

**MULTIPLE CHOICE QUESTIONS (FROM ALL UNITS)**

- 1) Usually, in a single-entry system \_\_\_\_\_
  - a) only manual accounts are maintained
  - b) only cash & personal accounts maintained
  - c) only real accounts-maintained
  - d) only nominal accounts are maintained
- 2) Cash Purchases during the year are ascertained by preparing \_\_\_\_\_
  - a) Debtors A/C
  - b) Profit & Loss A/c
  - c) Creditors A/c
  - d) Cash/Bank A/c
- 3) If books are kept under single entry system, credit sales are ascertained by preparing \_\_\_\_\_
  - a) Total Debtors A/c
  - b) Trading A/c
  - c) Total Creditors A/c
  - d) Credit Sales a/c
- 4) Opening Capital is ascertained by preparing \_\_\_\_\_
  - a) Cash Account
  - b) Total Creditors A/c
  - c) Total Debtors A/c
  - d) Last year Statement of Affairs
- 5) An estimate of assets & liabilities as on a date is called \_\_\_\_\_
  - a) Statement of Capital
  - b) Trial Balance
  - c) Statement of Affairs
  - d) Balancing Sheet
- 6) Cash from insolvent customer is a gain which is credited to \_\_\_\_\_
  - a) Cash A/c
  - b) Profit & Loss A/c
  - c) Debtors A/c
  - d) Trading A/c
- 7) Single Entry System is adopted by a \_\_\_\_\_
  - a) Limited Company
  - b) Merchant Banker
  - c) Larger trader
  - d) Small sole trader
- 8) Bills Payable A/c is prepared to ascertain Bills Accepted by \_\_\_\_\_
  - a) Debtors
  - b) Customers
  - c) Creditors
  - d) Depositors
- 9) The trial balance must \_\_\_\_\_
  - a) debit side greater than credit side
  - b) credit side greater than debit side
  - c) tally
  - d) not be equal
- 10) If goods are sold on credit to customers, then only \_\_\_\_\_ account is debited but sales account is not credited.
  - a) Vendor
  - b) Credit
  - c) Customers
  - d) Supplier
- 11) All \_\_\_\_\_ accounts of customers and suppliers have to be maintained under single entry system.
  - a) Impersonal
  - b) Nominal
  - c) Real
  - d) Personal
- 12) A statement of affairs is just like a \_\_\_\_\_.



- a) belongs to the consignee
  - b) belongs to the consignor or the consignee
  - c) shared by the consignor or the consignee equally
  - d) belongs to the consignor
- 23) If the consignee gets del credere commission, \_\_\_\_\_
- a) the consignor will bear the bad debts
  - b) the consignee will bear the bad debts
  - c) the consignee will bear the bad debts on consignee will pay the price immediately on receipt of consignment
  - d) the consignee will bear all the expenses
- 24) The balance of Consignment Account indicates \_\_\_\_\_
- a) Profit and loss A/c
  - b) Balance of goods with consignee
  - c) Goods Sent to consignor
  - d) Purchases
- 25) When the Consignor sends goods to consignee he prepares \_\_\_\_\_
- a) Account sale
  - b) Proforma invoice
  - c) Cash memo
  - d) Credit memo
- 26) Consignment A/C is prepared in the books of \_\_\_\_\_
- a) Consignor
  - b) Consignee
  - c) Transporter
  - d) Insurer
- 27) Goods sent on Consignment Account is prepared in the books of \_\_\_\_\_
- a) Consignor
  - b) freight
  - c) Transporter
  - d) Insurer
- 28) Which of the following item is NOT credited to Consignment Account?
- a) Cash sales made by consignee
  - b) Consignment stock
  - c) Stock Reserve on clocking stock
  - d) Credit sales made by consignee
- 29) The owner of the consignment stock is \_\_\_\_\_
- a) Consignor
  - b) Debtors
  - c) Consignee
  - d) Creditor
- 30) The consignment accounting is made on \_\_\_\_\_ basis.
- a) Accrual basis
  - b) Cash basis
  - c) Realisation basis
  - d) Matching basis
- 31) Goods costing Rs. 4,00,000 sent out to consignee at cost + 25%. Invoice value of the goods will be \_\_\_\_\_
- a) Rs. 5,00,000
  - b) Rs. 6,00,000
  - c) Rs. 4,80,000
  - d) Rs. 4,00,000
- 32) Branch account basically classified into two types Dependent Branch and \_\_\_\_\_
- a) Indian Branch
  - b) Independent Branch
  - c) Foreign Branch
  - d) External Branch
- 33) When the dependent branch is of small size, the accounting is done under the \_\_\_\_\_ method.





