even record the amount of Upar Tapke.

In Rojmel, 'upertakpe' as recorded as follows :

J	U
21,000=00	19,000=00
	2000=00 Shri purant baki
	1800=00 Rokad Hath par
	200=00 Given to Shri
	SudhanshuShah on
	upartapake.
	2000=00
	21,000=00

(14) **Kabulat and Havallo (Acceptance and Transfer )** : On mutual understanding the businessmen agree to pay an amount payable to a creditor to another person, this is known as Kabulat (acceptance). In the same way, when a businessman agrees to accept an amount from another person instead of his debtor, it is also called Kabulat (acceptance).

When instead of arriving at mutual understating or kabulat about a debt or receivable an instruction or order is given for that and it is known as Havallo (transfer). Because of kabulat and havallo, there is an effect on the businessman's debt and receivables. Due to such transactions the account of a person who has accepted to pay or from whom the receivable arises, is debited and the opposite party's account is credited. E.g. Vijay accepted to pay Rs 500 to be paid by Hitesh. Here, Hitesh is a debtor whose amount now will be paid by Vijay . Therefore it will be considered as the amount of Hitesh is paid off and at the same time, now it will considered as the amount due from Vijay. Its effect will be as follows :

**Rojmel**

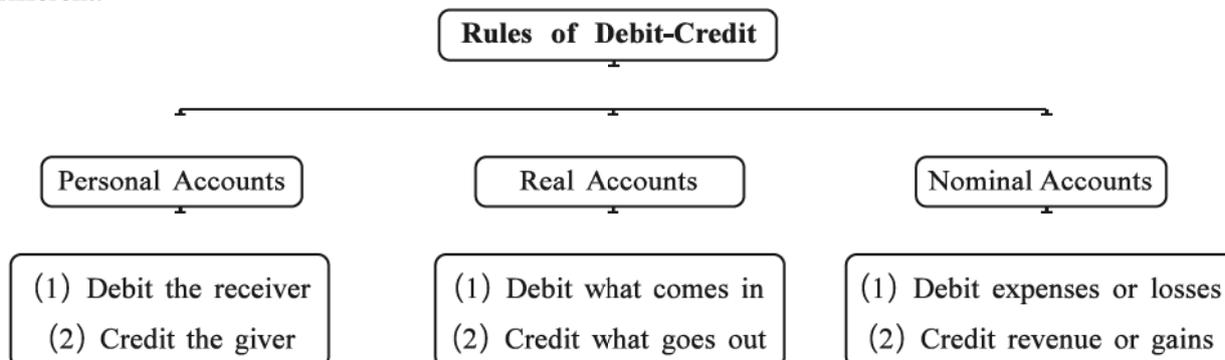
J	U
500=00 Shri Hitesh khate	500=00 Shri Vijay khate
Jama	Udhar
500=00 Amount due from Hitesh	500=00 Amount due from
is accepted by Vijay.	Hitesh is accepted by
	Vijay.
L.F.	L.F.

(15) **Haste** : Many times in business the receiver or payer of money may not actually be a creditor or a debtor but he may be a clerk or munimji or any other person. Therefore, for record purposes the name of the person through whom the cash is received or paid is also written. E.g. ₹ 1000 payable to Ranjana Traders is given to Munim Mayank to pay to Ranjana Traders. This transaction is recorded in rojmel by debiting Ranjana Traders and in the other line "Haste Munim Mayank" is also written. Sometimes only "H" is written instead of haste.

(16) **Miti** : Vikram Samvat, deshi mass, paksh and tithi are known in Deshi nama as Miti. E.g Samvat 2071 na Chaitra Sud 1.

## 5. Rules of Debit-Credit

We know rules of debit and credit as per Double Entry System of Accounting. The same rules are applied while writing accounts under the Deshi Nama System. Because there is no difference in the principles under both the systems. However, the method of writing (format) under both the system is different.



The rules of debit and credit are set in such a manner that out of two effects of a transaction, if one effect is debit, the other effect must be credit.

Generally in practice, a business transaction can not have two effects it can be either debit or credit. For Deshi Nama, one important point to be noted is that the Rojmel or Bethomel serves the purpose of cash account also. Hence, in any transaction the effect to cash account. i.e. debit or credit effect to cash account, need not be recorded in Rojmel or Bethomel. Thus in a transaction related with cash receipt or payment, generally, only the effect to the account that is other than the cash account is to be recorded. E.g. in cash purchase, only one effect- debit to the purchase account is recorded and the credit effect to cash account is not recorded. In case of non - cash or credit transaction, two or more effects are to be recorded. E.g. for goods purchased on credit from Hansa, purchase account will be recorded on 'Udhar' side and the other account –Hansa's account being non cash account, will be recorded on 'Jama'side. Thus the effect of cash is recorded automatically in Rojmel.

## 6. Rojmel

Rojmel is a basic or primary book under Deshi Nama. The businessmen prepare Rojmel with the help of vouchers and the rough book. Rojmel is written and prepared daily and the closing balance is derived daily. Hence, this Mel is known as Rojmel.

### (A) The important points regarding 'Rojmel' :

(1) Both cash and credit transactions are recorded in Rojmel. From this viewpoint Rojmel is like a journal under double entry system of accounting.

(2) In Rojmel, effects to accounts other than cash account are only recorded; and closing balance is arrived at the end of the day, which should be exactly as per the cash balance of cash box. Thus the object of Rojmel is to find cash balance daily. Looking at it from such an angle, Rojmel is like cash book under double entry system of account.

(3) From the above aspect it can be stated that Rojmel is combined form of journal and a separate cash book under double entry system of account. Hence, under Deshi Nama there is no need to open cash account.

### (B) Important points to be considered during recording the transactions in 'Rojmel' :

(1) The book of Rojmel contains blank pages with eight folds. This book is in the vertical form. However, instead of vertical form, the hard-bound books in horizontal form are also being used.

(2) In the book of Rojmel, the daily record of the account is made on a new page.

(3) In the book of Rojmel, every page is given a chronological number which is mentioned at the top of every page and is known as Rojmel page number.

(4) At the top of the Rojmel, page below the Rojmel page number, the name of the owner of the firm is written. Then, below the name of the owner, the year, the month, the tithi, the date and the day are written.

(5) To maintain 'Jama' and 'Udhar' side in Rojmel, in the first fold on the left hand side, 'J' is written and a line is drawn from that up to the four folds. In the beginning of the fifth fold, 'U' for Udhar is written and the line is extended up to the end of the eighth fold.

#### Format of Rojmel

R.P.No.

Rojmel of Shri Jamnadas Ganeshbhai

Samvat 2071 –Chaitra Sud 1 Saturday Dt. 21-03-2015

J \_\_\_\_\_ U \_\_\_\_\_

(6) In an economic transaction of the business, the account which gets a credit effect is recorded on Jama side of Rojmel and the account getting the debit effect is recorded on Udhar side.

(7) According to Deshi Nama System, the name of the account affected is recorded in Rojmel after drawing a line above it. The sameway at the end of every entry, after writing L.F. No., also a line is drawn.

(8) Generally both on Jama side and Udhar side the amount of the transaction is recorded in the first fold out of four folds. In the remaining three folds, the name of the account getting effect is written preceded by 'Shri' and besides the name of the account the effect is indicated by the term Udhar or Jama, whichever it is, e.g. 'Shri Shardaben Khate Jama' is written accordingly. In the second fold below the name of the account the amount of the transaction and in the remaining two folds a brief narration of the transaction is written. Below the brief narration L.F. no. is recorded in the third or fourth fold.

#### Rojmel

J \_\_\_\_\_ U \_\_\_\_\_

1500=00	Shri Shardaben khate	Jama
1500=00	Cash received form	
	Shardaben.	

L.F.

(9) **Entry for a cash transaction in Rojmel** : Rojmel serves the purpose of a cash account. Hence, in any transaction, out of the accounts getting the effect, the effect to a cash account (Udhar or Jama effects) need not be recorded in Rojmel. But, the other effect to an account affected is recorded in Rojmel. If it is a cash transaction, the accounts other than cash account, getting the effect are recorded in Rojmel. E.g. Received rent of ₹ 300. According to rules of debit and credit, cash account is to be debited and rent account is to be credited. But in Rojmel the effect to cash account is not to be recorded. Hence, the other effect to rent account is recorded in Rojmel as 'Shri Bhada Khate Jama.' In this way when there is any cash income other than rent, it should also be recorded in Rojmel on jama side to that income account. If the cash is received from any person, in Rojmel it will be recorded as ..... Person Khate/ account jama.

