

Branch Accounting

↓
Dependent Branch
(H.O.)

Petty exp
General exp.

Foreign Branch.

↓
Independent Branch
(Reconciliation of statement)

* Accounts to be prepared.

Branch Stock A/c.

① Bal b/d (Opening stock) Goods sent to Branch less: Returns Goods returned by customer Surplus-		Cash A/c (sales) Debtors A/c. (Credit sales) Bal c/d (Closing stock)		}	Shortage
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Tally

↓
Balance this A/c by
surplus/shortage

Branch Debtors A/c

Bal b/d		By Cash A/c	
TO Branch stock A/c		(Cash received from	
(Credit sales)		debtors)	
		By Branch exp A/c	
		Allowances	
		B/D	
		discount	
		Bal c/d	

Branch Expenses A/c

TO Branch Debtors A/c		P/L A/c	
TO Cash A/c			
Rent			
Salaries			
Elect Bill			
Other expenses			

Branch Adjustment A/c

TO Stock Reserved A/c		By Stock Reserved A/c	25
		($125 \times \frac{25}{125}$)	
		By Goods sent to Branch A/c	
		($10,000 \times \frac{25}{100}$)	

③ Branch stock A/c. (25% + lost).

Particulars	₹	Particulars	₹
Bal b/d	7500.	Cash A/c (sales)	16750.
Goods sent to Branch A/c	50,400	By Debtors A/c.	34000.
less: Return ⁵⁰⁴⁰⁰		(Credit sales)	
Goods Return by ₃₅₀	50,050	(50750 - 16750)	
Debtors	290.	By Branch A/c ($140 \times \frac{25}{125}$)	28 J 140.
		By Branch P/L A/c ($140 \times \frac{100}{125}$)	112 J 140.
	<u>57840</u>	Bal c/d	6950.
			<u>57840.</u>

Branch Debtors A/c

PR	₹	PR	₹
Bal b/d	13,100.	By Cash A/c (Cash Rec from Debtors)	28,600.
Branch stock A/c (Credit sales)	34000.	By Branch exp A/c	
		Allow - 160	
		B/D - 2300	
		Dis - 1200	1660.
		By stock A/c (Return)	290.
	<u>47,100</u>	Bal c/d	16550.
			<u>47,100.</u>

Branch Exp A/c

PR	₹	PR	₹
Branch deb A/c	1660.	P/L A/c	6210.
Cash A/c.			
Rent & Rates.	3000 900		
Salaries & wages	3000		
Trade exp	650.		
	<u>6210</u>		<u>6210.</u>

Branch Adj A/c

PR	₹	PR	₹
TO Stock Reserved A/c ($6950 \times \frac{25}{125}$)	1390.	By Stock Reserved A/c ($7500 \times \frac{25}{125}$)	1500
TO Branch Stock A/c (shortage)	28	By Goods sent to Branch A/c ($50050 \times \frac{25}{125}$)	10010
TO P/L A/c (4P)	10092.		

Branch P/L A/c

PR	₹	PR	₹
By Stock A/c	112.	By Br Adj A/c	10092.
TO P/L Exp A/c	6210.		
P/L A/c (NP)	3770.		

Goods sent to Branch A/c

PR	₹	PR	₹
By Br Adj A/c	10010	By Br Stock A/c	50050
Trading A/c	40040		
	50050		50050

in/b

(28)

Branch stock A/c

Particulars	₹	Particulars	₹
TO Bal b/d (os)	16000	Cash A/c (sales)	60000
TO Goods sent to Branch (BP)	140000	By Branch Return A/c	5000
		By Deb A/c (credit sales)	72000
		By Br A/c (2000 x 25 / 125)	400
		By P/L A/c (2000 x 100 / 125)	1600
		By Bal c/d	17000
	156000		156000

Branch debtors A/c

Particulars	₹	Particulars	₹
TO Bal b/d	12000	By Cash A/c	67000
By stock A/c (credit sales) (B/F)	72000	By Branch exp A/c	
		Salaries 6000	
		Rent 4000	
		Discount - 2000	3000
		By P/L 1000	
		By Bal c/d	14000
	84000		84000

Branch Expenses A/c

Particulars	₹	Particulars	₹
Salaries + Rent	10000	By P/L	13000
Debtors A/c	3000		
	13000		13000

Branch adj^o A/c.