- Consignment account debited to \_\_\_\_\_ A]450000 B]500000 C]550000 D]50000
- 62) Pooja sent 1200 pen drive costing each 100 to Kritika on consignment basis sold for 120 each for normal commission of 5 % then Calculate commission \_\_\_\_\_  
A]6000 B]7200 C]7800 D]12000
- 63) Goods cost price is Rs. 60000 and invoiced at profit of 25 % on cost then invoice price will be \_\_\_\_\_ A]65000 B]70000 C]72000 D]75000
- 64) Commission will be shared by \_\_\_\_\_  
A] consignor and consignee B]only consignee C]only consignor D]consumer
- 65) The person to whom the goods are sent for sale is called  
A]Consignor B]Consignee C]Seller D]Dealer
- 66) The person who sends the goods to the agent for sale is called  
A]Consignor B]Consignee C]Seller D]Dealer
- 67) Goods sent to an agent for sale is called as \_\_\_\_\_  
A]Consignment B]Sale C]Sale or return basis D]Online sale
- 68) If del-credere commission is not allowed by consignor to consignee, the bad debts (in the books of consignor)  
A]will not be recorded in consignor's books B]will be debited in consignment A/c  
C]will be charged to general P/L A/c D]will be debited to the consignee A/c
- 69) if del-credere commission is not allowed for bad debts, consignee will debit the bad debts amount to \_\_\_\_\_  
A]commission earner A/c B]consignor A/c C]Debtors A/c D]General profit & loss A/c
- 70) The owner of the consignment stock is  
A]Consignor B]Consignee C]Debtors D]Consignor and Consignee
- 71) Goods sent on Consignment Account is prepared in the books of  
A]Consignor B]Consignee C]Transporter D]Customer
- 72) Del. Credere commission is calculated on  
A]Total sales B]cash sales C]credit sales D]Net sales
- 73) The relationship between consignor and consignee is of \_\_\_\_\_  
A] Debtors and Creditors B]Purchases and seller  
B] C]Principal and Agent D]Owner and servant
- 74) In Consignment Accounting consignment is \_\_\_\_\_  
A]Real A/c. B]Personal A/c. C]Nominal A/c. D]Suspense A/c
- 75) In Consignment Accounting, consignor is  
A]Principal B]Agent C]Debtors of the consignee D]Consignment
- 76) Girish has H.O. at Belapur and branch at Kharghar. Goods are sent to the branch at cost plus 25%. Goods worth Rs. 10000 were lost at branch. Amount of load will be \_\_\_\_\_.  
A]Rs. 4,000 B]Rs. 2,000 C]Rs. 1,500 D]Rs. 3,000