Now if we try to understand the opposite situation, cash payment will be recorded as 'Kharch (expense) khate Udhar', if it is a payment of an expense. E.g. Paid ₹ 100 for wages. Here as per the rule of debit and credit it will be recorded to 'Majuri (wages) khate udhar' and 'Cash khate jama'. However, in Rojmel only 'Majuri (wages) khate udhar' will be recorded, in the same way, any outgoing of cash for any expense will be recorded in Rojmel as 'Udhar' nondh to that specific expense account. If outgoing of cash is due to a payment to any person; in Rojmel there will be an 'Udhar nondh' to that person's account.

From the above it can be understood that in Rojmel, out of the cash transactions, those transactions relating to cash receipts are recorded on 'Jama' side and the cash payments are recorded on the Udhar side. Thus the recording as per this system reflects the effects of cash receipts and payments in Rojmel.

**(10) Record of credit transactions in 'Rojmel' :** In credit transactions cash receipt or payment is not involved and therefore, in such transactions there is no effect to cash account. In a credit transaction, both debit and credit effects are to the accounts other than cash account. In such transactions, the account that is to be debited is recorded in Rojmel on 'Udhar' side and the account which is to be credited is recorded on 'Jama' side. Thus, it is recorded on both 'Jama' side and 'Udhar' side. This is the reason why such transaction does not have any effect on the cash balance. E.g. Purchased goods of ₹ 700 from Shri Vinod. Here the goods are purchased on credit. As per the rules of debit and credit purchase (kharid) account will be debited and Shri Vinod's account will be credited. In Rojmel, on the debit side it will be recorded as 'Shri Kharid Khate Udhar' and on the credit side 'Shri Vinod khate Jama'. In the same way e.g. Gave a cheque of ₹ 350 to Manisha though a cash transaction, the cash receipt or payment does not take place. Hence, cash account is not involved. As per the rules of debit and credit Manisha's account is to be debited and bank account is to be credited. In Rojmel it will be recorded on Udhar side as 'Shri Manisha khate udhar' and on jama side as 'Shri bank khate jama'.

From the above explanation, it should be understood that the non cash transaction is recorded on both jama side as well as udhar side by an equal amount. Such transactions are called as 'Jama kharchi' transactions.

**(11) Shri Purant Janse :** Rojmel or Bethomel starts with writing the opening cash balance on that day, which is shown as 'Shri Purant Janase'. If there is no opening balance as cash or if it is a beginning of a new business, on the credit side in the amount column, 'Shri ॐ' is written as a good omen and in the particulars 'Shri Ganeshay Namah' is written. This amount is not considered while making total.

**(12) Shri Purant Baki :** Closing cash balance of Rojmel or Bethomel is known as 'Shri Purant Baki'. This closing balance is equal to the actual closing cash balance on that day. If the actual cash balance tallies as per Shri Purant Baki, it is called as 'Mel Malyo'.

**Illustration 1 :** From the transactions given below prepare Rojmel for the day in the books of Shri Shilaben for Samvat 2071 Chaitra Sud 9, Saturday, date 28-03-2015.

- (1) Started a business by bringing in ₹ 21000 in cash.
- (2) Donated ₹ 101 in the temple.
- (3) Opened a current account in Dena bank by depositing ₹ 6000.
- (4) Purchased goods of ₹ 10,000 at 10 % trade discount.
- (5) Sold goods of ₹ 4000 at 5 % trade discount to Sanket on credit.
- (6) Purchased furniture of ₹ 2000 on cash from Santosh furniture stores.
- (7) Purchased goods of ₹ 6000 from Seema Stores.

**R.P.**  
**Rojmel of Shri Shilaben**  
**Samvat 2071 Chaitra Sud 9, Saturday, Dt. 28-03-2015**

J			U	
	ॐ श्री श्री गणेशाय नमः			
21,000=00	Shri Bhandol khate	Jama	101=00	Shri Dharmada khate
	21,000=00 Business started by			101=00 Gifted in temple
	bringing cash.			L.F.
		L.F.		
3800=00	Shri Vakara khate	Jama	6000=00	Shri Dena Bank khate
	4000=00 Goods sold.			6000=00 Account opened by
	- 200=00 5 % trade discount			depositing cash.
				L.F.
	3800=00	L.F.		
6000=00	Shri Seema Stores khate	Jama	9000=00	Shri Kharid khate
	6000=00 Goods purchased.			10,000=00 Goods purchased.
		L.F.		- 1000=00 10 % trade discount
				L.F.
				9000=00
				L.F.
	<b>30,800=00</b>			
			3800=00	Shri Sanket khate
				4000=00 Goods sold.
				- 200=00 5 % trade discount
				L.F.
				3800=00
				L.F.
			2000=00	Shri Furniture khate
				2000=00 Furniture purchased
				from Santosh Furniture
				Mart.
				L.F.
			6000=00	Shri Kharid khate
				6000=00 Goods purchased from
				Seema Stores
				L.F.
				26,901= 00
			3899=00	Shri Purant baki
				L.F.
				<b>30,800 = 00</b>

**(13) Closing balance in 'Rojmel' (To find out the balance) :** After totaling the amounts on the jama side and udhar side of Rojmel, the difference between the two totals is the closing cash balance, which is known as 'Shri Purnat Baki'.

To find out the closing balance in Rojmel, the total on jama side so arrived at is shown in the third fold. The total of the udhar side is shown in the third fold of that side. The difference between the two totals is found out, which will be shown as closing balance. i.e. "Shri Purnat Baki" on udhar side of Rojmel. Below this amount of balance the total of jama amounts is shown.

Here, it should be clearly understood is that the total on the jama side is always more in Rojmel. Therefore 'Shri Purant Baki' has to be on Udhar side. Because, Rojmel is a kind of cash account. As per the rules of debit and credit, cash receipts are recorded on the jama side of Rojmel and expenses-cash payments are recorded on the udhar side. In a business, cash payments can not be more than cash receipts. Therefore, total of the amount on the receipts side i.e. Jama side is more. If the receipts as per Rojmel is equal to cash payments, then in such circumstances the total of the receipt side of Rojmel will be equal to the cash payments. In such circumstances the totals on both the sides of Rojmel will be equal and there will be no closing balance. Generally, there is a closing balance in Rojmel which is recorded as 'Shri Purant Janse' in the beginning of the next day while writing Rojmel.

## 7. Bethomel

It may not be convenient to prepare Rojmel for small businessmen/traders whose daily transactions are comparatively less in number. Hence such businessmen prepare a composite mel, weekly or fortnightly or monthly; and at the end, the closing cash balance is found out. Such a Mel is known as a Behtomel. Thus, Bethomel is a kind of Rojmel. Bethomel means a composite Rojmel for the days of a fixed period. Bethomel is also known as Thammel.

**(A) Points to be remembered while recording in 'Bethomel' :** Bethomel is also prepared like Rojmel in a vertical book, with pages that have eight folds. The method of writing Behtomel is the same like Rojmel. Its special aspects / points are as below :

### Specimen of Bethomel

B.P. No. ....

#### Bethomel of Shri Shardaben Jamnadas

(From Samvat 2071, Chaitra Sud 1 to Chaitra Vad 0))

**(B)** Tithi of respective transaction is written after writing Jama or Udhar while recording every transaction in Bethomel. e.g.,

J		U	
15,000=00	Shri Saksham's loan khate Sud-1	Jama	4000=00 Shri Bank khate Sud-6
15,000=00	Loan borrowed from him at 12 % interest.		4000=00 Cash deposited.
	L.F.		L.F.

**(C)** Balance of Bethomel is extracted just like as Rojmel.

**Illustration 2 :** Prepare Bethomel of Shri Narayanbhai Jivabhai Patel for Samvat 2071, Maha mas from the transactions given below :

- Maha Sud 1 Balance on hand ₹ 5100 and bank balance ₹ 4800.  
 2 Cash sales ₹ 6800  
 5 Cash purchase ₹ 3500.  
 8 Goods purchased from Prahladbhai ₹ 14,800.