Particulars	₹	Particulars	₹
TO Stock Reser A/c (16000 × 25) Closing 100	3700	By Stock Reserved A/c (17000 × 25) open 125	3900
TO Branch Stock A/c	400	By Goods sent to Br (140000 × 25) 125	28000
TO Br P/L A/c (90)	27400		
	<u>31200</u>		<u>31200</u>

Branch P/L A/c.

Particulars	₹	Particulars	₹
Branch Stock A/c	1600	By Gross Profit	27400
By Branch Expense A/c	13000		
To NP A/c	12800		
	<u>27400</u>		<u>27400</u>

Goods Sent to Branch A/c.

Particulars	₹	Particulars	₹
TO Branch Adj ^o A/c	28000	By Branch stock A/c	140000
TO Trading A/c	112000		
	<u>140000</u>		<u>140000</u>

14000
28000

Department

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① Departmental Trading + Profit + Loss A/c.

Particulars	Dept A	Dept B	Particulars	Dept A	Dept B
TO opening stock	7000	5000	By Sales	26000	13000
TO Purchases	10000	8000	less: Ret Inward	400	600
TO Carriage Inward	400	200		25600	12400
TO Wages	2000	1200			
TO Gross Profit	9200	4000	By Closing Stock	3000	6000
	28600	18400		28600	18400
TO Rent, Rate, Taxes	1000	500	By Gross profit	9200	4000
TO General Exp	800	400			
TO Salaries	1000	500			
TO Net P	6400	2600			
	9200	4000		9200	4000

②

Particulars	Dept A	Dept B	Particulars	Dept A	Dept B
TO op stock	40000		By Transfer of goods (A to B)	50000	-
TO Purchases	200000	20000			
TO Wages	10000	1000	By Sales	200000	71000
TO Transfer of goods (A to B)	-	50000	By Closing Stock	30000	10000
TO Gross Profit	30000	10000			
	260000	81000		280000	81000
TO Adm & selling	20000	3000	By Gross Profit	30000	10000
TO Net Profit	18000	7000			
	30000	10000		30000	10000

Combined Income A/c

Particulars	₹	Particulars	₹
TO Loss for unsold stock (Inter-department transfer) (10000 X 25 / 125)	2000	By Net Profit (18000 + 7000)	25000
TO Net Profit	23000		
	25000		25000

Journal Entries

① Particulars		Dr (₹)	Cr (₹)
① Cash A/c TO Capital A/c	Dr	30000	30000
② Purchase A/c TO Madan Lal	Dr	5000	5000
③ Furniture A/c TO Cash	Dr	10000	10000
④ Dev Raj A/c TO Sales A/c	Dr	1600	1600
⑤ Purchase A/c TO Cash A/c	Dr	4500	4500
⑥ Cash A/c TO Sales A/c	Dr	2100	2100
⑦ Rent A/c TO Cash A/c	Dr	3000	3000
⑧ Cash A/c TO Commission A/c	Dr	2000	2000
⑨ Bank A/c TO Cash A/c	Dr	5000	5000

10	Cash A/c TO Bank A/c	Dr	2000	2000
11	Drawings A/c TO Cash A/c	Dr	3000	3000
12	Charity A/c TO Purchase A/c	Dr	1000	1000
13	Bad debt A/c TO Debtors A/c	Dr	500	500
14	Cash A/c TO Bad debts recovered A/c	Dr	300	300
15	Machinery A/c TO Cash A/c	Dr	1000	1000
16	Depreciation A/c TO Fixed asset	Dr	500	500
17	Debtor A/c TO Cash A/c	Dr	1000	1000
18	Advertising A/c TO Purchase A/c	Dr	1500	1500
19	Interest A/c TO Capital A/c	Dr	600	600
20	Drawings A/c TO Int on drawing	Dr	500	500
21	Bank charge A/c TO Bank A/c	Dr	200	200
22	Loss by fire A/c TO Purchase A/c	Dr	800	800
23	Insurance company A/c TO loss by fire A/c	Dr	-	-
24	Cash A/c TO loan A/c	Dr	100,000	100,000
25	Interest on loan A/c	Dr	1000	

