# FINANACIAL ACCOUTING

# 1ST SEM

# Final Accounts of Sole Trader

**Trading A/c**

In the books of -------

For the Year ended--------

**Particular Rs Particular Rs**

To opening stock xxx By sales xxx

To Purchase xxx - Return xx xxx

-Return xx xxx By goods distrubuted

To wages xxx as free sample xxx

To Manufacturing By goods destroued by

wages xxx fire xxx

To Wages & Salary xxx By goods withdrawn xxx

To Cariage Inwared xxx By Closing Stock xxx

To Factory insurance xxx (M.P/ C.P which ever is less)

To Factory rent xxx **By Gross Loss xxx**

To Factory lighting xxx **(transfer to P&L A/c)**

To Factory salary xxx

To Trade exp xxx

(if both general & trade

exp are given)

To Import duty xxx

To fright xxx

To octroi xxx

To custom duty xxx

To Fuel & power xxx

To Royallty xxx

To Work manager

salary xxx

**To Gross Profit xxx**

**(transfer to P&L A/c)**

**xxx**   **xxx**

**Profit and Loss A/c**

In the books of -------.

For the Year ended--------

**Particular Rs Particular Rs**

**(Expinditure& loss) (Income & Gain)**

To Salary xxx By Gross profit xxx

+ o/s salary xx

(As on Trading A/c)

- Adv salary xx xxx By Interest received xxx

To intrest paid xxx By dividand rec xxx

To bank charges xxx By commission xxx

To allowance to By miscellaneous

staff  xxx income xxx

To directo fee xxx By share transfer feesxxx

To attendance fees xxx By amount rec. xxx

To travelling expenses xxx By selling form xxx

To rent,rant and taxes xxx By other income xxx

To postage, telegram By Net loss xxx

& telephone xxx **(transfer to B/S)**

ToPriting &

stationery xxx

To audit fees xxx

To Dep on fixed

assests xxx

To legal expenses xxx

To trade expenses xxx

To bad debt xxx

+ new reserve xxx

- Old reserve xxx xxx

To reprur and renewal xxx

To taxes xxx

To insurances xxx

To convayences xxx

To commission and

allowance xxx

To forwarding charges xxx

To Adevertisinge exp xxx

To discount allowed

on debtor xxx

To loos by fire xxx

To loos by theft xxx

To loos on sale of

fixed asset xxx

To bonus xxx

To other exps and

charges

To Net profit xxx

**(transfer to B/S)**

**xxx xxx**

**PROFORMA OF BALANCE SHEET**

In the books of ------------- .

As on------------------ date

**Particulars Rs Particulars Rs**

Capital xxx Goodwill xxx

Add :Additional Patents xxx

Capital xxx xxx Land & Buildings xxx

Add : Net Profit xxx Less : Depreciation xxx

Less : Drawings xxx Premises xxx

Less : Net Loss xxx Plant & Machinery xxx

Loans Taken xxx Less : Depreciation xxx

Bank Overdraft xxx Delivery Vans xxx .

Sundry Creditors xxx Less : Depreciation xxx

Bills Payable xxx Equipments xxx

Outstanding Expenses xxx Less : Depreciation xxx

Investments xxx

Loose Tools xxx

Sundry Debtors xxx

Less : Bad Debts and Provision for Bad Debts xxx Less : Provision for

Discount xxx

Loan Given xxx

Insurance Claim xxx

Interest Receivable xxx Prepaid Insurance xxx Bills Receivable xxx

Cash in Hand xxx

Balance at Bank xxx

**xxx**  **xxx**

**BASIC RULES :-**

**1.**In trial balance debit and credit balancess are given.

**2**. Debit balancess is either assets or expensess.

**3.** Credit balancess is either liability or income

**4**. Efect of trial balances item is only once.

**5**.Efect of adjestment is always double with same amount.

**6**. Always remember that debit all expenses and credit all income.

**7**. In trading A/c all the expensess and incomes relating to factory or manufacturing is included.

**8**. In P&L A/c all the operating expensess and incomes are included.

**9**. In Balance sheet liability includes all payable items, Income received in advance, loan taken and fundes,while assets include all the properties cash prepaid expensess and money receivable.

If following items are given in Trial balance, they have One Effect.

Sr. No. Item Where to present / Show

1. Closing Stock : Balance Sheet on Asset side

2. Depreciation Profit &Loss A/c on Debit

3. Outstanding Expenses Balance Sheet on Liability

side

4. Prepaid Expenses Balance Sheet on Assets side

5. Outstanding Income Balance Sheet on Asset side

6. Income Received in Advance Balance Sheet on Liability sid side

7. Provision for Depreciation Deduct from Assets in Balance

Sheet on asset side.

8. Loss by fire Profit & Loss on Debit side

9. Debit Balance of Suspense A/c Balance Sheet on Assets side

10. Credit Balance of Suspense A/c Balance Sheet on Liability

side

**Ex1)** **(With Trading / Profit & Loss Account and single adjustment of Closing Stock)**

Mr. Kolhe, a trader gives you following details, prepare Trading and Profit *&* Loss Account (on 31st March, 2005)

**Particulars Debit Rs. Credit Rs.**

Opening Stock (on 1.4.2004) 25000

Purchases 45000

Sales 95000

Sales Returns 5000

Wages 5500

Carriage . 4500

Royalty 1000

Salary 4000

Postage *&* Telegram 500

Carriage Outward 800

Conveyance 400

Printing & Stationery 100

Bad Debts 200

Interest Earned 2000

Dividend Received 1000

Sundry Debtors 6000

|  |  |  |
| --- | --- | --- |
| Adjestment | Entry in Tr. A/c or  P&L A/c | Entry in Balance Sheet |
| **1.**Closing Stock.  **2.** Depreciation Written off.  **3.** Unpaid or O/s Expenses.  **4.** Prepid Expenses or Expenses paid in advance.  **5.**Income earned but not recived  or Accured .  **6.** Income Recived in Advance or Un-expired income.  **7.**Bad Ddebts Written off .  **8.** Make Provison for Bad & Doubtful debts.  **9.** Make Provison for discount allowed.  **10.** Make provison for discount recived.  **11.** Unpaid or O/s interest on Debenture.  **12.** Provison for Reserve and fundes or dividend equlization fund.  **13.**Declerartion of Dividend or provison for dividend.  **14.** Preliminary expenses written off.  **15.** O/s managing directors commission on Net Profit-  **A)** After charging such commission.  **B)**Before charging such commission.  **16.** Insured godds destroyed damaged or stolen & Insurance claim admited | Trading A/c credit side.  P&L A/c Debit side.  P&L A/c Debit side.  (+) particular expensess.  P&L A/c Debit side.  (-) particular expensess.  P&L A/c Credit side.  (+) particular Income.  P&L A/c Credit side.  (-) particular Income.  P&L A/c Debit side.  Bad debts + New Provision - Old provison on the debit side under the heading.  R.D.D A/c.  P&L A/c Debit side.  P&L A/c Credit side.  P&L A/c Debit side.  P&L App A/c Debit side.  P&L App A/c Debit side.  P&L A/c Debit side.  P&L A/c Debit side.  Rough profit x rate/100+ rate.  Rough profit x rate/100.  Show the uninsured loss as loss by fire on debit side of P&L A/c & the full amount of these godds as loss by fire on credit side of trading A/c | Assets side  (-) Assets.  Liblity side  Assets side in advance.  Assets side  Liblity side  Assets side (-) Debtor.  Assets side (-) Debtor.  Assets side (-) Debtor .  Liblity side (-) Creditor.  Liblity side (+) Debenture  Liblity side (Reserve and fund).  Liblity side (Current liblity & Provison).  Assets side (-) Preliminary expenses.  Liblity side  Show the amount recoverable from insurance company as insurance claim rewcevible on assets side under the heding current assets. |
| **17.** Uninsured godds destroyed damaged or stolen .  **18.** Goods distrubuted as free sample.  **19**. Unrecorded Purchase .  **20.** Unrecorded Sales .  **21**. Amount applicable to one account wrongly included in another.  **22**.Goods sold but not deliverd or godds recived on approval including in closing stock.  **23.**Goods sent on sales return basis.    **24.** Machinery erection chrges including in wages.  **25.** Sales of Machinery included in sales.  **26.**Purchase of Machinery included in purchases.  **27.**Dishoner of bill include in bills reciveble.  **28.**Dishoner of bill include in bills Payble.  **29.** Goodwill, Patent writen off.  **30.** Recommendation of Dividend on percentage basis (Always on amount of net share capital).  **31.** Provide Sharecapital red.fund | Show the full amount of uninsured loss as loss by fire on debit side of P&L A/c & the full amount of these godds as loss by fire on credit side of trading A/c.  Show on the debit side of P&L A/c & On Credit side of Trading  A/c.  Trading A/c Debit side. (+)Purchases.  Trading A/c Credit side. (+)Sales.  Deduct from the wrong A/c and Add to right A/c.  Trading A/c Credit side. (-) Closing Stock.  Trading A/c Credit side. (+) Closing Stock & Trading A/c Credit side. (-) Sales ( Selling price).  Trading A/c Debit side. (-) Wages.  Trading A/c Credit side. (-) Sales.  Trading A/c Debit side. (-) Purchase.  P&L A/c Debit side goodwill writen off.  P&L App A/c Debit side .  P&L A/c Debit side . | Liblity side (+) Creditor.  Assets side (+) Debtor  Deduct from the wrong A/c and Add to right A/c.  Assets side (-) Closing stock.  Assets side (+) Closing stock (cost of such goods) & Assets side (-) Debtor ( Selling price).  Assets side (+) Machanary.    Assets side (-) Machanary.  Assets side (+) Machanary.  Assets side (-) bills reciveble & Assets side(+) Debtor.  Liblity side (-) Bills payble & Liblity side(+) Creditor.  Assets side (-) Good will, Patent  Liblity side (Current liblity).  Liblity side (Reserve fund). |

**Ex 2)** (When % of Manager's Commission on G.P. is given)

From the following trial balance, prepare Trading, Profit & Loss Account for the year ended 31st March, 2005 and a Balance Sheet as on that date after taking into consideration the given adjustments.

**Trial Balance**

**Debit Balance Rs. Credit Balance Rs.**

Stock on 1.4.2005 10000 Bill Payable 6300

Sundry Debtors 14000 Sundry Creditors 9000

Purchases 20000 Advances received 1750

Wages 4250 Sales 35000

Salaries 1350 Reserve for Doubtful Debts 1200

Carriage Outward 1000 Capital 40000

Insurance 650 Bank Loan 5500

Plant & Machinery 15000 Discount earned 250

Rent (for 1 1 months) 1100 Reserve for Discount

on Debtors 50

Travelling Expenses 250 Rent from Building 1000

Returns Inwards 1750

Land & Buildings 22400

10% Investments 2000

(purchased on 1.10.2005)

Bad Debts 1000

Cash in hand 2550

Drawings 1200

Advance given 1250

Reserve for Discount on Creditors 200

Discount allowed 100

**10050 10050**

**Additional Information :**

1. Make provisions for wages Rs. 500 and unpaid salaries Rs. 250.

2. Write off bad debts Rs. 1,500 provide for doubtful debts at 5% on debtors.

3. Provide reserve for discount on debtors and creditors at 5%.

4. Closing stock was valued at Rs. 12,750.

5. Depreciate land & building by 5% and Plant & Machinery by 10%.

6. Manager is to be allowed a commission of 1 % of gross profit.

1. Insurance Rs. 300 paid for next year.

8. Rent Rs. 200 is received for next year.

**Ex3 )** Following is the Trial Balance of Mr. Successful as on 31st March, 2006.

**Particulars Debit Rs. Credit Rs.**

Plant & Machinery 25000

Stock on 1st April, 2005 7100

Cash in Hand 700

Bank Overdraft 2100

Purchase & Sales 60500 02000

Returns 500 700

Discount 350 450

Debtors & Creditors 20300 23200

Wages 6200

Power & Fuel 4100

Carriage Outwards 2300

R.D.D. 2000

Bad Debts 1700 10000

10% Loan from Mr. Helpful (w.e.f. 1.10.2005) 15000

Successful's Capital

Successful's Drawings 3100

Furniture 13000

Salaries 10500 1000

Commission

Rent 1100

**156450 156450**

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2006 and a Balance Sheet as on that date after making the following adjustments :

a)Slock on 30th Seplember, 2004 was valued at Rs. 9,000. Us market value on the same day was Rs. 8100.

b) Write off Rs. 300 as bad debts and maintain R.D.D. at 5% on Debtors.

c) Rent was paid for 11 months. Outstaning Salaries were Rs. 1,200 and Prepaid Wages were Rs. 200.

d) Depreciate Plant & Machinery @ 10% p.a. and Furniture @ 5% p.a.

**Ex 4)** From the following Trial Balance of Mr. Kaka as on 31st March. 2006 and the Adjustments given thereafter. You are required to prepare Trading and Profit & Loss Account For the year ended 31st March, 2006 And a Balance Sheet as on that date.

**Particulars Debit Rs. Credit Rs**.

Salaries & Wages 7000

Debtors & Creditors 20200 35000

Returns 3000

Purchases & Sales 95000 148000

Kaka's Capital 78000

Kaka's Drawings 5000

R.D.D. 2000

Cash in Hand and at Bank 10000

Machinery 25000

Building 50000

5% Loan to Mr. Mama (w.e.f. 1.4.2005) 10000

Interest on Loan 500

Carriage Inward 6250

Carriage Outward 3750

Stock on 1.4.2005 15000

Discount 800 1500

Printing & Stationery 3000

Royalty on Purchases 4000

Electricity Charges (Factory) 2000

Insurance 5000

**265000** **265000**

**Adustments :**

a)Outstanding salaries and wages Rs. 2,000.

b)Write off Rs. 200 as bad debts and provide for doubtful debts @ 5% on debtors.

c)Prepaid Insurance Rs. 1,000.

d)Depreciate Machinery and Building @ 10% & 5% respectively. .

e) Stock on 31st March, 2006 was valued at Rs. 18,000.

**Ex :5)** Following is the Trial Balance of Mr. Mogambo as on 31st March, 2005

**Particulars Debit Rs. Credit Rs.**

Drawings & Capital 2000 40000

Purchase & Sales 108000 256000

Debtors & Creditors 25000 33800

Returns 1000 2000

Wages & Salaries 30000

Opening Stock 15000

Factory Rent 12000

Carriage Outward 3500

Commission 1000

Bad Debts 500

R.D.D. 1500

Royalty on Sales 300

Cash in Hand 700

Bank Overdraft 28000

Plant & Machinery 90000

Furniture 70000

Interest on Overdraft 1600

Insurance 1800

Conveyance 900

**362300** **362300**

You are required to prepare Trading and Profit & Loss Account for the year ended 31st March, 2005 and Balance Sheet as on that date after considering the following:

a) Closing Stock - Cost Rs. 18,000, Market Value Rs. 20,000

b) Maintain R.D.D. © 10% on Debtors.

c) Depreciate Plant & Machinery and Furniture @ 10% & 5%' respectively.

d) Outstanding Wages Rs. 4,000 and Unexpired Insurance Rs. 800.

# (Hire Purchases Account)

# UNIT II

**dz;kodz; %&**

dz;kodz; Eg.kts oLrqP;k vk/kkj [kjsnh ohdzhpk djkj gks;- ;k djkjkrhy vVh uqlkj djkjkoj lgh dsY;k cjkscj [kjsnh dsysY;k oLrqpk rkck dzsR;kyk lksifo.;kr ;srks- dzsrk oLrqph fdaer ,dk Bjkfod eqnrhr fof”k’V jdesps Bjkfod gIrs Hk:u ns.;kps opu nsrks- “ksoVpk gIrk Hkjsi;Zar dzsR;kyk ekydh gDd feGr ukgh- dzsR;kus oLrqP;k fdaerhpk ,[kknk gIrk osGsoj Hkjyk ukgh rj oLrw ijr ?ks.;kpk fodzsR;kyk vf/kdkj vlrks- lkjka”k] dz;kodz; tkLr fdaerhP;k oLrw m/kkjhr [kjsnh dj.;kph vFkok fod.;kph ,d vk/kqfud i/nr gks;- ;k i/nrhuqlkjoLrwph [kjsnh&fodzh djrkauk dzsrk vkf.k fodzsrk vkilkr tk djkj djrkr R;kyk dz;kodz;kpk djkj vls Eg.krkr-

**dszR;kP;kiqLrdkrdjko;kpktek [kpZ %&**

**(Accounting in the Books of By year)**

dzsR;kus dz;kodz; i/nrhus [kjsnh dsysyh oLrw R;kph ekyeRrk vlrs- djkjkoj lgh d:u R;k fno”kh FkksMk iSlk Hkjyk Eg.kts R;kyk R;kekyeRrsoj rkck feGrks- ekydh gDd ek= feGr ukgh- R;k uarj rks Bjkfod jdesps gIrs Hk:u fodzsR;kyk dz;kodz;kP;k djkjkuqlkj ns.ks vlysyh loZ jDde pqdrh djrks- dz;kodz;kP;k djkjkoj lgh dsY;kcjkscj Hkjysyh jDde iw.kZi.ks ekyeRrs P;k jks[k eqY;kcnny (cash price) fnysyh vlrs-ijarq uarj Bjkfod eqnrhP;k varjkus ts gIrs Hkj.;kr ;srkr R;kr dkgh Hkkx ekyeRrsP;k jks[k eqY;koj ns.ks >kysY;k O;ktkpk vlrks- v”kkizdkjs dzsrkdz;kod z;k[kkyh [kjsnh dsysY;k oLrwph fdaer ,dne u pqdfork gGwgGw nsrks- Eg.kwu rks T;k izek.kkr oLrwps jks[k eqY; Hkjrks R;k izek.kkr R;kyk oLrwoj ekydh gDd feGrks- R;keqqGs R;kus djkjkoj lgh djrkauk Hkjysyh iw.kZ jDde vkf.k R;kuarj HkjysY;k gIR;krhy oLrwP;k jks[k eqY;kph jDde lacaf/kr ekyeRrsP;k [kkR;kr ukos Vkd.;kr ;srs-

**dzsR;kP;kjkstfdnhZruksanh**

**(Journal Entries in the Books of By year)**

**1½** djkjkoj lgh dsY;koj

Assets’s A/c ……………. Dr

To Bank A/c…

2½ izR;sdgIrk ns; >kY;koj

Assets’s A/c ……………. Dr

Interest A/c …………….. Dr.

To Seller’s A/c.

3½gIR;kph jDde fodzsR;kyk fnY;koj-

Seller’s A/c ……….. Dr.

To Bank A/c…

4½ ekyeRrsoj ?klkjk vkdkj.;klkBh

Depreciation A/c. … Dr.

To Asset’s A/c ..

5½ O;kt vkf.k ?klkjk uQk&rksVk [kkR;kyk LFkkukarjhr dj.;klkBh-

To Interest A/c….

To Depreciation A/c…

fodzsR;kP;k jkstfdnhZr dz;kodz;kP;k O;ogkjkr uksanh

(Journal Entries in the Books of Seller)

1½ oLrwph m/kkjhoj fodzh dsY;kcnny

Byyer’s A/c

To sales A/c..

2½ djkj djrsosGsl jks[k jDde feGkY;koj

Bank A/c …………… Dr.

To By yer’s A/c.

3½ dzsR;koj O;kt vkdkj.;klkBh

To By yer’s A/c….. Dr.

To interest A/c.

4½ gIR;kph jDde jks[k feGkY;koj

Bank A/c …………… Dr.

To By yer’s A/c.

1) On 1st Jan 75 the Nation Company Ltd. brought a van on hire purchase system. The cash price was Rs. 74,500/- the payment were made as follow.

Rs. 20,000 was to be paid on signing on agreement and they balance in 3 yearly installment of Rs. 20,000 each 5% interest is to be charged by the vendor company. The company decided to depreciate of 10% p.p. on original value.

Pass the necessary journal entries in the books of national company limited.

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan-75 | 20,000 | 20,000 | 0 | 74,500 | 74,500 |
|  |  |  |  | 20,000 | 7,450 |
| 31-Dec-75 | 20,000 | 17,275 | 2,725 | 54,500 | 67,050 |
|  |  |  |  | 17,275 | 7,450 |
| 31-Dec-76 | 20,000 | 18,139 | 1861 | 37,225 | 59,600 |
|  |  |  |  | 18,139 | 7,450 |
| 31-Dec-77 | 20,000 | 19,086 | 914 | 19,086 | 52,150 |
|  | **80,000** | **75,500** | **5,500** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of national collimated** | | | |
| **Date** | **particular** | **Amt** | **Amt** |
| 01-Jan-75 | Van A/c Dr | 20,000 |  |
|  | To Bank A/c |  | 20,000 |
|  | (Being van purchases on H.p) |  |  |
| 31-Dec-75 | Van A/c Dr | 17,275 |  |
|  | Interest A/c Dr | 2,725 |  |
|  | To vender A/c |  | 20,000 |
|  | (Being Installment due) |  |  |
| 31-Dec-75 | vender A/c Dr | 20,000 |  |
|  | To Bank A/c |  | 20,000 |
|  | (Being Installment due) |  |  |
| 31-Dec-75 | Depreciation A/c Dr | 7,450 |  |
|  | To van A/c |  | 7,450 |
|  | (Being Depreciation charge) |  |  |
| 31-Dec-75 | Profit & Loss A/c Dr | 7,450 |  |
|  | To Dep A/c |  | 7,450 |
|  | (Being Depreciation transfer) |  |  |
| 31-Dec-75 | Profit & Loss A/c Dr | 2,725 |  |
|  | To Interest A/c |  | 2,725 |
|  | (Being Interest transfer) |  |  |
| 31-Dec-76 | Van A/c Dr | 18,139 |  |
|  | Interest A/c Dr | 1,861 |  |
|  | To vender A/c |  | 20,000 |
|  | (Being Installment due) |  |  |
| 31-Dec-76 | Vender A/c Dr | 20,000 |  |
|  | To Bank A/c |  | 20,000 |
|  | (Being Installment paid) |  |  |
| 31-Dec-76 | Dep A/c Dr | 7,450 |  |
|  | To van A/c |  | 7,450 |
|  | (BeingDep charge) |  |  |
| 31-Dec-76 | P/L A/c Dr | 7,450 |  |
|  | To Dep A/c |  | 7,450 |
|  | (BeingDep transfer) |  |  |
| 31-Dec-76 | P/L A/c Dr | 1,861 |  |
|  | To Interest A/c |  | 1,861 |
|  | (Being Interest transfer) |  |  |
| 31-Dec-77 | Van A/cDr | 19,086 |  |
|  | Interest A/c Dr | 914 | 2000 |
|  | To vender A/c |  |  |
|  | (Being Installment due) |  |  |
| 31-Dec-77 | Vender A/c Dr | 2000 |  |
|  | To Bank A/c |  | 20,000 |
|  | (Being instilment paid) |  |  |
| 31-Dec-77 | Dep A/c Dr | 7,450 |  |
|  | To van A/c |  | 7,450 |
|  | (Being due charge) |  |  |
| 31-Dec-77 | P/L A/c Dr | 7,450 |  |
|  | To Dep A/c |  | 7,450 |
|  | (Being Dep transfer) |  |  |
| 31-Dec-77 | P/L A/c Dr | 914 |  |
|  | To Interest A/c |  | 914 |
|  | (Being Interest transfer) |  |  |

2) Mr. Anil purchases a machinery on hire purchase system. On 1st Jan 85 the cash price of machine is Rs. 15,980/- payable Rs. 4,000 down (at the time of agreement) and 3 installmentRs. 6000, 5000 and Rs. 2000 respectively. At the end of financial year interest is to be charged at 5% p.a. and Mr. Anil charge depreciation at the rate of 10% p.a. on straight line method every year.

Pass the Journal entries in the books of Anil and prepare machinery account.

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan-85 | 4,000 | 4,000 | 0 | 15,980 | 15,980 |
|  |  |  |  | 4,000 | 1,598 |
| 31-Dec-85 | 6,000 | 5,401 | 599 | 11980 | 14,382 |
|  |  |  |  | 5,401 | 1,598 |
| 31-Dec-86 | 5,000 | 4,671 | 329 | 6,579 | 12,784 |
|  |  |  |  | 4,671 | 1,598 |
| 31-Dec-87 | 2,000 | 1,908 | 92 | 1,908 | 11,186 |
|  | **17,000** | **15,980** | **1,020** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Anil** | | | |
| **Date** | **Particular** | **Amt** | **Amt** |
| 01-Jan-85 | Machinery A/c Dr. | 4,000 |  |
|  | To bank A/c |  | 4,000 |
|  | (Being machinery purchases on H.P) |  |  |
| 31-Dec-85 | Machinery A/c Dr. | 5,401 |  |
|  | Interest A/c Dr. | 599 |  |
|  | To vender A/c |  | 6,000 |
|  | (Being Interest Due) |  |  |
| 31-Dec-85 | Vender A/c Dr | 6,000 |  |
|  | To bank A/c |  | 6,000 |
|  | (Being Installment paid ) |  |  |
| 31-Dec-85 | Depreciation A/c Dr. | 1,598 |  |
|  | To machinery A/c |  | 1,598 |
|  | (Being Depreciation charge) |  |  |
| 31-Dec-85 | profit & Loss A/c Dr | 1,598 |  |
|  | To Depreciation A/c |  | 1,598 |
|  | (Being Dep transfer) |  |  |
| 31-Dec-85 | profit & Loss A/c Dr | 599 |  |
|  | To interest A/c |  | 599 |
|  | (Being interest transfer) |  |  |
| 31-Dec-86 | machinery A/c Dr. | 4,671 |  |
|  | Interest A/c Dr. | 329 |  |
|  | To vender A/c |  | 5,000 |
|  | (Being installment Due) |  |  |
| 31-Dec-86 | Vender A/c Dr | 5,000 |  |
|  | To vender A/c |  | 5,000 |
|  | (Being Installment paid ) |  |  |
| 31-Dec-86 | Dep A/c Dr. | 1,598 |  |
|  | To machinery A/c |  | 1,598 |
|  | (Being Dep charge) |  |  |
| 31-Dec-86 | profit & Loss A/c Dr | 1,598 |  |
|  | To Dep A/c |  | 1,598 |
|  | (Being Dep transfer) |  |  |
| 31-Dec-86 | profit & Loss A/c Dr | 329 |  |
|  | To interest A/c |  | 329 |
|  | (Being interest transfer) |  |  |
| 31-Dec-87 | machinery A/c Dr. | 1,908 |  |
|  | Interest A/c Dr. | 92 |  |
|  | To vender A/c |  | 2,000 |
|  | (Being installment Due) |  |  |
| 31-Dec-87 | Vender A/c Dr | 2,000 |  |
|  | To bank A/c |  | 2,000 |
|  | (Being Installment paid ) |  |  |
| 31-Dec-87 | Dep A/c Dr. | 1,598 |  |
|  | To machinery A/c |  | 1,598 |
|  | (Being Dep charge) |  |  |
| 31-Dec-87 | P/L A/c Dr | 1,598 |  |
|  | To Depn A/c |  | 1,598 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-87 | P/L A/c Dr | 92 |  |
|  | To interest A/c |  | 92 |
|  | (Being Depn transfer) |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of Anil Machinery A/C** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jan-85 | To Bank A/c | 4,000 | 31-Dec-85 | By Dep A/c | 1,598 |
| 31-Dec-85 | To vender A/c | 5,401 | 31-Dec-85 | By bal C/a | 7,803 |
|  |  | **9,401** |  |  | **9,401** |
| 01-Jan-86 | To bal old | 7,803 | 31-Dec-86 | By Dep A/c | 1,598 |
| 31-Dec-86 | To vender A/c | 4,671 | 31-Dec-86 | By bal C/a | 10,876 |
|  |  | **12,474** |  |  | **12,474** |
| 01-Jan-87 | To bal old | 10,876 | 31-Dec-87 | By Dep A/c | 1,598 |
| 31-Dec-87 | To vender A/c | 1,908 | 31-Dec-87 | By bal C/a | 11,186 |
|  |  | **12,784** |  |  | **12,784** |
| 01-Jan-88 | To bal old | 11,186 |  |  |  |

3) Nagpur company limited purchases a motor car from Bombay company on line purchases system on 1st Jan 86 paying cash Rs. 9600 immediately and agree to pay balance amount in 3 yearly installment each of Rs. 9600 on 31 dec every year. The cash price of motor car was Rs. 35,760. The Bombay Company charge interest at 5% p.a. and Nagpur Company depreciate motor at the rate of 10% by reducing depreciation method.