- 14 ₹ 750 is given by somebody, but the name is not remembered.  
 15 ₹ 400 paid to someone for payment of expenses, but the reason of expense is not remembered.  
 Vad 03 It is remembered that on Sud-14 the cash was given by Girishbhai from Vishva Traders and expense paid on Sud-15 was for commission.  
 09 Havala given to Darshanaben of ₹ 5500 to be paid to Bhalchandrabhai.  
 10 Goods sold to Dahyabhai ₹ 6000.  
 0)) ₹ 5000 deposited into bank.

B.P. No. ....

**Bethome of Shri Narayanbhai Jivabhai Patel**

**Samvat 2071 Maha Mas (from Maha Sud-1 to Maha Vad 0) )**

J			U		
5100=00	Shri Purant Janse	Sud-1			
6800=00	Shri Vakara khate	Jama Sud-2	3500=00	Shri kharid khate	Udhar Sud-5
6800=00	Cash sales	L.F.	3500=00	Cash purchased.	L.F.
14,800=00	Shri Prahladbhai khate	Jama Sud-8	14,800=00	Shri kharid khate	Udhar Sud-8
14,800=00	Goods purchased on credit.	L.F.	14,800=00	Goods purchased.	L.F.
750=00	Shri Shah khate	Jama Sud-14	400=00	Shri Tasalmat khate	Udhar Sud-15
750=00	Amount received but name is not remembered.	L.F.	400=00	Expense paid but reason of expense not remembered.	L.F.
750=00	Shri Vishva Traders khate	Jama Vad-3	750=00	Shri Shah khate	Udhar Vad-3
750=00	Name remembered for amount received on Sud-14 which is debited to Shri Shah khate, Haste Girishbhai	L.F.	750=00	Name remembered for amount received on Sud-14 which is credited to Shri Vishwa Traders.	L.F.
400=00	Shri Tasalmat khate	Jama Vad-3	400=00	Shri Commission khate	Udhar Vad-3
400=00	Expense on Sud-15 was for commission which is debited to commission khate.	L.F.	400=00	Expense on Sud-15 was for commission, which is credited to Tasalmat khate.	L.F.

5500=00	Shri Darshnaben khate	Jama Vad-9	5500=00	Shri Bhalchandrabhai khate	Udhar Vad-9
	5500=00	Havala given to her for amount payable to Bhalchandrabhai.		5500=00	Havala given to Darshanaben for amount payable to him.
		L.F.			L.F.
6000=00	Shri Vakara khate	Jama Vad-10	6000=00	Shri Dahyabhai khate	Udhar Vad-10
	6000=00	Goods sold to Dahyabhai on credit.		6000=00	Goods sold.
		L.F.			L.F.
	<b>40,100=00</b>		5000=00	Shri Bank khate	Udhar Vad-0))
				5000=00	Cash deposited with bank.
					L.F.
				36,350=00	
			3750=00	Shri Purant baki	Vad-0))
				<b>40,100=00</b>	

**Note :** In this chapter only conceptual information is given. Examples are given only for explanation in this chapter where ever it is necessary. Therefore no practical question should be asked from this chapter.

### 8. Peta Nondh or Peta Vahis (Subsidiary Books)

Rojml or Bethomel is prepared in Deshi Nama to record the daily economic transactions in the books of accounts. If the number of transactions are not more, Rojmel or Bethomel - only one book of account is more convenient for the businessman to record all the business transactions. But if the number of transactions are more, big businessmen prepare additional accounts in addition to Rojmel or Bethomel. Such books of accounts are called as Peta Nondho or Peta Vahi. By maintaining Peta Nondho or Peta Vahi work of writing the books of accounts can be divided among many persons by the businessmen and the benefit of division of labour and specialization can be obtained. The way in which the subsidiary books are used under Double entry system in the same way the Peta nondho or Peta vahis (subsidiary books) are used in Deshi Nama.

The following peta nondho are used under deshi nama in addition to Rojmel :

- |   |   |
|---|---|
| (1) Jamanondh (Kharidnondh)                 | (2) Udharnondh (VechanNondh)                |
| (3) Daginamel (Janasvahi or stock register) | (4) Aankada Vahi (Sudha vahi or Kaachivahi) |
| (5) Ughrani Nondh                           | (6) Jangadnondh                             |
| (7) Kararnondh                              | (8) Vyaj vahi                               |
| (9) Hundi vahi                              | (10) Kabala vahi                            |
| (11) Bank vahi (Bank register)              |   |

(1) **Jamanondh (Purchase book or KharidNondh) :** In a business where the transaction for credit purchase of goods are in substantial proportion, a separate book is maintained to record such transactions. Such book is known as Jamanondh or Jama Vahi or Kharidnondh. When the goods are

purchased on credit the purchase of the goods is credited to the seller's (the trader from whom the goods are purchased) account. Thus, every trader's account in this book is credited by the amount of goods purchased and recorded against his name. Hence this book is known as Jamanondh.

**(i) Important aspects regarding 'Jamanondh' :**

- (1) This nondh is maintained in pages with six folds.
- (2) Out of the six folds in jamanondh , the first fold is for the amount of the transaction and the remaining five folds are for the name of the trader and other details
- (3) Only Jama side is recorded in this nondh, udhar is not written .
- (4) Only the transactions of credit purchase of goods are recorded in Jamanondh. Transactions of cash purchases are recorded in Rojmel or Bethomel.
- (5) Transactions of cash or credit purchase of assets are not recorded in this nondh, Such transactions are recorded in Rojmel or Bethomel.
- (6) Expenses, like wages, carriage, GST, Mahajan ligo, etc., incurred at the time of credit purchase of goods, are added to the cost price of the goods. It means purchase of goods is recorded at cost.
- (7) If there are credit purchase returns from the credit purchases from the same month, it is shown by deducting from the transaction of credit purchase.
- (8) If there are sales returns out of the goods sold in the previous (last) month, because it is to be credited to the customer's account, such sales return is also recorded in Jamanondh as a purchase.
- (9) If Tarij of Jamanondh is already extracted means goods are returned during current month out of the purchase of last month, it is considered as credit sales and recorded in Udhar Nondh.
- (10) If the transaction for the purchase of goods is partially on credit and cash i.e.a part of the total amount is paid immediately, such transaction is recorded in Jamanondh, treating the whole transaction as a credit transaction and part of cash transaction is recorded in Rojmel.
- (11) The total of credit purchase is determined generally at the end of a week, a fortnight or a month, by totalling the amount column and Tarij is extracted.

**(ii) Method of recording the entries in 'Jamanondh' :**

- (1) At the top of the page of Jamanondh, the page number and below that along with the name of the businessman Samvat year and the month is written.
- (2) Out of six folds, in the beginning of the first fold 'J' for Jama is written and a line is drawn below that is extended upto the end of the sixth fold.
- (3) Below the line for Jama, Tithi of the transaction is written in the sixth fold and a line is drawn below that. Below this line, the transaction of respective day is recorded.
- (4) Here, in the first fold, the net amount of the transaction is written and in the remaining folds the 'trader's name whose account is affected, and 'Jama' is written. In the last fold inward invoice no. (Aavak Bharatiya No.) is written.
- (5) Below the name of the trader, whose account is credited, required details of the transaction are written. For this purpose, the amount is mentioned in the second fold and details in the remaining folds. Lastly after recording the whole transaction, L.F. is written below that in the fourth fold and a line is drawn from the second fold up to the end of last fold.



with 'U'. In that the total amount is written in the first fold and in particulars, total credit purchases (Total Udhar Kharid) is written.

**(2) Sales book or Udhar nondh :** When in a business, the transactions for credit sales are in substantial proportion a separate book is maintained to record such transactions. Such a book is known as Udhar nondh or Udharvahi or Vechan (Vakara ) Nondh. When the goods are sold on credit, the amount of sales price of the goods is debited to the customer's account and therefore this book is known as Udhar nondh.