	To Cash A/c	Dr	500	1000
(26)	Int on loan A/c	Dr	500	
	TO creditor's A/c			500
(27)	Investment A/c	Dr	50000	
	TO Cash A/c			50000
(28)	Loss by Theft A/c	Dr	6000	
	TO Cash A/c			6000
(29)	Madan Lal A/c	Dr	5000	
	TO Cash A/c			4950
	TO Discount Rec A/c			50
(30)	Cash A/c	Dr	1570	
	Discount allowed A/c	Dr	30	
	TO Dev Raj A/c			1600

	Particulars		Dr (₹)	Cr (₹)
(1)	Cash A/c	Dr	80,000	
	TO Capital A/c			80,000
(2)	Purchase A/c	Dr	36,000	
	TO Cash A/c			36,000
(3)	Machinery A/c	Dr	4,000	
	TO Cash A/c			4,000
(4)	Purchases A/c	Dr	52,000	
	TO Raghu's A/c			22,000
	TO Dilip's A/c			30,000
(5)	Raghu's A/c	Dr	4,000	
	TO Purchase Return A/c			4,000
(6)	Raghu's A/c	Dr	18,000	
	TO Cash A/c			17,500
	TO Discount ^{rec} allowed A/c			500
(7)	Mahesh Chand & Co A/c	Dr	30,400	
	Discount allowed A/c	Dr	1,600	
	TO ^{Sales} Cash A/c			32,400

8	Cash A/c	Dr	19800	
	Discount allowed A/c	Dr	200	
	TO Mahesh chand & Co.			20000
9	dilip's A/c	Dr	15000	
	TO Cash A/c			14850
	TO Discount Rec A/c			150
10	Cash A/c	Dr	25000	
	TO Sales A/c			25000
11	Cash A/c	Dr	18000	
	TO Sales A/c			18000
12	Rent A/c	Dr	1500	
	TO Cash A/c			1500
13	Commission A/c	Dr	2000	
	TO Cash A/c			2000
14	Drawing A/c	Dr	6200	
	TO Cash A/c			6200

Cash A/c

Particulars	₹	Particulars	₹
TO Capital A/c	60000	By purchases	36000
TO Machinery A/c	4000	By Machinery	4000
TO Mahesh chand & Co	20800	By Raghu's A/c	18500
TO Sales	25000	By Mahesh chand & Co.	30400
TO Sales	18000	By dilip's A/c.	14850
TO Commission	2000	By Rent A/c	1500
		By Drawing	6200
		By Bal c/d	864750
TO Bal b/d	64750		

Particulars
To Bal c/d

Capital A/c
Particulars
By Cash A/c
By Bal b/d

₹
60000
₹
60000

Particulars
TO Cash
TO Dis rec
TO Bal c/d

Dilip's A/c
Particulars
By purchases A/c
By Bal b/d

₹
14850
150
15000
₹
30000
15000

Particulars
TO Purchase Ret A/c
TO Cash
TO Dis Rec

Raghu's A/c
Particulars
By Purchases A/c

₹
4000
17500
500
22000
₹
22000

Purchase A/c

Particulars
TO Cash
TO R's A/c
TO D's A/c
TO Bal b/d

Particulars
By Bal c/d

₹
36000
22000
30000
88000
₹
88000

Sales A/c

Particulars
By TD M C's & Co
By Bal c/d

Particulars
By Cash A/c
By Cash A/c
By ~~Mahesh & Co~~
By Bal b/d

₹
30400
49600
73,400
₹
73,400
25000
18000
30400
39400

Purchase Returns A/c

Particulars
Bal c/d

Particulars
By Raghu's A/c
By Bal b/d

₹
4000
₹
4000

Commission A/c		Particulars		₹
Particulars		By Cash		2000
To Bal c/d	2000			

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Rent A/c			
Particulars	₹	Particulars	₹
To Cash A/c	1500	By Bal c/d	1500
To Bal b/d	1500		