Pass the journal entries in the books at Nagpur company limited and prepare motor car account and interest account.

**Ans :-**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | | **Dep** | |
| 01-Jan-86 | 9,600 | 9,600 | 0 | 35,760 | | 35,760 | |
|  |  |  |  | 9,600 | | 3,576 | |
| 31-Dec-86 | 9,600 | 8,292 | 1,308 | 26,160 | | 32,184 | |
|  |  |  |  | 8,292 | | 3,218 | |
| 31-Dec-87 | 9,600 | 8,766 | 834 | 17,868 | | 28,966 | |
|  |  |  |  | 8,766 | | 2,897 | |
| 31-Dec-88 | 9,600 | 9,102 | 498 | 9,102 | | 26,069 | |
|  | **38,400** | **35,760** | **2,640** |  | |  | |
| **Journal entries in the Banks of Nagpur com. Ltd** | | | | | | | |
| **Date** | **particular** | | | | **Amt** | | **Amt** |
| 01-Jan-86 | motor car A/c Dr | | | | 9,600 | |  |
|  | To bank A/c | | | |  | | 9,600 |
|  | (Being motor car purchases H.P) | | | |  | |  |
| 31-Dec-86 | motor car A/c Dr | | | | 8,292 | |  |
|  | interest A/c Dr | | | | 1,308 | |  |
|  | To Bombay company A/c | | | |  | | 9,600 |
|  | (Beinginstallment due) | | | |  | |  |
| 31-Dec-86 | Bombay company A/c Dr | | | | 9,600 | |  |
|  | To bank A/c Dr | | | |  | | 9,600 |
|  | (Being installment paid) | | | |  | |  |
| 31-Dec-86 | Depreciation A/c Dr | | | | 3,576 | |  |
|  | To motor car A/c | | | |  | | 3,576 |
|  | (Being Depreciation charge) | | | |  | |  |
| 31-Dec-86 | Profit& Loss A/c Dr | | | | 3,576 | |  |
|  | To Depn A/c | | | |  | | 35,756 |
|  | (Being Depn transfer) | | | |  | |  |
| 31-Dec-86 | Profit& Loss A/c Dr | | | | 1,308 | |  |
|  | To interest A/c | | | |  | | 1,308 |
|  | (Being interest transfer) | | | |  | |  |
| 31-Dec-87 | motor car A/c Dr | | | | 8,766 | |  |
|  | interest A/c Dr | | | | 834 | |  |
|  | To Bombay company A/c | | | |  | | 9,600 |
|  | (Being installment due) | | | |  | |  |
| 31-Dec-87 | Bombay company A/c Dr | | | | 9,600 | |  |
|  | To bank A/c | | | |  | | 9,600 |
|  | (Being installment paid) | | | |  | |  |
| 31-Dec-87 | Depreciation A/c Dr | | | | 3,218 | |  |
|  | To motor car A/c | | | |  | | 3,218 |
|  | (Being Depreciation charge) | | | |  | |  |
| 31-Dec-87 | Profit& Loss A/c Dr | | | | 3,218 | |  |
|  | To Depn A/c | | | |  | | 3,218 |
|  | (Being Depn transfer) | | | |  | |  |
| 31-Dec-87 | p/L A/c Dr | | | | 834 | |  |
|  | To Interest A/c | | | |  | | 834 |
|  | (Being Interest transfer) | | | |  | |  |
| 31-Dec-88 | motor car A/c Dr | | | | 9,102 | |  |
|  | interest A/c Dr | | | | 498 | |  |
|  | To Bombay company A/c | | | |  | | 9,600 |
|  | (Being installment due) | | | |  | |  |
| 31-Dec-88 | Bombay company A/c Dr | | | | 9,600 | |  |
|  | To bank A/c | | | |  | | 9,600 |
|  | (Being installment paid) | | | |  | |  |
| 31-Dec-88 | Depn A/c Dr | | | | 2,897 | |  |
|  | To motor car A/c | | | |  | | 2,897 |
|  | (Being Depreciation charge) | | | |  | |  |
| 31-Dec-88 | p/L A/c Dr | | | | 2,897 | |  |
|  | To Depn A/c | | | |  | | 2,897 |
|  | (Being Depn transfer) | | | |  | |  |
| 31-Dec-88 | p/L A/c Dr | | | | 498 | |  |
|  | To interest a/c | | | |  | | 498 |
|  | (Being Interest transfer) | | | |  | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of Nagpur company limited Motorcar A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jan-86 | To Bank A/c | 9,600 | 31-Dec-86 | By Dep A/c | 3576 |
| 31-Dec-86 | To B. C. A/c | 8,292 | 31-Dec-86 | By balcld | 14,316 |
|  |  | **17,892** |  |  | **17,892** |
| 01-Jan-87 | To bal old | 14,316 | 31-Dec-87 | By Dep A/c | 3,218 |
| 31-Dec-87 | To B.C A/c | 8,766 | 31-Dec-87 | By balcld | 19,864 |
|  |  | **23,082** |  |  | **23,082** |
| 01-Jan-88 | To bal old | 19,864 | 31-Dec-86 | By Dep A/c | 2,897 |
| 31-Dec-88 | To B.C A/c | 9,102 | 31-Dec-86 | By balcld | 26,069 |
|  |  | **28,966** |  |  | **28,966** |
| 01-Jan-89 | To bal old | 26,069 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-86 | To B.C A/c | 1,308 | 31-Dec-86 | To P/L A/c | 1,308 |
|  |  | 1,308 |  |  | 1,308 |
|  |  |  |  |  |  |
| 31-Dec-87 | To B.C A/c | 834 | 31-Dec-87 | To P/L A/c | 834 |
|  |  | 834 |  |  | 834 |
| 31-Dec-88 | To B.C A/c | 498 | 31-Dec-88 | To P/L A/c | 498 |
| 498 | 498 |

4) Mr. Jain purchases a computer on 1st Oct 82 on hire purchases system from delight

electronics information as follows.

Hire purchases value Rs. 20,000

Cash Price Rs. 16,500

Rate and interest 16% p.a.

Cash down

Rs. 2000 on 1st Oct 82

Rs. 6000 on 31st Dec 82

Rs. 6000 on 31st Dec 83

Rs. 6000 on 31st Dec 84

Write a necessary journal entries in the books of Jain and prepare computer account interest account, Vendor account, assuming that depreciation by 10% p.a. on written down value. (Reducing depreciation method.)

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Oct-82 | 2,000 | 2,000 | 0 | 16,500 | 16,500 |
|  |  |  |  | 2,000 | 413 |
| 31-Dec-82 | 6,000 | 5,420 | 580 | 14,500 | 16,087 |
|  |  |  |  | 5,420 | 1,609 |
| 31-Dec-83 | 6,000 | 4,547 | 1,453 | 9,080 | 14,478 |
|  |  |  |  | 4,547 | 1,448 |
| 31-Dec-84 | 6,000 | 4,533 | 1,467 | 4,533 | 13,030 |
|  | **20,000** | **16,500** | **3,500** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Join** | | | |
| **Date** | **particular** | **Amt** | **Amt** |
| 01-Oct-82 | computer A/c Dr | 2,000 |  |
|  | To bank A/c |  | 2,000 |
|  | (Being computer purchases on H.P) |  |  |
| 31-Dec-82 | computer A/c Dr | 5,420 |  |
|  | interest A/c Dr | 580 |  |
|  | To be light electric A/c |  | 6,000 |
|  | (Being installment due) |  |  |
| 31-Dec-82 | Be light electric A/c Dr | 6,000 |  |
|  | To bank A/c |  | 6,000 |
|  | (Being installment paid) |  |  |
| 31-Dec-82 | Depn A/c Dr | 413 |  |
|  | To computer A/c |  | 413 |
|  | (Being Depreciation charge) |  |  |
| 31-Dec-82 | Profit & Loss A/c Dr | 413 |  |
|  | To Depn A/c |  | 413 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-82 | Profit & Loss A/c Dr | 580 |  |
|  | To int A/c |  | 580 |
|  | (Being interest transfer) |  |  |
| 31-Dec-83 | computer A/c Dr | 4547 |  |
|  | interest A/c Dr | 1,453 |  |
|  | To be light electric A/c |  | 6,000 |
|  | (Being Installment due) |  |  |
| 31-Dec-83 | Be light electric A/c Dr | 6,000 |  |
|  | To bank A/c |  | 6,000 |
|  | (Being Installment paid) |  |  |
| 31-Dec-83 | Depn A/c Dr | 1,609 |  |
|  | To computer A/c |  | 1,609 |
|  | (Being Depn charge) |  |  |
| 31-Dec-83 | p/L A/c Dr | 1,609 |  |
|  | To Depn A/c |  | 1,609 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-83 | p/L A/c Dr | 1,453 |  |
|  | To int A/c |  | 1,453 |
|  | (Being interest transfer) |  |  |
| 31-Dec-83 | computer A/c Dr | 4,533 |  |
|  | interest A/c Dr | 1,467 |  |
|  | To delight electronic A/c |  | 6,000 |
|  | (Being Installment due) |  |  |
| 31-Dec-84 | Be light electric A/c Dr | 6,000 |  |
|  | To bank A/c |  | 6,000 |
|  | (Being installment paid) |  |  |
| 31-Dec-84 | Depn A/c Dr | 1,448 |  |
|  | To computer A/c |  | 1,448 |
|  | (Being Depn charge) |  |  |
| 31-Dec-84 | p/L A/c Dr | 1,448 |  |
|  | To Depn A/c |  | 1,448 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-84 | p/L A/c Dr | 1,467 |  |
|  | To interest A/c |  | 1,467 |
|  | (Being interest transfer) |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of Jan Computer A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 01-Oct-82 | To bank A/c | 2,000 | 31-Dec-82 | By Dep A/c | 413 |
| 31-Dec-82 | To D.E. A/c | 5,420 | 31-Dec-82 | By bal old | 7,007 |
|  |  | **7,420** |  |  | **7,420** |
| 01-Jan-83 | To bal old | 7,007 | 31-Dec-83 | By Dep A/c | 1,609 |
| 31-Dec-83 | To D.E. A/c | 4,547 | 31-Dec-83 | By bal old | 9,945 |
|  |  | **11,554** |  |  | **11,554** |
| 01-Jan-84 | To bal old | 9,945 | 31-Dec-84 | By Dep A/c | 1,448 |
| 31-Dec-84 | To D.E. A/c | 4,533 | 31-Dec-84 | By bal old | 13,030 |
|  |  | **14,478** |  |  | **14,478** |
| 01-Jan-85 | To bal old | 13,030 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-82 | To D.E. A/c | 580 | 31-Dec-82 | To P/L A/c | 580 |
|  |  | **580** |  |  | **580** |
|  |  |  |  |  |  |
| 31-Dec-83 | To D.E. A/c | 1,453 | 31-Dec-83 | To P/L A/c | 1,453 |
|  |  | **1,453** |  |  | **1,453** |
|  |  |  |  |  |  |
| 31-Dec-84 | To D.E. A/c | 1,467 | 31-Dec-84 | To P/L A/c | 1,467 |
|  |  | **1,467** |  |  | **1,467** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Delight electronics A/c (vender)** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 31-Dec-82 | To bank A/c | 6,000 | 31-Dec-82 | By Com. A/c | 5,420 |
|  |  |  |  | By Int A/c | 580 |
|  |  | **6,000** |  |  | **6,000** |
| 31-Dec-83 | To bank A/c | 6,000 | 31-Dec-83 | By Com. A/c | 4,547 |
|  |  |  |  | By Int A/c | 1,453 |
|  |  | **6,000** |  |  | **6,000** |
| 31-Dec-84 | To bank A/c | 6,000 | 31-Dec-84 | By Com. A/c | 4,533 |
|  |  |  |  | By Int A/c | 1,467 |
|  |  | **6,000** |  |  | **6,000** |

5) Nagpur Co. Purchase a motor car from Mumbai Co. on Hire Purchases system on1stApril1992, paying cash Rs. 96,000/- immediately and agree to pay further three yearly installment each Rs. 1,21,600, Rs. 1,09,000/- and Rs. 99,462/- on 31st March every year. The cash price of motor car was Rs. 3,57,600/- The Mumbai co. charge interest @ 15% p.a. The Nagpur Co. written off 10% every year as depreciation on D.B.M. books are closed on 31 March every year.

Give the necessary ledger a/c’s in the books of Nagpur Co. Ltd.

**Ans :-**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | | **Cash Price** | | **Interest** | | **Due Amt** | | **Dep** | |
| 01-Apr-92 | 96,000 | | 96,000 | | 0 | | 3,57,600 | | 3,57,600 | |
|  |  | |  | |  | | 96,000 | | 35,760 | |
| 31-Mar-93 | 1,21,600 | | 82,360 | | 39,240 | | 2,61,600 | | 3,21,840 | |
|  |  | |  | |  | | 82,360 | | 32,184 | |
| 31-Mar-94 | 1,09,000 | | 82,114 | | 26,886 | | 1,79,240 | | 2,89,656 | |
|  |  | |  | |  | | 82,114 | | 28,966 | |
| 31-Mar-95 | 99,462 | | 97,126 | | 2,336 | | 97,126 | | 2,60,690 | |
|  | **4,26,062** | | **3,57,000** | | **68,462** | |  | |  | |
| **In the books of Nagpur Co-Ltd. Motorcar A/c** | | | | | | | | | | |
| **Date** | | **particular** | | **Amt** | | **Date** | | **particular** | | **Amt** |
| 01-Apr-92 | | To bank A/c | | 96,000 | | 31-Mar-93 | | By Dep A/c | | 35,760 |
| 31-Mar-93 | | To M.Co A/c | | 82,360 | | 31-Mar-93 | | BY balcld | | 1,42,600 |
|  | |  | | **1,78,360** | |  | |  | | **1,78,360** |
| 01-Apr-93 | | To bal old | | 1,42,600 | | 31-Mar-94 | | By Dep A/c | | 32,184 |
| 31-Mar-94 | | To M.Co. A/c | | 82,114 | | 31-Mar-94 | | BY balcld | | 1,92,530 |
|  | |  | | **2,24,714** | |  | |  | | **2,24,714** |
| 01-Apr-94 | | To bal old | | 1,72,530 | | 31-Mar-95 | | By Dep A/c | | 28,960 |
| 31-Mar-95 | | To M.Co. A/c | | 97,126 | | 31-Mar-95 | | BY balcld | | 2,60,690 |
|  | |  | | **2,84,656** | |  | |  | | **2,84,656** |
| 01-Apr-95 | | To bal old | | 2,60,690 | |  | |  | |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Mar-93 | To M.Co A/c | 39,240 | 31-Mar-93 | By P/L A/c | 39,240 |
|  |  | 39,240 |  |  | 39,240 |
|  |  |  |  |  |  |
| 31-Mar-94 | To M.Co A/c | 26,886 | 31-Mar-94 | By P/L A/c | 26,886 |
|  |  | 26,886 |  |  | 26,886 |
|  |  |  |  |  |  |
| 31-Mar-95 | To M.Co A/c | 2,336 | 31-Mar-95 | By P/L A/c | 2,336 |
|  |  | 2,336 |  |  | 2,336 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Mumbai Co. A/c (vender)** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 31-Mar-93 | To bank A/c | 1,21,600 | 31-Mar-93 | By motorcar A/c | 82,360 |
|  |  |  |  | By Interest A/c | 39,240 |
|  |  | **1,21,600** |  |  | **1,21,600** |
| 31-Mar-94 | To bank A/c | 1,09,000 | 31-Mar-94 | By motorcar A/c | 82,114 |
|  |  |  |  | By Interest A/c | 26,886 |
|  |  | **1,09,000** |  |  | **1,09,000** |
| 31-Mar-95 | To bank A/c | 99,462 | 31-Mar-95 | By motorcar A/c | 97,126 |
|  |  |  |  | By Interest A/c | 2,336 |
|  |  | **99,462** |  |  | **99,462** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depriciation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Mar-93 | To motercar A/c | 35,760 | 31-Mar-93 | By P/L A/c | 3,576 |
|  |  | **35,760** |  |  | **35,760** |
|  |  |  |  |  |  |
| 31-Mar-94 | To motercar A/c | 32,184 | 31-Mar-94 | By P/L A/c | 32,184 |
|  |  | **32,184** |  |  | **32,184** |
|  |  |  |  |  |  |
| 31-Mar-95 | To motercar A/c | 28,966 | 31-Mar-95 | By P/L A/c | 28,960 |
|  |  | **28,966** |  |  | **28,966** |

6) On 1 Jan the International co. ltd. brought van on hire purchases system. The cash price

of van was Rs. 74,500/- and payment were made as follows, Rs. 20,000/- was to be paid on signing the agreement and balance in 3 yearly installment each of Rs. 20,000/- interest charge @ 5% p.a. by vendor co. The co. write off van by 10% p.a. by D.B.M.

Give the necessary ledger a/c’s in the books of International co. ltd.

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan | 20,000 | 20,000 | 0 | 74,500 | 74,500 |
|  |  |  |  | 20,000 | 74,500 |
| 31-Dec-94 | 20,000 | 17,275 | 2,725 | 54,500 | 67,050 |
|  |  |  |  | 17,275 | 67,050 |
| 31-Dec-95 | 20,000 | 18,139 | 1,861 | 37,225 | 60,345 |
|  |  |  |  | 18,139 | 6,035 |
| 31-Dec-96 | 20,000 | 19,086 | 914 | 19,086 | 54,310 |
|  | **80,000** | **74,500** | **5500** |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **in the books of International co.Ltd van A/c** | | | | | | | | | | |
| **Date** | **particular** | | **Amt** | | **Date** | | **particular** | | **Amt** | |
| 01-Jan | To bank A/c | | 20,000 | | 31-Dec-94 | | By Dep A/c | | 7,450 | |
| 31-Dec-94 | To vender A/c | | 17,275 | | 31-Dec-94 | | By bal c/d | | 29,835 | |
|  |  | | **37,275** | |  | |  | | **37,275** | |
| 01-Jan-95 | To bal old | | 29,825 | | 31-Dec-95 | | By Dep A/c | | 6,705 | |
| 31-Dec-95 | To vender A/c | | 18,139 | | 31-Dec-95 | | By bal c/d | | 41,259 | |
|  |  | | **47,964** | |  | |  | | **47,964** | |
| 01-Jan-96 | To bal old | | 41,250 | | 31-Dec-96 | | By Dep A/c | | 6,035 | |
| 31-Dec-96 | To vender A/c | | 19,086 | | 31-Dec-96 | | By bal c/d | | 54,310 | |
|  |  | | **60,345** | |  | |  | | **60,345** | |
| 01-Jan-97 | To bal old | | 54,310 | |  | |  | |  | |
| **Interest A/c** | | | | | | | | | | |
| **Date** | | **Perticular** | | **Amt** | | **Date** | | **Perticular** | | **Amt** |
| 31-Dec-94 | | To vender A/c | | 2725 | | 31-Dec-94 | | By P/L A/c | | 2725 |
|  | |  | | **2725** | |  | |  | | **2725** |
|  | |  | |  | |  | |  | |  |
| 31-Dec-95 | | To vender A/c | | 1861 | | 31-Dec-95 | | By P/L A/c | | 1861 |
|  | |  | | **1861** | |  | |  | | **1861** |
|  | |  | |  | |  | |  | |  |
| 31-Dec-96 | | To vender A/c | | 914 | | 31-Dec-96 | | By P/L A/c | | 914 |
|  | |  | | **914** | |  | |  | | 914 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vender A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 31-Dec-94 | To bank A/c | 20,000 | 31-Dec-94 | By van A/c | 17,275 |
|  |  |  |  | By Int A/c | 2,225 |
|  |  | **20,000** |  |  | **20,000** |
| 31-Dec-95 | To Bank A/c | 20,000 | 31-Dec-95 | By van A/c | 18,139 |
|  |  |  |  | By Int A/c | 1,861 |
|  |  | **20,000** |  |  | **20,000** |
| 31-Dec-96 | To bank A/c | 20,000 | 31-Dec-96 | By van A/c | 19,086 |
|  |  |  |  | By Int A/c | 914 |
|  |  | **20,000** |  |  | **20,000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depricition A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-94 | To van A/c | 7,450 | 31-Dec-94 | By P/L A/c | 7,450 |
|  |  | 7,450 |  |  | 7,450 |
|  |  |  |  |  |  |
| 31-Dec-95 | To van A/c | 6,705 | 31-Dec-95 | By P/L A/c | 6,705 |
|  |  | 6,705 |  |  | 6,705 |
|  |  |  |  |  |  |
| 31-Dec-96 | To van A/c | 6,035 | 31-Dec-96 | By P/L A/c | 6,035 |
|  |  | 6,035 |  |  | 6,035 |

7)VijayTradingCo.Ltd.purchase machineryonH.P.S.on1Jan70.ThecashpricewasRs.3,400/- and the date of agreement paid Rs. 730/- and balance amount paid in 5 half yearly installment of Rs. 600/- Other conditions are given-

1. Vendor Co. charge intt. @ 8% p.a.
2. Purchaser dep. Machinery @ 20% p.a.
3. Purchaser close his books of a/c on 31 Dec. every year.

Give the necessary ledger a/c’s in the books of Vijay Trading Co. Ltd.

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan-70 | 730 | 730 | 0 | 3,400 | 3,400 |
|  |  |  |  | 730 | 680 |
| 30-Jan-70 | 600 | 493 | 107 | 2,670 | 2,720 |
|  |  |  |  | 493 | 544 |
| 31-Dec-70 | 600 | 513 | 87 | 2,177 | 2,176 |
|  |  |  |  | 313 | 435 |
| 30-Jun-71 | 600 | 533 | 67 | 1,664 | 1,741 |
|  |  |  |  | 533 |  |
| 30-Dec-71 | 600 | 555 | 45 | 1,131 |  |
|  |  |  |  | 555 |  |
| 30-Jun-72 | 600 | 576 | 24 | 576 |  |
| 31-Dec-72 | 3,730 | 3,400 | 330 |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Vijay training** | | | |
| **Date** | **particular** | **Amt** | **Amt** |
| 01-Jan-70 | machinery A/c Dr | 730 |  |
|  | To bank A/c |  | 730 |
|  | (Being mach purchases on H.P.S) |  |  |
| 30-Jan-70 | machinery A/c Dr | 493 |  |
|  | interest A/c Dr | 103 |  |
|  | To vender A/c |  | 600 |
|  | (Being installment due) |  |  |
| 30-Jun-70 | vender A/c Dr | 600 |  |
|  | To bank A/c |  | 600 |
|  | (Being installment paid) |  |  |
| 31-Dec-70 | machinery A/c Dr | 513 |  |
|  | interest A/c Dr | 87 |  |
|  | To vender A/c |  | 600 |
|  | (Being installment due) |  |  |
| 31-Dec-70 | vender A/c Dr | 600 |  |
|  | To bank A/c |  | 600 |
|  | (Being installment paid) |  |  |
| 31-Dec-70 | Depn A/c Dr | 680 |  |
|  | To machinery A/c |  | 680 |
|  | (Being Depn charge) |  |  |
| 31-Dec-70 | p/L A/c Dr | 680 |  |
|  | To Depn A/c |  | 680 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-70 | p/L A/c Dr | 194 |  |
|  | To interest A/c |  | 194 |
|  | (Being interest transfer) |  |  |
| 30-Jun-71 | machinery A/c Dr | 533 |  |
|  | interest A/c Dr | 67 |  |
|  | To vender A/c |  | 600 |
|  | (Being installment due) |  |  |
| 30-Jan-71 | vender A/c Dr | 600 |  |
|  | To bank A/c |  | 600 |
|  | (Being installment paid) |  |  |
| 30-Dec-71 | machinery A/c Dr | 555 |  |
|  | interest A/c Dr | 45 |  |
|  | To vender A/c |  | 600 |
|  | (Being installment due) |  |  |
| 31-Dec-71 | vender A/c Dr | 600 |  |
|  | To bank A/c |  | 600 |
|  | (Being installment paid) |  |  |
| 31-Dec-71 | machinery A/c Dr | 544 |  |
|  | To Depn A/c |  | 544 |
|  | (Being Depn charge) |  |  |
| 1-Dec-71 | p/L A/c Dr | 544 |  |
|  | To Depn A/c |  | 544 |
|  | (Being Depn transfer) |  |  |
| 31-Dec-71 | p/L A/c Dr | 112 |  |
|  | To interest A/c |  | 112 |
|  | (Being interest transfer) |  |  |
| 30-Jan-72 | machinery A/c Dr | 574 |  |
|  | interest A/c Dr | 24 |  |
|  | To vender A/c |  | 600 |
|  | (Being installment due) |  |  |
| 30-Jun-72 | vender A/c Dr | 600 |  |
|  | To bank A/c |  | 600 |
|  | (Beinginstallment paid) |  |  |
| 31-Dec-72 | Depn A/c Dr | 435 |  |
|  | To machinery A/c |  | 435 |
|  | (Being Depn charge) |  |  |
| 31-Dec-72 | p/L A/c Dr | 435 |  |
|  | To Depn A/c |  | 435 |
|  | (Being Depreciation transfer) |  |  |
| 31-Dec-72 | profit & Loss A/c Dr | 24 |  |
|  | To interest A/c |  | 24 |
|  | (Being interest transfer) |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of vijay A/c Machinery A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jan-70 | To bank A/c | 730 | 31-Dec-70 | By Dep A/c | 680 |
| 30-Jan-70 | To vender A/c | 493 | 31-Dec-70 | B y bal c/d | 1,056 |
| 31-Dec-70 | To vender A/c | 513 |  |  |  |
|  |  | **1,736** |  |  | **1,736** |
| 01-Jan-71 | To bal b/d | 1056 | 31-Dec-71 | By Dep A/c | 544 |
| 30-Jan-71 | To vender A/c | 533 | 31-Dec-71 | By bal c/d | 1,600 |
| 31-Dec-71 | To vender A/c | 555 |  |  |  |
|  |  | **2,144** |  |  | **2,144** |
| 01-Jan-72 | To bal b/d | 1,600 | 31-Dec-72 | By Dep A/c | 435 |
| 30-Jan-72 | To vender A/c | 576 | 31-Dec-72 | By bal c/d | 1,741 |
|  |  | **2,176** |  |  | **2,176** |
| 03-Jan-73 | To bal b/d | 1,741 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 30-Jun | To vender A/c | 107 | 31-Dec-70 | By p/L A/c | 194 |
| 30-Dec-70 | To vender A/c | 87 |  |  |  |
|  |  | **194** |  |  | **194** |
| 30-Jun-71 | To vender A/c | 67 | 31-Dec-71 | By p/L A/c | 112 |
| 31-Dec-71 | To vender A/c | 45 |  |  |  |
|  |  | **112** |  |  | **112** |
| 30-Jun-72 | To vender A/c | 24 | 31-Dec-72 | By p/L A/c | 24 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **vender A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 30-Jun-70 | To bank A/c | 600 | 30-Jan-70 | By mach A/c | 493 |
| 31-Dec-70 | To bank A/c | 600 |  | By Interest A/c | 107 |
|  |  |  | 31-Dec-70 | By mach A/c | 513 |
|  |  |  |  | By Interest A/c | 87 |
|  |  | **1,200** |  |  | **1,200** |
| 30-Jun-71 | To bank A/c | 600 | 30-Jun-71 | By mach A/c | 533 |
| 31-Dec-71 | To bank A/c | 600 |  | By int A/c | 67 |
|  |  |  | 31-Dec-71 | By mach A/c | 555 |
|  |  |  |  | By int A/c | 45 |
|  |  | **1,200** |  |  | **1,200** |
| 30-Jun-72 | To bank A/c | 600 | 30-Jun-72 | By mach A/c | 516 |
|  |  |  |  | By int A/c | 24 |
|  |  | **600** |  |  | **600** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depeuciation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-70 | To mach A/c | 680 | 31-Dec-70 | By p/L A/c | 680 |
|  |  | **680** |  |  | **680** |
|  |  |  |  |  |  |
| 31-Dec-71 | To mach A/c | 544 | 31-Dec-71 | By p/L A/c | 544 |
|  |  | **544** |  |  | **544** |
|  |  |  |  |  |  |
| 31-Dec-72 | To mach A/c | 435 | 31-Dec-72 | By p/L A/c | 435 |
|  |  | **435** |  |  | **435** |

8) On 1 Jan 80 Reliance Co. Ltd. purchase a machinery on H.P.S. The price was Rs. 12,000 as per agreement Rs. 2000/- paid immediately and balance amount will be paid in 4 half yearly installment each of Rs. 2500% Vendor co. charge intt. @ 8 % per half yearly and purchaser co. written off machinery @ 10% p.a. The books of A/C’s are close on 31 Dec. every year.