- 77) Under Debtors method, cash received from debtors are credited to ----- a/c  
 A]Branch            B]Debtors        C]Cash / Bank    D]Head Office
- 78) Under debtor method, Credit sales are not recorded in \_\_\_\_\_ account  
 A]Branch            B]Debtor        C]Branch Stock    D]Customer
- 79) Under Stock and Debtor system, Expenses paid by branch for salaries, conveyances, postage etc are recorded in the \_\_\_\_\_ account.  
 A]Branch Memorandum    B]Branch Expenses    C]Cash / Bank    D]Branch
- 80) Under debtors method, opening balance of debtors is \_\_\_\_\_  
 A]     Debited to Branch a/c        B]Credited to Branch a/c  
 C]Debited to HO a/c                D]Credited to HO a/c
- 81) Under Stock & Debtor method, Credit sales are credited to \_\_\_\_\_  
 A]Branch a/c    B]Branch Stock a/c    C]Branch Debtors a/c    D]Branch Cash a/c
- 82) Under Stock & Debtor method, Cash received from Branch debtors are credited to \_\_\_\_  
 A]Branch a/c    B]Branch Stock a/c    C]Branch Debtors a/c    D]Branch Cash a/c
- 83) Under Stock & Debtors methods, difference in Branch Cash account is transferred to \_\_\_\_  
 A]General Profit & Loss a/c B]Branch Cash a/c C]Head Office a/c D]Branch a/c
- 84) Opening balance of Prepaid Expenses is debited to \_\_\_\_\_, under debtors method.  
 A]Branch a/c B]Branch Stock a/c C]Stock Adjustment a/c D]Branch Expenses a/c
- 85) Opening balance of Petty Cash is shown on debit side of \_\_\_\_\_  
 A]Petty Cash a/c B]Branch A/c C]Branch Stock a/c D]Branch Adjustment a/c
- 86) Under Debtors method, when goods are sent at invoice price, load on opening stock brought down from last year is adjusted by debit to \_\_\_\_\_ account.  
 A]Stock Reserve B]Branch C]Opening Stock D]Stock Adjustment
- 87) Stock on the date of fire Rs. 2,32,000; Value of salvaged stock Rs. 23,200. Calculate the amount of claim if the sum assured to cover loss of stock by fire is Rs. 2,40,000.  
 A]Rs. 2,08,800 B]Rs. 1,80,000 C]Rs. 2,32,000 D]Rs. 2,00,000
- 88) Stock on the date of fire Rs. 75,840; Value of salvaged stock Rs. 25,000. Calculate the amount of claim if the sum assured to cover loss of stock by fire is Rs. 50,000.  
 A]Rs. 50,840 B]Rs. 33,518 C]Rs. 50,000 D]Rs. 55,000
- 89) Purchases Rs. 1,00,000; Sales Rs. 1,30,000; Wages Rs. 10,000; Opening Stock was Rs. 10,000 more than the Closing Stock. What is Gross Profit?  
 A]Rs. 12,500 B]Rs. 12,000 C]Rs. 7,500 D]Rs. 10,000
- 90) Opening Stock Rs. 1,20,000; Purchases Rs. 2,80,000; Closing Stock Rs. 80,000; Sales Rs. 4,00,000. The % of Gross Profit on Cost is \_\_\_\_\_. A]20%    B]25%    C]30%    D]35%
- 91) The insurance policy if it is more than the value of stock  
 A]Double insurance B]re –insurance C]under insurance D]over insurance
- 92) \_\_\_\_\_ is the amount payable to the insured on the happening of event.

A]Premium      B]Annuity      C]Claim      D]Policy

- 93) Goods which are slow moving are called as \_\_\_\_\_  
 A]abnormal goods B]normal goods C]salvage D]claim
- 94) The claim lodged by the business to insurance company on happening of the event  
 A]Claim B]Loss of claim C]discharge D]insurance claim
- 95) Fire insurance policies contain an “ \_\_\_\_\_ ” to discharge under insurance  
 A]Total clause B]net clause C]Gross clause D]average clause
- 96) Fire insurance provides cover for \_\_\_\_\_  
 A]Tangible assets B]Intangible assets C]Fictitious assets D]Business employees
- 97) The period for which insurance policy is taken against the risk of fire is \_\_\_\_\_.  
 A]accounting period B]calendar period C]indemnity period D]standard period
- 98) If the rate of gross profit is 25 % on cost it will be equal to \_\_\_\_\_.  
 A]20 % on sales B]20% on Cost C]1/3 on sales D]1/5 on Cost
- 99) Total Creditors Account is prepared to find out \_\_\_\_\_.  
 A]Credit Sales B]Cash Purchases C]Cash Sales D]Credit Purchase
- 100) Salvage refer to \_\_\_\_\_.  
 A]Stock destroyed by fire      B]Stock saved from fire  
 C]stock moving fast              D]abnormal loss incurred

### ACCOUNTING OF INCOMPLETE RECORD

- 1) From the following particulars extracted from the books of the Mr. Shivaji, who keeps his books on single entry system, Prepare Trading and P&L Account and Balance Sheet as on 31st March, 2022.