Machinery A/c			
Particulars	₹	Particulars	₹
To Cash	4000	By Bal c/d	4000
To Bal b/d	4000		

Discount Rec A/c			
Particulars	₹	Particulars	₹
To Bal c/d	650	By Raghu's A/c	500
		By Dilip A/c	150
		By Bal b/d	650

Discount allowed A/c			
Particulars	₹	Particulars	₹
To Bal c/d	200	By discount allow	200
		By Bal b/d	200

Mahesh Chand & Co.			
Particulars	₹	Particulars	₹
To Cash Sales	30400	By Cash	19800
To Bal b/d	10400	By Sales	30400
		By Discount	200
		By Bal c/d	10400

Drawing A/c			
PR	₹	PR	₹
To Cash	6200	By Bal c/d	6200
To Bal b/d	6200		

Trial Balance

Particulars	Dr (₹)	Cr (₹)
	64750	
Cash A/c		
Capital A/c		60000
Dilip's A/c		15000
Purchase A/c	88000	73400 101400
Sales A/c		101400 4000
Purchase return A/c		2000
Commission A/c		
Rent A/c	15000 9000	
Machinery A/c		
Discount rec A/c		650
Discount allowed A/c	200	200
Mahesh chand F/c	10400	
Drawing A/c	6200	
	175050	175,050

Particulars	Dr (₹)	Cr (₹)
③		
① Cash A/c	40000	
TO Capital A/c		40000
② Bank A/c	30000	
TO Cash A/c		30000
③ Purchases A/c	5000	
TO Cash A/c		5000
④ Amit's A/c	2500	
TO Sales		2500
⑤ Purchases A/c	5100	
TO Parvat's A/c		5100
⑥ Cash A/c	1950	
Discount allowed A/c	50	
TO Amit's A/c		2000

(7)	Parvat's A/c	Dr	4000	
	TO Cash A/c			3900
	TO Discount Rec			100
(8)	Cash A/c	Dr	2750	
	TO Sales A/c			2750
(9)	Purchase A/c	Dr	2350	
	TO Dinesh's A/c			2350
(10)	Drawing's A/c	Dr	1000	
	TO Cash A/c			1000
(11)	Bank A/c	Dr	500	
	TO Amit's A/c			500
(12)	Sundry exp A/c	Dr	280	
	TO Cash A/c			280
(13)	Rent A/c	Dr	450	
	TO Cash A/c			450
(14)	Dinesh's A/c	Dr	2350	
	TO Cash A/c			2300
	TO Discount Rec A/c			50
(15)	Romy's A/c	Dr	4750	
	TO Sales A/c			4750
(16)	Carriage A/c	Dr	50	
	TO Cash A/c			50

Purchase A/c

Particulars	₹	Particulars	₹
TO Cash A/c	5000	By Bal c/d	12450
TO Parvat's A/c	5100		
TO Dinesh's A/c	2350		
	<u>12450</u>		
TO Bal b/d	12450		

PR
TO Bal c/d

₹ Capital A/c PR
By Cash A/c
By Bal b/d

₹ 40000
Page
Date
₹ 40000

Cash A/c

Particulars	₹	Particulars	₹
TO Capital A/c	40000	By Bank A/c	30000
TO Amit's A/c	12600	By Purchases	5000
TO Sales A/c	2750	By Amit's A/c Parvat's A/c	4000
		By Drawings A/c	1000
TO Bal b/d	1750	By Sundry's exp	250
		By Rent A/c	450
		By Dinesh A/c	2350
		By Carriage	50
		By Bal c/d	1650

Sales A/c

Particulars	₹	Particulars	₹
TO Bal c/d	10000	By Amit's A/c	2500
		By Cash A/c	2750
		By Romy's A/c	4750
		By Bal b/d	10000

Amit's A/c

Particulars	₹	Particulars	₹
TO Sales A/c	2500	By Cash A/c	1950
		By Dis allowed	50
		By Bank A/c	500
	2500		2500