Give the necessary ledger a/c’s in the books of Purchaser co.

When cash price is not given

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan-80 | 2,000 | 2,000 | 0 | 12,000 | 12,000 |
|  |  |  |  | 2,000 | 1200 |
| 30-Jan-80 | 3,300 | 2,500 | 800 | 10,000 | 10,800 |
|  |  |  |  | 2,500 | 1080 |
| 31-Dec-80 | 3,100 | 2,500 | 600 | 9,50,081 | 9,720 |
|  |  |  |  | 2,500 |  |
| 30-Jun-81 | 2,900 | 2,500 | 400 | 5,000 |  |
|  |  |  |  | 2,500 |  |
| 31-Dec-81 | 2,700 | 2,500 | 200 | 2,500 |  |
|  | **14,000** | **12,000** | **2,000** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Purchases Co.** | | | |
| **Date** | **Particular** | **Amt** | **Amt** |
| 01-Jan-80 | machinery A/c Dr | 2,000 |  |
|  | To bank A/c |  | 2,000 |
|  | (Being machinerypurchases on H.P.) |  |  |
| 30-Jun-80 | machinery A/c Dr | 2,500 |  |
|  | interest A/c Dr | 800 |  |
|  | To vender A/c |  | 3,300 |
|  | (Being Installment due) |  |  |
| 30-Jun-80 | vender A/c DR | 3,300 |  |
|  | To bank A/c |  | 3,300 |
|  | (Being installment paid) |  |  |
| 31-Dec-80 | machinery A/c Dr | 2,500 |  |
|  | interest A/c Dr | 600 |  |
|  | To vender A/c |  | 3,100 |
|  | (Being installment due) |  |  |
| 31-Dec-80 | vender A/c DR | 3,100 |  |
|  | To bank A/c |  | 3,100 |
|  | (Being installment paid) |  |  |
| 31-Dec-80 | Depn A/c Dr | 1,200 |  |
|  | To machinery A/c |  | 1,200 |
|  | (Being Depn charge) |  |  |
| 31-Dec-80 | p/L A/c Dr | 1,200 |  |
|  | To depn A/c |  | 1,200 |
|  | (Being depn transfer) |  |  |
| 31-Dec-80 | p/L A/c Dr | 1,400 |  |
|  | To interest A/c |  | 1,400 |
|  | (Being interest transfer) |  |  |
| 30-Jun-81 | machinery A/c Dr | 2,500 |  |
|  | interest A/c Dr | 400 |  |
|  | To vender A/c |  | 2,900 |
|  | (Being installment A/c |  |  |
| 30-Jun-81 | vender A/c DR | 2,900 |  |
|  | To bank A/c |  | 2,900 |
|  | (Being installment paid) |  |  |
| 31-Dec-81 | machinery A/c Dr | 2,500 |  |
|  | interest A/c Dr | 200 |  |
|  | To vender A/c |  | 2,700 |
|  | (Being installment due) |  |  |
| 31-Dec-81 | vender A/c DR | 2,700 |  |
|  | To bank A/c |  | 2,700 |
|  | (Being installment paid) |  |  |
| 31-Dec-81 | Depn A/c Dr | 1080 |  |
|  | To machinery A/c |  | 1080 |
|  | (Being Depn charge) |  |  |
| 31-Dec-81 | p/L A/c Dr | 1080 |  |
|  | To depn A/c |  | 1080 |
|  | (Being depn transfer) |  |  |
| 31-Dec-81 | p/L A/c Dr | 600 |  |
|  | To interest A/c |  | 600 |
|  | (Being interest transfer) |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **in the books of purchases co. machinery A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 01-Jan-80 | To bank A/c | 2,000 | 31-Dec-80 | By Dep A/c | 1,200 |
| 30-Jan-80 | To vender A/c | 2,500 | 31-Dec-80 | By bal b/d | 5,800 |
| 31-Dec-80 | To bank A/c | 2,500 |  |  |  |
|  |  | **7,000** |  |  | **7,000** |
| 01-Jan-81 | To bal b/d | 5,800 | 31-Dec-81 | By Dep A/c | 1,080 |
| 30-Jun-81 | To vender A/c | 2,500 | 31-Dec-81 | By bal b/d | 9,720 |
| 31-Dec-81 | To vender A/c | 2,500 |  |  |  |
|  |  | **10,800** |  |  | **10,800** |
| 01-Jan-82 | By bal b/d | 9,720 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 30-Jun-80 | To vender A/c | 800 | 31-Dec-80 | By p/L A/c | 1,400 |
| 31-Dec-80 | To vender A/c | 600 |  |  |  |
|  |  | **1,400** |  |  | **1,400** |
| 30-Jan-81 | To vender A/c | 400 | 31-Dec-81 | By p/L A/c | 600 |
| 31-Dec-81 | To vender A/c | 200 |  |  |  |
|  |  | **600** |  |  | **600** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vender A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 30-Jun-80 | To bank A/c | 3,300 | 30-Jan-80 | By mach A/c | 2,500 |
|  |  |  |  | By Interest A/c | 800 |
| 31-Dec-80 | To bank A/c | 3,100 | 31-Dec-80 | By mach A/c | 2,500 |
|  |  |  |  | By Interest A/c | 600 |
|  |  | **6,400** |  |  | **6,400** |
| 30-Jan-81 | To bank A/c | 2,900 | 30-Jan-81 | By mach A/c | 2,500 |
|  |  |  |  | By Interest A/c | 400 |
| 31-Dec-81 | To bank A/c | 2,700 | 31-Dec-81 | By mach A/c | 2,500 |
|  |  |  |  | By Interest A/c | 200 |
|  |  | **5,600** |  |  | **5,600** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Deprecation A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 31-Dec-80 | To mach A/c | 1200 | 31-Dec-80 | To P/L A/c | 1200 |
| 31-Dec-81 | To mach A/c | 1080 | 31-Dec-81 | To P/L A/c | 1080 |

9) A trading Co. purchase a machinery on 1 Jan 75 on H.P.S. The hire price is Rs. 37,000/- On the date of agreement Rs. 10,000/- was paid and balance amt. will be paid in 3 yearly installment each of Rs. 9000/-.

Vendor co. charge intt. @5% p.a. on due amt. Trading co. depreciate machinery by10% p.a. Prepare ledger a/c’s in the books Purchaser Co.

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
|  |  |  |  |  |
| Jan-75 | 10,000 | 10,000 | 0 | 35,509 |
|  |  |  |  | 3,451 |
| 31-Dec-75 | 9,000 | 7,775 | 1,225 | 31,058 |
|  |  |  |  | 3,106 |
| 31-Dec-76 | 9,000 | 8,163 | 8,37 | 27,952 |
|  |  |  |  | 2,795 |
| 31-Dec-77 | 9,000 | 8,571 | 429 | 25,157 |
|  | **37,000** | **34,509** | **2,491** |  |

**1) Interest on 31 Dec 76**

**2**)

3)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of purchases co machinery A/c** | | | | |  |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jan-75 | To bank A/c | 10,000 | 31-Dec-75 | By Dep A/c | 3,451 |
| 31-Dec-75 | To vender A/c | 7,775 | 31-Dec-75 | By bal c/d | 14,324 |
|  |  | **17,775** |  |  | **17,775** |
| 01-Jan-76 | To bal b/d | 14,324 | 31-Dec-76 | By Dep A/c | 3,106 |
| 31-Dec-76 | To vender A/c | 8,163 | 31-Dec-76 | By bal c/d | 19,381 |
|  |  | **22,487** |  |  | **22,487** |
| 01-Jan-77 | To bal b/d | 19,381 | 31-Dec-77 | By Dep A/c | 2,795 |
| 31-Dec-77 | To vender A/c | 8,571 | 31-Dec-77 | By bal c/d | 25,157 |
|  |  | **27,952** |  |  | **27,952** |
| 01-Jan-78 | To bal b/d | 25,157 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-75 | To vender A/c | 1,225 | 31-Dec-75 | By P/L A/c | 3,451 |
|  |  | **1,225** |  |  | **1,225** |
|  |  |  |  |  |  |
| 31-Dec-76 | To vender A/c | 837 | 31-Dec-76 | By P/L A/c | 837 |
|  |  | **837** |  |  | **837** |
|  |  |  |  |  |  |
| 01-Jan-77 | To vender A/c | 429 | 01-Jan-77 | By P/L A/c | 429 |
|  |  | **429** |  |  | **429** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vender A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 31-Dec-75 | To Bank A/c | 9,000 | 31-Dec-75 | By mach A/c | 9,775 |
|  |  |  |  | BY Interest A/c | 1,225 |
|  |  | **9,000** |  |  | **9,000** |
| 31-Dec-76 | To Bank A/c | 9,000 | 31-Dec-76 | By mach A/c | 8,163 |
|  |  |  |  | BY Interest A/c | 837 |
|  |  | **9,000** |  |  | **9,000** |
| 31-Dec-77 | To Bank A/c | 9,000 | 31-Dec-77 | By mach A/c | 8,571 |
|  |  |  |  | BY Interest A/c | 429 |
|  |  | **9,000** |  |  | **9,000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depeuecation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-75 | By mach A/c | 3,451 | 31-Dec-75 | By P/L A/c | 3,451 |
|  |  | **3,451** |  |  | **3,451** |
|  |  |  |  |  |  |
| 31-Dec-76 | By mach A/c | 3,106 | 31-Dec-76 | By P/L A/c | 3,106 |
|  |  | **3,106** |  |  | **3,106** |
|  |  |  |  |  |  |
| 31-Dec-77 | By mach A/c | 2,795 | 31-Dec-77 | By P/L A/c | 2,795 |
|  |  | **2,795** |  |  | **2,795** |

10) Yogesh Co. Ltd. purchase a machinery on 1 Jan 80 on H.P.S. The Hire purchase price

wasRs. 28,300/- on the agreement paid Rs. 4000/- down and 31 Dec 80 Rs. 7000 on 31 Dec. 81 Rs. 8500 and 31 Dec. 82 Rs. 8800.

Vendor Co. charge intt. @ 10% p.a. and Yogesh charge dep. @ 20% p.a.

Give the necessary ledger a/c’s in the books of Yogesh Co. and pass the journal entries in the books of Vendor co.

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
| 01-Jan-80 | 4,000 | 4,000 | 0 | 24,000 |
|  |  |  |  | 4,800 |
| 31-Dec-80 | 7,000 | 5,000 | 2,000 | 19,200 |
|  |  |  |  | 3,840 |
| 31-Dec-81 | 8,500 | 7,000 | 1,500 | 15,360 |
|  |  |  |  | 3,072 |
| 31-Dec-82 | 8,800 | 8,000 | 800 | 12,288 |
|  | **28,300** | **24,000** | **4,300** |  |

**1) Interest on 31 Dec 82**

**2) Interest on 31 Dec 81**

**3) Interest on 31 Dec 80**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of yogesh machinery A/c** | | | | |  |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 01-Jan-80 | To bank A/c | 4,000 | 31-Dec-80 | By Dep A/c | 4,800 |
| 31-Dec-80 | To vender A/c | 5,000 | 31-Dec-80 | By bal c/d | 4,200 |
|  |  | **9,000** |  |  | **9,000** |
| 01-Jan-81 | To bal b/d | 4,200 | 31-Dec-81 | By Dep A/c | 3,840 |
| 31-Dec-81 | To vender A/c | 7,000 | 31-Dec-81 | By bal c/d | 7,360 |
|  |  | **11,200** |  |  | **11,200** |
| 01-Jan-82 | To bal b/d | 7,360 | 31-Dec-81 | By Dep A/c | 8,072 |
| 31-Dec-82 | To vender | 8,000 | 31-Dec-81 | By bal c/d | 12,288 |
|  |  | **15,360** |  |  | **15,360** |
| 01-Jan-83 | To bal b/d | **12,288** |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-80 | To vender A/c | 2,000 | 31-Dec-80 | By p/L A/c | 2,000 |
|  |  | **2,000** |  |  | **2,000** |
|  |  |  |  |  |  |
| 31-Dec-81 | To vender A/c | 1,500 | 31-Dec-81 | By p/L A/c | 1,500 |
|  |  | **1,500** |  |  | **1,500** |
|  |  |  |  |  |  |
| 31-Dec-82 | To vender A/c | 800 | 31-Dec-81 | By p/L A/c | 800 |
|  |  | **800** |  |  | **800** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vender A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 31-Dec-80 | To Bank A/c | 9,000 | 31-Dec-80 | By mach A/c | 5,000 |
|  |  |  |  | BY Interest A/c | 2,000 |
|  |  | **7,000** |  |  | **7,000** |
| 31-Dec-81 | To Bank A/c | 8,500 | 31-Dec-81 | By mach A/c | 7,000 |
|  |  |  |  | BY Interest A/c | 1,500 |
|  |  | **8,500** |  |  | **8,500** |
| 31-Dec-82 | To Bank A/c | 8,800 | 31-Dec-82 | By mach A/c | 8,000 |
|  |  |  |  | BY Interest A/c | 800 |
|  |  | **8,800** |  |  | **8,800** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depeuecation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-80 | By mach A/c | 4,800 | 31-Dec-80 | By P/L A/c | 4,800 |
|  |  | **4,800** |  |  | **4,800** |
|  |  |  |  |  |  |
| 31-Dec-81 | By mach A/c | 3,840 | 31-Dec-81 | By P/L A/c | 3,840 |
|  |  | **3,840** |  |  | **3,840** |
|  |  |  |  |  |  |
| 31-Dec-82 | By mach A/c | 3,072 | 31-Dec-82 | By P/L A/c | 3,072 |
|  |  | **3,072** |  |  | **3,072** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Vender** | | | |
| **Date** | **Particular** | **Amt** | **Amt** |
| 01-Jan-80 | purchases A/c Dr | 24,000 |  |
|  | To sales A/c |  | 24,000 |
|  | (Being mach on sold H.P.S.) |  |  |
| 01-Jan-80 | bank A/c Dr | 4,000 |  |
|  | To purchases A/c |  | 4,000 |
|  | (Being cash received on agreement) |  |  |
| 31-Dec-80 | purchases A/c Dr | 2,000 |  |
|  | To interest A/c |  | 2,000 |
|  | (Being interest A/c |  |  |
| 31-Dec-80 | bank A/c Dr | 7,000 |  |
|  | To purchases A/c |  | 7,000 |
|  | (Being installment cash received) |  |  |
| 31-Dec-80 | Interest A/c Dr | 2,000 |  |
|  | To p/L A/c |  | 2,000 |
|  | (Being Interest transfer) |  |  |
| 31-Dec-81 | purchases A/c Dr | 1,500 |  |
|  | To interest A/c |  | 1,500 |
|  | (Being interest charge) |  |  |
| 31-Dec-81 | bank A/c Dr | 8,500 |  |
|  | To purchases A/c |  | 8,500 |
|  | (Being installment received ) |  |  |
| 31-Dec-81 | Interest A/c Dr | 1,500 |  |
|  | To p/L A/c |  | 1,500 |
|  | (Being Interest transfer) |  |  |
| 31-Dec-82 | purchases A/c Dr | 800 |  |
|  | To interest A/c |  | 800 |
|  | (Being interest charge) |  |  |
| 31-Dec-82 | bank A/c Dr | 8,800 |  |
|  | To purchases a/c |  | 8,800 |
|  | (Being installment received ) |  |  |
| 31-Dec-82 | Interest A/c Dr | 800 |  |
|  | To p/L A/c |  | 800 |
|  | (Being interest transfer) |  |  |

11) On 1 July 77 a trading co. purchase a machinery on H.P.S. The hire price was Rs.15,000/- Rs. 200/- paid on agreement and balance amt. paid Rs. 3000 Rs. 5000 and Rs. 5000 in 3 yearly installment.

Vendor Co. charge intt. @ 10% p.a. on due amt. and purchaser depreciate machinery by 10% p.a.

The books of A/c are close on 30 Jun every year Prepare necessary ledger a/c’s in the books of purchaser Co. and Journal entries in the books of Vendor Co.

When rate of interest is not given

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
| 01-Jul-77 | 2,000 | 2,000 | 0 | 12,615 |
|  |  |  |  | 1,262 |
| 30-Dec-78 | 3,000 | 1,938 | 1062 | 11,353 |
|  |  |  |  | 1,135 |
| 30-Jun-79 | 5,000 | 4,132 | 868 | 10,218 |
|  |  |  |  | 1,022 |
| 30-Jun-80 | 5,000 | 4,545 | 455 | 9,196 |
|  | **15,000** |  | **2,385** |  |

**1) Interest on 30 june 80**

**2) Interest on30 june 79**

**3) Interest on30 june 78**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of purchases co machinery A/c** | | | | |  |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jul-77 | To machinery A/c | 2,000 | 30-Jun-78 | By Dep A/c | 1,262 |
| 30-Jun-78 | To vender A/c | 1,938 | 30-Jun-78 | By bal c/d | 2,696 |
|  |  | **3,938** |  |  | **3,938** |
| 01-Jul-79 | To bal A/c | 2,676 | 30-Jun-79 | By Dep A/c | 1,135 |
| 30-Jun-79 | To vender A/c | 4,132 | 30-Jun-79 | By bal c/d | 5,673 |
|  |  | **6,808** |  |  | **6,808** |
| 01-Jul-80 | To bal b/d | 5,673 | 30-Jun-80 | By Dep A/c | 1,022 |
| 30-Jun-80 | To vender A/c | 4,545 | 30-Jun-80 | By bal c/d | 9,196 |
|  |  | **10,218** |  |  | **10,218** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 30-Jun-78 | To vender A/c | 1,062 | 30-Jun-78 | By p/L A/c | 1,062 |
|  |  | **1,062** |  |  | **1,062** |
|  |  |  |  |  |  |
| 30-Jun-79 | To vender A/c | 868 | 30-Jun-79 | By p/L A/c | 868 |
|  |  | **868** |  |  | **868** |
|  |  |  |  |  |  |
| 30-Jun-80 | To vender A/c | 455 | 30-Jun-80 | By p/L A/c | 455 |
|  |  | **455** |  |  | **455** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Vender A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 30-Jan-78 | To Bank A/c | 3,000 | 30-Jan-78 | By mach A/c | 1,938 |
|  |  |  |  | BY Interest A/c | 1,062 |
|  |  | **3,000** |  |  | **3,000** |
| 30-Jan-79 | To Bank A/c | 5,000 | 30-Jan-79 | By mach A/c | 4,132 |
|  |  |  |  | BY Interest A/c | 868 |
|  |  | **5,000** |  |  | **5,000** |
| 30-Jan-80 | To Bank A/c | 5,000 | 30-Jan-80 | By mach A/c | 4,545 |
|  |  |  |  | BY Interest A/c | 455 |
|  |  | **5,000** |  |  | **5,000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depeuecation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 30-Jan-78 | By mach A/c | 1,262 | 30-Jan-78 | By P/L A/c | 1,262 |
|  |  | **1,262** |  |  | **1,262** |
|  |  |  |  |  |  |
| 30-Jan-79 | By mach A/c | 1,135 | 30-Jan-79 | By P/L A/c | 1,135 |
|  |  | **1,135** |  |  | **1,135** |
|  |  |  |  |  |  |
| 30-Jan-80 | By mach A/c | 1,022 | 30-Jan-80 | By P/L A/c | 1,022 |
|  |  | **1,022** |  |  | **1,022** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Vender** | | | |
| **Date** | **Particular** | **Amt** | **Amt** |
| 01-Jul-77 | purchases A/c Dr | 12,615 |  |
|  | To sales A/c |  | 12,615 |
|  | (Being machinery sold on H.P.S.) |  |  |
| 01-Jul-77 | bank A/c Dr | 2,000 |  |
|  | To purchases A/c |  | 2,000 |
|  | (Being cash received on agreement) |  |  |
| 30-Jun-78 | purchases A/c Dr | 1,062 |  |
|  | To interest A/c |  | 1,062 |
|  | (Being interest charge) |  |  |
| 30-Jun-78 | bank A/c Dr | 3,000 |  |
|  | To purchases A/c |  | 3,000 |
|  | (Being installment received ) |  |  |
| 30-Jun-79 | interest A/c Dr | 1,062 |  |
|  | To p/L A/c |  | 1,062 |
|  | (Being interest transfer) |  |  |
| 30-Jun-79 | purchases A/c Dr | 868 |  |
|  | To interest A/c |  | 868 |
|  | (Being interest charge) |  |  |
| 30-Jun-79 | bank A/c Dr | 5,000 |  |
|  | To purchases A/c |  | 5,000 |
|  | (Being installment received ) |  |  |
| 30-Jan-79 | interest A/c Dr | 868 |  |
|  | To p/L A/c |  | 868 |
|  | (Being interest transfer) |  |  |
| 30-Jan-80 | purchases A/c Dr | 455 |  |
|  | To interest A/c |  | 455 |
|  | (Being interest charge) |  |  |
| 30-Jan-80 | bank A/c Dr | 5,000 |  |
|  | To interest A/c |  | 5,000 |
|  | (Being installment due) |  |  |
| 30-Jan-80 | interest A/c Dr | 455 |  |
|  | To p/L A/c |  | 455 |
|  | (Being interest transfer) |  |  |

12) Mr. X purchases a machinery on 1 Jan 86 on H.P.S. The cash price wasRs. 74,50/- and hire price was Rs. 8000/- Payment were made Rs. 2000/- on agreement and remaining amt. will be paid in 3 yearly installment each of Rs. 2000 on 31 Dec. every year. Mr. X charge Dep. @ 10 % p.a. on original value.

Pass Journal entries and prepare necessary Ledger A/c’s in books of Vendor.