#### Receipt and Payment Account

**For the year ended 31st March, 2022**

Particulars	Dr. Rs.	Particulars	Cr. Rs.
To Balance b/d	6000	By Creditors A/C	81000
To Sales A/C	34,000	By Salary A/C	4500
To Debtors A/C	125000	By Rent A/C	2000
		By Wages A/C	14000
		By Trade Exp A/C	8000
		By Purchases A/c	6000
		By Drawings	15000
		By Balance c/d	34500
	<b>165000</b>		<b>165000</b>

**ASSETS AND LIABILITIES: -**



Particulars	1.4.2021	31.3.2022
1) Capital	97000	?
2) Stock	25000	36000
3) Creditors	13000	14000
4) Debtors	27000	32000
5) Furniture	12000	12000
6) Machinery	40000	40000
7) Cash (R &P)	6000	34500

Depreciation on machinery is 10% and Furniture is 5%, Doubtful debt is 5%, Credit Sales: - Rs. 1,32,000, Credit Purchases: - Rs. 82,000.

- 2) Mr. Perfect a retailer in Mumbai adds 20% to cost of goods sold to arrive at sales price.

His financial position as on **31st March, 2021** was as under: -

Particulars	Rs.
1) Plant and Machinery	500000
2) Stock at Cost	382500
3) Debtors	717500
4) Cash at Bank	220000
5) Creditors	300000
6) Loan from Vivek	200000

During the year ended **31st March, 2022**, Mr. Perfect: -

Particulars
1) Paid Rs. 1167500 to creditors for goods.
2) Repaid Rs. 50,000 of Vivek's Loan
3) Purchased A typewriter Rs. 70,000
4) Withdrew RS. 8,000 p.m. from Bank for domestic use.
5) Paid into bank Personal Lottery Prize of Rs. 30,000
6) Paid Income tax Rs. 60,000
7) Sold goods on credit of Rs. 14,40,000
8) Spent business expenses Rs. 90,000

On 31st March, 2022 Stock a cost was Rs. 4,00,000, Debtors Rs. 7,00,000 and creditors were Rs. 3,50,000. On that date Bank balance was Rs. 1,95,000. Depreciate Plant and typewriter by 20% p.a. Prepare Prefect's Final Accounts

- 3) Mr. Sam does not maintain his books of account on Double Entry keeping system. He supplies you the following information: -

Particulars	1/4/2021	31/3/2022
Plant	72,000	72,000
Motor Vehicles	1,00,000	?
Debtors	67,000	49,000
Creditors	74,000	59,000
Stock	76,000	1,00,000
Cash and Bank Balance	3,000	24,000

Cash Transactions during the year are as under: -

Particulars	Rs.
Purchase of Motor Vehicle (1/4/2021)	30,000
Capital Introduced	30,000
Cash Sales	?
Paid for Rent	20,000
Paid for Salaries	23,000
Received from Debtors	2,00,000
Payment made to Creditors	1,00,000
Paid for General Expenses	17,000
Drawings	36,000
Carriage Inwards	49,000

- 1) Depreciation is to be provided on Plant @10% p.a. and Motor Vehicle @20% p.a.
- 2) Rent outstanding is Rs. 2,000
- 3) Discount allowed was Rs. 3,000 and discount received Rs. 2,000

You are required to prepare: -

- 1) Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2022.
  - 2) Balance Sheet as on 31<sup>st</sup> March, 2022
- 4) You are given: (I) A Balance Sheet of X as on 1<sup>st</sup> January 2013. (II) A Summary of Cash Transactions for 2013 (III) A List of remaining transactions for that year.

Liabilities	₹	Assets	₹
Loans	12,000	Debtors	40,000
Creditors	27,000	Less: Provision	<u>750</u>
Bills Payable	1,500	Bills Receivable	10,000
Capital	1,40,000	Stock	45,000
		Plant	30,000
		Building	55,000
		Cash	1,250
	1,80,500		1,80,500

(II)

Receipts	₹	Payments	₹
To Balance on (1-1-2013)	1,250	By Payment to Creditors	1,10,000
To Amount received from debtors	1,72,000	By Cash Purchases	25,000
To Bills Receivable	35,000	By Bills Payable	45,000
To Cash Sales	24,500	By Loans Paid	12,000
		By Salaries	9,000
		By Rent	6,000
		By Interest	450
		By General Charges	750
		By Drawings	15,500
		By Balance on 31-12-2013	9,050
	2,32,750		2,32,750