Parvat's A/c

Particulars	₹	Particulars	₹
TO Cash A/c	3900	By Purchase A/c	5100
TO Dis Rec A/c	100		
TO Bal c/d	1100	By Bal b/d	1100

PR
 TO Amit's A/c
 TO Bal b/d

₹ Discount allowed A/c
50
 50

PR
 By Bal c/d

₹
50
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Dinesh's A/c

Particulars
 TO Cash A/c
 TO Dis Rec A/c
2300
 50
2350

Particulars
 By Purchase A/c
2350
 2350

Romy's A/c

Particulars
 TO Sales A/c
 TO Bal b/d
4750
 4750

Particulars
 By Bal b/d
4750
 4750

Discount Rec A/c

Particulars
 TO Bal c/d
150
 150

Particulars
 By Parvat's A/c
 By Dinesh's A/c
 By Bal b/d
100
50
150

Aravind's A/c

Particulars
 TO Cash A/c
 TO Bal b/d
1000
 1000

Particulars
 By Bal c/d
1000
 1000

Bank A/c

Particulars
 TO Cash A/c
 TO Amit's A/c
 TO Bal b/d
30000
500
30500

Particulars
 By Bal c/d
30500
 30500

Expense A/c

Particulars
 TO Cash A/c
 TO Cash A/c (Rent)
 TO Cash A/c
 TO Bal b/d
250
450
50
750

Particulars
 By Bal c/d
750
 750

Trial Balance

Particulars	Debit (₹)	Credit (₹)
Purchase A/c	12450	
Capital A/c		40000
Cash A/c	1650 1750	
Sales A/c		10000
Parvat's A/c		1100
Discount allowed A/c	50	
Romy's A/c	4750	
Discount Received A/c		150
Drawings A/c	1000	
Bank A/c	30500	
Expense A/c	750	
	51250	51250

Unit-II Joint Venture

I ①. In the books of Ram Joint venture A/c

Particulars	₹	Particulars	₹
To Goods supplied	1000	By Bank (Sales)	20000
TO Rahim's A/c (G.S).	1550	By Mohan's A/c	500
TO Bank A/c (exp)	250		
TO Bank A/c (Purchases)	13000		
TO Commission	1040		
TO Net Profit.			
P/L A/c - 1487			
M's A/c - 1487			
R's A/c - 1487			
	4460		

D. D.
 5987
 8037
 11024

Co-venturer's A/c.

Particulars	M	R	Particulars	M	R
TO Closing Stock	500		By Goods supplied		1550
TO Bank A/c (B/F)	5987	8037	By Bank A/c (Cap)	5000	5000
(Bal transfer by Ram).			By JV A/c (Profit)	1487	1487

Journal Entries

Particulars	Dr (₹)	Cr (₹)
JV A/c	Dr 1000	
TO Goods supplied		1000
JV A/c	Dr 1550	
TO Rahim's A/c		1550
JV A/c	Dr 250	
TO Bank A/c.		250
JV A/c	Dr 13000	
TO Bank A/c		13000
JV A/c	Dr 1040	
TO Commission		1040
Bank A/c	Dr 20800	
TO JV A/c		20800
Mohans A/c	Dr 500	
TO JV A/c		500
JV A/c	Dr 4460	
TO P/L A/c		1486
TO M's A/c		1487
TO R's A/c.		1487
Bank A/c	Dr 10000	
TO Mohans A/c		5000
TO Rahim's A/c		5000
Mohans A/c	Dr 5987	
Rahim's A/c	Dr 8037	
TO Bank A/c		14024

(2) In the Books of Adarji (Joint venture)

Particulars	₹	Particulars	₹
TO Purchases	50000	By Bomanji (Sales)	92000
TO Bank A/c (Exp)	5400		
TO Bomanji's A/c	14000		
To Bomanji's A/c	800		
TO B's A/c (Comm)	4600		
TO Net profit			
P/L A/c - 13760			
B's A/c - 3440	17200		
	92000		92000

Co-venturer.