**(i) Important aspects regarding 'Udhar nondh' :**

- (1) It is prepared on the pages of a book with six folds like Jamanondh.
- (2) Here, out of six folds, in the first fold on left side the net amount of the transaction is written and in the remaining five folds the 'trader's name whose account is affected and other particulars are written.
- (3) As it is Udhar nondh, in this nondh only Udhar (Debit) side is written
- (4) Only the transactions of credit sales of goods are recorded in Udhar nondh. Cash sales of goods are recorded in Rojmel or Bethomel.
- (5) Transactions relating to cash or credit sale of assets are not recorded in this Nondh, they are recorded in Rojmel or Bethomel.
- (6) Expenses like wages, carriage, packing, mahajanlago, GST etc. incurred at the time of credit sale, are added in the amount of sales price of goods.
- (7) Sales returns out of the sale of goods of the current month, are shown as deduction from the transaction of the sale.
- (8) Good returned out of the goods purchased in the previous month, it is to be debited to the trader's account and therefore, it is recorded in the Udhar nondh as sales.
- (9) If Tarij of Udhar nondh is already extracted, and if goods are received back out of the credit sales of last month, it is treated as credit purchase and recorded in Jamanondh.
- (10) When the transaction is partly in cash and partly in credit generally the whole transaction is treated as a credit and recorded in Udhar nondh.
- (11) Generally, a 'Tarij' of credit sales is prepared every week, fortnight or month by making the total of amount.

**(ii) Method of recording the entries in 'Udhar nondh' :**

In Udhar nondh, the entries are recorded as it is done in Jamanondh. At the top of Udhar nondh, the page no. is written. Of the six folds of the page, in the beginning of the first fold 'U' for udhar is written and customer's account is debited and in the last fold Jaavak invoice or Bill No. is written.



the total of the amounts of Udharnondh indicates the total credit sales of the month. At the end of the month, the summary of the Udharnondh is shown, which is known as Tarij. In such Tarij, the amount of the total credit sales is shown. Tarij of udharnondh starts with ‘‘J’’, as ‘Shri Vakara Khate’ is to be credited. Tarij is written in six folds, the total amount is written in the first fold and in the remaining folds ‘Shri Vakara Khate Jama’ is written. In the folds below, total Udhar Vakro is indicated as details.

**Note :** (i) In Deshinama, system sales is called as Vakara.

(ii) Accounts for purchase returns and sales returns are not maintained in Deshinama system. There is outflow of goods in both sales and purchase return and therefore purchase return is treated as sales and it is credited to Vakara Khate. In the same way sales return is treated as purchase and debited to Kharid khate.

(iii) Small businessmen keep only one book to record credit purchase and credit sales instead of maintaining separate books for Udharnondh and jamanondh. In this case eight folds are divided into two parts like Rojmel and Bethomel. Instead of maintaining two separate accounts for Kharid and Vakara a joint account called ‘‘Kharid-Vakara Khatu’’ is kept. Purchase is debited to Kharid-Vakara khate and sales is credited to Kharid-Vakara khate.

**(3) Daginamel (Janasvahi or stock register) :** In Deshinama, a book which is maintained to record the incoming and outgoing of goods, is known as Daginamel or Janasvahi or Stock Register. There are two known methods of preparing a Daginamel. As per one method, Daginamel is prepared like Rojmel, with pages that have eight folds and with two columns Jama and Udhar. As per the other method, it is prepared in the format of a register, with three main columns that is Receipts (Aavak or Incoming), Issues (Javak) and the balance, as stock register prepared under Double Entry System.

**(4) Aankadavahi (Sudhavahi or Rough ledger - Kachi Khatavahi) :** Aankadavahi is a Kachi Khatavahi in which, the ledger accounts of the customers are opened and daily posting of their accounts is done from the Rojmel, Bethomel and Udharnondh. Afterwards at a convenient time, proper posting is done in the ledger where in, all the ledger accounts for the business are opened. As the posting is done twice, chances of committing the errors or forgetting to record a transaction are reduced. At the same time a person called Gumasto, who goes for collection keeps Aankadavahi with him.

**(5) Ugharani Nondh :** A clerk or munim who goes for collection keeps with him a book or a dairy. In such book, the brief details or particulars regarding the amounts due from the debtors are shown. Such book or dairy is known as Ugharani Nondh. The person who goes for collection, records therein, the amounts received by him during the collection, based on which the detailed posting is done in the ledger.

**(6) Jangad Nondh :** In Jangad Nondh, the Jangad sale transactions of the business are recorded. Under Jangad sales transactions (transactions bases on ‘Sale or return’), if the customer is not satisfied with the goods, he can return the goods within an agreed time limit. Thus, till the customer confirms the purchase of such goods or the time limit for such Jangad sale is not over, it cannot be treated as actual sale. After the time limit for such Jangad sale is over, even if no intimation of the confirmation is received from the customer, such Jangad sale is considered as actual sale. Jangadnondh is prepared just like as Rojmel. When Jangad sales is made in business, it is recorded in this book on Jama side and when such goods are received back or at the end of the agreed time limit, it is recorded on the debit side. Of course, the entry for the actual sale transaction is recorded in Udharnondh, by the businessmen.

**(7) Karar Nondh (Contract Book) :** Many a time in business, many contracts are entered regarding purchase, sale or any other matter in a business. Such contracts contain various conditions and are for various time period. These contracts which may be for a longer duration are in written form and it is also necessary to maintain a separate and proper note for each of them. For maintaining a record of such contracts in business, a separate book is maintained, which is called Karar Nondh.

(8) **Vyajvahi** : Generally, the shroffs or money lenders maintain a separate book, for calculation of interest. Such businessmen accept the deposits also and lend money to those, who are in need of funds. For the purpose, the businessmen has to pay the interest to the depositor and charges the interest from the borrower. In Vyajvahi, a separate account for each depositor and borrower is opened and after calculating interest on the amount, an entry for the interest is recorded.

When instalments are given for the payment of money lended and installment is not paid in time limit, interest is calculated on such amount of installment. The amount of installment is called as “Kandha ni rakam” The interest charged on additional amount on the amount of installment after the time limit is called as “Kandha nu vyaj”. If the businessmen has borrowed an amount, its details and the interest on it is also recorded.

(9) **Hundivahi** : When there are numerous bill transactions for the businessmen, they maintain a separate book called ‘Hundi Vahi’ to record such information. Hundivahi is prepared just like Rojmel or Bethomel. Of course, the accounting entries for the bills are recorded in Rojmel or Behtomel. This Hundivahi provides information regarding the parties to bills, period, amount etc. to the businessmen.

(10) **Kabalavahi** : The book maintained by the businessmen to record the details of their forward transactions, is known as ‘Kabalavahi’. Kabalavahi is also known as ‘Sauda Patrak.’

(11) **Bank Register** : When a businessman maintains more than one bank account for his transactions with the banks, he maintains a register to record his numerous bank transactions. Such ‘Register’ is known as ‘Bank register’. In it different columns for each bank are kept, and the transactions are recorded in it.

## 9. **Khatavahi (Ledger)**

(1) **Meaning and Importance** : In Desinama the first accounting entry of transactions is recorded in Rojmel or Bethomel and in Subsidiary Books. Such entry is as per the date (tithi) and month (maas). The purpose of writing accounts is to obtain useful information to the business from such recorded accounts. On this basis; how much is the purchase (kharid) and sales (vakaro)?, how much amount is due to us and due by us?, How much is the total income ?, What is the total amount of expenses?, How many assets are there in the business?, How much is total capital of the business?. To obtain all this information easily; the businessman opens affected ledger accounts of the business in a separate book. Such a book is known as Khatavahi.

The book in which the personal accounts, real accounts and accounts pertaining to incomes and expenses of the business are opened is known as the book of Khatavahi. Khatavahi is one of the main books of accounts.

The book of khatavahi is like that of Rojmel and Behtomel, hard bound and covered by red cloth, in a vertical form and pages with the eight folds, it is tied with a string. Out of eight folds, four folds on the left hand side are for Jama and the remaining four folds are for Udhar.

On the first page of Khatavahi, the name of the owner of the business and the year for which the Khatavahi is to be prepared is written, then in the beginning of the book there is a page for serial number/ table of contents (Anukramanika), which is known as ‘Sankaliyu’ or ‘Panotri’. In Sankaliyu, the name of the account and the page number of the Khatavahi, on which the said account is drawn, is written. This helps in finding out an account easily. From the next page onwards the ledger accounts are opened. Generally, one page is kept for each account in the khatavahi.