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
| 01-Jan-86 | 2,000 | 2,000 | 0 | 7,450 |
|  |  |  |  | 745 |
| 31-Dec-86 | 2,000 | 1,725 | 275 | 6,705 |
|  |  |  |  | 745 |
| 31-Dec-87 | 2,000 | 1817 | 183 | 5,960 |
|  |  |  |  | 745 |
| 31-Dec-88 | 2,000 | 1908 | 92 | 5,215 |
|  | **8,000** | **7,450** | **550** |  |

**Interest proportion**

**Total**  dueAmt on 31 Dec 86 (2000 + 2000 + 2000) 6000

Total dueAmt on 31 Dec 87 (2000 + 2000) 4000

Total dueAmt on 31 Dec 88 (2000)

6000 : 4000 : 2000

6 : 4 : 2 3 : 2 : 1

**1) 31 Dec 86 Interest**

**2) 31 Dec 87 Interest**

**3) 31 Dec 88 Interest**

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Vender** | | | |
| **Date** | **particular** | **Amt** | **Amt** |
| 01-Jan-86 | purchases A/c Dr | 7,450 |  |
|  | To sales A/c |  | 7,450 |
|  | (Being machinery sold on H.P.S.) |  |  |
| 01-Jan-86 | bank A/c Dr | 2,000 |  |
|  | To purchases A/c |  | 2,000 |
|  | (Being cash received on agreement) |  |  |
| 31-Dec-86 | purchases A/c Dr | 275 |  |
|  | To interest a/c |  | 275 |
|  | (Being interest charge) |  |  |
| 31-Dec-86 | bank A/c Dr | 2,000 |  |
|  | To purchases A/c |  | 2,000 |
|  | (Being installment received) |  |  |
| 31-Dec-86 | Interest A/c Dr | 275 |  |
|  | To p/L A/c |  | 275 |
|  | (Being interest transfer) |  |  |
| 31-Dec-87 | purchases A/c Dr | 183 |  |
|  | To interest A/c |  | 183 |
|  | (Being interest charge) |  |  |
| 31-Dec-87 | bank A/c Dr | 2,000 |  |
|  | To purchases A/c |  | 2,000 |
|  | (Being installment received ) |  |  |
| 31-Dec-87 | Interest A/c Dr | 183 |  |
|  | To p/L A/c |  | 183 |
|  | (Being interest transfer) |  |  |
| 31-Dec-88 | purchases A/c Dr | 92 |  |
|  | To interest A/c |  | 92 |
|  | (Being interest charge) |  |  |
| 31-Dec-88 | bank A/c Dr | 2,000 |  |
|  | To purchases A/c |  | 2,000 |
|  | (Being installment received ) |  |  |
| 31-Dec-88 | Interest A/c Dr | 92 |  |
|  | To p/L A/c |  | 92 |
|  | (Being interest transfer) |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **In the books of vender mr. x A/c (purchases A1)** | | | | | | | | |  | |
| **Date** | **particular** | | | **Amt** | | **Date** | **particular** | | **Amt** | |
| 01-Jan-86 | To sales A/c | | | 7,450 | | 01-Jan-86 | By bank A/c | | 2,000 | |
| 01-Jan-86 | To Interest A/c | | | 275 | | 31-Dec-86 | By bank A/c | | 2,000 | |
|  |  | | |  | |  | By bal c/d | | 3,725 | |
|  |  | | | **7,795** | |  |  | | **7,725** | |
| 01-Jan-87 | To bal b/d | | | 3,725 | | 31-Dec-87 | By bank A/c | | 2,000 | |
| 31-Dec-87 | To Interest A/c | | | 183 | | 31-Dec-87 | By bal c/d | | 10,108 | |
|  |  | | | **3,908** | |  |  | | **3,908** | |
| 01-Jan-88 | To bal b/d | | | 1,908 | | 31-Dec-88 | By bank A/c | | 2,000 | |
| 31-Dec-88 | To Interest A/c | | | 92 | | 31-Dec-88 | By bal c/d | |  | |
|  |  | | | **2,000** | |  |  | | **2,000** | |
|  | | | | | | | | | | |
| **Interest A/c** | | | | | | | | | | |
| **Date** | | **Perticular** | **Amt** | | **Date** | | | **Perticular** | | **Amt** |
| 31-Dec-86 | | To p/L A/c | 275 | | 31-Dec-86 | | | By mrx A/c | | 275 |
|  | |  | **275** | |  | | |  | | **275** |
|  | |  |  | |  | | |  | |  |
| 31-Dec-87 | | To p/L A/c | 183 | | 31-Dec-87 | | | By mrx A/c | | 183 |
|  | |  | **183** | |  | | |  | | **183** |
|  | |  |  | |  | | |  | |  |
| 31-Dec-88 | | To p/L A/c | 92 | | 31-Dec-88 | | | By mrx A/c | | 92 |
|  | |  | **92** | |  | | |  | | **92** |

13) A mining Co. purchased Wagon on H.P.S. The hire price was Rs. 16,000/- and cash price

wasRs. 14,860/-, Rs. 4000/- was paid on agreement and remaining amt. paid 3 year installment of Rs. 4000 each.

Mining co. charge Dep. By D.B.M. @ 10% p.a.

Pass journal entries and necessary ledger A/c’s in books of Vendor.

When interest amt. is not included in installment

(Installment total and cash price both are same)

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
| Agree | 4,000 | 4,000 | 0 | 14,860 |
|  |  |  | 570 | 1,486 |
| 1 st | 4,000 | 3,430 | 13,374 |
|  |  |  | 380 | 1,337 |
| 2 nd | 4,000 | 3,620 | 12,037 |
|  |  |  | 190 | 1,204 |
| 3 rd | 4,000 | 3,810 | 1,083 |
|  | **16,000** | **14,860** | **1,140** |  |

**Interest proportion**

Total dueAmt. on 1st.Installment (4000 + 4000 + 4000 ) = 12,000

Total dueAmt. on 2 nd Installment (4000 + 4000 ) = 8,000

Total due Amt. on 3 rdInstallment(4000)

12,000 : 8,000 : 4,000

12 : 8 : 4

3 : 2 : 1

|  |  |  |  |
| --- | --- | --- | --- |
| **Journal entries in the Banks of Vender** | | | |
| **Date** | **particular** | **Amt** | **Amt** |
| Agree | purchases A/c Dr | 14,860 |  |
|  | To sales A/c |  | 14,860 |
|  | (Being machinery sold on H.P.S) |  |  |
| Agree | Bank A/c Dr | 4,000 |  |
|  | To m. co. A/c |  | 4,000 |
|  | (Being cash received on agreement) |  |  |
| 1 st | M. co. A/c Dr | 570 |  |
|  | To interest A/c |  | 570 |
|  | (Being interest charge) |  |  |
| 1 st | Bank A/c Dr | 4,000 |  |
|  | To m. co. A/c |  | 4,000 |
|  | (Being installment received) |  |  |
| 1 st | interest A/c Dr | 570 |  |
|  | To p/L A/c |  | 570 |
|  | (Being interest transfer) |  |  |
| 2 nd | M. co. A/c Dr | 380 |  |
|  | To interest A/c |  | 380 |
|  | (Being interest charge) |  |  |
| 2 nd | Bank A/c Dr | 4,000 |  |
|  | To m.co. A/c |  | 4,000 |
|  | (Being installment received) |  |  |
| 2 nd | interest A/c Dr | 380 |  |
|  | To p/L A/c |  | 380 |
|  | (Being interest transfer) |  |  |
| 3 rd | M. co. A/c Dr | 190 |  |
|  | To interest a/c |  | 190 |
|  | (Being interest charge) |  |  |
| 3 rd | Bank A/c Dr | 4,000 |  |
|  | To m.co. A/c |  | 4,000 |
|  | (Being installment received) |  |  |
| 3 rd | interest A/c Dr | 190 |  |
|  | To p/L A/c |  | 190 |
|  | (Being interest transfer) |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **In the books of vender mining co A/c (purchases A/c)** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| Agree | To sales A/c | 14,860 | Agree | By bank A/c | 4,000 |
| 1 st | To Interest A/c | 570 | 1 st | By bank A/c | 4,000 |
|  |  |  |  | By bal c/d | 7,430 |
|  |  | **15,430** |  |  | **15,430** |
| 2 nd | To bal b/d | 7,430 | 2 nd | By bank A/c | 4,000 |
| 2 nd | To Interest A/c | 380 |  | By bal c/d | 3,810 |
|  |  | **7,810** |  |  | **7,810** |
| 3 rd | To bal b/d | 3,810 | 3 rd | By bank A/c | 4,000 |
|  | To interest A/c | 190 |  |  |  |
|  |  | **4,000** |  |  | **4,000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 1 St | To p/L A/c | 570 | 1 St | By m.co A/c | 570 |
|  |  | **570** |  |  | **570** |
|  |  |  |  |  |  |
| 2 nd | To p/L A/c | 380 | 2 nd | By m.co A/c | 380 |
|  |  | **380** |  |  | **380** |
|  |  |  |  |  |  |
| 3 rd | To p/L A/c | 790 | 3 rd | By m.co A/c | 790 |
|  |  | **790** |  |  | **790** |

14) KrishiSewa Kendra purchased a Tractor on 1 Jan 85 on H.P.S. The cash price was 80,000

On the date of agreement Rs. 8000/- was paid and the remaining amt.paidin4yearlyinstallment each of Rs. 18,000/-. Vendor Co. charge intt.On due amt. @ 10% p.a. and Dep. Charge by purchaser co. @ 15% p.a. on R.B.M.

Prepare necessary A/c’s in the books of Vendor.

When last installment is not given

**Ans :-**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | | **Cash Price** | | **Interest** | | **Due Amt** | | **Dep** |
| 01-Jan-85 | 8,000 | | 8,000 | | 0 | | 80,000 | | 80,000 |
|  |  | |  | |  | | 8,000 | | 12,000 |
| 31-Dec-85 | 25,200 | | 18,000 | | 7,200 | | 72,000 | | 68,000 |
|  |  | |  | |  | | 18,000 | | 10,200 |
| 31-Dec-86 | 23,400 | | 18,000 | | 5,400 | | 54,000 | | 58,800 |
|  |  | |  | |  | | 18,000 | |  |
| 31-Dec-87 | 21,600 | | 18,000 | | 3,600 | | 36,000 | | 8,670 |
|  |  | |  | |  | | 18,000 | | 49,130 |
| 31-Dec-88 | 19,800 | | 18,000 | | 1,800 | | 18,000 | | 7,370 |
|  | **98,000** | | **80,000** | | **18,000** | |  | | **41,760** |
| **In the books of vender krishisewakendra A/c** | | | | | | | | | |
| **Date** | | **Particular** | | **Amt** | | **Date** | | **Particular** | **Amt** |
| 01-Jan-85 | | To sales A/c | | 80,000 | | 01-Jan-85 | | By bank A/c | 8,000 |
| 31-Dec-85 | | To Interest A/c | | 7,200 | | 31-Dec-85 | | By bank A/c | 25,200 |
|  | |  | |  | | 31-Dec-85 | | By bal c/d | 54,000 |
|  | |  | | **87,200** | |  | |  | **87,200** |
| 01-Jan-86 | | To bal b/d | | 54,000 | | 31-Dec-86 | | By bank A/c | 23,400 |
| 31-Dec-86 | | To interest A/c | | 5,400 | | 31-Dec-86 | | By bal c/d | 36,000 |
|  | |  | | **59,400** | |  | |  | **59,400** |
| 01-Jan-87 | | To bal b/d | | 36,000 | | 31-Dec-87 | | By bank A/c | 21,600 |
| 31-Dec-87 | | To interest A/c | | 3,600 | | 31-Dec-87 | | By bal c/d | 18,000 |
|  | |  | | **39,600** | |  | |  | **39,600** |
| 01-Jan-88 | | To bal b/d | | 18,000 | | 31-Dec-88 | | By bank A/c | 19,800 |
| 31-Dec-88 | | To interest A/c | | 1,800 | |  | |  |  |
|  | |  | | **19,800** | |  | |  | **19,800** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-85 | To p/L A/c | 7,200 | 31-Dec-85 | By K.S.K. A/c | 7,200 |
|  |  | **7,200** |  |  | **7,200** |
|  |  |  |  |  |  |
| 31-Dec-86 | To p/L A/c | 5,400 | 31-Dec-86 | By K.S.K. A/c | 5,400 |
|  |  | 5,400 |  |  | 5,400 |
|  |  |  |  |  |  |
| 31-Dec-87 | To p/L A/c | 3,600 | 31-Dec-87 | By K.S.K. A/c | 3,600 |
|  |  | **3,600** |  |  | **3,600** |
|  |  |  |  |  |  |
| 31-Dec-88 | To p/L A/c | 1,800 | 31-Dec-88 | By K.S.K. A/c | 1,800 |
|  |  | **1,800** |  |  | **1,800** |

15) Oct. 91 Nagpur Fabricator co. Ltd. purchase 2 machines from Indian MotorsLtd.on H.P.S. Agreement on 1 Jan 88 cash price of machine was Rs. 85,000/- as per the term of agreement. The purchasing co. was in pay cash amounting to 30% cash price on agreement and 2 installment of Rs. 25,000/- each on 31 Dec. 90 Vendor Co. charge intt. @ 10% p.a. and purchaser co. charge Dep. @ 10% p.a. on R.B.M.

Prepare necessary A/c’s in the books of Indian Motor Ltd.

**Ans :-**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Due Amt** | **Dep** |
| 01-Jan-88 | 25,500 | 25,000 | 0 | 85,000 | 85,000 |
|  |  |  |  | 25,500 | 8,500 |
| 31-Dec-88 | 25,000 | 19,050 | 5,950 | 59,500 | 76,500 |
|  |  |  |  | 19,050 | 7,650 |
| 31-Dec-89 | 25,000 | 20,955 | 4,045 | 40,450 | 6,886 |
|  |  |  |  | 20,955 | 68,850 |
| 31-Dec-90 | 21,445 | 19,495 | 1,950 | 19,495 | 6,885 |
|  | **96,945** | **85,000** | **11,945** |  | **61,965** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **in the books of Indian motor Ltd. Machinery A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 01-Jan-88 | To bank A/c | 25,500 | 31-Dec-88 | By Dep A/c | 8,500 |
| 31-Dec-88 | To vender A/c | 19,050 | 31-Dec-88 | By bal c/d | 36,050 |
|  |  | **44,550** |  |  | **44,550** |
| 01-Jan-89 | To bal b/d | 36,050 | 31-Dec-89 | By Dep A/c | 7,650 |
| 31-Dec-89 | To vender A/c | 20,955 | 31-Dec-89 | By bal c/d | 49,355 |
|  |  | **57,005** |  |  | **57,005** |
| 01-Jan-90 | To bal b/d | 49,355 | 31-Dec-90 | By Dep A/c | 6,885 |
| 31-Dec-90 | To vender A/c | 19,495 | 31-Dec-90 | By bal c/d | 61,965 |
|  |  | **68,850** |  |  | **68,850** |
| 01-Jan-91 | To bal b/d | 61,965 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-88 | To vender A/c | 5,950 | 31-Dec-88 | By P/L A/c | 5,950 |
|  |  | **5,950** |  |  | **5,950** |
|  |  |  |  |  |  |
| 31-Dec-89 | To vender A/c | 4,045 | 31-Dec-89 | By P/L A/c | 4,045 |
|  |  | **4,045** |  |  | **4,045** |
|  |  |  |  |  |  |
| 31-Dec-90 | To vender A/c | 1,950 | 31-Dec-90 | By P/L A/c | 1,950 |
|  |  | **1,950** |  |  | **1,950** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **vender A/c** | | | | | |
| **Date** | **particular** | **Amt** | **Date** | **particular** | **Amt** |
| 31-Dec-88 | To bank A/c | 25,000 | 31-Dec-88 | By mach A/c | 19,050 |
|  |  |  |  | By Interest A/c | 5,950 |
|  |  | **25,000** |  |  | **25,000** |
| 31-Dec-89 | To bank A/c | 25,000 | 31-Dec-89 | By mach A/c | 20,955 |
|  |  |  |  | By Interest A/c | 4,045 |
|  |  | **25,000** |  |  | **25,000** |
| 31-Dec-90 | To bank A/c | 21,445 | 31-Dec-90 | By mach A/c | 19,495 |
|  |  |  |  | By Interest A/c | 1,950 |
|  |  | **21,445** |  |  | **21,445** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Deperecation A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-88 | To mach A/c | 8,500 | 31-Dec-88 | To mach A/c | 8,500 |
|  |  | **8,500** |  |  | **8,500** |
|  |  |  |  |  |  |
| 31-Dec-89 | To mach A/c | 7,650 | 31-Dec-89 | To mach A/c | 7,650 |
|  |  | **7,650** |  |  | **7,650** |
|  |  |  |  |  |  |
| 31-Dec-90 | To mach A/c | 6,885 | 31-Dec-90 | To mach A/c | 6,885 |
|  |  | **6,885** |  |  | **6,885** |

16) Annual 94 On 1 Jan 90 M/s Balaji Trading Co. purchased a machine on H.P.S. from Jay Engg. Co. The Hire purchase agreement provides that Rs. 16,000/- shall be paid at the time of delivery and the balance must be paid by 4 half yearly installment of Rs. 26,300/- each. Interest being calculated at 18% p.a. Assuming that 10% Dep. At S.L.M. is be in written off every year on the cash value of machine.

Write machine A/c and Vendor A/c in the books of Balaji trading co. Books are closed on 31 March every year.

**Ans :-**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Hire Purchases** | **Cash Price** | **Interest** | **Dep** |
| 01-Jan-90 | 26,300 | 16,000 | 0 | 1,01,204 |
| 31-Mar-90 |  |  |  | 2,530 |
|  |
| 30-Jun-90 | 26,300 | 18,632 | 7,668 |  |
| 31-Dec-90 | 26,300 | 20,308 | 5,992 |  |
| 31-Mar-91 |  |  |  | 98,674 |
| 30-Jun-91 | 26,300 | 22,136 | 4164 | 10,120 |
|  |  |  |  | 88,554 |
| 31-Dec-91 | 26,300 | 24,128 | 2,172 |  |
| 31-Mar-92 |  |  |  | 10,120 |
|  | **1,21,200** | **1,01,204** | **19,996** | **78,434** |

**1) Interest on 31 Dec 91**

**2) Interest on30 June 91**

**3) Interest on 31 Dec 90**

**4) Interest on 31 June 90**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **in the books of BalajiAra co machinery A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 01-Jan-90 | To bank A/c | 16,000 | 31-Mar-90 | By Dep A/c | 2,530 |
|  |  |  | 31-Mar-90 | By Bal c/d | 13,480 |
|  |  | **16,000** |  |  | **16,000** |
| 01-Apr-90 | To bal b/d | 13,470 | 31-Mar-91 | By Dep A/c | 10,121 |
| 30-Jun-90 | To j. E. co A/c | 18,632 | 31-Mar-91 | By Bal c/d | 42,290 |
| 31-Dec-90 | To j. E. co A/c | 20,308 |  |  |  |
|  |  | **52,410** |  |  | **52,410** |
| 01-Apr-91 | To Balbal | 42,290 | 31-Mar-92 | By Dep A/c | 10,120 |
| 31 june 91 | To J.E. co A/c | 22,136 | 31-Mar-92 | By Bal c/d | 18,434 |
| 31-Dec-91 | To J.E. co A/c | 24,128 |  |  |  |
|  |  | **88,554** |  |  | **88,554** |
| 01-Feb-92 | To bal b/d | 78,434 |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **vender A/c** | | | | | |
| **Date** | **Particular** | **Amt** | **Date** | **Particular** | **Amt** |
| 30-Jun-90 | To bank A/c | 26,300 | 30-Jun-90 | By mach A/c | 18,632 |
|  |  |  |  | By Interest A/c | 7,668 |
| 31-Dec-90 | To bank A/c | 26,300 | 30-Jun-90 | To mach A/c | 20,308 |
|  |  |  |  | To Interest A/c | 5,992 |
|  |  | **52,600** |  |  | **52,600** |
| 30-Jun-91 | To bank A/c | 26,300 | 30-Jan-91 | To mach A/c | 22,136 |
|  |  |  |  | To Interest A/c | 4,164 |
| 31-Dec-91 | To bank A/c | 26,300 | 31-Dec-91 | To mach A/c | 24,128 |
|  |  |  |  | To Interest A/c | 2,172 |
|  |  | **52,600** |  |  | **52,600** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-86 | To B.C A/c | 1,308 | 31-Dec-86 | To P/L A/c | 1,308 |
|  |  | 1,308 |  |  | 1,308 |
|  |  |  |  |  |  |
| 31-Dec-87 | To B.C A/c | 834 | 31-Dec-87 | To P/L A/c | 834 |
|  |  | 834 |  |  | 834 |
| 31-Dec-88 | To B.C A/c | 498 | 31-Dec-88 | To P/L A/c | 498 |
|  |  | 498 |  |  | 498 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Interest A/c** | | | | | |
| **Date** | **Perticular** | **Amt** | **Date** | **Perticular** | **Amt** |
| 31-Dec-86 | To B.C A/c | 1,308 | 31-Dec-86 | To P/L A/c | 1,308 |
|  |  | 1,308 |  |  | 1,308 |
|  |  |  |  |  |  |
| 31-Dec-87 | To B.C A/c | 834 | 31-Dec-87 | To P/L A/c | 834 |
|  |  | 834 |  |  | 834 |
| 31-Dec-88 | To B.C A/c | 498 | 31-Dec-88 | To P/L A/c | 498 |
| 498 | 498 |

# (Final Account of co-operative societies)

# UNIT III

lgdkjh laLFkkP;k dk;n;kuwlkj izR;sd lgdkjh laLFksyk vkiys nSufnu vkfFkZd O;ogkj fygwu Bso.;klkBh vko”;d rh tek[kpkZph iqLrds Bsokoh ykxrkr- laLFksP;k dk;kZyk vuql:u ;k iqLrdkps Lo:i vkf.k R;kaph la[;k ;kr Qjd iMw “kdrks- ijarw tek[kpZ fyfgus vkf.k R;ko:u okf’kZd [kkrh r;kj dj.ks izR;sd lgdkjh laLF;sP;k ckcrhr vfuok;Z dj.;kr vkys vkgs- R;keqGs lgdkjh laLFkk vkiyk tek[kpZ dks.kR;k i/nrhus o dlk Bsorkr vkf.k R;ko:u okf’kZd [kkrh d”kh r;kj djrkr- ;kpk vki.kkl ;k izdj.kkr vH;kl djko;kpk vkgs-

**1½ O;kikjh [kkrs** (Trading Account) :-

r;kj ekykph [kjsnh d:u rks eky fod.kkÚ;k lgdkjh laLFkkauk O;kikjh i=d r;kj djkos ykxrs- ,dy O;kikj Hkkxhnkjh is<h fdaok daiuh bR;kanhuh r;kj djko;kP;k O;kikj [kkR;kr vkf.k lgdkjh laLFkkauk r;kj djkO;k ykx.kkÚ;k O;kikjh i=dkP;k Lo:ikr vkf.k jpusr rRor% dkghp Qjd fnlr ukgh- gh ckc i=dkP;k [kkyhy ueqU;kr Li’V gksbZy-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Trading Account of ..** | | | | | |
| **For the year ending…..** | | | | | |
| Last year’s Figures | Purchases & Expenses | Rs | Last year’s Figures | Sales & Stock | Rs |
|  | To opening Stock | …… |  | By sales …… |  |
|  | To Purchases …. |  |  | Less Sales Retuns ….. |  |
|  | Less Return ….. |  |  |  |  |
|  |  | ………. |  | By Closing Stock | ……… |
|  | To carriage on |  |  | By Gross Trading | …….. |
|  | Purchases | …….. |  | Loss | …….. |
|  | To Cooly charges | ……… |  |  |  |
|  | To Excise and other Taxes | ……… |  |  |  |
|  | To other Expenses | ……. |  |  |  |
|  | To Gross Trading |  |  |  |  |
|  | Profit | ……. |  |  |  |
|  |  | ……… |  |  | ……… |

**uQk&rksVk [kkrs (Profit & Loss A/c) :-** O;kikj [kkR;ko:u <kscG uQk dk<Y;k uarj iz”kkldh; [kpZ o dk;kZy;hu [kpZ fopkjkr ?ksÅu uQk&rksVk [kkrs r;kj dj.;kr ;srs- O;kikj [kkR;kr lekfo’V gks.kkÚ;k ckch lksMwu brj ckch fopkjkr ?ksÅu uQk&rksVk [kkrs r;kj d:u “kqn~/k uQk fdaok “kqn~/k rksVk vkxf.kr dj.;kr ;srs-

lgdkjh laLFkkauk [kkyhy ekxkZuh gks.kkÚ;k mRiUukpk lekos”k uQk&rksVk i=dkr djkok ykxrks-

1½ O;kikjh i=dkuqlkj <kscG uQk (Gross Profit) 2½ xqaro.kwdhoj vkf.k fnysY;k dtkZoj feGkysys O;kt (Interest received) 3½ feGkysys deh”ku vFkok nykyh (Commission & Brokerage) 4½ O;kikjkdMqu feGkysyh (Discount received) 5½ Hkkxkaoj vlysyk ykHkka”k (Dividend on Shares) 6½ Hkkx gLrkarj.k “kqYd (Share Transfer Fees) 7½ HkkMs ¼feGkysys½ 8½ brj fdjdksG mRiUu (Other Income)

uQk&rksVk i=d T;k lgdkjh o’kkZdjhrk r;kj djko;kps vlrs- R;k lgdkjh o’kkZ”kh lacaf/kr vlysY;k loZ [kpkZpk vkf.k loZ mRiUukpk uQk& rksVk i=dkr lekos”k gks.ks vko”;d vlrs- Eg.kwu ns.ks >kysys ijarq izR;{kkr u fnysys [kpZ] fnysys vkf.k ;s.ks >kysys ijarq izR;{kkr u feGkysys mRiUu uQk& rksVk i=d r;kj djrkauk fg”kksckr ?;kos ykxrs- R;klkBh [kkyhy ckcha”kh lacaf/kr lek;kstusP;k uksanh djkO;k ykxrkr-

1½ ns.ks vlysyk [kpZ (Unpaid Expenses) 2½ vkxkÅ Hkjysyk [kpZ (Expenses paid in Advance) 3½ ;s.ks vlysys mRiUu (Income Due) 4½ vkxkm feGkysys mRiUu (Income received in Advance) 5½ cqMhr dtkZdjhrk rjrqn (Provision for Bad Debts) 6½ ?klkÚ;kdjhrk rjrqn (Depreciation) 7½ rkRiqjR;k HkkaMoyh [kpkZps viys[ku(Writing off Temporary capital Expenditure)

egkjk"Vª lgdkjh laLFkkaP;k dk;n;kuqlkj fu/kkZfjr dsysY;k uQk&rksVk i=dkpk uequk iq<s fnysyk vkgs-

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount** | **Particulars** | **Amount** |
| 1. To Interest paid ……. |  | 1. By Interest received |  |
| payable …….. |  | On Loan …….. |  |
|  | …….. | On Investment …….. |  |
| 2. Salaries & Allowances | ……… | Due but not |  |
| 3. To Contribution to provident  Fund | ……… | received ……. |  |
| 4. To Salaries to Managing and  other Directors | …….. | 2. By Dividend received |  |
| 5. To Honorarium, Allowances  and Travelling Expenses |  | 3. By Commission received |  |
| To Executive |  | 4. By Share Transfer Fees |  |
| Committee Members | …… | 5. By Rent recovered |  |
| 6. To Travelling Exp | …….. | 6. By Sundry recoveries |  |
| To Rent & Taxes | ……… | 7. By other Income |  |
| 8. To postage, Telephone and  Telegrams | …….. | 8. By Net Loss (if any) |  |
| 9. To Stationery | …….. |  |  |
| 10. To Audit Fees | …….. |  |  |
| 11. To Provision for Bad Debts | …….. |  |  |
| 12. To Preliminary Exp. | …….. |  |  |
| 13. To Depreciation on Assets | …….. |  |  |
| 14. To Net profit | …….. |  |  |
|  | **……..** |  | **………..** |

**3½ fLFkrh fooj.k (Balance sheet)%&**

Lgdkjh laLFkkaP;k dk;|k varxZr fLFkrh fooj.kkpk uequk [kkyhy izek.ks ns.;kr vkysyk vkgs- fLFkrh fooj.kke/;s lgdkjh laLFksph laiRrh vkf.k loZizdkjph ns;rk Li’Vi.ks nk[kfoyh tkrs-