Particulars	₹	Particulars	₹
TO JV A/c (Sales)	92000	By J.V A/c (Purcs)	14000
		By JV A/c (Exp)	800
		By JV A/c (Com)	4600
		By BANK JV A/c	3440
		By Bank	69,160

Journal Entries

Particulars	Dr (₹)	Cr (₹)
JV A/c	Dr	50000
TO Purchases		50000
JV A/c	Dr	5400
TO Bank A/c		5400
JV A/c	Dr	14800
TO B's A/c		14800
JV A/c	Dr	4600
TO B's A/c (Commissions)		4600
Bomanji's A/c	Dr	92000

245000
123000
122000

TO JVAc		92000
JVAc	Dr	17200
TO P/L Ac		13760
TO B's Ac		3440
Bank Ac	Dr	69160
TO Bomanji's Ac		69160

* When one co-venture is appointed to manage the accounts. We will get to know when the line is written in the books 'give the necessary accounts in the books of'.

* 3 Method → When a separate set of books is kept for the joint venture.

①

Joint Venture Ac			
Particulars	₹	Particulars	₹
TO B's Ac (Goods)	50000	By J. Bank Ac	25000
TO C's Ac (Goods)	118000	(Insurance claim)	
TO J. Bank Ac (Exp)	5000	By J. Bank Ac	220,000
TO Profit & loss on J.V transferred to:		(Sales)	
A- 36000			
B- 36000	72000		
	<u>245000</u>		<u>245000</u>

Joint Bank A/c

Particulars	₹	Particulars	₹
TO A/c A/c	80000	By C's A/c (Goods pur)	60000
TO JV A/c (Ins claim)	25000	By Bills Payable	50000
TO JV A/c (Sales)	220,000	(Bal for C's A/c	
		By JV A/c (Exp)	5000
		By A/c A/c	110000
		By B's A/c	80000

Co-venturer's A/c

PR	A/c	B	PR	A/c	B
TO JB A/c (Balance for settlement)	110000	80000	JB A/c	80000	
			JV A/c (Goods)		50000
			JV A/c (Profit)	30000	30000
	110000	80000		110000	80000

(2)

Joint venture A/c

Particulars	₹	Particulars	₹
TO J.B A/c		By J.B A/c (Cont ^{Acc})	800,000
Wages - 300,000		By Shares	200,000
Material - 700,000	1,000,000	By M's A/c	30,000
TO Material Supplie		By loss to	
TO Praker's A/c		P - 60,000	
Material Supplie - 50,000		M - 40,000	1,20,000
Architect fee - 20,000	70,000		
TO Mihir's A/c	40,000		
TO loss on shares	40,000		
	11,80,000		11,80,000

Co-venturer A/c.

PR	P	M	PR	P	M
To JV A/c		30000	By JV A/c	70000	
To Shares A/c	160000		By JV A/c		40000
To JV A/c (d/c)	80000	40000	By P's A/c	250000	
To JB A/c (B/F)	80000	120000	By M's A/c		150000

Joint Bank A/c.

PR	₹	PR	₹
To JV A/c (Cont A/c)	600,000	By JV A/c (M+wg)	1,000,000
To P's A/c	250,000	By P's A/c 80000	
To M's A/c	150,000	M's A/c 120,000	200,000
	1,200,000		1,200,000

③ 25000 shares of ₹ 20 each 3:2
Comp allotted 1000
App Rec - 22500.

* Memorandum Joint Venture.

① Memorandum JV A/c

Particulars	₹	Particulars	₹
To Expenses		By Sales	
A - 1500		A - 25000	
B - 1000		B - 15000	40000
C - 500	3000	5000	30000
To Purchases		By Unsold Stock	4000
A - 15000			
B - 10000			
C - 5000	30000		
To Comm			
A - 1250			
B - 750	2000		

TO Profit
A - 4500
B - 3000
C - 1500

9000

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A's Books JV with B & C

PR	₹	PR	₹
To Bank A/c (Purch)	15000	By Bank A/c (Sales)	25000
TO Exp Bank A/c (exp)	1500	By Bank A/c	
TO Commission	1250	(Amount rec from B)	250
TO P/L A/c	4500		
TO Bank A/c (B/F)	3000		
(Amount trans to C)			