(2) **Process of Posting** : The process of recording in the relevant ledger account in khatavahi form Rojmel, Bethomel and Subsidiary books (Peta Nondho) is called posting (Khatavahi). In Deshi nama, the method of posting is as given on next page :

The account which is recorded on the credit side in Rojmel or Bethomel is to be credited at the time of posting. Posting in an account is to be done on the debit side, which is to be recorded on the debit side in Rojmel or Bethomel.

While posting in an account, the amount of the transaction is written in the first fold of the relevant Jama side or Udhar side and in the remaining folds Rojmel Page No, or Bethomel Page No. is written. If the posting is to be done from Bethomel, besides writing the Bethomel page No.(B.P.) the tithi of the transaction should also be written.

If the posting is done from Jama Nondh or Udhar Nondh, the details of relevant Jama Nondh Page No. and relevant Udhar Nondh Page No. should be written.

In a khatavahi, while recording a transaction, the Rojmel, Bethomel, Jama Nondh, Udhar Nondh Page Nos. are mentioned against it. Which shows that the transaction recorded (posted) in Khatavahi is on particular page number of particular book. In the same way, the page no. of ledger (khatavahi) on which that ledger account is drawn, should be written in Rojmel or Bethomel or the Subsidiary book.

(3) **Fanku Marvu (Sign indicating that the posting is done)** : Once the posting (khatvahi) for a transaction is done, a sign '(0)' is marked in the first fold below the amount of the transaction in Rojmel or Bethomel or Petanondh. This sign indicates that the posting is completed. Process of marking sign '(0)' is known as "Fanku Marvu".

**Khatavahi of Shri Sarveshkumar (Samvat 2071)**

**Shri Bhandol Khatu**

L.F.No. 1

J	U
32,000=00	R.P. 1                      Kartak Sud-1
0	

**Shri Dena Bank Khatu**

L.F.No. 09

J	U
	5000=00    R.P. 5                      Kartak Sud-4
	0

(4) **Khatanu Sandhan** : Generally, one blank page is kept for each account in Khatavahi but in case of certain accounts when the space so provided is fully utilized, it is carried forward to any other blank page in Khatavahi. The process of carrying forward an account to other blank pages is known as 'Khatanu Sandhan'. On the page, which is completely used for an account, the page number of sandhan is mentioned and on the page of sandhan the original page no. is shown. This helps in tallying the account easily.

(5) **Types of Khatavahi** : In Deshi Nama the following three types of Khatavahi are maintained (i) simple (sadi) khatavahi (ii) Bethi khatavahi or Thham khatavahi (iii) Sama Daskatni Khatavahi.

(i) **Simple (sadi) Khatavahi** : The Khatavahi in which all the ledger accounts of the business are maintained, is known as Sadi Khatavahi. At the end of the year, on the basis such Khatavahi, Utaro (Trial Balance) and final accounts are prepared.

(ii) **Bethi khatavahi or Thham khatavahi** : The businessmen, whose transactions are comparatively less in number, they maintain only personal i.e. creditors and debtors accounts in the khatavahi (ledger). Such accounts are known as Betha Khata and such Khatavahi is known as Bethi Khatavahi or Thham Khatavahi. Such businessmen do not maintain Udhar Nondh and Jama Nondh. Instead of recording the transactions of purchase and sale, in Rojmel or Bethemel they are recorded directly in the Khatavahi. Thus, Bethi Khatavahi serves the purpose of both Rojmel and Khatavahi. The main purpose of maintaining such khatavahi is to get the clear information regarding debts and receivables and it can be decided as to how much collection from debtors will be made and against that how much payment is to be made. However, such Khatavahi is not much in practical use these days.

(iii) **Sama Daskatni khatavahi** : The money lenders and shroffs maintain this khatavahi. The shroff opens the customer's account in his books at the time of lending the money and the particulars regarding the amount lent, period for which it is lent, the miti on which the money is lent, rate of interest, the asset mortgaged etc. are shown. Below their particulars, the necessary revenue stamp is affixed and on it the customer's signature is taken. Thus, this khatavahi serves the purpose of both a ledger (khatavahi) and a receipt for the money lent.

Specimen of Sama Daskatni khatavahi :

**Samvat 2071**

**Shri Dilipkumar Jamnadas nu Khatun**

J

U

15,000=00 Samvat 2071 Chaitra Sud-5  
Mangalvar Dt. 24-03-2015,  
₹ 15,000=00 received cash, for a  
period of two years. Interest is  
to be calculated at 12 % whereas  
gold chain of 2 Tola is kept as a  
security.

Revenue Stamp
------------------

Dilipkumar Jamnadas

(6) **Khatu Mandaman** : The shroff charges the customer a certain amount for opening the customer's account in his books. Such an amount is known as "Khatu Mandamani". This is not valid now.

(7) **Kothali Chhodamani** : Many a times, the shroff deducts a certain amount in advance out of money lent and remaining amount is given to customer while lending the money, it is known as Kothali Chhodamani. The amount of Kothali Chhodamani is an income for the businessman (Lender) and an expense for the customer (borrower). Such transaction is also not considered valid.

(8) **Khatani Baki (Balance in the Account)** : After posting a respective account, the information regarding the transaction with such account is available. But the final position of the account cannot be known, E.g. how much dues, debts are there and how much expenses are incurred

etc. For the purpose, the account on both the sides is added up and the difference is found out, which is known as 'Baki' (balance). Generally, the balance (baki) is arrived at to know the result (profit or loss) of the business at the end of the year or to carry forward the accounts to the new pages.

**(9) Process of finding out Khatani Baki (Balance) :** In order to find the balance of an account, first of all total of both jama and udhar side is made and written in the third fold. The difference between total of both sides of the account is called as balance. The side of which the total is less the balance is recorded on that side.

The side of which the total is more is called as that balance. E.g. if total of jama side is more the balance is called as "Jama baki" and if the total of debit side is more the balance is called as 'Udhar baki'.

When the total of jama side of the account is more the amount of difference (balance) is recorded on udhar side. If accounts are Pakka, "Baki Deva" is written in the particular column. On the other hand if the total of Udhar side of the account is more the amount of difference (balance) is recorded on Jama side. If accounts are Pakka, "Baki Lena" is written in the particulars column. After recording the balance of an account, a line is drawn below it and total of opposite side is written. Two lines are drawn below the amount of total.

When the total of both sides of an account is the same, it is called as 'Khatu sarbhar thayu'. 'Shri Sarbhar khatun' is written against the amount of total in sarbhar khata.

**(10) Kinds or Types of Khata :** In deshi nama, certain accounts are closed at the end of the year, while a balance (baki) is arrived at for certain accounts. Which accounts are to be closed and in which accounts, the balance is to be arrived at, depends upon the kind of account (Khatu). In Deshi Nama, the accounts are classified into two types : (1) Kacha Khata, (2) Paka Khata).

**(i) Kacha khata :** The accounts pertaining to the purchase and sale of goods and accounts pertaining to incomes and expenses in business are known as Kacha Khata. Kacha Khata are closed at the end of the year and their balances are not carried forward to the new year. E.g. Shri Kharid Khatu, Shri Majuri Khatu, Shri Malel Commission khatu etc.

**(ii) Paka khata :** The accounts pertaining to persons and assets (i.e. personal and real accounts) are known as Paka Khatan. At the end of the year, paka khata are not closed but the balance (Baki) is found out in such accounts and the balances are carried forward in the Khatavahi (ledger) for the New Year. The balances in Paka Khatan are known as : "Baki Deva", if it is a credit balance and 'Baki Lena' if it is a debit balance.