(III)

	₹
Total Purchases	2,15,000
Total Sales	2,35,000
Discount allowed to customers	1,250
Discount allowed to creditors	1,850
Bills Receivable received during the year	60,000
Bills Payable granted during the year	50,000
Stock on 31 <sup>st</sup> December, 2013	90,000
Owing for outstanding expenses	1,500
Commission earned by the firm but not received	1,200

Provide 5% reserve for doubtful debts and 2 ½ % for discount on debtors, and Depreciate buildings by 2 ½ % and plant by 5% p.a. **YOU ARE REQUIRED TO PREPARE TRADING AND PROFIT AND LOSS ACCOUNT AND BALANCE SHEET FROM THE ABOVE.**

- 5) Mr. Simpleton, a retailer, does not keep any books of accounts, but does operate a business bank account. A summary of the bank statements for the year ended 31-3-2013 is given below:

Receipts	Rs.	Payments	Rs.
Opening Balance	2,640	Cash paid to Creditors	37,250
Cash received from Debtors	48,500	Salaries	5,500
Closing Balance	2,210	Rent	1,800
		General Expenses	3,500
		Advertisement	300
		Drawings	5,000

	<b>53,350</b>		<b>53,350</b>
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<b>His assets and liabilities on 31<sup>st</sup> March, 2012 and 2013 were</b>	<b>31-3-2012</b>	<b>31-3-2013</b>
Fixed Assets	10,400	10,400
Stock	5,240	6,300
Debtors	6,500	6,800
Rent Prepaid	300	600
Creditors	4,600	4,700
Outstanding Advertisement Bill	100	150
Fixed Assets should be depreciated at 10%		
<u>Required: Prepare the Trading A/c. and Profit and Loss Account of Mr. Simpleton for the year ended 31/03/2013 and a Balance sheet as at that date.</u>		

- 6) WHAT DO YOU MEAN BY SINGLE ENTRY SYSTEM? ENUMERATE ITS DRAWBACKS.
- 7) ADVANTAGES AND DISADVANTAGES OF SINGLE-ENTRY SYSTEM

#### **FIRE INSURANCE CLAIM**

- 1) A fire occurred on 15th December, 2011 in the premises of D co. Ltd. From the following figures calculate the amount of claim to be lodged with the insurance company for loss of stock: -

	<b>Particulars</b>	<b>Rs.</b>
1)	Stock at cost on 1st April, 2010	2,00,000
2)	Stock at cost on 1st April, 2011	3,00,000
3)	Purchases for the year ended 31st March, 2011	4,00,000
4)	Purchases (1st April, 2011 to 15th December, 2011)	8,80,000
5)	Sales for the year ended 31st March, 2011	6,00,000
6)	Sales from 1st April, 2011 till 15th December, 2011	10,50,000

During the year 2011-12, cost of purchases rose by 10% above the previous year's level while selling price went up by 5%. The value of stock salvaged was Rs. 20,000. The policy amount is Rs. 5,00,000. **Find out the amount of claim.**

- 2) The premises of M/s Firewood and company caught fire on 30<sup>th</sup> June, 2021. The stock of goods was totally destroyed by fire with an exception of Rs. 25,000, the books of accounts, however, being saved. The following is the further information: -

<b>Particulars</b>	<b>1/4/2020 to 31/3/2021</b>	<b>1/4/2021 to 30/6/2021</b>
Opening Stock	1,20,120	1,30,200
Purchases	4,50,000	1,20,000
Sales	5,40,000	2,25,000
Wages	80,000	36,000
Purchases Return	50,000	20,000
Sales Return	40,000	25,000

Goods withdrawn for personal use	10,000	---
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Opening stock is valued at 5% above cost. Prepare a statement for submission to the insurance company against your policy of Rs. 50,000.