**Balance sheet of ……**

**As on Date 31st Mar…..**

|  |  |  |  |
| --- | --- | --- | --- |
| **Liabilities** | **Amount** | **Assets** | **Amount** |
| **1. Share Capital :** |  | **1. Cash Balance :** |  |
| Authorised Share Capital | …… | Cash in hand ……….. |  |
| Issued & Subscribed ……. |  | Cash in Bank ………… | …………. |
| Called-up Share capital …… |  |  |  |
| Less Calls in Arrears ……. |  | **2. Investments :** |  |
| paid up Share Capital ……. |  | Govt. Securities ………. |  |
|  |  | Fixed Deposits ………. |  |
| **2. Reserves & Funds :** |  | Shares of other |  |
| Statutory Reserve ……. |  | Co-op societies ………. |  |
| General Reserve Fund …….. |  | Bonds ……. | ………… |
| Building Fund ……… |  |  |  |
| Development Fund ………. |  | **3. Provident Fund Investment** |  |
| Reserve for Bad and Doubtful Debts …….. |  | **4. Loans & Advances :** |  |
| Depreciation Fund ………. |  | Loans to other societies …… |  |
| Dividend Equalization Fund ….. |  | Loans to Members ……….. |  |
| Bonus Equalization Fund ……. |  | Loans to Employees ………. |  |
| Education Fund ……… | ……. | Cash Credit/overdraft ………. | ………… |
|  |  |  |  |
| **3. Staff Provident Fund** | ……. | **5. Loans Due :** |  |
| **4. Secured Loans :** |  | Advances Due ……….. |  |
| Debentures ……… |  | Sundry Debtors ……….. |  |
| Cash Credit from Bank …….. |  | Bills Receivable …………… | ………… |
| Loan from Govt. …….. |  |  |  |
| Loan from State |  | **6. Current Assets :** |  |
| Co-op. Bank ……… |  | Loose tools, spare parts …….. |  |
| Loan from other Banks …….. | ……. | stock of Goods (closing) ……. |  |
|  |  | work in progress …………. |  |
| **5. Unsecured Loans :** |  | Equipment …………… | ………….. |
| Loans from Banks ………… |  |  |  |
| Loan from Govt. ………… |  | **7. Fixed Assets :** |  |
| Loans from other Agencies ……. |  | Land & Building …….. |  |
| Bills payable ……….. |  | Plant & machinery ………. |  |
| Sundry Creditors …………. | ……. | Dead stock/Furniture ……….. |  |
|  |  | Leasehold property ………… |  |
| **6. Deposits :** |  | Vehicles ……….. |  |
| Fixed Deposits ………… |  | Live-stock ………….. | ………… |
| Saving Bank |  |  |  |
| Deposits ………….. |  | **8. Miscellaneous Exp.:** |  |
| Deposits in current Acc …………. |  | and Losses: |  |
| Other Deposits …………… | ……. | preliminary Exp. ………….. |  |
|  |  | Deferred Revenue |  |
| **7. Other Liabilities & Provisions** |  | Expenditure ………… |  |
| Outstanding exp. ……… |  | Goodwill …………… |  |
| Income received in Advance …. |  | prepaid Exp. ……………. | ………… |
| Dividend declared but not paid. ………… |  |  |  |
| Unclaimed Dividend ………. | ……. | **9. Other Dues receivable:** |  |
|  |  | Accrued interest ………….. |  |
| **8. Profit & Loss Account :** |  | Income Earned but not received ……….. | ………… |
| Last Year's Balance …….. |  |  |  |
| Add: Current year's |  | **10 . Profit & Loss Account :** |  |
| Profit after |  | Accumulated Losses …………. |  |
| appropriation …….. | ……. | Add : Current year's |  |
|  |  | Net Loss ………… | ………… |
|  | ………… |  | ………… |

**Ex:- 1- From the following information prepare a Final a/c Vijay Co-Operative Society**

**for the year ending 30th June 83.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt** | **particulars** | **Amt** |
| Furniture | 5,500 | Sales | 1,35,175 |
| Purchases | 1,35,000 | Loan from Bank | 12,000 |
| Carriageinward | 2,500 | Commission | 10,675 |
| Control | 250 | Bill Payable | 8,895 |
| Salary | 9,185 | Reserve Fund | 5,100 |
| Travelling Exp. | 400 | Share Capital | 12,000 |
| Op. Stock | 10,000 | Dep. Fund | 445 |
| Bill Receivable | 3,750 |  |  |
| Postage & Tele | 825 |  |  |
| Interest Paid | 6,470 |  |  |
| Bank Charges | 1,660 |  |  |
| Cash in hand | 440 |  |  |
| Office rent | 2,000 |  |  |
| Insurance premix | 450 |  |  |
| Fixed Assets | 5860 |  |  |
|  | **1,84,290** |  | **1,84,290** |

|  |
| --- |
| **Adjustment:** |
| 1) On 30th June 83 stock value at Rs. 40140 |
| 2) Dep. Of Furniture on 5% |
| 3) O/S Salary Rs. 300 |
|  |

**Ans**

|  |  |  |  |
| --- | --- | --- | --- |
| **Trading A/c** | | |  |
| **For year ending 31 June 83** | | |  |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op Stock | 10,000 | By Sales | 13,517 |
| To purchase | 1,35,000 | By cl Stock | 40,140 |
| To Carriage | 2,500 |  |  |
| To Octral | 250 |  |  |
| Gross profit… | 27,565 |  |  |
|  |  |  |  |
|  | **1,75,315** |  | **1,75,315** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss A/c** | | |  |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Salary 9185 |  | By gross pf.. | 27,565 |
| + o/s Salary 300 | 9,485 | By Commission | 10,675 |
| To Travelling exp | 400 |  |  |
| To Postage & Telegram | 825 |  |  |
| To Interest Paid | 6,470 |  |  |
| To Bank charge | 1,660 |  |  |
| To Insurance | 450 |  |  |
| To Depreciation of furniture | 275 |  |  |
| Net profit…. | 16,675 |  |  |
|  | **38,240** |  | **38,240** |

|  |  |  |  |
| --- | --- | --- | --- |
| **P/ C Appropriation A/c** | | |  |
| **Provision** | **Amt** | **Profit** | **Amt** |
| To Provision for Gen. Reserve | 4169 | By previous profit |  |
| (25% of Net pf) Balance | 12,506 | By Current yr. pf… (Net pf) | 16,675 |
|  | **16,675** |  | **16,675** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Vijay Co- Operative Society** | | |  |
| **Balance sheet** | | |  |
| **As on 30 June 83** | | |  |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital | 12,000 | Furniture | 5,500 |
| Loan from bank | 12,000 | Bill receivable | 3,750 |
| Bills payable | 8,895 | Cash in hand | 440 |
| Reserve fund 5100 |  | Fixed Assets | 5860 |
| (+) provision 4169 | 9,269 | cl stock | 40140 |
| Dep. Fund 445 |  |  |  |
| (+) Dep . Of furniture 275 | 720 |  |  |
| o/s salary | 300 |  |  |
| Balance as p/c | 12,506 |  |  |
| Appropriation A/c |  |  |  |
|  | **55,690** |  | **55,690** |

**Ex: 2) Following is the trial balance sheet of a Nagpur Co-Operative So. For the year**

**ending on 30thJune 76.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt** | **particulars** | **Amt** |
| To. Op. Stock | 20,000 | By Share Capital | 22,000 |
| Building | 30,000 | Sundry Cre. | 40,000 |
| Furniture | 2,000 | Sales | 75,000 |
| Sundry Deb. | 25,000 | Bill Payable | 1,000 |
| Cash in Hand | 1,000 |  |  |
| Cash in Bank | 15,000 |  |  |
| Purchases | 30,000 |  |  |
| Rent | 2,000 |  |  |
| Carriage | 1,200 |  |  |
| Insurance | 500 |  |  |
| Print &Station | 800 |  |  |
| Bill Receivable | 2,000 |  |  |
| Sales Return | 500 |  |  |
| Salary | 6,000 |  |  |
| Wages | 2,000 |  |  |
|  | **1,38,000** |  | **1,38,000** |

|  |
| --- |
| **Adjustment :** |
| 1) Closing stock valued of Rs. 10,000 |
| 2) Dep. Is to be charged at the rate of 10% p.a. in Building |
| 3) O/S Salary Rs. 500 |

**Ans -**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Trading A/c** | | | | |  |
| **For the year ending 30 June 76** | | | | |  |
| **Particular** | **Amt** | **Particular** | | | **Amt** |
| To op stock | 20,000 | By sales 75,000 | | | 75,000 |
| To purchases | 30,000 | - Sales 500 | | | 74,500 |
| To Carriage | 1,200 | By cl stock | | | 10,000 |
| To Wages | 2,000 |  | | |  |
| Gross fp…. | 31,300 |  | | |  |
|  |  |  | | |  |
|  | **84,500** |  | | | **84,500** |
| **Profit/Loss A/c** | | | | |  |
| **Particular** | | | **Amt** | **Particular** | **Amt** |
| To Rent | | | 2000 | By gross pf.. | 31,300 |
| To Insurance | | | 500 |  |  |
| To print & Stationery | | | 800 |  |  |
| To Salary 6000 | | |  |  |  |
| + o/s Salary 500 | | | 6500 |  |  |
| To depreciation on Building | | | 3000 |  |  |
| Net pf… | | | 18,500 |  |  |
|  | | |  |  |  |
|  | | | **31,300** | **31,300** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Nagpur Co- Operative Society** | | | |
| **Balance sheet** | | | |
| **As on 30 June 76** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital | 22,000 | Building | 30,000 |
| Sundry creditors | 40,000 | Furniture | 20,000 |
| Bills payable | 1000 | Sundry debtors | 25,000 |
| Dep. Of fund |  | Cash in hand | 1,000 |
| Dep. Of Building | 3000 | Cash in Bank | 15,000 |
| Balance of P/Lk | 13,875 | Bills receivable | 2,000 |
| Apri. A/c |  | cl. Stock | 10,000 |
| O/S Salary | 500 |  |  |
| Provission for general reserve | 4625 |  |  |
|  |  |  |  |
|  | **85,000** | **85,000** |

**Ex 3 - The following is the given trial balance sheet of jalgaonTaluka Co – Ope . So .**

**for the year ending 30th June 81**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt** | **particulars** | **Amt** | |
| Purchases | 4,05,000 | By Sales | 4,05,525 | |
| Carriage | 7,500 | Loan from Bank | 37,500 | |
| Octroi | 750 | Commission | 31,973 | |
| Furniture | 16,500 | Bills payable | 12,300 | |
| Workers Salary | 21,555 | Reserve Fund | 15,315 | |
| Travelling Exp | 1,200 | Share Capital | 30,000 | |
| Op. stock of Raw material | 30,780 | Dep. Fund | 225 | |
| Bills Relievable | 11,250 |  |  | |
| Telep&Teleg | 675 |  |  | |
| Postage | 1,800 |  |  | |
| Int.paid to bank | 19,410 |  |  | |
| To Cash at Bank | 4,973 |  |  | |
| Cash in hand | 180 |  |  | |
| Office rent | 6,000 |  |  | |
| Sundry Exp. | 165 |  |  | |
| Insurance | 1,350 |  |  | |
| Other assets | 3,750 |  |  | |
|  | **5,32,838** |  | **5,32,838** | |
| **Adjustment:** | | | |
| 1) Closing stock valued at Rs. 1,20,420 | | | |
| 2) Provided depreciation at the rate of 10% on furniture & other assets | | | |
| 3) Interest on Bank deposits amounted Rs. 1,150 should be consider. | | | |
| 4) Prepared insurance Rs. 450 | | | |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Trading A/c** | | | |
| **For the year ending 30 th June 81** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock | 30,780 | By Sales | 4,05,525 |
| To purchases | 4,05,000 | By cl. Stock | 1,20,420 |
| To Carriage | 7,500 |  |  |
| To octril | 750 |  |  |
| Gross pf… |  |  |  |
|  | **5,25,945** |  | **5,25,945** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Workers salary | 21,555 | By gross pf | 81,915 |
| To Travelling exp | 1200 | By commission | 31,973 |
| To Tele and Tlegram | 675 | By Int. on Bank deposits | 1150 |
| To Postage | 18010 |  |  |
| To Int paid to Bank | 19,410 |  |  |
| To office rent | 6000 |  |  |
| To Sundry exp | 165 |  |  |
| To Insurance 1350 |  |  |  |
| - p/p Insu 450 | 900 |  |  |
| To provided Dep. |  |  |  |
| Furniture 1650 |  |  |  |
| Other assets 375 | 2025 |  |  |
|  |  |  |  |
| Net pf… | 61,308 |  |  |
|  | **1,15,038** | **1.15,038** |

|  |  |  |  |
| --- | --- | --- | --- |
| **P/L Appropriation A/c** | | | |
| **Provision** | **Amt** | **Profit** | **Amt** |
| To prov for gen. reserve | 15,327 | By previousyr profit  By current year profit | 61,308 |
| Balance | ,981 |  |  |
| (Trans. To liability) | 61,308 |  | 61,308 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance sheet** | | | |
| **As on 30 June 81** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital | 30,000 | Furniture | 16,500 |
| loan from Bank | 37,500 | Bill receivable | 11,250 |
| Bills payable | 12,300 | Cash at Bank | 4973 |
| Reserve fund 15,315 |  | Cash in hand | 180 |
| + prov. 15,322 | 30,645 | Other Assets | 3750 |
| Dep. Fund 225 |  | cl stock | 1,20,420 |
| + Dep of furniture 1650 |  | Int on Bank dep. | 1150 |
| + Dep of other assets 375 | 2250 | p/p Insurance | 950 |
|  |  |  |  |
| Balance as per p/c | 45981 |  |  |
| Appropriation A/c |  |  |  |
|  | **1,58,673** |  | **1,58,673** |

**Ex 4 – Following is trial balance sheet of Nagpur C o – OrerativeSocity .**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt** | **particulars** | **Amt** |
| Unpaid calls | 400 | Mem. Share Capi | 2,000 |
| Bank Current a/c | 20,000 | Entrance fee | 100 |
| Loan to member | 6,000 | Members deposit | 3,000 |
| Share of bank | 800 | Nonmembers dep. | 2,000 |
| Purchases | 21,00 | Bank Loan | 22,000 |
| Carriage | 500 | Sales | 18,000 |
| Octroi | 400 | Commission | 800 |
| Salary | 1,000 | Dividend | 40 |
| Office rent | 400 | Loan from mem. | 1,500 |
| Insurance | 600 | Reserve fund | 2,000 |
| Audit fee | 300 | Interest | 300 |
| Postage | 100 | Dep. Fund | 500 |
| Cash balance | 40 |  |  |
| Stationary | 200 |  |  |
| Fixed assets | 500 |  |  |
|  | **52,240** |  | **52,240** |

|  |
| --- |
| **Adjustment :** |
| 1) Closing stock valued at Rs. 46,000 |
| 2) O/S salary Rs. 100 |
| 3) Dep. Is to be charged at the rate of 5% on fixed assets. |