Certain examples are given below to understand the process of balancing the accounts :

**Shri Sanket Kumar nu Khatu**

J	U
2000=00 R. P. Asho Sud 2	1200=00 R. P. Asho Sud 8
1500=00 R. P. Asho Sud 15	1900=00 R. P. Asho Vud 12
600=00 R. P. Asho Vud 13	3100=00
<b>4100=00</b>	1000=00 Shri Baki Deva Asho Vud 0))
	<b>4100=00</b>

**Shri Surbhiben nu Khatun**

J	U
2500=00 R. P. Asho Vad 10	4000=00 R. P. Asho Sud 7
2500=00	3000=00 R. P. Asho Vad 3
4500=00 Shri Baki Lena Asho Vad 0))	<b>7000=00</b>
<b>7000=00</b>	

**Shri Bhagwandas nu Khatu**

J	U
5000=00 R. P. Asho Sud 9	3200=00 R. P. Asho Vad 4
<b>5000=00</b>	1800=00 R. P. Asho Vad 12
	<b>5000=00</b>

**Shri Sarbhar Khatun**

**Shri Commission Khatun**

J	U
	400=00 R. P. Asho Sud 3
	500=00 R. P. Asho Vad 1
	<b>900=00</b>

**Shri Dividend Khatun**

J	U
250=00 R. P. Asho Vad 12	
375=00 R. P. Asho Vad 14	
<b>625=00</b>	

**Shri Furniture Khatun**

J	U
28,000=00 Shri Baki Lena Asho Vad 0))	23,000=00 R. P. Asho Sud 6
<b>28,000=00</b>	5000=00 R. P. Asho Sud 12
	<b>28,000=00</b>

## 10. Utaro (Trial Balance)

The businessman prepares a statement based on the Baki (balance) of each account. This statement is called 'Utaru'. Under Double Entry System of accounting this statement is called 'Trial Balance'. With the help of Utaru, it can be ascertained whether the accounts are arithmetically correct or not. Utaru is prepared at the end of an accounting year before preparing final accounts. Shri Purant Baki (closing balance of cash) as per Rojmel or Bethomel can also be obtained on the basis of Utaru.

Utaru is prepared in pages with eight folds like Rojmel. In Utaru, the closing balance (Baki) of each account is written. For this purpose, the account (Khatu) having credit (Jama) balance (Baki) is written on the Jama side of the Utaru and the account (khatun) having Udhar (debit) balance is written on the Udhar (debit) side of the Utaru. Then, the total of the amounts on Jama side and the total of the amounts on Udhar side, are arrived at end they are shown (written) on the respective sides in the third fold. Then, the difference, of the total of the amounts on both the sides, is found out and written on the side which is short (always on Udhar side) and it is written as Shri Purnat Baki in the fold for particulars. Shri Purant Baki as per Utaru, is tallied with Shri Purant Baki as per Rojmel or Bethomel. If Shri Purant Baki and actual cash on hand are the same it can be assured that the accounts are arithmetically correct.

## 11. Havala and Havalamel

In order to ascertain profit or loss of the business Kacha khata are to be closed and by giving accounting effects for closing stock, unpaid expenses, prepaid expenses, depreciation, bad debts, rectification or errors, true profit or loss can be found out. Besides this, at the end of the year, Gharkharcha khata is closed by transferring it to Bhandol khata. Similarly, profit or loss arrived at in Kharid – Vakara khata or Vatav khata or Nafa Nukshan Khata, is also transferred to bhandol khate. The entries to be passed to give necessary accounting effects for such aspects in the books of accounts, are known as Havala or Havala Nondh.

Such havala nondh is passed, on the last day of the specified period or the year, in a Mel which is called as Havalmel. Besides this, the closing entries passed to close the kacha khata (accounts relating to goods as well as income and expenses) are also included in Havalamel.

Havala mel is prepared after preparing Utaru and before preparing final accounts. Therefore the Havala Mel is a link between Utaru and Final Accounts. Havalamel is written on the last page of Rojmel or Bethomel. In Havalamel, the accounting effects of the above said aspects are given in the same way as they are given in Rojmel or Bethomel. That is, while passing the entries (nondh) for the above aspects, the accounts which is to be credited is written on jama side of Havalamel and the account to be debited is written on Udhar side of Havalamel.

Havalmel is also known as Jama Kharchimel, Mandchhod mel or Achal mel. Entries (nondh) for the following matters are passed in the Havalamel.

(1) **Stock of goods** : Goods that is unsold at the end of the year i.e. closing stock has to be brought into books of accounts to find out the true profit or loss made. For this purpose, kharid-vakara khatu is credited by debiting the closing stock khatu. Closing stock (Akhar Stock) khatu is an asset and therefore shown at the debit side of Sarvaiya as Akharmal Stock khate and on the credit side of Kharid-vakara khate.

In order to ascertain correct profit or loss, for the purpose of havala nondh of the closing stock, the cost price or the market price, whichever is less is taken in to consideration.

In the next year, the debit balance of this stock account will be treated as opening stock (Sharuno Mal Stock) and at the end of the second year it is debited to kharid vakara kahte and credited to Sharuna Mal Stock khate (Opening stock account) and this stock account is closed.

(2) **Unpaid (outstanding) Expenses** : If any expense is outstanding at the end of the year, the respective expense account is debited and credit is given to the outstanding expense account or to the respective person's account. The posting is done on the debit side of the respective expense account and on the credit side of the outstanding expense account or respective person's account and they are shown in sarvaiya. On credit side E.g. Wages unpaid ₹ 600.

(3) **Prepaid Expenses** : If any expense of the following year is paid during the current year, it is said as prepaid expense. The prepaid expense account is debited and the respective expense account is credited. The posting is done on the credit side of the respective expense account and on the debit side of prepaid expense account (Respective person), which is shown on the debit side of Sarvaiya as Lena. E.g. Prepaid insurance premium ₹ 300.

(4) **Outstanding Income** : At the end of the year if any income is due but not received "income due but not received "or 'related person's' account is debited and the respective income/Revenue account is credited. The posting is done on the credit side of the income account and on the debit side of the income due, but not on the received account (or to the related person's account) which is shown in Sarvaiya as Lena. E.g. Interest on investments due but not received ₹ 500.

(5) **Income (Revenue) Received in Advance** : If any income pertaining to the following year is received and recorded in the current year as income, the respective income account is debited and income/revenue received in advance account credited. The posting is done on the debit side of the income account and on the credit side of the income / revenue received in advance account which is shown in Sarvaiya as 'Deva'. E.g. Rent received in advance ₹ 200.

(6) **Depreciation** : At the end of the year, to record the depreciation on depreciable asset, respective asset account is credited by debiting the depreciation account. It is posted on the debit side of the depreciation account and on the credit side of the asset account. As the amount of depreciation is credited to asset account, in Sarvaiya that much amount is shown as deduction from the asset.

(7) **Bad Debts** : To record bad debt at the end of the year, the bad debt (Ghalkhadh khatun) account or vatav account is debited and Debtors (devadar's) account is credited. Which is posted on debit side of ghalkhadh or vatav khate and credit side of respective Devadar's (Debtor) account. The amount of baki lena or devadaro is shown in sarvaiya by deducting the amount of bad debt.

(8) **Interest on Bhandol** : If the owner of the business is to be given the Vyaj ( Interest) on Bhandol (capital), then Bhandol account is credited by debiting the Vyaj on Bhandol account. It is posted on the debit side of the Bhandol par Vyaj Khate and on the credit side of the Bhandol (capital) kahte. Vyaj on Bhandol is added to the balance of bhandol in sarvaiyu.

(9) **Transfer of 'Gharkharch khatu' to 'Bhandol khatu'** : The amount of the withdrawals made by the owners of the business during the year is debited to gharkharcha khate. At the end of the year the gharkharcha khate is closed by transferring the amount to Bhandol Khate. For this, Gharkharch Khatun is credited by debiting Bhandol account. It is posted on the debit side of bhandol account and on the credit side of the Gharkharch account, consequently the gharkharch khatu will be closed and the balance of the Bhandol account will be reduced to that extend in Sarvaiyu.

**(10) Havala for Rectification of Errors :** In order to rectify some of the accounting errors committed during the year, at the end of the year some havalanondh is required to be made before preparing final accounts. E.g. if the wages of ₹ 500 is debited to salaries, to rectify this mistake Majuri Khata is debited by crediting pagar khata. Here it should be noted that if any error is committed in Utaro, it can be rectified in Utaro only for which no Havala nondh will be passed. Utaro will be prepared after rectifying the errors.