B's Books JV with A & C

PR	₹	PR	₹
TO Bank A/c (Purch)	10000	By Bank A/c (Sales)	15000
TO Bank A/c (Exp)	1000		
TO Commis	750		
TO P/L A/c	3000		
TO Bank A/c (B/F)	250		

C's Books JV with B & A

PR	₹	PR	₹
To Bank A/c (Purch)	5000	By goods unsold	4000
TO Bank A/c (Exp)	500	By Bank A/c	3000
TO P/L A/c	1500	(Final settlement rec from A)	
	7000		7000

41500 P

(2)

Memorandum JV A/c

PR	₹	PR	₹
TO B's A/c		By B's A/c (Sales)	500,000
Purchases - 50 tons @ 4300	2,15,000	By C's A/c (Sales)	580,000
TO B's A/c (Expenses)	30,000		
TO C's A/c (70% × 50000)	350,000		
TO C's A/c (Expenses)	40,000		
TO Profit.			
B - 2,22,500			
C - 2,22,500	445,000		
	10,80,000		10,80,000

W Notes - Net sale proceeds of goods by A.

120 tonnes @ 10,000	12,00,000
less: selling expenses	(12,000)
	11,88,000
less: Commission (10% × 11,88,000)	1,18,800
	10,69,200
Remittance from B	500,000
Remit from C	569,200

Books of B

Particulars	₹	Particulars	₹
TO Bank A/c (Purch)	2,15,000	By Bank A/c (Sales)	500,000
TO Bank A/c (Exp)	30,000		
TO P & L A/c	2,22,500		
TO Bank A/c (Final settlement)	32,500		

In the books of C.

PR	₹	PR	₹
TO Bank A/c (Purchases)	350,000	By Bank A/c (sales)	500,000
TO Bank A/c (Exp)	40,000		
TO P+L A/c	222,500	By Bank A/c (Final settlement Rec from B)	325,000
	612,500		612,500

Joint Venture A/c

3 Method

Particulars	₹	Particulars	₹
TO JB A/c Mt-150,000		By JB A/c (Contr)	200,000
Wages-75,000	22,50,000	By Shares A/c	500,000
TO R's A/c	15,00,000	By S's A/c (unsold goods)	42,500
TO S's A/c	49,500		
TO loss on shares	7,500		
TO Profit			
R - 12,000			
S - 6,000	18,000		