**Ans -**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Nagpur Co-Operative Society** | | | |  |
| **Trading A/c** | | | |  |
| **Particular** | | **Amt** | **Particular** | **Amt** |
| To purchases | | 21,000 | By sales | 18,000 |
| To Carriage | | 500 | By cl stock | 46,000 |
| To octrois | | 400 |  |  |
| Gross profit | | 42,100 |  |  |
|  | | 64,000 |  | 64,000 |
|  | |  |  |  |
| **P/L A/c** | | | | |
| **particular** | **Amt** | | **Particular** | **Amt** |
| To salary 1000 |  | | By gross profit | 42,100 |
| + o/s salary 100 | 1,100 | | By enter fee | 100 |
| To office rent | 400 | | By commission | 800 |
| To Insurance | 600 | | By Dividend | 40 |
| To Audit fee | 300 | | By Interest | 300 |
| To Postage | 100 | |  |  |
| To Stationary | 200 | |  |  |
| To Dep. On fixed assets | 25 | |  |  |
|  |  | |  |  |
| Net pf… | 40,615 | |  |  |
|  | **43,340** | |  | **43,340** |
|  |  | |  |  |
| **P/L Appropriation A/c** | | | | |
| **Particular** | | **Amt** | **Particular** | **Amt** |
| To provision for gen res | | 10,154 | By pre. Yr. pf  Current yr profit | 40,615 |
| (25% of Net pf) | |  |  |  |
|  | |  |  |  |
| Balance | | 30,461 |  |  |
| (Tran. To liability) | |  |  |  |
|  | | **40615** |  | **40,615** |
|  | |  |  |  |
| **Nagpur Co-Operative society** | | | | |
| **Balance Sheet** | | | | |
| **Liability** | **Amt** | | **Assets** | **Amt** |
| mem. Share capital 2000 |  | | Bank current | 20,000 |
| - unpaid calls 400 | 1600 | | loan to member | 6,000 |
| member deposit | 3,000 | | share of Bank | 800 |
| Non membered | 2,000 | | Cash balance | 40 |
| Bank loan | 22,000 | | Fixed Assets | 500 |
| loan from member | 1,500 | | cl stock | 46,000 |
| Reserve fund 2000 |  | |  |  |
| + provision 10154 | 12,154 | |  |  |
| Dep. Fund 500 |  | |  |  |
| + dep. On fixed assets 25 |  | |  |  |
| o/s salary | 100 | |  |  |
| Bal as per p/L App | 30461 | |  |  |
|  | **73,340** | |  | **73,340** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Ex 5 – The following trial balance sheet of a Co – Operative Society for 30th June 1979 .** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Particulars** | | | **Dr.** | | | | | **Cr.** | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Discount | | | 1,200 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Carriage | | | 2,300 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Govt. Security | | | 5,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Rate & Sales | | | 2,200 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Furniture | | | 6,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Opening stock | | | 26,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Purchases & Sales | | | 49,300 | | | | | 1,43,980 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Wages | | | 54,720 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Building | | | 75,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Debtors & Creditors | | | 16,020 | | | | | 9,620 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Machinery | | | 30,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Equipment | | | 6,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Advertisement | | | 3,300 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| General Exp. | | | 4,100 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Bank Balance | | | 1,020 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Interest on bank loan | | | 720 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Directors Fees | | | 2,500 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Bad debts | | | 400 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Bank Charges | | | 1,640 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Share Capital | | |  | | | | | 80,000 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Bank loan | | |  | | | | | 30,000 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| General Reserve | | |  | | | | | 15,000 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Depreciation Fund | | |  | | | | | 5,000 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| P/L A/c Balance | | |  | | | | | 6,140 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| Dividend to share | | | 2,000 | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| holder | | | 2,90,000 | | | | | 2,90,000 | | | | | |  | | | | | | | | | | | | | |  |  |  |
| **Adjustment :** | | |  | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| 1) Closing stock valued at Rs. 30,000 | | | | | | | |  | | | | | |  | | | | | | | | | | | | | |  |  |  |
| 2) Depreciation is to charge at the rate of 5% p.a. on Machinery &Equipment. | | | | | | | | | | | | | | | | | | | | | | | | | | | |  |  |  |
| 3) Provision is to be ade for R.D.D. at Rs. 800 on Sundry debtors.  **Ans :-**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Trading A/c** | | | | | | **For the year ending 30 June 1979** | | | | | | **Particular** | | **Amt** | **Particular** | **Amt** | | To op stock | | 26,000 | By sales | 1,43,980 | | To carriage | | 2,300 | By cl stock | 30,000 | | To Purchase | | 49,300 |  |  | | To Wages | | 54,720 |  |  | |  | |  |  |  | | Gross pf… | | 41,660 |  |  | |  | | **1,73,980** |  | **1,73,980** | |  | |  |  |  | | **P/L A/c** | | | | | | **Particular** | **Amt** | | **Particular** | **Amt** | | To Discount | 1,200 | | By Gross pf | 41,660 | | To Rent & Taxes | 2,200 | |  |  | | To Advertisement | 3,300 | |  |  | | To general exp | 4,100 | |  |  | | To Int on bank loan | 720 | |  |  | | To Director fees | 2,500 | |  |  | | To Bank charges | 1,640 | |  |  | | To Depreciation on |  | |  |  | | machinery 1500 |  | |  |  | | equipment 300 | 1,800 | |  |  | | To Bad debts 400 |  | |  |  | | + provision R.D.D 800 | 1200 | |  |  | | Net pf… | 23,000 | |  |  | |  | **41,000** | |  | **41,000** | |  |  | |  |  | | **P/L Appropriation A/c** | | | | | | **Particular** | | **Amt** | **Particular** | **Amt** | | To Dividend to share | | 2,000 | By P.yr. pf | 6,140 | | To provision for gen.res | |  |  |  | | (25% of Net profit) | | 5750 | By c.yr.pf | 23,000 | | Balance | | 21,390 |  |  | | (Tran to liability) | |  |  |  | |  | | 29,390 |  |  | |  | |  |  |  | |  | | **29,140** |  | **29,140** | |  | |  |  |  | | **Co- operative society** | | | |  | | **Balance sheet** | | | | | | **as on 30 june 1979** | | | | | | **Liability** | | **Amt** | **Assets** | **Amt** | | Share capital | | 80,000 | Govt. security | 5000 | | Creditors | | 9300 | Furniture | 6000 | | Bank loan | | 30,000 | Building | 75,000 | | Balance as dev p/l | | 21,390 | Debtors | 16,000 | | Appropriation A/c | |  | Machinery | 30,000 | | Dep fund 5000 | |  | equipment | 6,000 | | + dep on machinery 1500 | |  | Bank Bal | 1,020 | | + dep. On equp 300 | | 6800 | cl stock | 30,000 | | General reserve 15,000 | |  |  |  | | +Provision 5750 | | 20,750 |  |  | | (provision) R.D.D. | | 800 |  |  | |  | |  |  |  | |  | | **1,69,404** |  | **1,69,404** | | | | | | | | | | | | | | | |  | | | | | | | | | | | | |  |  |  |
| **Ex 6 – Trimurti Co – Op Society Their balance for the year ending 30th 1990 as under** | | | | | | | | | | | | | | | | |
| **Particulars** | | **Amt** | | | |  | | | | | | | | | | | | | | | |  | | |
| Building | | 60,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Furniture | | 9,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Sundry Debtors | | 50,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Cash at bank | | 32,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Sundry Creditors | | 80,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Govt. Security | | 10,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Reserve Fund | | 16,200 | | | |  | | | | | | | | | | | | | | | |  | | |
| Pre paid exp. | | 2,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Receipts in Advance | | 4,500 | | | |  | | | | | | | | | | | | | | | |  | | |
| Out standing exp. | | 3,500 | | | |  | | | | | | | | | | | | | | | |  | | |
| Bills Receivable | | 4,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Share capital | | 44,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| P/L a/c | | 30,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Bills payable | | 2,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Depreciation Fund | | 800 | | | |  | | | | | | | | | | | | | | | |  | | |
| Op. Stock | | 20,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Purchases | | 30,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Sales | | 80,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Purchases returns | | 1,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Sales returns | | 3,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Carriage inwards | | 2,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Salaries | | 12,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Wages | | 8,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Printing & Stationery | | 8,500 | | | |  | | | | | | | | | | | | | | | |  | | |
| Advertisement | | 700 | | | |  | | | | | | | | | | | | | | | |  | | |
| Audit Fees | | 300 | | | |  | | | | | | | | | | | | | | | |  | | |
| Postage & Telegram | | 1,200 | | | |  | | | | | | | | | | | | | | | |  | | |
| Bad debts | | 700 | | | |  | | | | | | | | | | | | | | | |  | | |
| R.D.D (Cr.) | | 300 | | | |  | | | | | | | | | | | | | | | |  | | |
| Deficient to share | | 3,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Income Tax Paid | | 1,500 | | | |  | | | | | | | | | | | | | | | |  | | |
| Directors Fees | | 800 | | | |  | | | | | | | | | | | | | | | |  | | |
| Insurance | | 1,000 | | | |  | | | | | | | | | | | | | | | |  | | |
| Other Assets | | 8,600 | | | |  | | | | | | | | | | | | | | | |  | | |
| Loan from member | | 6,000 | | | |  | | | | | | | | | | | | | | | |  | | |
|  | |  | | | |  | | | | | | | | | | | | | | | |  | | |
| **Adjustment :** | |  | | | |  | | | | | | | | | | | | | | | |  | | |
| 1) Closing stock valued at Rs. 20,000 | | | | | |  | | | | | | | | | | | | | | | |  | | |
| 2) O/S salary Rs. 300 | | | | | | | | |  | | |  | | | | | | | | | | |  | | |
| 3) Prepaid Insurance Rs. 500 | | | | | | | | |  | | |  | | | | | | | | | | |  | | |
| 4) Provision is to be made for Doubtful debts at Rs. 500 | | | | | | | | | | | | | | | | | | | | | |  | | |
| 5) Depreciation is to charge 5% on Building & 10% on Furniture | | | | | | | | | | | | | | | | | | | | | |  | | |
| 6) Made a Provision for as per co-op. act 1960  **Ans :-**   |  |  |  |  | | --- | --- | --- | --- | | **Trimurti co-operative society** | | | | | **for the yr ending 30 june 1990** | | | | | **particular** | **Amt** | **Particular** | **Amt** | | To op stock | 20,000 | By Sale 30,000 | 80,000 | | To purchases 30,000 |  | - sales ret 3,000 | 77,000 | | - pur return 1,000 | 29,000 | By cl stock | 20,000 | | To carriage inward | 2000 |  |  | | To wages | 8,000 |  |  | | Gross fp… | 38,000 |  |  | | (Tra to liability) |  |  |  | |  | **97,000** |  | **97,000** | |  |  |  |  | | **P/L A/c** | | | | | **Particular** | **Amt** | **Particular** | **Amt** | | To Salary 12,000 |  | By gross profit | 38,000 | | + o/s sale 3,000 | 12,300 |  |  | | To Printing &Stal | 8,500 |  |  | | To Advertisement | 700 |  |  | | To Audit fees | 300 |  |  | | To Postage feel | 1,200 |  |  | | To Bad debts 700 |  |  |  | | + (provision R.D.D) 500 |  |  |  | | 1200 |  |  |  | | \_R.D.D 300 | 900 |  |  | | To Director fees | 800 |  |  | | To Insurance 1000 |  |  |  | | \_ p/p Insurance 500 | 500 |  |  | | To Depreciation |  |  |  | | Building 3000 |  |  |  | | Furniture 900 | 3900 |  |  | | Net profit | 8900 |  |  | | (Trans to pl App) |  |  |  | |  | **38,000** |  | **38,000** | |  |  |  |  | | **P/L Appropriation A/c** | | | | | **Provision** | **Amt** | **Profit** | **Amt** | | To Dividend to share | 3000 | By p. yr. pf | 30,000 | | To Income tax paid | 1500 | By .. Yr. pf | 8900 | | To provi general reserve | 2,225 |  |  | | (25% of Net pf) |  |  |  | | Balance | 32,175 |  |  | | (Tran. To liability) | 38,900 |  | 38,900 | |  |  |  |  | | **Trimurti co-operative society** | | | | | **Balance sheet** | | | | | **as on 30 june 1990** | | | | | **Liability** | **Amt** | **Assets** | **Amt** | | Share capital | 44,000 | Building | 60,000 | | Sundry credition | 80,000 | furniture | 9000 | | Reserve fund 16,200 |  | Sundry Debtor | 50,000 | | + provision 2,225 | 18,425 | Cash at bank | 32,000 | | Receipts in Adv | 4,500 | Govt. security | 10,000 | | o/s rent exp | 3,500 | p/p exp | 2,000 | | Bills payable | 2,000 | Bills receivable | 4,000 | | Dep. Fund 800 |  | other Assets | 8,600 | | + Dep building 3000 |  | cl stock | 20,000 | | + Dep furniture 900 | 4,700 | p/p Insurance | 500 | | jloan from mem | 6,000 |  |  | | o/s salary | 300 |  |  | | R.D.D (provision) | 500 |  |  | | Balance as per p/l |  |  |  | | appropriation A/c | 32,175 |  |  | |  | **1,96,100** |  | **1,96,100** |  |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Ex 7 Mar 83** |  |  |  |  | | **The following given balance of a Co – operative So .for the year ending 30th June 82 .** | | | | | | **Particulars** | **Amt** | | (6,000 share each of Rs. 10) | 6,00,000 | | Reserve Fund | 2,50,000 | | Bills payable | 6,526 | | Creditors | 36,858 | | Building | 1,00,000 | | Purchases | 5,00,903 | | Sales | 9,83,947 | | Manufacturing Expen | 3,59,000 | | Administrative Exp. | 26,814 | | General Exp. | 31,078 | | Plant | 2,00,000 | | Motor car | 15,000 | | Furniture | 5,000 | | Stock | 1,72,058 | | Debtors | 1,59,380 | | Investment | 2,88,950 | | Cash | 65,240 | | Directors Fee | 1,800 | | Dividend to share holder | 15,000 | | Interest (Cr.) | 8,544 | | P/L a/c (Cr.) (1 july 81) | 16,848 | | Employeeprovided fund | 37,500 |   **Ans -**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Co-operative society** | | | | | | | | **Trading A/c** | | | | |  | | | **for the yr ending 30 june 82** | | | | |  | | | **particular** | **Amt** | | | **Particular** | **Amt** | | | To op stock | 1,72,058 | | | By sales | 9,83,947 | | | To purchases | 5,00,903 | | | By cl stock | 1,48,680 | | | To Manu. Exp | 3,59,000 | | |  |  | | | Gross pf…. | 1,00,666 | | |  |  | | |  | **11,32,627** | | |  | **11,32,627** | | | **P/L A/c** | | | | | | | | **Particular** | | **Amt** | **Particular** | | | **Amt** | |  | |  |  | | |  | | To Administrative exp | | 26,814 | By Gross pf.. | | | 1,00,666 | | To General exp | | 31,078 | By Interest | | | 8,544 | | To Directors fees | | 1,800 | By Int. on Investment | | | 2,750 | | To Depreciation | |  |  | | |  | | Building | | 10,000 |  | | |  | | emppf | | 8,000 |  | | |  | | Net pf | | 34,268 |  | | |  | |  | | **1,11,960** |  | | | **1,11,960** |  |  |  |  |  | | --- | --- | --- | --- | | **P/L Appropriation A/c** | | | | | **Particular** | **Amt** | **Particular** | **Amt** | | To Dividend to share holder | 15,000 | By p. yr. pf | 16,848 | | To prov. For gen res | 8,567 | By c. yrpf | 34,268 | | (25% of Net pf) |  |  |  | | Balance | 27,549 |  |  | | (Tran to liability) | 51,116 |  | 51,116 |  |  |  |  |  | | --- | --- | --- | --- | | **Co- operative society** | | | | | **Balance sheet** | | | | | **As on 30 june 82** | | | | | **Liability** | **Amt** | **Assets** | **Amt** | |  | | Share capital | 6,00,000 | Building | 1,00,000 | | 6000 sh @ Rs. 100 |  | plant | 2,00,000 | | Res Fund 2,50,000 |  | Motor car | 15,000 | | + prov. 8567 | 2,58,567 | Furniture | 5000 | | Bills payable | 6526 | Cash | 65,240 | | Creditors | 36,858 | Investment 2,88,950 |  | | E. P fund 37,500 |  | + o/s interest 2750 | 2,91,700 | | + prov. 8000 | 45,500 | Cash | 65,240 | | Depreciation Fund |  | cl stock | 1,48,680 | | Dep of Building | 10,000 |  |  | | Bal as per p/l App | 27,549 |  |  | |  | **9,85,000** |  | **9,85,000** | | | | | | | | | | | | | | | | | | |  | | | |  | | |
| **Ex 8 – The following of Co – operative So . for the year ending 30th June 81** | | | | | | | | | | | | | | | | | | | |
| **Particulars** | | | | **Amt** | | | | | | |  | | | | | | | | | |  | | |  | | |
| Dividend to share holder | | | | 4,500 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Share capital | | | | 1,00,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Loan from member | | | | 10,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Stock of material (1 July) | | | | 25,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Building | | | | 30,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Purchases | | | | 50,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Wages | | | | 18,500 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Salary to manager | | | | 2,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Taxes & insurance | | | | 1,200 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Interest on member loan | | | | 500 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Interest on member loan | | | | 12,300 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Rent (Cr.) | | | | 130 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Sales | | | | 90,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Reserve for D.D.(R.D.D)cr. | | | | 800 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Discount | | | | 4,750 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Carriage | | | | 2,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Bad debt's | | | | 250 | | | | | | |  | | | | | | | | | |  | | |  | | |
| General Reserve | | | | 2,500 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Rabat's | | | | 900 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Cash Balance | | | | 1,050 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Machinery | | | | 27,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| P/L a/c (1 july80) | | | | 7,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Debtors | | | | 31,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Creditors | | | | 8,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Furniture | | | | 10,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Dep Fund | | | | 2020 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Directors fee | | | | 2,500 | | | | | | |  | | | | | | | | | |  | | |  | | |
| Other liability | | | | 3,000 | | | | | | |  | | | | | | | | | |  | | |  | | |
| **Adjustment :** | | | |  | | | | | | |  | | | | | | | | | |  | | |  | | |
| 1) Closing stock value at Rs. 30,000 | | | | | | | | | | |  | | | | | | | | | |  | | |  | | |
| 2) Dep. Is to be charged at the rate of 5% on machinery& Furniture | | | | | | | | | | | | | | | | | | | | |  | | |  | | |
| 3) Provided for Doubtful debt's 5% on debt's  4) prepaid insurance Rs. 300 | | | | | | | | | | | | | | | |  | | | | |  | | |  | | |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | |  |  | |  |  | |  | |  |  |  | | | | | | | | | | | |  | | | | |  | | | | |  | | |  | | |
| |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  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Sales | | 90,000 | | | | To purchases | 50,000 | | | | By cl stock | | 30,000 | | | | To Wages | 18,500 | | | |  | |  | | | | To Carriage | 2,000 | | | |  | |  | | | | Gross pf ….. | 24,500 | | | |  | |  | | | |  | **1,20,000** | | | |  | | **1,20,000** | | | |  |  | | | |  | |  | | | | **P/L A/c** | | | | | | | | | | | **Particular** | | | **Amt** | | **Particular** | | | **Amt** | | | to Salary | | | 2000 | | By Gross pf | | | 24,500 | | | To Tax &Insu 1200 | | |  | | By Rent | | | 130 | | | \_ p/p insu300 | | | 900 | |  | | |  | | | To Int. on loan | | | 500 | | Net loss | | | 2070 | | | To Interest | | | 12,300 | |  | | |  | | | To Discount | | | 4750 | |  | | |  | | | To Bad debts 250 | | |  | |  | | |  | | | + pro- for R.D.D 1550 | | |  | |  | | |  | | | 1800 | | |  | |  | | |  | | | -R.D.D 800 | | | 1000 | |  | | |  | | | Tr. Rebat's | | | 900 | |  | | |  | | | To Directors fees | | | 2500 | |  | | |  | | | To depreciation | | | 1850 | |  | | |  | | |  | | | **26,700** | |  | | | **26,700** | | |  | | |  | |  | | |  | | | **P/L Appropriation A/c** | | | | | | | | | | | **Prevision** | **Amt** | | | **Profit** | | | **Amt** | | | | To c. yr. loss | 2070 | | | By p. yr. pf | | | 7,000 | | | | To Dividend | 4,500 | | |  | | |  | | | | Balance | 430 | | |  | | |  | | | | (Trading to liability) | 7,000 | | |  | | | 7,000 | | | |  |  | | |  | | |  | | | | **Co- Operative Society** | | | | | | | | | | | **Balance Sheet** | | | | | | | | | | | **As on 30 june 81** | | | | | | | | | | | **Liability** | | **Amt** | | | | **Assets** | | | **Amt** | | Share capital | | 1,00,000 | | | | Building | | | 30,000 | | loan from member | | 10,000 | | | | cash balance | | | 1050 | | General reserve | | 2500 | | | | Machinery | | | 27,000 | | Creditors | | 8,000 | | | | Debtor | | | 31,000 | | Dep. Fund 2020 | |  | | | | Furniture | | | 10,000 | | + Dep. Of Mach 1350 | |  | | | | cl stock | | | 30,000 | | + Dep. Of furni. 500 | | 3870 | | | | p/p Insurance | | | 300 | | Other liability | | 3000 | | | |  | | |  | | R.D.D. (prov) | | 1550 | | | |  | | |  | | Balance as per p/l | |  | | | |  | | |  | | Appropriation A/c | | 430 | | | |  | | |  | |  | | **1,29,350** | | | |  | | | **1,29,350** | |  |  |  |  |   **Ex 9 – Undyognagar Co – operative So . gives their trial balance sheet as under** | | | | | | | | | | | | | | | | | | | | | |
| **Particulars** | **Dr.** | | | | | | **Cr.** | | | | | |  | | | | | |  | | |
| Member Share Capital |  | | | | | | 12,850 | | | | | |  | | | | | |  | | |
| Purchases | 1,25,000 | | | | | |  | | | | | |  | | | | | |  | | |
| Carriage | 15,000 | | | | | |  | | | | | |  | | | | | |  | | |
| Octroi | 300 | | | | | |  | | | | | |  | | | | | |  | | |
| Commission on sale |  | | | | | | 10,955 | | | | | |  | | | | | |  | | |
| Op. stock | 5,810 | | | | | |  | | | | | |  | | | | | |  | | |
| Bill Receivable | 300 | | | | | |  | | | | | |  | | | | | |  | | |
| Bill Payable |  | | | | | | 8,310 | | | | | |  | | | | | |  | | |
| Sales |  | | | | | | 1,50,150 | | | | | |  | | | | | |  | | |
| Furniture | 6,000 | | | | | |  | | | | | |  | | | | | |  | | |
| Bank Loan |  | | | | | | 13,000 | | | | | |  | | | | | |  | | |
| Salary | 9,880 | | | | | |  | | | | | |  | | | | | |  | | |
| Travelling Exp. | 300 | | | | | |  | | | | | |  | | | | | |  | | |
| Telephone & Telegram | 350 | | | | | |  | | | | | |  | | | | | |  | | |
| Office Rent | 2,350 | | | | | |  | | | | | |  | | | | | |  | | |
| Insurance | 600 | | | | | |  | | | | | |  | | | | | |  | | |
| Bank Interest | 1,400 | | | | | |  | | | | | |  | | | | | |  | | |
| Bank current a/c | 1,250 | | | | | |  | | | | | |  | | | | | |  | | |
| Cash balance | 35,000 | | | | | |  | | | | | |  | | | | | |  | | |
| Reserve & other fund |  | | | | | | 10,975 | | | | | |  | | | | | |  | | |
| Other assets | 2,700 | | | | | |  | | | | | |  | | | | | |  | | |
|  | **1,71,275** | | | | | | **1,71,275** | | | | | |  | | | | | |  | | |
| **Adjustment** |  | | | | | |  | | | | | |  | | | | | |  | | |
| 1) Closint stock at Rs. 30,500 |  | | | | | |  | | | | | |  | | | | | |  | | |
| 2) Interest on bank deposits Rs. 435 should be consider | | | | | | | | | | | | |  | | | | | |  | | |
| 3) prepaid insurance Rs. 150 | | | | |  | | | | |  | | |  | | | | | |  | | |
| 4) Provided dep. On furniture at the rate of 5% p.a.  **Ans : -**   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Co-Operative Society** | | | | | | | | **Trading A/c** | | | | | | | | **for the year ending………** | | | | | | | | **Particular** | **Amt** | | **Particular** | | **Amt** | | | To op stock | 5,810 | | By sales | | 1,50,150 | | | To purchases | 1,25,000 | | By cl stock | | 30,500 | | | To Carriage | 15,000 | |  | |  | | | To Octroi | 300 | |  | |  | | | Gross pf | 34,540 | |  | |  | | |  | **1,80,650** | |  | | **1,80,650** | | |  |  | |  | |  | | | **P/L A/c** | | | | | | | | **Particular** | **Amt** | **Particular** | | | | **Amt** | | To Salary | 9,880 | By Gross pf | | | | 34,540 | | To Travelling exp | 300 | By commission on sale | | | | 10,955 | | To Telephone & Telegram | 350 | By Int. on Bank deposits | | | | 435 | | To office Rent | 2350 |  | | | |  | | To Insurance 600 |  |  | | | |  | | - p/p Insurance 150 | 450 |  | | | |  | | To Bank Interest | 1400 |  | | | |  | | To Depreciation |  |  | | | |  | | Dep. On furniture | 300 |  | | | |  | | Net pf | 30,900 |  | | | |  | |  | **45,930** |  | | | | **45,930** | |  |  |  | | | |  | | **P/L A/c Appropriation A/c** | | | | | | | | **Provision** | **Amt** | **Profit** | | | | **Amt** | | To pro general res. | 7,725 | By p. yr. pf | | | |  | | (25% of Net pf) |  | By c. yrpf | | | | 30,900 | | Balance | 23,175 |  | | | |  | | (Tras to liability) |  |  | | | |  | |  | **30,900** |  | | | | **30,900** | |  |  |  | | | |  | | **Co-Operative Society** | | | | | | | | **Balance Sheet** | | | | | | | | **As on ………………** | | | | | | | | **Liability** | **Amt** | | | **Assets** | | **Amt** | | share capital | 12,850 | | | Bills receivable | | 300 | | Bills payable | 8310 | | | furniture | | 6000 | | Bank loan | 13,000 | | | Bank current A/c | | 1250 | | Depreciation fund | 300 | | | cash balance | | 35,000 | |  |  | | | other assets | | 2700 | | Balance as per p/l |  | | | cl. Stock | | 30,500 | | Appropriation A/c | 23,175 | | | Int. on bank deposit | | 435 | | Reserve & other fund 10,975 |  | | | p/p Insurance | | 150 | | + prov. Gen res 7725 | 18,700oo | | |  | |  | |  |  | | |  | |  | |  | **76,335** | | |  | | **76,335** | | | | | | | | | | | | | |  | | | | | |  | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Ex 10- April 95** |  |  |  |
|  | **Particulars** | **Amt** | **particulars** | **Amt** |
|  | Op. Stock | 20,000 | Share capital | 1,00,000 |
|  | Building | 74,000 | Creditors | 22,000 |
|  | Furniture | 6,000 | Bill's payable | 5,200 |
|  | Debtor | 35,000 | Sales | 2,17,400 |
|  | Cash in Bank | 22,000 |  |  |
|  | Cash in hand | 1,000 |  |  |
|  | Rent | 3,000 |  |  |
|  | Purchases | 1,30,000 |  |  |
|  | Carriageinward | 3,600 |  |  |
|  | Insurance | 1,400 |  |  |
|  | Stationary&Prim | 2,200 |  |  |
|  | Bill Receivable | 12,500 |  |  |
|  | Return inward | 2,900 |  |  |
|  | Salary | 26,000 |  |  |
|  | Wages | 5,000 |  |  |
|  | **Adjustment :** |  |  |  |
| 1 | Closing stock Rs. 18,000 |  |  |  |
| 2 | Dep. Building by 2% & furniture 10% | |  |  |
| 3 | precede R.D.D at 5% on debt's |  |  |  |
| 4 | proceed for remuneration to secretory Rs. 2,400 | | |  |
| 5 | create dividend equalization fund at 2% on capital | | |  |
| 6 | Transfer to reserve fund amt. required by Maharashtra Co-Op So | | |  |
| 7 | provide for dividend at 9% |  |  |  |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Co-operative Society** | | | |
| **Trading A/c** | | | |
| **For the yr ending** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock | 20,000 | By sales 2,17,400 |  |
| To purchases | 1,30,000 | - Return 2,900 | 2,14,500 |
| To Carriage inword | 3600 | cl stock | 18,000 |
| To wages | 5000 |  |  |
| Gross pf | 73,900 |  |  |
|  | **2,32,500** |  | **2,32,500** |
|  |  |  |  |
| **P/L A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Rent | 3000 | By gross pf | 73,900 |
| To Insurance | 1400 |  |  |
| To Stationary | 2200 |  |  |
| To salary | 26,000 |  |  |
| To Depreciation |  |  |  |
| Building 2% 1480 |  |  |  |
| Furniture 10% 600 |  |  |  |
| to prov. For R.D.D | 1750 |  |  |
| To Secretary remuneration | 2400 |  |  |
| Net pf .. | 35,070 |  |  |
|  | **73,900** |  | **73,900** |
|  |  |  |  |
| **P/L Appropriation A/c** | | | |
| **Provision** | **Amt** | **Profit** | **Amt** |
| To prov. For dividend | 2000 | By p. yr. pf |  |
| equalization fund |  | By c. yrpf | 35,070 |
| (2% of sh. Capital) |  |  |  |
| To prov. For gen. res | 8768 |  |  |
| (25% Net pf) |  |  |  |
| To prov. For dividend | 9000 |  |  |
| (9% of sh. Capital) |  |  |  |
| Balance | 15,302 |  |  |
| (Tran. To liability) |  |  |  |
|  | **35,070** |  | **35,070** |
|  |  |  |  |
| **Co-Operative Society** | | | |
| **Balance Sheet** | | | |
| **As on……….** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital | 1,00,000 | Building | 74,000 |
| Creditors | 22,000 | Furniture | 6000 |
| Bills payable | 5200 | Debtors | 35,000 |
| Dep. Fund |  | Cash in Bank | 22,000 |
| Dep. Of Building 1480 |  | Cash in hand | 1,000 |
| Dep. Of Furniture 600 | 2080 | Bills receivable | 12,500 |
| R.D.D. (prov) | 1750 | cl. Stock | 18,000 |
| Secretory remuneration | 2400 |  |  |
| Dividendequalization fund(prov.) | 2000 |  |  |
| Res. Fund (prov.) | 8768 |  |  |
| Dividend (prov) | 9000 |  |  |
| Balance as per p/l app a/c | 15,302 |  |  |
|  | **1,68,500** |  | **1,68,500** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Ex 11- Oct 94** |  |  |  |
|  | **Following term trial B/S of indian Consumer’s Co . So. Itd as on 31st March 93** | | | |
|  | **Particulars** | **Amt** | **particulars** | **Amt** |
|  | Interest | 70,000 | share capital | 5,00,000 |
|  | Bank int& char's | 30,000 | Interest | 1,50,000 |
|  | sal. Allow's& P.F. contribu'n | 1,10,000 | Transfer fee | 200 |
|  | Dir'sRemu''s | 10,000 | Govt. subsidy | 10,000 |
|  | Atten's fee | 10,000 | Staff P.P. | 40,000 |
|  | Rent & Taxes | 14,000 | Co. Bank loan | 85,500 |
|  | Printing &sta | 6,000 | Entrance fee | 300 |
|  | post &Teleg | 1,500 | Deposit | 1,50,000 |
|  | Investm't of P.P. | 40,000 | Creditors | 60,000 |
|  | Deb'or's | 1,60,000 | Sales | 7,60,000 |
|  | Annual gen |  | Return | 20,000 |
|  | meeting exp | 46,500 | Discount | 20,000 |
|  | purchases | 2,50,000 | R.D.D | 4,000 |
|  | Stock (1/4/92) | 1,80,000 |  |  |
|  | Sales return | 10,000 |  |  |
|  | Wages | 1,30,000 |  |  |
|  | Stores &Sapir |  |  |  |
|  | Part | 70,000 |  |  |
|  | Cash in hand & bank | 6,50,000 |  |  |
|  | Bad debt's | 2,000 |  |  |
|  | Discount | 10,000 |  |  |
|  |  |  |  |  |
|  | **Adjustment :** |  |  |  |
| 1 | prov. 2% for dividend eq.fund |  |  |  |
| 2 | prov. 6% dividend |  |  |  |
| 3 | prov. Education cessfund Rs. 2000 | |  |  |
| 4 | secretaryRemmu. 2000 |  |  |  |
| 5 | stock Rs. 1,00,000 |  |  |  |
| 6 | prov. For Bad Debussy. |  |  |  |
| 7 | 31 mar 93 loose tools valued Rs 60,000 | |  |  |

Ans­­­-----------------------------------------------------------------------

|  |  |  |  |
| --- | --- | --- | --- |
| **Ex 12 – Deepa Co – operative So . ITD Gondiya gives as their trial balance sheet for the year ending 30th June 85 as under** | | | |
| **Particulars** | **Amt** | **particulars** | **Amt** |
| Op. stock | 30,000 | Share capital | 42,000 |
| Building | 50,000 | Sundry Cr. | 55,000 |
| Furniture | 12,000 | Sales | 85,000 |
| Debtor | 25,000 | Bill's payable | 6,000 |
| Cash | 1,000 |  |  |
| Cash at bank | 15,000 |  |  |
| purchases | 40,000 |  |  |
| Rent | 2,000 |  |  |
| Carriage inward | 1,200 |  |  |
| Insurance Prem | 500 |  |  |
| Stationery | 800 |  |  |
| Bill's Receivable | 2,000 |  |  |
| Sales Return | 500 |  |  |
| Salary | 6,000 |  |  |
| Wages | 2,000 |  |  |
|  | **1,88,000** |  | **1,88,000** |

Ans -

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Deepa Co- Operative Society** | | | | | | | | | |
| **Trading A/c** | | | | | | | | | |
| **For the yr ending 30 th June 85** | | | | | | | | | |
| **Particular** | **Amt** | **Particular** | | | | | **Amt** | | |
| To op stock | 30,000 | By Sales 85,000 | | | | |  | | |
| To purchases | 40,000 | - Return 500 | | | | | 84,500 | | |
| To Carriage inward | 1200 | By c. stock | | | | | 20,000 | | |
| To wages | 2000 |  | | | | |  | | |
| Gross pf | 31,300 |  | | | | |  | | |
|  | **1,04,500** |  | | | | | **1,04,500** | | |
| **P/L A/c** | | | | | | | | | |
| **Particular** | | | | **Amt** | | **Particular** | | | **Amt** |
| To Rent | | | | 2,000 | | By Gross pf | | | 31,300 |
| To Insurance Prem 500 | | | |  | |  | | |  |
| - p/p Insurance 100 | | | | 400 | |  | | |  |
| To Stationary | | | | 800 | |  | | |  |
| To Salary 6000 | | | |  | |  | | |  |
| + o/s Salary 500 | | | | 6500 | |  | | |  |
| To depreciation | | | |  | |  | | |  |
| Furniture 1200 | | | |  | |  | | |  |
| Building 5000 | | | | 6200 | |  | | |  |
| To provi made for secretary | | | | 600 | |  | | |  |
| To provi for R.D.D | | | | 1250 | |  | | |  |
| Net pf | | | | 13,550 | |  | | |  |
|  | | | | **31,300** | |  | | | **31,300** |
| **P/L Appropriation A/c** | | | | | | | | | |
| **Provision** | | | **Amt** | | **Profit** | | | **Amt** | |
| To prov. For divided | | | 840 | | By p. yrpf | | |  | |
| Equalization fund | | |  | | By c. yrpf | | | 13,550 | |
| To prov. For gen res | | | 3388 | |  | | |  | |
| (25% of Net pf) | | |  | |  | | |  | |
| To prov. For dividend | | | 3780 | |  | | |  | |
| (9% of sh. Capital) | | |  | |  | | |  | |
| Balance | | | 5542 | |  | | |  | |
| (Tran. To liability) | | | **13,550** | |  | | | **13,550** | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Co-operative Society** | | | |
| **Balance Sheet** | | | |
| **As on 30 th June 85** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| Share capital | 42,000 | Building | 50,000 |
| Sundry creditor | 55,000 | furniture | 12,000 |
| Bills payable | 6000 | Debtors | 25,000 |
| Depreciation fund | 6200 | Cash | 1000 |
| o/s salary | 500 | Cash at Bank | 15,000 |
| provision made for secretary | 600 | Bills receivable | 2000 |
| provide dividendequalization | 840 | cl stock | 20,000 |
| Gen. Res (provision) | 3388 | p/l Insurance | 100 |
| Dividend (provi) | 3780 |  |  |
| R.D.D (Provi.) | 1250 |  |  |
| Balance as per p/L App A/c | 5542 |  |  |
|  | **1,25,100** |  | **1,25,100** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ex 13- Mar 86. Nagpur Co –Op . So. Balance for the year ending 30th June 84** | | | | |
| **Particulars** | **Amt** | |  | **Amt** |
| Stock Dead | 500 | |  | 2,000 |
| purchase | Nill | | **particulars** | 100 |
| Bank loan | 8,000 | | share capital | 3,000 |
| Unpaid calls | 400 | | Entrance fee | 2,000 |
| Bank current a/c | 12,000 | | Members deposits | 12,000 |
| Loan to member | 6,000 | | Non memdep | 10,000 |
| Cotton purchase | 12,000 | | Bank loan | 800 |
| Cloth purchase | 9,000 | | Bank current a/c | 4,000 |
| Carriage | 500 | | Commission | 300 |
| Octroi | 400 | | Member loan | 90 |
| Salary | 1,000 | | Interest | 17,200 |
| Office rent | 400 | | Dividend |  |
| Insurance | 600 | | Sales |  |
| Audit fee | 300 | |  |  |
| Printing | 50 | |  |  |
| Sundry expenses | 50 | |  |  |
| Cash Balance | 90 | |  |  |
| Sationery | 200 | |  |  |
| **Adjustment :** | |
| 1) O/S salary Rs. 100 | |
| 2) provided dep. 5% on dead stock | |
| 3) Closing stock Rs. 6,000 | |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Nagpur Co - Operative Society** | | | |
| **Trading A/c** | | | |
| **for the yr ending 30th June 84** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock |  | By sale | 17,200 |
| To purchases |  | By cl stock | 6000 |
| Cotton 12,000 |  |  |  |
| cloth 9000 | 21,000 |  |  |
| To Carriage | 500 |  |  |
| To octroi | 400 |  |  |
| Gross pf | 1300 |  |  |
|  | **23,200** |  | **23,200** |

|  |  |  |  |
| --- | --- | --- | --- |
| **p/L A/c** | | | |
| **particular** | **Amt** | **Particular** | **Amt** |
| To Salary 1000 |  | By Gross pf | 1300 |
| + o/s salary 100 | 1,100 | By Entrance fee | 100 |
| To office Rent | 400 | By Commission | 800 |
| To Insurance | 600 | BY Interest | 300 |
| To Audit fee | 300 | By Divident | 90 |
| To Printing | 50 |  |  |
| To Sundry exp | 50 |  |  |
| To Stationary | 200 | Net loss | 135 |
| To Depreciation on |  | (Tran. To Assets) |  |
| Dead stock 5% | 25 |  |  |
|  | **2725** |  | **2725** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Nagpur co-operative society** | | | |
| **Balance sheet** | | | |
| **As on 30 june 84** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| share capital 2000 |  | Dead stock 500 |  |
| - unpaid call 400 | 1600 | - Dep 25 | 475 |
| member deposit | 3000 | cash Bal | 90 |
| Non member deposits | 2000 | cl stock | 6000 |
| o/s salary | 100 | Bank carrent A/c 12,000 |  |
| Bank loan 12,000 |  | - withdraw 10,000 | 2,000 |
| \_ Repayment 8,000 | 4,000 | loan to member 6,000 |  |
|  |  | \_ Recovered 4,000 | 2000 |
|  |  | Bal as per p/l A/c | 135 |
|  | **10,700** |  | **10,700** |