**(11) Havala Nondh or Akhar Nondh to Close kacha khata :** All kacha Khata mentioned in Utaro are closed and transferred to Kharid – Vakara khate or Vatav khate after showing all havala nondh in Havala Mel and posting the same. Balance of some of the kacha khata is changed by posting all havala nondh and some new account will be added. All accounts including New balance of kacha khata after making necessary changes and newly added accounts are closed. In order to close kacha khata, following effects are given in Havalamel.

**(i) Kacha Khata with Udhar Baki (Debit Balance) :** In order to close such kacha khata having Udhar baki, either kharid vakara khata or vatav khata is debited and respective kacha khata is credited. The posting of which is made on the debit side of kharid Vakara kahta or vatav kahta and credit side of respective kacha khata.

E.g. Majuri ₹ 1200, Jaherat Kharch ₹ 500.

Kharid Vakara khate/ vatav kahte udhar	1700
To Majuri khate	1200
To Jaherat kharch khate	500

**Note :** The above nondh is recorded in havalmel on jama and udhar side as per Deshi nama system.

**(ii) Kacha khata with Jama Baki (Credit Balance) :** In order to close Kacha khata with Jama Baki, the respective kacha khata is debited and either kharid vakara khata or vatav khata is credited. The posting of which is made on the udhar side of kacha khata and on the jama side of the kharid vakara kahta or vatav khata.

E.g. Malel vyaj ₹ 1000 and Malel Commission ₹ 1700

Vyaj khate udhar	1000
Commission khate udhar	1700
Kharid Vakara khate/ vatav khate	2700

**(12) Havala to Transfer the Profit or Loss of the Business to Bhandol :** Havala nondh to transfer profit (nafa) or loss (khot) arrived at as a result of the above havala is also recorded in the havala mel itself.

**(i) If it is Profit :** If the profit is earned, either kharid vakara khata or vatav kahta is debited and bhandol khata is credited and as a result jama baki of the bhandol khata increases and the profit is added to bhandol in sarvayu.

**(ii) If it is Loss :** If a loss is suffered, Bhandol khata is debited and credit is given to either kharid-vakara kahta or vatav khata and as a result, the jama baki of Bhandol khata decreases. The loss is deducted from bhandol in sarvaiyu.

(13) Explanation in a chart form of the entries to be recorded in havalamel :

Havala	Debited (Udhar) to Which Account	Credited (Jama) to Which Account
(1) Opening Stock	Kharid Vakara Khate Udhar	Opening Stock Khate Jama
(2) Closing Stock	Shri Aakhar Stock Khate Udhar	Kharid-Vakara Kahte Jama
(3) Depreciation	Ghasara (Depre.) Khate Udhar	Milkat Khate Jama
(4) Outstanding Expenses	Kharch Kahte Udhar	Kharchana Baki Deva Khate Jama
(5) Prepaid Expenses	Prepaid Expense Khate Udhar	Kharch Khate Jama
(6) Outstanding Income	Outstanding Income Kahte Udhar	Income Kahte Jama
(7) Income Received in advance	Income (Aavak) Khate Udhar	Income Received in Advance Khate Jama
(8) Ghalkhadh (Bad Debts)	Galkhadh Khate Udhar	Devadar (Debtor) Khate Jama
(9) Ghalkhadh Anamat (B.D.R.)	Kharid Vakara Kahte Udhar	Ghalkhadh Anamaat (B.D.R.)
(10) Vyaj (Int.) on Bhandol	Vyaj on Bhandol Khate Udhar	Bhandol Khate Jama
(11) Interest on Drawings	Gharkharch Khate Udhar	Upad Par Vyaj Khate Jama
(12) To close drawings khata	Shri Bhandol Kahte Udhar	Gharkharch (Upad) Khate Jama
(13) To close Kacha Khatas of Kharch	Kharid Vakara Kahte Udhar	Kharch Khate Jama
(14) To Close Kacha Khata of Incomes	Respective –Upaj Khate Udhar	Kharid Vakara/Vatav Kahte Jama
(15) Result of the Business : Method of Kharid-Vakara Khate		
(i) If it is Profit	Kharid Vakara/Vatav Kahte Udhar	Bhandol Khate Jama
(ii) If it is Loss	Shri Bhandol Khate Udhar	Kharid Vakara/Vatav kahte Jama
(16) Result Of The Business : as per Vatav Khate Method		
(i) If It Is Profit...		
(a) Gross profit	Kharid Vakara Kahte Udhar	Vatav Khate Jama
(b) Net profit	Vatav Khate Udhar	Shri Bhandol Khate Jama
(ii) If It Is Loss....		
(a) Gross Loss	Vatav Khate Udhar	Kharid Vakara Kahte Jama
(b) Net Loss	Shri Bhandol Khate Udhar	Vatav Khate Jama

**12. Method of Determining Profit and Loss**

Two methods are used in Deshi nama system to determine profit or loss :

(1) **By Kharid-Vakara khata** : Small traders ascertain the profit or loss by Kharid vakara khata. Instead of keeping a separate account for kharidi and Vakara they keep a combined kharid vakara khaata. The amount of purchase is written on the udhar side of this account while the amount of vakara (sales) is recorded by posting to the jama side of this khata.

As we have already studied earlier, after passing the necessary nondhs in the Havalmel with respect to havalas of stock, income – expenses, bad debts, depreciation, rectification of errors, all the kacha khata are closed by transferring it to kahrud vakara kahta.

After making all Havala nondh for kacha khata, both the sides of kharid vakara khata are totalled and the respective totals are written on the respective sides, there after, the difference between the total of the two sides is found out. The difference so calculated indicates either profit or loss of the business. If the total of the Jama side is excess, it is profit and if the total of the Udhar side exceeds, it is loss. The havala nondh to transfer the profit or loss to bhandol khate, is also written in the Havalamel itself. In case of profit, Bhandol kahta is credited by debiting kharid vakara khata as a result the jama baki of Bhandol kahta increases and in case of loss, bhandol khata is debited by crediting kharid vakara khata consequently, jama baki of Bhandol khata decreases. By the posting of this nondh, the total of both the sides of kharid vakara khata becomes equal.

**(2) By Vatav Khata :** Big traders who have numerous transactions and those who deal in more than one type of goods, ascertain profit or loss by vatav kahta. For calculating profit or loss, two divisions are made :

(i) Kharid-Vakara Khatu (ii) Vatav Khatu

**(i) Kharid-Vakara Khatu :** Kharid-vakara khatu is just like a trading account in double entry system. In this account, the entries regarding Opening stock, closing stock, Purchase, sales, purchase expenses, and accounts relating to goods are made.

To ascertain the profit or loss under this method, the difference between two sides of Kharid-Vakara khata is found out. If the jama side total is higher than the total of udhar side, the difference is gross profit. This gross profit is debited to Kharid-vakara khate and credited to Vatav khate. If the Udhar side total is higher than the total of Jama side, the difference is gross loss. The amount of gross loss is debited to vatav khate and credited to Kharid-vakara khate. The entry as above is made in Havala Nondh to transfer gross profit or gross loss of Kharid-vakara khatu.

**(ii) Vatav Khatu :** After passing all havala nondh for the havala of incomes, expenses, bad debts, depreciation, rectification of errors etc. all the remaining kacha khata e.g. accounts of incomes and expenses, are closed by transferring them to vatav khata. In order to close kacha khata, nondh is made in havalamel. Here only that kacha khata, which are not transferred to kharid vakara kahta are to be transferred to vatav khate and accordingly nondh is made.

Thus, after recording the havalas for Kacha khata, both the sides of vatav khata are added up and on the relevant side the difference in the amount is written. The difference so found out, indicates the profit or loss of the business. If the total on the jama side is more, it is called net profit and if the total of the udhar side is higher, it is called net loss. Havala nondh to transfer this profit or loss to Bhandol khate is also written in the havalmel itself.

In case of profit bhandol kahta is credited by debiting vatav kahta and as a result jama baki of bhandol khata increases. In case of loss, vatav kahta is credited by debiting bhandol khata, as a result jama baki of bhandol khata decreases. By posting this havala nondh, the total of both the sides of vatav khata become equal.