- 3) On 31<sup>st</sup> May, 2021 a fire occurred and partly damaged the stock of goods of Value Traders, Stock having a cost of Rs. 1,00,000 being salvaged. The stocks were insured against fire to the extent of Rs. 4,50,000. The following particulars could be obtained from the books and records saved:

	Particulars	Rs.
	<b><u>Balance as per Balance Sheet as on 31/12/2020: -</u></b>	
	Stock (as undervalued by 10%)	2,70,000
	Debtors for Goods	75,000
	Creditors for Goods	45,000
	<b><u>Transactions between 1/1/2021 to 31/5/2021: -</u></b>	
	Cash received from Debtors	6,00,000
	Cash Discount allowed to Debtors	15,000
	Goods returned by Debtors	6,000
	Cash patio creditors	11,10,000
	Cash discount from creditors	12,000
	Goods returned to creditors	3,000
	Cash sales	6,36,000
	Goods donated (At cost)	15,000
	Debtors for goods as on 31/05/2021	1,74,000
	Creditors for goods as on 31/05/2021	90,000

All Sales were made at a Gross Profit of 25% on Sale Price.

**Draw a statement of claim for loss of stock.**

- 4) Q.5.B. On 17<sup>th</sup> June, 2021 a fire occurred in the premises of Mr. Bookwork, a bookseller, most of the stock was destroyed, the cost of the salvaged stock being ₹ 11,200. In Addition, some stock was salvaged in damaged condition and its value was estimated at ₹ 10,400. The following particulars were available from the books of accounts:

1. Stock at the close of accounts on 31<sup>st</sup> December 2020 was ₹ 83,500.
2. Purchases from 1.1.2021 to 17.6.2021 amounted to ₹ 1,12,000 and sales during that period amounted to ₹ 1,54,000.
3. On the basis of the past three years it appears that on average the gross profit of 25% is earned on sales. Stock Was Insured For ₹ 75,000.

**Compute The Amount of Claim.**

- 5) Bonafide Enterprises close their accounts on 30<sup>th</sup> June, every year. On 30<sup>th</sup> September, 2013 a major fire destroyed most of their stock. Following information could be gathered from

their books:

Particulars	AMOUNT
Stock on 30 <sup>th</sup> June, 2013	3,60,000
Purchases – 01 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September,2013	6,00,000
Wages – 01 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September, 2013	2,30,000
Sales – 01 <sup>st</sup> July, 2013 to 30 <sup>th</sup> September, 2013	10,00,000
Carriage Inward for the above Period	10,000
Carriage outward for the above period	15,000

Average Percentage of G.P. to cost  $33 \frac{1}{3}$ . Stock of the value of Rs. 75,000 could be salvaged. Policy was for Rs. 2,50,000. Claim was subject to Average Clause.

Following further information is available:

1. Stock in the beginning was calculated at 10% less than cost.
2. Purchases include purchase of furniture Rs. 25,000
3. Amount spent for bringing and setting up the furniture in the office was Rs. 5,000 which was included in carriage inward.

6) EXPLAIN IN BRIEF, FIRE INSURANCE CLAIM FOR LOSS OF STOCK

7) MEMORANDUM TRADING ACCOUNT

### BRANCH ACCOUNTING

1) Following are the details of Mysore Branch of Majestic Trading Company for the financial year 2021-22.

Particulars	01/04/2021	31/03/2022
<b>Balance: -</b>		
Stock	62,000	42,000
Debtors	56,000	61,200
Cash	1,600	1,000

Transactions during the year 2021-2022 are as under: -

Particulars	Rs.
1) Goods Sent to Branch at cost	2,28,000
2) Sales on Credit	?
3) Sales on Cash	1,60,000
4) Goods returned by customers to branch	6,000
5) Goods returned to Head office by branch	7,000
6) Cash received from debtors	1,26,000
7) Expenses Paid at branch: -	
a) Salaries	26,000
b) Commission	15,000

c) Rent and Taxes	15,500
8) Discount to customers	2,000
9) Bad Debts	800

Prepare following ledger accounts in the books of Majestic Trading Company for the financial year 2021-2022.

- 1) Branch Stock Account    2) Branch Debtors Account    3) Branch Expenses Account
  - 4) Branch Cash and Bank Account    5) Branch P&L Account
- 2) Following information is given to you from the books of Shivam Law Agency for its branch at Virat for the financial year 2021-2022. Prepare Virat Branch Account in the books of Shivam Law Agency.