**Ex 14- Prepare manufacturing account of a Co-Operative socity from the following**

|  |  |
| --- | --- |
|  | **Rs.** |
| **Opening Balance (on 1-4-2000)** |  |
| Coal | 20,000 |
| Yarn and stores | 31,400 |
| Cloth | 12,300 |
| **Closing Balance (on 31-3-2001** |  |
| Coal | 16,000 |
| Yarn and stores | 4,400 |
| Cloth | 57,500 |
| **Transactions during the year** |  |
| Purchase of coal | 68,000 |
| Purchase of yarn and cloth | 2,20,000 |
| Toial sales | 3,83,000 |
| Cash sales | 1,03,000 |
| Wages paid | 43,000 |
| Octroi | 2,700 |
| Carriage in wards | 1,400 |
| Carriage outwards | 6,600 |
| **Outstanding payments include** |  |
| i) Wages Rs. 7,000 |  |
| ii) Salas Rs. 17,000 |  |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock |  | By sales |  |
| Coal 20,000 |  | Cash 1,03,000 |  |
| yarn & stores 31,400 |  | Credit 2,80,000 | 3,83,000 |
| cloth 12,300 | 63,700 | By cl stock |  |
| To purchases |  | Coal 16,000 |  |
| Coal 68,000 |  | yarn & store 4,400 |  |
| yarn & cloth 2,20,000 | 2,88,000 | Cloth 57,500 | 77,900 |
| To wages 43,000 |  |  |  |
| + o/s wages 7,000 | 50,000 |  |  |
| To octroi | 2,700 |  |  |
| To carriage Inward | 1400 |  |  |
| Gross pf | 55,100 |  |  |
| (Tran. To p/l A/c |  |  |  |
|  | **4,60,900** |  | **4,60,900** |

**Ex 15- Prepare Profit and Loss Account of a Co-Operative Socity from the following**

**information**

|  |  |
| --- | --- |
|  | **Rs.** |
| Gross profit | 8,74,000 |
| Allowance to Directors | 80,000 |
| Travelling Expenses | 36,000 |
| Share capital | 14,00,000 |
| Insurance premium | 15,000 |
| Telephone charges | 3,000 |
| Furniture | 1,20,000 |
| Statutory Reserve | 64,000 |
| Salaries | 60,000 |
| General Expenses | 46,000 |
| Debtors | 3,60,000 |
| Commission Received | 1,88,000 |
| Auditors Fees | 12,000 |
| Interest paid on Bank Loan | 30,000 |
| Bad debts | 4,000 |
| Received dividend | 22,000 |
| **Adjustments :** | | |
| i) Outstanding salary Rs. 5,000 | | |
| ii) Charged depreciation on Furniture at 10% | | |
| iii) provision for bad debts be kept at 5% on debtors. | | |
| vi) 30% of insurance premium is for the next year. 10 | | |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Allowance to Dis | 80,000 | By Gross pf | 8,74,000 |
| To Travelling exp | 36,000 | By commission receive | 1,88,000 |
| To Insu. Premi. 15,000 |  | BY Received Divi | 22,000 |
| - p/p Insu 4500 | 10,500 |  |  |
| To Telephone charges | 3,000 |  |  |
| To salaries 60,000 |  |  |  |
| + o/s salaries 5,000 |  |  |  |
| To General exp | 46,000 |  |  |
| To Audit fees | 12,000 |  |  |
| To Bad debts 4,000 |  |  |  |
| + provi for R.D.D 18,000 | 22,000 |  |  |
| To Depreciation | 12,000 |  |  |
| Net pf | 7,69,500 |  |  |
| (Tran. To p/L App A/c) |  |  |  |
|  | **10,84,000** |  | **10,84,000** |

**Ex 16 – From the following information prepare balance Sheet of Tirupati Co. Operative**

**Society as at 31st March 2004**

|  |  |
| --- | --- |
|  | **Rs.** |
| Share Capital | 88,000 |
| Bills payable | 4,000 |
| Depreciation Fund | 1,600 |
| Loan from members | 12,000 |
| Bills Receivable | 8,000 |
| Outstanding Expenses | 7,000 |
| income received in Advance | 9,000 |
| Prepaid Expenses | 4,000 |
| Profit & Loss A/c (Cr.) | 60,000 |
| Reserve Fund | 32,400 |
| Govt. Bonds | 20,000 |
| Reserve for Bad debts | 10,000 |
| Sundry Creditors | 1,60,000 |
| Closing Stock | 40,000 |
| Cash at Bank | 60,000 |
| Cheques in Hand | 4,000 |
| Sundry Debtors | 1,10,000 |
| Furniture | 18,000 |
| Building | 1,20,000 |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Balance Sheet** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| share capital | 88,000 | Bill receivable | 8,000 |
| Bills payable | 4,000 | Prepaid exp | 4,000 |
| Depreciation fund | 1600 | Govt. Bonds | 20,000 |
| Loan from members | 12,000 | cl stock | 40,000 |
| outstanding exp | 7,000 | cash at Bank | 60,000 |
| income received in Adv | 9,000 | Cash in hand | 4,000 |
| reserve fund | 32,400 | Sundry debtors | 1,10,000 |
| reserve for bad debts | 10,000 | Furniture | 18,000 |
| Sundry Creditors | 1,60,000 | Building | 1,20,000 |
| Profit / Loss A/c | 60,000 |  |  |
|  | **3,84,000** |  | **3,84,000** |

**Ex17-Prepare Balance Sheet of Poonam Co-Operative Society LTD .as on 31-3-2002 from the**

**following**

|  |  |
| --- | --- |
|  | **Rs.** |
| Share Capital (op) | 95,000 |
| Statutory Reserve | 9,330 |
| Outstanding Expenses | 1,500 |
| Loan to members | 95,275 |
| Dividend payable | 5,000 |
| Debtors | 4,475 |
| Dead stock | 8,500 |
| Education cess payable | 780 |
| Furniture | 14,500 |
| Share capital refunded during 2001-2002 | 3,000 |
| Cash in Hand | 8,250 |
| Share capital received during 2001-2002 | 2,000 |
| Depreciation fund | 9,450 |
| Profit & Loss app. a/c (Cr.) | 10,940 |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Punam co-operative Society ltd** | | | |
| **Balance sheet** | | | |
| **As on 31 march 2002** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| share capital 95,000 |  | Loan to members | 95,275 |
| - Share refund 3,000 |  | Debtors | 4,475 |
| 92,000 |  | Dead stock | 8,500 |
| + sha. Cap. Received 2,000 | 94,000 | Furniture | 14,500 |
| Statutory Reserve | 9,330 | Cash in hand | 8,250 |
| o/s exp | 1,500 |  |  |
| Dividend payable | 5,000 |  |  |
| Educationcess payable | 780 |  |  |
| Depreciation fund | 9,450 |  |  |
| p/L App A/c | 10,940 |  |  |
|  | **1,31,000** |  | **1,31,000** |

**Ex 18- From the following information ,prepare Trading account and balance sheet of Friends**

**Co-Operative Society for the year ending 31-3-2002**

|  |  |  |  |
| --- | --- | --- | --- |
| **Debit** | **Rs.** | **Credit** | **Rs.** |
| Furniture | 5,500 | Sales of goods | 1,35,175 |
| Purchase of goods | 1,35,000 | Loan from Bank | 12,500 |
| Carriage expenses | 2,500 | Commission | 10,675 |
| Octroi | 250 | Bills payable | 4,105 |
| Salaries | 9,185 | Reserve Fund | 5,100 |
| Travelling expenses | 400 | Share capital | 12,000 |
| Opening stock | 10,260 | Depreciation Fund | 445 |
| Bills receivable | 3,750 |  |  |
| Postage and Telegram | 825 |  |  |
| Interest paid | 6,470 |  |  |
| Bank charges | 1,660 |  |  |
| Cash in hand | 440 |  |  |
| Office Rent | 2,000 |  |  |
| General Expenses | 50 |  |  |
| Insurance premium | 450 |  |  |
| Fixed Assets | 1,260 |  |  |
|  | **1,80,000** |  | **1,80,000** |
| **Additional information:** | | | | |
| 1) Closing stock Rs. 40,140 | | | | |
| 2) prepaid Insurance premium Rs. 120 | | | | |
| 3) Depreciation on Furniture 5% | | | | |
| 4) Transfer Rs. 240 to dividend equalization fund | | | | |
| 5) Transfer Rs. 1,000 to education fund | | | | |
| 6) Make provision for dividend @ 6% p.a. | | | | |
| 7) Make provision for statutory Reserve as per Maharashtra Co-operative societies Act 1960 | | | | |

**Ans-**

|  |  |  |  |
| --- | --- | --- | --- |
| **Friends co-operative society** | | | |
| **Trading A/c** | | | |
| **For the yr ending 31th march 2002** | | |  |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock | 10,260 | By sales | 35,175 |
| To purchases of goods | 1,35,000 | By cl stock | 40,140 |
| To Carriage exp | 2500 |  |  |
| To Octroi | 250 |  |  |
| Gross pf | 27,305 |  |  |
|  | **1,75,315** |  | **1,75,135** |

|  |  |  |  |
| --- | --- | --- | --- |
| **P/L A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To salaries | 9185 | By Gross pf | 27,305 |
| To Travelling exp | 400 | By Commission | 10,675 |
| To post and tele | 825 |  |  |
| To interest paid | 6470 |  |  |
| To Bank Charges | 1660 |  |  |
| To office Rent | 2000 |  |  |
| To General exp | 50 |  |  |
| To Insu. Prem450 |  |  |  |
| - p/p 120 | 330 |  |  |
| To Dep. Furniture | 275 |  |  |
| Net pf | 10,785 |  |  |
|  | **37,980** |  | **37,980** |

**Ex 19-From the following trial balance and information of vijaya Co-Operative Society .**

|  |  |  |  |
| --- | --- | --- | --- |
| **Debit Balance** | **Rs.** | **Credit Balance** | **Rs.** |
| Cash | 350 | Share Capital | 3,75,000 |
| Bank | 7,000 | Reserve Fund | 25,000 |
| Fixed Deposit | 77,500 | Members Deposit | 23,875 |
| Furniture | 3,500 | Unpaid Dividend | 1,050 |
| Interest due on lons | 40,000 | Dividend equalization funds | 9,000 |
| Salaries | 4,000 | Staff P.F. | 10,000 |
| Office rent | 15,000 | profit & Loss A/c | 15,500 |
| Printing & Stationery | 2,500 | interest | 89,000 |
| Travelling Expenses | 200 | Renewal fees | 2,000 |
| Insurance premium | 300 | Other incomes | 150 |
| Contribution to P.F. | 500 | Education fund | 1,275 |
| Loan due from members | 1,000 |  |  |

|  |
| --- |
| **Information :** |
| 1) Interest accrued on members deposits Rs. 2,500 |
| 2) Interest accrued but not received Rs. 1,000 |
| 3) provide 10% p.a. depreciation on furniture |
| 4) Outstanding Salary Rs.150 |
| 5) Advance Salary Rs. 250 |
| 6) Autobuses capital Rs. 50,000 sgare of Rs. 10 each |
| 7) Director's have recommended following appropriations : |
| i) 5% Dividend to Sharebolder |
| ii) Required amount to Stationary Reserve |
| iii) Transfer to dividend equalizationReserve Rs. 1,000 |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Vijay Co- operative society** | | | |
| **Profit / Loss A/c** | | | |
| **for the year ending 31 th March 2001** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Int. on members |  | By Interest 89,000 |  |
| Deposit40,000 |  | + o/s Int. 1,000 | 90,000 |
| + o/s Int. 2,500 | 42,500 | By Renewal fees | 2000 |
| To Salary 15,000 |  | By other incomes | 150 |
| + o/s salary 150 |  |  |  |
| - Advance salary 250 | 14,900 |  |  |
| To office Rent | 2,500 |  |  |
| To printing & stationery | 200 |  |  |
| To Travelling expenses | 300 |  |  |
| To Insurance Premium | 500 |  |  |
| To Contribution pf | 1,000 |  |  |
| To Dep. Of furniture | 350 |  |  |
| Net pf | 29,900 |  |  |
|  | **92,150** |  | **92,150** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss Appropriation A/c** | | | |
| **To prov. For Dividend** | | | |
| (5% of sh. Capital) | 18,750 | By p. yr. pf | 15,500 |
| To Prov. For Statutory | 7475 | By c. yr. pf | 29,900 |
| (25% of Net pf) |  |  |  |
| To prov. For DiveQ. | 1000 |  |  |
| Balance | 18,175 |  |  |
|  | **45,400** |  | **45,400** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Vijay Co- Operative Society** | | | |
| **Balance Sheet** | | | |
| **As on 31 March 2001** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital |  | Cash | 350 |
| Authorized sh. Capital |  | Bank | 7000 |
| 50,000 sh. @ RS. 10 | 5,00,000 | Fixed Deposits | 77,500 |
| Issued & paid up |  | furniture | 3500 |
| 37,500 sh @ Rs. 10 | 3,75,000 | Interest due on loans | 4000 |
| Reserve fund 25,000 |  | loan due from members | 15,00,000 |
| + provision 7475 | 32,475 | o/s Interest | 1000 |
| Members Deposit 11,23,875 |  | Advance salary | 250 |
| + o/s Int. 2,500 | 11,26,375 |  |  |
| Unpaid Dividend | 1050 |  |  |
| Dividend equalization |  |  |  |
| fund 9,000 |  |  |  |
| + provision 1,000 | 10,000 |  |  |
| Staff provident fund | 70,000 |  |  |
| Education fund | 1,275 |  |  |
| Dep. Fund |  |  |  |
| Dep. Of furniture | 1,350 |  |  |
| o/s salary | 150 |  |  |
| Dividend (kprov) | 18,750 |  |  |
| Bal as per p&L Appropriator A/c | 18,175 |  |  |
|  | **15,93,600** |  | **15,93,600** |

**Ex 20- Following were balance from the books of Nagpur Consumer Cooperative Society Ltd**

**AS ON 31ST March 1997**

|  |  |
| --- | --- |
|  | **Rs.** |
| Opening stock (1-4-1996) | 20,000 |
| Building | 38,000 |
| Dead stock | 4,200 |
| Sundry Debtors | 25,000 |
| Cash in hand | 3,000 |
| Cash in Bank | 15,000 |
| Purchases | 32,000 |
| Rent | 2,000 |
| Profit & Loss (Cr.) | 2,000 |
| Deprecation fund | 3,200 |
| Carriage | 1,200 |
| Insurance | 500 |
| Printing and Stationery | 800 |
| Bills Receivable | 2,000 |
| Inwards Returns | 500 |
| Salaries | 6,000 |
| Wages | 2,000 |
| Share Capital | 22,000 |
| Sundry Creditors | 40,000 |
| Sales | 75,000 |
| Bills Payable | 1,000 |
| Stationary Reserve | 9,000 |
| **Adjustment :** | | |
| 1) Closing stock Rs. 10,000 | | |
| 2) Write off Rs. 1,000 bad debts and maintain a provision for bad debts at 5% on sundry debtors | | |
| 3) Provide Rs. 500 for audit fees | | |
| 4) Provide Rs. 100 for education cess | | |
| 5) Provision of Rs. 2,400 is to be made for secretary's honoranium | | |
| 6) Depreciate Building and dead stock by 10% | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Nagpur Consumers Co-Operator Society** | | | |
| **Trading A/c** | | | |
| **For the year ending 31 March 1997** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock | 20,000 | By Sales 75,000 |  |
| To Purchases | 32,000 | - Return inward 500 | 74,500 |
| To Carriage | 1,200 | By cl. Stock | 10,000 |
| To Wages | 2,000 |  |  |
| Gross pf | 29,300 |  |  |
|  | **84,500** |  | **84,500** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Rent | 2,000 | By Gross pf | 29,300 |
| To Insurance | 500 |  |  |
| To Printing & Stationary | 800 |  |  |
| To Salaries | 6,000 |  |  |
| To Bad debts 1,000 |  |  |  |
| + Prov. For R.D.D 1,200 | 2,200 |  |  |
| To Audit fees | 500 |  |  |
| To Secretary honorarium | 2,400 |  |  |
| To Depreciation |  |  |  |
| Building 3,800 |  |  |  |
| Dead Stock 420 | 4,220 |  |  |
| Net pf | 10,680 |  |  |
|  | **29,300** |  | **29,300** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss Appropriation A/c** | | | |
| To prov. For Edu. Cess | 100 | BY P. yrpf | 2,000 |
| To Prov. For Statutory |  | By c. yr. pf | 10,680 |
| reserve (25% of Net pf) | 2670 |  |  |
| Bal | 9910 |  |  |
| (Tran. To liability) |  |  |  |
|  | **12,680** |  | **12,680** |

**Ex 21- From the following Trial Balance and Additional information , prepare Trading**

**Account . Profit & Loss Account for year ended 31stMarch , 2004 and balance**

**Sheet as on that date , of Anand Co – operative Society**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Debit Rs.** | **Credit Rs.** |
| Opening stock | 10,000 |  |
| Purechases and sales | 20,000 | 60,500 |
| salary | 2,000 |  |
| Wages | 700 |  |
| Carriage and Octroi | 1,160 |  |
| Travelling Expenses | 1,850 |  |
| office Rent | 900 |  |
| Discount | 800 | 600 |
| prepaid expenses and outstanding expenses | 1,100 | 150 |
| Bills | 1,000 | 1,200 |
| share Capital |  | 25,000 |
| Calls in Arrears | 2,000 |  |
| Returns | 500 | 250 |
| Sundry Debtors and Returns | 35,000 | 15,000 |
| Reserve fund |  | 1,000 |
| Dividend Equilisation Fund |  | 500 |
| Loan from Bank |  | 5,000 |
| Loan to members | 8,600 |  |
| Depreciation fund |  | 1,100 |
| Furniture and Fixtures | 10,000 |  |
| 10% Investments | 14,750 |  |
|  | **1,10,300** | **1,10,300** |
| **Additional Information:** | | | |
| 1) stock on 31st March 2004 was valued at Rs. 10,000 | | | |
| 2) Depreciate Furniture @ 10% p.a. | | | |
| 3) write off further bad debts Rs. 1,000 and make a provision for Reserve for Doubtful debts at 5% | | | |
| 4) make provision for staturtory Reserve and Dividend Equilisation fund as per co-operative society  act | | | |
| 5)outstanding salary Rs. 500 and prepaid wages Rs.200 | | | |
| 6) make a provision for Dividend @ 9% | | | |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Anand Co-Operative Society** | | | |
| **Trading A/c** | | |  |
| **For the yr. ending 31 March 2004** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To op stock | 10,000 | BY Sales 60,500 |  |
| To Purchases 20,000 |  | - Return 500 | 60,000 |
| - Return 250 | 19,750 | By cl. Stock | 10,000 |
| To Wages 700 |  |  |  |
| - p/p 200 | 500 |  |  |
| To Carriage &Octroi | 1100 |  |  |
| Gross pf | 38,650 |  |  |
|  | **70,000** |  | **70,000** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To Salary 2,000 |  | By Gross fp | 38,650 |
| + o/s 500 | 2,500 | By Discount | 600 |
| To Travelling exp | 1,850 | By Int. on Invest | 1,475 |
| To Office Rent | 900 |  |  |
| To Discount | 800 |  |  |
| To Depriciation Furniture | 1000 |  |  |
| To Bad debts 1,000 |  |  |  |
| + prov. For R.D.D 1,700 | 2,700 |  |  |
| Net pf | 30,975 |  |  |
|  | **40,725** |  | **40,725** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss Appropriation A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To prov. For Statutory | 7,744 | By P. yrfp |  |
| Res (25% Net pf) |  | By c. yrpf | 30,975 |
| To prov. For Equ. Fund | 460 |  |  |
| (2% of sh. Capital) |  |  |  |
| To prov. For Divident | 2070 |  |  |
| (9% of sh. Capital) |  |  |  |
| Balance | 20,701 |  |  |
| (Tran. To liability) | **30,975** |  | **30,975** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Anand Co-Operative Society** | | | |
| **Balance Sheet** | | | |
| **As on 31 March 2004** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share Capital 25,000 |  | Prepaid exp | 1,100 |
| Calls in Arrears 2,000 | 23,000 | Bills | 1000 |
| Sundry creditors | 5,000 | Sundry Debtors 35,000 |  |
| Reserve fund 1,000 |  | - Bad debts 1,000 | 34,000 |
| + statutory Res 7,744 | 8,744 | Loan to member | 8,600 |
| Dividenteg. Fund 500 |  | Furniture & Fixture | 10,000 |
| + provision 460 | 960 |  |  |
| o/s exp | 150 | 10% Investment 14,750 |  |
| Bills payable | 1,200 | + o/s Int. 1,475 | 16,225 |
| Loan from Bank | 5000 | cl. Stock | 10,000 |
| Depreciation fund 1,100 |  | p/p wages | 200 |
| + Depreciation1,000 | 2,100 |  |  |
| R.D.D. (prov ) | 1,700 |  |  |
| o/s Salary | 500 |  |  |
| dividend (prov) | 2,070 |  |  |
| Balance | 20,701 |  |  |
|  | **81,125** |  | **81,125** |

**Ex 22- From the following Trial Balance of Nagpur aConsumer Co –operative Society , prepare**

**Trading A/C for balance sheet as on that date**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Debit Rs.** | **Credit Rs.** | |
| Opening Stock | 30,000 |  | |
| Purchases & Sales | 50,000 | 1,93,200 | |
| Salaries & wages | 7,000 |  | |
| Wages & salaries | 4,800 |  | |
| carriage on purchases | 2,000 |  | |
| Bad debts | 2,000 |  | |
| Transfer Fees |  | 4,500 | |
| Cash in hand | 17,000 |  | |
| Commission | 1,700 | 400 | |
| 8% Loan from members |  | 20,000 | |
| Royalty | 1,500 |  | |
| Depreciation Fund |  | 1,800 | |
| Bills Receivable | 10,000 |  | |
| Bills Payable |  | 4,000 | |
| Sundry Debtors & Creditors | 1,15,000 |  | |
| share capital |  | 45,000 | |
| capital Refunded | 2,000 | 1,30,000 | |
| Reserve Fund |  | 8,200 | |
| Dividend equal station fund |  | 2,000 | |
| Furniture | 28,000 |  | |
| Land & Building | 1,27,600 |  | |
| 10% Investments | 10,000 |  | |
| Interest paid to members | 500 |  | |
|  | **4,09,100** | **4,09,100** | |
| Additional Information : | | |
| 1) stock on 31st march 2004 was valued at Rs. 35,000 | | |
| 2) Depreciate Furniture @ 10% p.a. and land & Building by 5% | | |
| 3) Reserve for Doubtful Debts to be provided on debtors @ 5% | | |
| 4) make a provision for dividend @ 6% | | |
| 5) outstanding salary is Rs.500 and the prepaid wages are Rs.800 | | |
| 6) Transfer to statutory Reserve as per co-operative sociaties act | | |

**Ans -**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Nagpur consumer co-operative Society** | | | | | | |
| **Trading A/C** | | | | | | |
| **For the yr ending 31 March 2004** | | | | | | |
| **Particular** | | **Amt** | | **Particular** | **Amt** | |
| To op. Stock | | 30,000 | | By Sales | 1,93,200 | |
| To Purchases | | 50,000 | | By cl. Stock | 35,000 | |
| To Wages 4,800 | |  | |  |  | |
| \_ P/p Wages 800 | | 4000 | |  |  | |
| To Carriage on purchases | | 2000 | |  |  | |
| To Rayalty | | 1500 | |  |  | |
| Gross pf | | 1,40,700 | |  |  | |
|  | | **2,28,200** | |  | **2,28,200** | |
| **Profit / Loss A/c** | | | | | | |
| **Particular** | **Amt** | | **Particular** | | | **Amt** |
| To Salary 7000 |  | | By Gross pf | | | 1,40,700 |
| + o/s Salary 500 | 7,500 | |  | | |  |
| To Bad debts 2,000 |  | | By Commission | | | 400 |
| + Prov. For R.D.D. 5,750 | 7,750 | | By 10% Investment | | | 1,000 |
| To Commission | 1,700 | |  | | |  |
| To Int. paid to mem. 500 |  | |  | | |  |
| + o/s Int. 1,100 | 1,600 | |  | | |  |
| To Depriciation |  | |  | | |  |
| furnituter2,800 |  | |  | | |  |
| Land & Building 6,380 | 9,180 | |  | | |  |
| Net pf | 1,28,795 | |  | | |  |
|  | **1,42,100** | |  | | | **1,42,100** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss Appropriation A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To prov. For dividend | 7680 | By p. yrpf |  |
| (6% of sh. Capital) |  | BY c. yrpf | 1,28,795 |
| To Statutory Res. | 32,199 |  |  |
| (25% of Net pf) |  |  |  |
| Balance | 88,916 |  |  |
| (Tran. To liability) | 1,28,795 |  | 1,28,795 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Nagpur Consuner co-operative society** | | | |
| **Balance Sheet** | | | |
| **As on 31 March 2004** | | | |
| **Particular** | **Amt** | **particular** | **Amt** |
| Share capital 1,30,000 |  | Cash in hand | 17,000 |
| - capital refunded 2,000 | 1,28,000 | Bills receivable | 10,000 |
| Transfer fee | 4,500 | Sundry Debtors | 1,15,000 |
| 8% loan from member |  | furniture | 28,000 |
| 20,000 |  | Land/building | 1,27,600 |
| +o/s Interest 1,600 | 21,600 | 10% Int 10,000 |  |
| Depreciation fund 1,800 |  | + o/s Int. 1,000 | 11,000 |
| + Depreciation 9,180 | 10,980 | cl. Stock | 25,000 |
| Bills payable | 4,000 | p/p wages | 800 |
| Creditors | 45,000 |  |  |
| Res fund 8,200 |  |  |  |
| + Statutory Res32,199 | 40,399 |  |  |
| Dividend legislation | 2,000 |  |  |
| + provide for dividend | 7,680 |  |  |
| o/s salary | 500 |  |  |
| Balance per p/L App A/c | 88,916 |  |  |
|  | **3,53,575** |  | **3,44,400** |