### 13. Sarvaiyu (Balance-Sheet)

While preparing final accounts, Kacha Khata are closed and to ascertain the profit or loss made by the business, Kharid vakara khata and Vatav khata are prepared. Profit or loss is transferred to Bhandol Khata. There after sarvaiyu is prepared with the help of Pakka khata like personal accounts,

accounts of assets and liabilities (Baki Lena and Baki deva) and Shree Purnat Baki (closing Cash balances) to know the financial position of the business.

Sarvaiyu means the statement showing the financial position of the business as on a particular day of assets, liabilities and bhandol. Sarvaiyu is a statement and not an account.

The format of Sarvaiyu is similar to utaro. Here also the first four folds, (sal) are kept for Jama side and the rest four folds are kept for the Udhar side. On the Jama side of Sarvaiyu, Jama Baki (Baki deva) and on the Udhar side, Udhar Baki (Baki lena and assets) are shown. On Jama side, first of all the balance of the Bhandol Kahta is shown. On both the sides, the amount is shown in the first fold and in the remaining folds, the name of the account and page number of Khatavahi (L.F.NO.) are written.

After writing the balances on both the sides in sarvaiyu the total on both the sides are made and are written on the respective sides. Thereafter, on the udhar side Shree Purant Baki is shown for cash balance. The total of both the sides must be equal on completion of sarvaiyu.

### Exercise

#### 1. Select appropriate alternative for each question :

- (1) Which is the oldest Indian method of writing books of accounts ?
  - (a) Deshi Nama System
  - (b) Double Entry System
  - (c) Single Entry System
  - (d) Deshi Nama and Double Entry system
- (2) What is called '—' sign used in Deshi Nama between rupees and paise while writing an amount ?
  - (a) Avro
  - (b) Olayo
  - (c) Utaro
  - (d) Fanku Marvu
- (3) Out of following what is called 'Sudiu' or 'Daniu' ?
  - (a) Subsidiary book
  - (b) Bethomel
  - (c) Kachi Nondh
  - (d) Rojmel
- (4) Which books in Deshi Nama are called as Basic or Primary books ?
  - (a) Aam Nondh
  - (b) Karar Nondh
  - (c) Khatavahi
  - (d) Rojmel
- (5) Which Mel is known as Tham Mel ?
  - (a) Rojmel
  - (b) Jama Kharchi Mel
  - (c) Bethomel
  - (d) Dagina Mel
- (6) If the name of a person with whom financial transaction has been taken place is forgotten, the financial transaction is recorded by which name ?
  - (a) Shri Tasalmat Khate
  - (b) Shri Shah Khate
  - (c) Shri Hatthu Khate
  - (d) Shri Vatav Khate
- (7) The amount payable to a creditor of the business is sent through a person or aangadia, the amount is credited to which account instead of creditor ?
  - (a) Shri Hatthu Khate
  - (b) Shri Shah Khate
  - (c) Shri Desavar Khate
  - (d) Shri Tasalmat Khate

- (8) When money is lended to a person for one day, the amount is known by which name ?
- (a) Ublek (b) Upar Tapke  
(c) Desavar (d) None of three
- (9) Transactions of credit purchase of goods of business are recorded in which subsidiary books ?
- (a) Jama Nondh (b) Udhar Nondh  
(c) Kabala Vahi (d) Hundi Vahi
- (10) The books kept in Deshi Nama for recording receipt and issue of goods is known by which name ?
- (a) Ankda Vahi (b) Sudha Vahi  
(c) Kabala Vahi (d) Janas Vahi
- (11) Which book is maintained by the traders of forward market to record forward transactions ?
- (a) Hundi Vahi (b) Kabala Vahi  
(c) Sudha Vahi (d) Vyaj Vahi
- (12) Havala Mel is known by which name ?
- (a) Utaro (b) Sarvaiyu  
(c) Rojmel (d) Achal Mel
- (13) Which account of the following is not a Kachu Khatu ?
- (a) Shri Ghar Kharch Khatu (b) Shri Pagar Khatu  
(c) Shri Vakara Khatu (d) Shri Commission Khatu
- (14) Which accounts are closed at the end of the year in Deshi Nama ?
- (a) Paka Khata (b) Kacha Khata  
(c) Milkat Khata (d) Personal accounts
- (15) Where the entry of closing Kacha Khata in Deshi Nama is made ?
- (a) Sudha Vahi (b) Jama-Kharchi Mel  
(c) Jama Vahi (d) Udhar Vahi
- (16) Where the Paka Khata are recorded, in Deshi Nama system ?
- (a) Havala Mel (b) Kharid-Vakara Khata  
(c) Vatav Khata (d) Sarvaiyun
- (17) The difference between the credit side and the debit side of Sarvaiyun in Deshi Nama is recorded on debit side as .....
- (a) Akhar stock (b) Silak-Vadhghat  
(c) Shri Purant Janse (d) Shri Purant Baki
- (18) In Deshi Nama system, the nature of Sarvaiya is like .....
- (a) Utaro (b) Dagina Mel  
(c) Rojmel (d) Udhar Nondh

- (19) Which value of closing stock is taken into consideration for havala nondh of Akhar stock to calculate profit or loss at the end of the year ?
- (a) Cost price  
 (b) Market price  
 (c) Cost price or market price, which ever is less  
 (d) Cost price or market price, which ever is more
- (20) Profit or loss of Kharid-Vakara Khata is transferred to which account while preparing final accounts by Vatav Khata method in Deshi Nama ?
- (a) Bhandol Khate  
 (b) Vatav Khate  
 (c) Havala Mel  
 (d) Ghar-kharch Khate

**2. Answer the following questions in one or two sentences :**

- (1) By which other name the Deshi Nama system is known ?
- (2) Explain the meaning of 'Miti' in Deshi Nama.
- (3) What is Rojmel ?
- (4) By whom and when the Bethomel is kept ?
- (5) State any two types of Khata Vahi.
- (6) What is 'Sakadiyu' or 'Panotri' ?
- (7) When there is expense or revenue in business, but the name of the account is not remembered, such transaction is recorded in which account ?
- (8) What is Ublek amount ?
- (9) What is Tarij ?
- (10) What is Jangad Nondh ?
- (11) What is Fanku Marvu ?
- (12) What is Khatanu Sandhan ?
- (13) What is Mand Chhod Mel ?
- (14) Generally, when is the havalamel prepared ?
- (15) Which two methods are prevalent in Deshi Nama for calculating profit or loss ?
- (16) Write havala nondh for Vyaj on Bhandol.
- (17) Write havala nondh for Ghal-khadh Anamat.
- (18) Write havala nondh for transferring profit calculated from Kharid-vakara khate to Bhandol khate.
- (19) Write havala nondh for transferring loss calculated from Vatav Khata to Bhandol Khate.
- (20) What is called paka khata in Deshi Nama system.

**3. Answer following questions in short ?**

- (1) Explain the following terms used in Deshi Nama :
- (1) Avro (2) Vigat Khatu (3) Shah Khatu (4) Tasalmat Khatu (5) Desavar Khatu (6) Hatthu Khatu (7) Kabulat Apvi (8) Bethi Khatavahi (9) Kandhu Kari Apvu (10) Kothli Chhodamani (11) Dagina Mel (12) Ankda Vahi (13) Jangad Nondh (14) Karar Nondh

- (2) Write short-notes :
- (1) Rojmel (2) Bethomel (3) Extracting Baki of Khata
- (3) What is havala ?
- (4) What is Utaro ?
- (5) Explain kacha khata and pakka khata.

**4. Answer following questions as asked :**

- (1) Write short-note on : Sama Daskat ni Khatavahi
- (2) Explain, how the transactions of goods return are recorded in Deshi Nama System.
- (3) Write detailed note on Havala Mel.
- (4) How the Sarvaiyu is prepared in Deshi Nama ?
- (5) How will you record the following items in Havala Mel ?
- (i) Akhar Mal stock ₹ 15,000
- (ii) Vyaj Malvanu Baki ₹ 3500
- (iii) Agau thi Chukvel Vimo ₹ 700

**5. Answer following questions as asked :**

- (1) State characteristics of Deshi Nama.
- (2) State types of Khatavahi as per Deshi Nama System and explain each of them.
- (3) Explain different Peta Nondh kept under Deshi Nama System.
- (4) What is Utaro ? How is it prepared ?
- (5) Explain in brief the methods of calculating profit-loss under Deshi Nama System.