Co-Venturer A/c

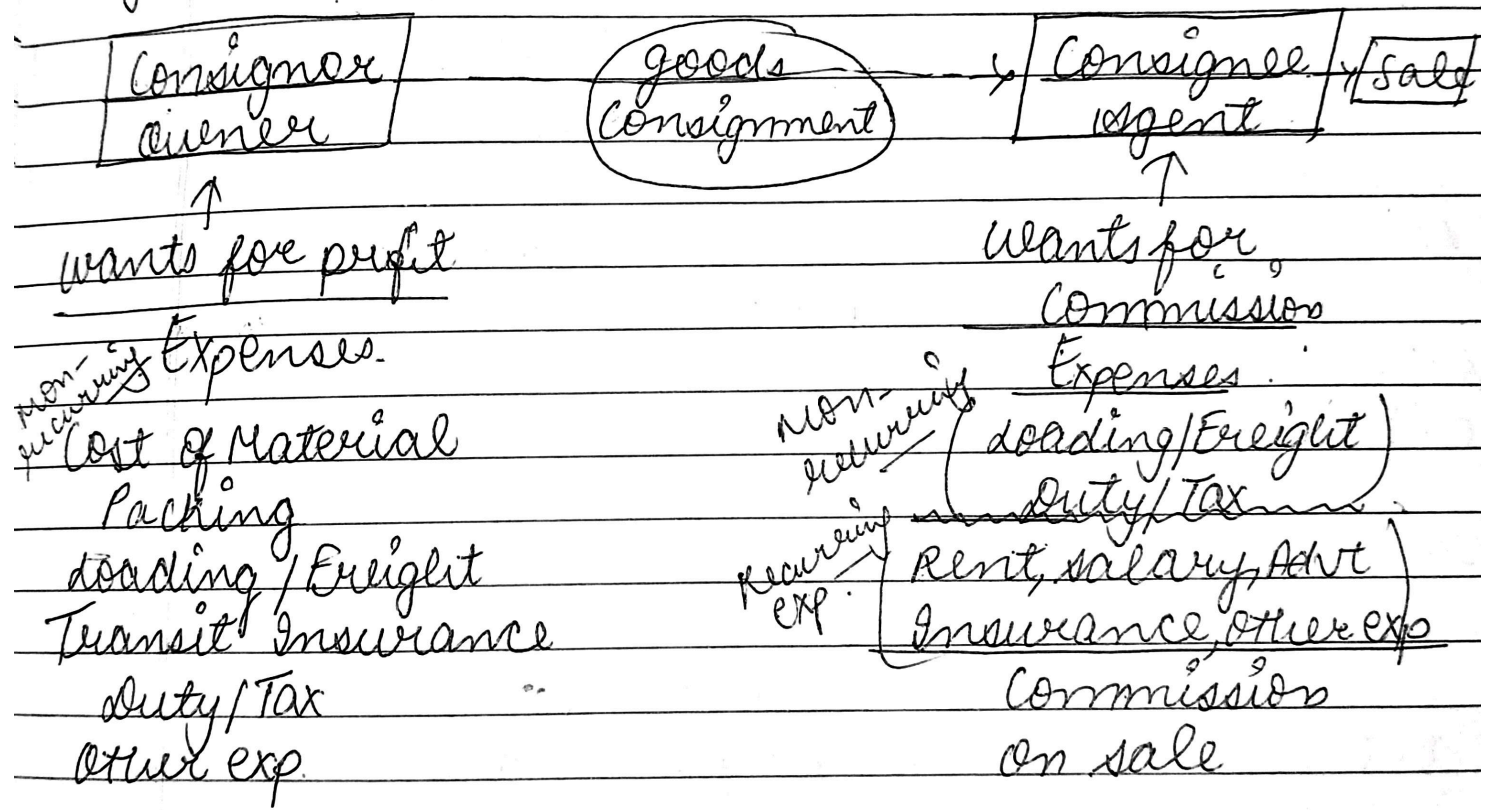
PR	R	S	PR	R	S
TO JV A/c		42,500	By JV A/c	150,000	
TO Shares A/c	42,500		By JV A/c		49,500
TO JB A/c	362,000	38,000	By Profit	12,000	6,000
			By JB A/c	62,500	37,500

B Joint Bank A/c.

PR	₹	PR	₹
TO JV A/c	20,00,000	By JV A/c	22,50,000
TO R/s A/c	62,50,000	By R/s A/c	36,20,000
TO S/s A/c	37,50,000	By S/s A/c	38,80,000
	<u>30,00,000</u>		<u>30,00,000</u>

Consignment Accounts

Agent act as a middle man.



① Performa Invoice → It is a statement prepared by the consigner stating quantity, quality & price of goods. It is sent with goods dispatched to consignee. (details of goods ^{sent} ~~sent~~).

② Account sales → It is a periodical statement rendered by the consignee to the

consignor containing details of goods received, sales made, expenses incurred, commissions charged, remittances made and balance due by him to the consignor.

③ Commission → It is the remuneration payable to the consignee for sale made by him. This can be simple, overriding & del-credue commissions.

Simple commission → is calculated as per terms laid down by a consignor & calculated on total sales.

Overriding commission → sometimes an extra commission is allowed to consignee in case the sales exceed a specified amount. It is also calculated on total sales.

Del-credue commission → where the consignee agrees to meet any loss which the consignor may suffer by reason of bad debts. It is also normally calculated on total sales.

* The distinction between direct & indirect expenses is of special importance at the time of valuation of the unsold stock. Direct expenses form part of the cost, and therefore a proportionate of such expenses is included in the cost of stock, while indirect expenses do not form part of stock & therefore excluded while valuing the unsold stock.

$$\frac{12 \times 2}{2} = \frac{24}{2}$$

$$\frac{120 \times 9}{2} = \frac{1080}{2}$$

$$\frac{60 \times 9 \times 25}{2} = \frac{6750}{2}$$