Particulars	Rs.
<b><u>Balance as on 01/04/2021: -</u></b>	
Branch Debtors	1,200
Stock	600
Cash	100
<b><u>Balance as on 31/03/2022: -</u></b>	
Branch Debtors	?
Cash	600
Stock	1,000
<b><u>Transactions during 2021-2022: -</u></b>	
1) Goods sent by H.O.	7,800
2) Cash sent by H.O. for petty cash	2,000
3) Goods lost at Branch	750
4) Credit Sales	3,600
5) Insurance claim received by branch	600
6) Cash received from debtors	2,400
7) Discount allowed	480
8) Bad Debts	520
9) Goods returned by debtors	100
10) Branch Exp. Paid by H.O.: -	
a) Salary	320
b) Advertisement	780
11) Amount remitted by Branch to H.O.	8,460

- 3) Anil and Co. of Ajmer opens a branch at Bihar on 1<sup>st</sup> January, 2021. During the year ended 31<sup>st</sup> December, 2021, following transaction have taken place: -

Particulars	Rs.	Rs.
Goods sent to Bihar		60,000
Cash sent to Bihar		5,000
Goods returned by Bihar		5,000
Cash received from Bihar		58,000
Rent for Branch paid by Had Office		3,000
<b><u>Expenses paid by Branch: -</u></b>		
a) Salaries	3,000	
b) Conveyance	600	
c) Postage	300	
d) Carriage	500	4,400

Discount allow dot customers Rs. 800. Sales on credit basis amount to Rs. 60,000 of which goods worth Rs. 1,000 were returned to branch. Cash sales amounted to Rs. 6,000. One customer paid at Ajmer Rs.1,200.

On 31<sup>st</sup> December, 2021 stock worth Rs. 3,000 was at Branch and Rs. 5,000 was due from debtors. Cash on hand was Rs. 600.

**Prepare Branch Account and Goods sent to Branch Account.**

- 4) (Branch A/c for 6 months) From the following details prepare Mumbai Branch Account for the six months ended 31<sup>st</sup> December; 2013 after depreciation branch furniture at 20% p.a.:

Particulars	₹	Particulars	₹
Opening Balance at Branch :		Branch expenses paid by the	
– Branch stock	20,000	Head Office	34,000
– Branch Petty cash	6,000	Remittances received from the	
– Branch Furniture	26,000	Branch	2,32,800
– Branch debtors	30,000	Closing Branch Assets :	
Opening Branch Liabilities :		– Branch stock	24,000
– Branch Outstanding Expenses	1,000	– Branch Petty cash	4,000
Goods sent to the Branch	1,80,000	– Branch debtors	34,000
Petty Cash sent to the Branch	16,000	Closing Branch Liabilities :	
		– Branch Outstanding Salaries	1,400

- 5) 'X' Ltd has branch at Nasik to which goods are invoiced at cost plus 25%. Following information is supplied to you for 2013.

Particulars	₹	Particulars	₹
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<b>Stock on 1–1–2013 (invoice Price)</b>	<b>30,000</b>	<b>Cash received from Debtors</b>	<b>68,400</b>
<b>Debtors on 1–1–2013</b>	<b>20,000</b>	<b>Discount allowed to Debtors</b>	<b>1,600</b>
<b>Petty Cash on 1–1–2013</b>	<b>160</b>	<b>Cash remitted to Branch for Expenses</b>	<b>16,000</b>
<b>Goods sent to Branch (Cost)</b>	<b>80,000</b>	<b>Petty Cash at Branch on 31–12–2013</b>	<b>180</b>
<b>Sales – Cash Sales</b>	<b>52,000</b>	<b>Stock on 31–12–2013 (Invoice Price)</b>	<b>24,000</b>
<b>– Credit Sales</b>	<b>72,000</b>	<b>Liabilities for Expenses on 31–12–13</b>	<b>500</b>

- 6) EXPLAIN IN BRIEF DIFFERENT TYPES OF BRANCHES
- 7) DEPENDENT BRANCH
- 8) BRANCH ACCOUNT UNDER DEBTORS METHOD

### CONSIGNMENT ACCOUNTING

- 1) Calculate the value of stock with the consignee from the following particulars:
  - a) Goods sent on consignment 1,000 Units @ Rs. 200 per unit
  - b) Expenses of Consigner: -
    - 1) Forwarding charges = Rs. 45,000, 2) Insurance = Rs. 5000
  - c) Goods in Transit: - 20 Units
  - d) Consignee took the delivery and incurred expenses to bring the goods to godown @ Rs. 10 per Unit
  - e) Goods sold by the consignee 730 units @ Rs. 300 per unit
- 2) M/s ABC of Mumbai consigned 100 tape recorders to National Co. of Hyderabad.
  - a) The cost of each unit was Rs. 500
  - b) The consignor paid insurance RS. 500, Freight Rs. 800
  - c) Account sale was received from company showing sale of 80 units at Rs. 600 each
  - d) The expenses paid by National Co. were as under: -  
Carriage: - Rs. 20, Establishment: - Rs. 130, Commission: - Rs. 2,400

Find out the value of Closing Stock.
- 3) Hero Motors consigned on 1/7/2021, 100 bicycles to Vastu Motors of Kolhapur to be sold on behalf of Hero Motors. The cost of each bicycle was Rs. 1,500. Hero Motors incurred Rs. 1,000 on freights and insurance.
 

Vastu Motors received the consignment on 14/07/2021 and accepted a three months bill drawn upon by Hero Motors for Rs. 50,000. Vastu Motors paid Rs. 4,000 as rent and Rs. 2,500 as insurance and by 31/12/2021 had sold 80 bicycles at 2,500 each. Vastu Motors is entitled to total commission of 5% on sales including a del-credere commission of 1%. Vastu Motors sold 20 bicycles on credit and was not able to recover sales proceeds of 5 bicycles because of insolvency of the debtor.

Prepare Consignment Account and Consignee's Account in the books of Hero Motors.
- 4) M/S Indian Traders consigned to Satara Cycles on 31st January, 2021, 200 Cycles costing

Rs. 1,000 per cycle. Freight charges incurred on the consignment were Rs. 15,000. Indian Trader's drew a bill on Satara Cycles for Rs. 50,000 payables on 31st March, 2021. The bill was discounted by Indian Traders with its bankers on 31st January, 2021 at 12% p.a. Satara Cycles rendered account to Indian Traders on 31st March, 2021. Sales of 180 Cycles for Rs. 2,70,000 and expenses of Rs. 5,000 of Consignee.

Satara Cycle's commission was 10%. On this date Satara Cycles remitted to Indian traders the amount due to them.

You are required to prepare necessary ledger accounts in the books of Consignor.

- 5) Give Journal entries in the books of Sen & Co. of Calcutta. Sen & Co. of Calcutta consign goods costing Rs. 25,000 to their agent, Mustak of Mysore, on which they pay freight, insurance & charges Rs. 1,500, drawing on him a bill of exchange at 90 days for Rs. 20,000. They discount the bill at Mercantile Bank being charged Rs. 200 therefore. After two months they received from their agent an Account Sales informing that the entire consignment has been sold for Rs. 35,000, that expenses amounting to Rs. 700 have been incurred and showing as a deduction the agreed commission of 2 per cent on the amount realized. A draft on the Syndicate Bank was enclosed for the balance due. Show important ledger accounts in the books of Sen & Co. of Calcutta

- 6) From the above particulars pass necessary journal entries in the books of Ramdas & also show Ledger Accounts in the books of the Consignor.

Ramdas & Company of Mumbai consigned 50 bundles of cutpiece cloth @ Rs. 700 each to Mukherjee & Co. of Kolkata to be sold on commission basis. An advance of Rs. 16,000 was received from Mukherjee & Co. Mukherjee & Co. sent an account sale which states that total goods were sold for Rs. 56,000 & Rs. 1,800 were paid for carriage, godown rent and port expenses. Their commission was Rs. 2,000. They sent a bank draft for the balance amount to Ramdas & Co.

- 7) ENUMERATE THE FEATURES OF CONSIGNMENT  
8) CONSIGNMENT ACCOUNT  
9) DEL-CREDERE COMMISSION

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