**Ex 23 – The following statement of Receipts and payments of That education society’s Consumer Co –operative Stores LTD , is for the first year ended 31st March , 2003**

|  |  |  |  |
| --- | --- | --- | --- |
| **Receipts** | **Amount Rs.** | **Payments** | **Amount Rs.** |
| share Capital | 30,000 | Printing and stationary | 600 |
| Admission Fees | 600 | other Expenses | 2,000 |
| Loan Recovered from members | 36,000 | Postage | 100 |
| Interest received on members loan | 4,000 | Furniture (1-10-02) | 10,000 |
| sales : |  | Purchases : |  |
| i) consumer Goods | 85,440 | i) Consumer Goods | 48,000 |
| ii) Books | 10,000 | ii) Books | 12,000 |
| D.C.C. Bank current A/c | 18,000 | Loan to members | 78,000 |
| sale of empty boxes | 200 | D.C.C. Bank current A/c | 30,000 |
| Renewal Fees | 5,000 | Carriage and Freight | 1,000 |
| Loan from D.C.C Bank | 10,000 | share in D.C.C. Bank | 4,000 |
|  |  | Share in consumers Federation | 2,000 |
|  |  | Rent | 2,000 |
|  |  | Taxes | 3,000 |
|  |  | Meeting Expenses | 1,200 |
|  |  | Electricity charges | 140 |
|  |  | Travelling Expenses | 200 |
|  |  | salary | 1,000 |
|  |  | cash in hand |  |
|  |  | Colding | 4,000 |
|  | **1,99,240** |  | **1,99,240** |

|  |
| --- |
| **Adjustment :** |
| 1) provide depreciation @ 10% p.a. on Furniture |
| 2) prepaid Rent amounted to Rs. 400 |
| 3) salary due but not paid Rs. 600 |
| 4) Colsing stock as on 31-3-2004 was |
| i) Consumer Goods Rs. 12,000 |
| ii) Books Rs. 4,000 |
| prepare Final Accounts of the Society. |

**Ans -**

|  |  |  |  |
| --- | --- | --- | --- |
| **Thane education society consumer co-operative society** | | | |
| **Trading A/c** | | | |
| **For the year ending 31 March 2003** | | | |
| **Particular** | **Amt** | **Particualar** | **Amt** |
| To op stock |  | By Sales |  |
| To purchases |  | Consumer Goods 85,440 |  |
| Consumer Goods 48,000 |  | Books 10,000 | 95,440 |
| Books 12,000 | 60,000 | By cl. Stock |  |
| To Carriage & freight | 1000 | Consumer Goods 12,000 |  |
|  |  | Books 4,000 | 16,000 |
| Gross pf | 50,440 |  |  |
|  | **1,11,440** |  | **1,11,440** |

|  |  |  |  |
| --- | --- | --- | --- |
| **P/L A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
| To printing & Stationary | 600 | Gross pf | 50,440 |
| To other expenses | 2000 | By Admission fees | 600 |
| To Postage | 100 | By Interest rece.frommemb | 4000 |
| To Rent 2,000 |  |  |  |
| - p/p Rent 400 | 1600 | By Sale of empty boxes | 200 |
| To Taxes | 3000 |  |  |
| To Meeting exp | 1200 | By renewal fees | 5000 |
| To electricity charges | 140 |  |  |
| To travelling exp | 200 |  |  |
| To salary 1,000 |  |  |  |
| + o/s 600 | 1600 |  |  |
| To Depriciation of furniture | 500 |  |  |
| (10% of 10,000 ) |  |  |  |
| Net pf | 49,300 |  |  |
|  | **60,240** |  | **60,240** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit / Loss Approciation A/c** | | | |
| **Particular** | **Amt** | **Particular** | **Amt** |
|  |  | By p. yr. pf |  |
| To prov for general | 12,325 | By c. yr. pf | 49,300 |
| Res |  |  |  |
| (25% of Net pf) |  |  |  |
| Balance | 36,975 |  |  |
| (Trans. To liability) | **49,300** |  | **49,300** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Thane education Society consumer co-operative society** | | | |
| **Balance Sheet** | | | |
| **As on 31 March 2003** | | | |
| **Liability** | **Amt** | **Assets** | **Amt** |
| Share capital | 30,000 | furniture | 10,000 |
| Loan from DCC Bank | 10,000 | Loan to member DCC Bank |  |
| Depreciation fund |  | 78,000 |  |
| Depreciationfo furniture | 500 | Removed 36,000 | 42,000 |
| o/s salary | 600 | DCC Bank current A/c |  |
| Gen. Res. (prov) | 12,325 | 30,000 |  |
| Balance As per |  | - withdrawn 18,000 | 12,000 |
| p/L Appropriation A/c | 36,975 | Share in DCC 13 an 4 | 4000 |
|  |  | Share in Consumer federation | 2000 |
|  |  | Cash in hand | 4000 |
|  |  | p/p Rent | 400 |
|  |  | Cl. Stock |  |
|  |  | Consumer goods 12,000 |  |
|  |  | Books 4000 | 16,000 |
|  | **90,400** |  | **90,400** |

# Joint Venture

# (Short term Partnership)

# UNIT IV

# Centralisation Method

**(Where separate set of Book Maintain)**

Where a spate set of books of A/c is kept.

A separate set of books of A/c is not usually kept for joint venture during the business for a short duration. However, when certain persons quite often enter into joint venture, separate book of A/c may be kept. In such a case, a joint banking A/c is open in the name of joint venture. On the receipt and payments are passed to the joint bank A/c. The cash brought in by the co-adventures is deposited into joint bank A/c. Each ventures A/c is open separately. The transation are recorded like ordinary partnership transation on the basis of double entry system. The entries are passed as shown below.

Accounting entries at a glance:

1. For contributing cash toward joint venture by the co-venture-

Joint bank A/c Dr

To co-ventures A/c

1. For contributing goods or material for the joint venture by the co-venture-

Joint venture A/c Dr.

To co-venturers A/c

1. For purchases of goods for joint venture-

Joint venture A/c Dr.

To joint bank A/c

1. For payment of expenses of joint ventures-

Joint venture A/c Dr.

To Joint bank A/c

1. For sales of goods for cash

Joint bank A/c Dr.

To Joint venture A/c

1. For sale of goods on credit-

Debtors A/c Dr.

To Joint venture A/c

1. For payment of Ccash to creditors-

Creditors A/c Dr.

To B/p A/c

1. For acceptance of bill drawn by creditors-

Creditors A/c Dr.

To B/p A/c

1. For recipt of cash from debtors-

Joint bank A/c Dr.

To debtors A/c

1. For receipt of bill from debtors-

B/r A/c Dr.

To Debtors A/c

1. For any commission on interest payable to the co-venturer-

Joint venturar A/c Dr.

To co-adventurer A/c

1. For take over of any unsold by the co-adveture-

Co-adventurers A/c Dr.

To Joint venture A/c

1. For profit on Joint venture-

Joint venture A/c Dr.

To co-adventure A/c

1. For loss on Joint venture-

Co-adventure A/c Dr.

To joint venture A/c

1. For receipt of discount form creditors-

Creditors A/c Dr.

To joint venture A/c

1. For allowing discount to debtors-

Joint venture A/c Dr.

To debtors

1. For writing of bad debts-

Joint venture A/c Dr.

To debtors A/c

1. For payment of expenses of Joint venture personaly-

Joint venture A/c Dr.

To co-adventure A/c

1. For bringing cash by co-venturars for final settlement-

Joint bank A/c Dr.

To co-adventurar A/c

1. For paying cash to the co-venturer for final settlement-

Co-venturar A/c Dr.

To joint bank A/c

**Centralisation Method :**

**Ex. 1.** A and B enter into joint venture and decide to share profit and loss equally. A brought Rs. 20,000 and B Rs. 30,000 as their initial contribution and deposit in joint bank account. In joint venture expenses incomed Rs. 40,000. Sale of joint venture was Rs. 50,000 Joint venture close after sharing profit.

Pass the Journal entries in the books of Joint venture.

**Journal Entries in the Books of Jt. Venture**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 50000 |  |
|  | To A. Capital A/c |  |  | 20000 |
|  | To B. Capital A/c |  |  | 30000 |
|  | (Being capital bought in Business |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 40000 |  |
|  | To It Bank A/c |  |  | 40000 |
|  | (Being Exp. paid) |  |  |  |
| 3 | Jt. Bank A/c Dr. |  | 50000 |  |
|  | To Jt Venture A/c |  |  | 50000 |
|  | (Being Goods sold) |  |  |  |

**Ex. 2.** Ashok and Kishor enter into Joint venture with capital Rs. 10,000 and 15,000 res. They decide to share profit and loss equally. In Joint venture material purchase amounted 8,000, wages paid 12,000 and other expense 10,000. Ashok brought machinery worth Rs. 10,000 in Joint venture.

Good sold at Rs. 70,000. Balance machinery took over by Ashok at Rs. 5000 and close the joint venture.

Pass the journal entries and prepare Joint venture A/c.

**Journal Entries in the Books of Jt. Venture**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 25000 |  |
|  | To Ashok Capital A/c |  |  | 10000 |
|  | To Kishor Capital A/c |  |  | 15000 |
|  | (Being capital Bought) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 30000 |  |
|  | To It Bank A/c |  |  | 30000 |
|  | (Being Material, wages & other Exp.) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 10000 |  |
|  | To Ashok Capital A/c |  |  | 10000 |
|  | ( Mach. Bought by Ashok) |  |  |  |
| 4 | Jt. Bank A/c Dr. |  | 70000 |  |
|  | To Jt. Venture A/c |  |  | 70000 |
|  | (Being Goods sold) |  |  |  |
| 5 | Ashok Capital A/c Dr. |  | 5000 |  |
|  | To Jt. Venture A/c |  |  | 5000 |
|  | (Being Mach. Taken by Ashok) |  |  |  |
| 6 | Jt. Ventue A/c Dr. |  | 35000 |  |
|  | To Ashok Cap. A/c |  |  | 17500 |
|  | To Kishor Cap. A/c |  |  | 17500 |
|  | (Being pt. share by ventures) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 30000 |  | By Jt. Bank A/c | 70000 |
| To Ashok Cap. A/c | 10000 |  | By Ashok Cap. A/c | 5000 |
| Profit…….. | 35000 |  |  |  |
| Ashok Cap. A/c 17500 |  |  |  |  |
| Kishor cap. A/c 17500 |  |  |  |  |
|  | **75000** |  |  | **75000** |

**Ex. 3.** Rajesh and Santosh enter into joint venture. They brought capital Rs. 5000 and 10000 Respectively. They decided to share profit and loss equally in Joint venture material purchase at 5,000, wages paid 3,000 cartage Rs.1,000 and insurance premium paid Rs. 1,000.

Rajesh brought a machinery worth Rs 5,000 in Joint venture. Goods sold at Rs. 25,000 Balance machinery worth Rs. 3,000 took over by Rajesh and balance stock took over by Santosh at Rs. 1,000. Share profit and loss by co-venture and close the Joint venture.

Pass the Journal entries and Joint venture A/c

**Journal Entries**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 25000 |  |
|  | Rajesh Cap. A/c |  |  | 5000 |
|  | To Santosh Cap. A/c |  |  | 20000 |
|  | (Being capital bought) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 10000 |  |
|  | To Jt. Bank A/c |  |  | 10000 |
|  | (Being material, wages, carriage & Insu. Paid) |  |  |  |
| 3 | Jt. venture A/c Dr. |  | 5000 |  |
|  | Rajesh Cap. A/c |  |  | 5000 |
|  | (Being mach. Bought by Rajesh) |  |  |  |
| 4 | Jt. Bank A/c Dr. |  | 25000 |  |
|  | To Jt. Venture A/c |  |  | 25000 |
|  | (Being Goods sold) |  |  |  |
| 5 | Rajesh Cap. A/c Dr. |  | 3000 |  |
|  | Santosh Cap. A/c Dr. |  | 1000 |  |
|  | To Jt. Venture A/c |  |  | 4000 |
|  | (Being Mach. & stock taken over) |  |  |  |
| 6 | Jt. Venture A/c Dr. |  | 14000 |  |
|  | To Rajesh cap. A/c |  |  | 7000 |
|  | To Santosh Cap. A/c |  |  | 7000 |
|  | (Being profit share by venturer) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 30000 |  | By Jt. Bank A/c | 80000 |
| To Ajay Cap. A/c | 10000 |  | By Ajay Cap. A/c | 5000 |
| Profit…….. | 48000 |  | By Vijay Cap. A/c | 3000 |
| Ajay Cap. 24000 |  |  |  |  |
| Vijay Cap. 24000 |  |  |  |  |
|  | **88000** |  |  | **88000** |

**Ex. 4.** Ajay and Vijay enter into Joint venture and contribute Rs. 20,000 and 40,000 res. And share profit and loss equally. In joint venture raw material purchase at Rs. 10,000, wages paid Rs. 12,000 and carriage and other expenses 8,000. Ajay brought a machinery worth 10,000. Goods sold at 80,000 & Bal. Mach. 5,000 took over by Ajay and unsold goods worth Rs. 3,000 took over by Vijay.

Joint venture close. Pass the journal entries and prepare Joint venture account and co-venture A/c

**Journal Entries**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 60000 |  |
|  | To Ajay Cap. A/c |  |  | 20000 |
|  | To Vijay Cap. A/c |  |  | 40000 |
|  | (Being Cap. Bought) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 30000 |  |
|  | To Jt. Bank A/c |  |  | 30000 |
|  | (Being Mate, wages & carriage paid) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 10000 |  |
|  | To Ajay Cap. A/c |  |  | 10000 |
|  | (Being mach. Bought by Ajay) |  |  |  |
| 4 | Jt. Bank A/c Dr. |  | 80000 |  |
|  | To Jt. Venture A/c |  |  | 80000 |
|  | (Being Goods sold) |  |  |  |
| 5 | Ajay Cap. A/c Dr. |  | 5000 |  |
|  | Vijay Cap. A/c Dr. |  | 3000 |  |
|  | To Jt. Venture A/c |  |  | 8000 |
|  | (Being Bal. Mach. & goods taken over by Venturer |  |  |  |
| 6 | Jt. Venture A/c Dr. |  | 48000 |  |
|  | To Ajay Cap. A/c |  |  | 24000 |
|  | To Vijay Cap. A/c |  |  | 24000 |
|  | (Being Pt. share by venture) |  |  |  |
| 7 | Ajay Cap. A/c Dr. |  | 49000 |  |
|  | Vijay Cap. A/c Dr. |  | 61000 |  |
|  | To Jt. Bank A/c |  |  | 110000 |
|  | (Being Final payment were made) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 30000 |  | By Jt. Bank A/c | 80000 |
| To Ajay Cap. A/c | 10000 |  | By Ajay Cap. A/c | 5000 |
| Profit…….. | 48000 |  | By Vijay Cap. A/c | 3000 |
| Ajay Cap. 24000 |  |  |  |  |
| Vijay Cap. 24000 |  |  |  |  |
|  | **88000** |  |  | **88000** |

**Venture Cap. A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Ajay** | **Vijay** |  | **Particulars** | **Ajay** | **Vijay** |
| To Jt. Venture A/c | 5000 | 3000 |  | By Jt. Bank A/c | 20000 | 40000 |
| To Jt. Bank A/c | 49000 | 61000 |  | By Jt Vent. A/c | 10000 | --- |
|  |  |  |  | By Jt. Vent. A/c | 24000 | 24000 |
|  | **54000** | **64000** |  |  | **54000** | **64000** |

**Ex. 5.** Suresh and Ramesh enter into Joint venture sharing profit and loss in the proportion of 3:2. They brought capital 40,000 and 30,000 res. In Joint venture material purchase for Rs. 10,000, wages paid Rs. 15,000 and carriage 2,000. Insurance premium Rs. 3,000 paid by Suresh.

Goods sold at Rs. 80,000 unsold material worth Rs. 5,000 took over by Suresh and joint venture close.

Pass the journal entries and prepare joint venture A/c and co-venture A/c.

**Journal Entries**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 70000 |  |
|  | To Suresh Cap. A/c |  |  | 40000 |
|  | To Ramesh Cap. A/c |  |  | 30000 |
|  | (Being Cap. Bought) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 27000 |  |
|  | To Jt. Bank A/c |  |  | 27000 |
|  | (Being Mate., wages & carriage paid) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 3000 |  |
|  | To Suresh Cap. A/c |  |  | 30000 |
|  | (Being Insurance paid by Suresh) |  |  |  |
| 4 | Jt. Bank A/c Dr. |  | 80000 |  |
|  | To Jt. Venture A/c |  |  | 80000 |
|  | (Being Goods sold) |  |  |  |
| 5 | Suresh Cap. A/c Dr. |  | 5000 |  |
|  | To Jt. Venture A/c |  |  | 5000 |
|  | (Being Unsold goods take over by suresh) |  |  |  |
| 6 | Jt. Venture A/c Dr. |  | 55000 |  |
|  | To Suresh Cap. A/c |  |  | 33000 |
|  | To Ramesh Cap. A/c |  |  | 22000 |
|  | (Being profit share in 3:2 proportion) |  |  |  |
| 7 | Suresh Cap. A/c Dr. |  | 71000 |  |
|  | Ramesh Cap. A/c Dr. |  | 52000 |  |
|  | To Jt. Bank A/c |  |  | 123000 |
|  | (Being Final payment were made) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 27000 |  | By Jt. Bank A/c | 80000 |
| To Suresh Cap. A/c | 3000 |  | By Suresh Cap. A/c | 5000 |
| Profit…….. | 55000 |  |  |  |
| Suresh Cap. 33000 |  |  |  |  |
| Ramesh Cap. 22000 |  |  |  |  |
|  | **85000** |  |  | **85000** |

**Venture Cap. A/c**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Particulars** | **Suresh** | **Ramesh** |  | **Particulars** | **Suresh** |
| To Jt. Venture A/c | 5000 | --- |  | By Jt. Bank A/c | 40000 |
| To Jt. Bank A/c | 71000 | 52000 |  | By Jt Vent. A/c | 3000 |
|  |  |  |  | By Jt. Vent. A/c | 33000 |
|  | **76000** | **52000** |  |  | **76000** |

**Ex. 6. ( Mar 89 )**

Ahuja and Saluja enter into Joint venture to purchased and sale plots. Ahuja contribute Rs. 4,00,000 and Saluja 2,00,000 and amount was deposited into Joint account. The transaction of venture were as follows.

1. Purchased land 2,00,000.
2. Incurred development expenses 80,000.
3. Saluja paid registration fee 10,000.
4. ¾ of land was sold at Rs. 3,05,000.
5. The remaining land taken over by Ahuja at 80,000.

The amt. between co-venture were revalued at the end of joint venture.

Prepare necessary ledger A/c’s.

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 280000 |  | By Jt. Bank A/c | 305000 |
| To Saluja Cap. A/c | 10000 |  | By Suresh Cap. A/c | 80000 |
| Profit…….. | 95000 |  |  |  |
| Ahuja Cap. 47500 |  |  |  |  |
| Saluja Cap. 47500 |  |  |  |  |
|  | **385000** |  |  | **385000** |

**Co-venture Cap. A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Ahuja** | **Saluja** |  | **Particulars** | **Ahuja** | **Saluja** |
| To Jt. Venture A/c | 80000 | --- |  | By Jt. Bank A/c | 400000 | 200000 |
| To Jt. Bank A/c | 367500 | 257500 |  | By Jt Vent. A/c | --- | 10000 |
|  |  |  |  | By Jt. Vent. A/c | 47500 | 47500 |
|  | **447500** | **257500** |  |  | **447500** | **257500** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Ahuja Cap. A/c | 400000 |  | By Jt. Venture A/c | 280000 |
| To Saluja Cap. A/c | 200000 |  | By Ahuja Cap. A/c | 367500 |
| To Jt. Venture A/c | 305000 |  | By Saluja Cap. A/c | 257500 |
|  | **905000** |  |  | **905000** |

**Ex. 7. (Mar. 98)**

Kamal and Shamal enter into Joint venture to purchase and sale plots. Kamal contributed 5,00,000 and Shamal Rs. 2,50,000 and amt. was deposited in Joint bank A/c. The transaction of venture were as follows.

1. Purchase land 3,50,000.
2. Development expenses incurred 1,00,000.
3. Shamal paid registration fee 12,500.
4. ¾ land was sold at Rs. 3,76,250.
5. The remaining land was taken over by Kamal at Rs. 1,00,000.

The accounts between co-venture were settled at the the end of Joint venture.

Pass the journal entries and to record the above transaction and prepare necessary ledger accounts.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 450000 |  | By Jt. Bank A/c | 376250 |
| To Shamal Cap. A/c | 12500 |  | By Komal Cap. A/c | 100000 |
| Profit…….. | 13750 |  |  |  |
| Komal Cap. A/c 6875 |  |  |  |  |
| Saluja Cap. A/c 6875 |  |  |  |  |
|  | **476250** |  |  | **476250** |

**Jt. Venture A/c**

**Co-venture Cap. A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Komal** | **Shamal** |  | **Particulars** | **Komal** | **Shamal** |
| To Jt. Venture A/c | 100000 | --- |  | By Jt. Bank A/c | 500000 | 250000 |
| To Jt. Bank A/c | 406875 | 269375 |  | By Jt Vent. A/c | --- | 12500 |
|  |  |  |  | By Jt. Vent. A/c | 6875 | 6875 |
|  | **506875** | **269375** |  |  | **506875** | **269375** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Komal Cap. A/c | 500000 |  | By Jt. Venture A/c | 450000 |
| To Shamal Cap. A/c | 250000 |  | By Komal Cap. A/c | 406875 |
| To Jt. Venture A/c | 376250 |  | By Shamal Cap. A/c | 269375 |
|  | **1126250** |  |  | **1126250** |

**Ex. 8. (Mar. 77)**

Raj and Deo enter into Joint venture to prepare film for the govt. which agreed to pay Rs. 2,00,000. A bank account was open in their joint name. Raj contributing Rs. 20,000 and Deo 30,000. They are share profit and losses in proportion of 2:3 and 1:3 res. Payment made out of joint banking account are

1. Purchase of equipment 12,000.
2. Hire charges of equipment 10,000.
3. Wages 90,000.
4. Material 20,000.
5. Office expenses 10,000.

Raj paid Rs. 4,000 for other expenses. The film was completed and Govt. paid the amount by cheque. The venture was close. Deo taking up the equipment at a valuation of Rs. 6,000.

Show Joint venture A/c. Joint bank A/c and co-venture A/c.

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 142000 |  | By Jt. Bank A/c | 200000 |
| To Raj Cap. A/c | 4000 |  | By Deo Cap. A/c | 6000 |
| Profit…….. | 60000 |  |  |  |
| Raj Cap. A/c 40000 |  |  |  |  |
| Deo Cap. A/c 20000 |  |  |  |  |
|  | **206000** |  |  | **206000** |

**Co-venture Capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Raj** | **Deo** |  | **Particulars** | **Raj** | **Deo** |
| To Jt. Venture A/c | --- | 6000 |  | By Jt. Bank A/c | 20000 | 30000 |
| To Jt. Bank A/c | 64000 | 44000 |  | By Jt Vent. A/c | 4000 | --- |
|  |  |  |  | By Jt. Vent. A/c | 40000 | 20000 |
|  | **64000** | **50000** |  |  | **64000** | **50000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Rajl Cap. A/c | 20000 |  | By Jt. Venture A/c | 142000 |
| To Deo Cap. A/c | 30000 |  | By Raj Cap. A/c | 64000 |
| To Jt. Venture A/c | 200000 |  | By Deo Cap. A/c | 44000 |
|  | **250000** |  |  | **250000** |

**Ex. 9. (Mar. 96)**

Manoj and Ambalal enter into joint venture to under take a Gove. Building construction on Joint venture. The contract price was Rs. 2,00,000. They open Joint bank account and deposited, Manoj Rs. 25,000 and Ambalal 25,000. Their ratio to sharing profit and losses 2/5res. The following transaction were made from joint bank account.

Equipment purchase 14,000

Carriage on equipment 13,000

Wages 85,000

Material 18,000

Office expenses 8,000

Manoj paid Rs. 5,000 and Ambalal 3,000 for other expenses. Construction completed and contract price received by cheque. Joint venture close. Equipment worth Rs. 4,000 taken over by Manoj and unused material Rs. 2,000 by Ambalal.

You are required to prepare joint venture A/c, Joint bank A/c, and Co-venture A/c

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 138000 |  | By Jt. Bank A/c | 200000 |
| To Manoj Cap. A/c | 5000 |  | By Manoj Cap. A/c | 4000 |
| To Ambalal Cap. A/c | 3000 |  | ByAmbalal Cap. A/c | 2000 |
| Profit…….. | 60000 |  |  |  |
| Manoj 24000 |  |  |  |  |
| Ambalal 36000 |  |  |  |  |
|  | **206000** |  |  | **206000** |

**Co-venture Capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Manoj** | **Ambalal** |  | **Particulars** | **Manoj** | **Ambalal** |
| To Jt. Venture A/c | 4000 | 2000 |  | By Jt. Bank A/c | 25000 | 25000 |
| To Jt. Bank A/c | 50000 | 62000 |  | By Jt Vent. A/c | 5000 | 3000 |
|  |  |  |  | By Jt. Vent. A/c | 24000 | 36000 |
|  | **54000** | **64000** |  |  | **54000** | **64000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Manoj Cap. A/c | 25000 |  | By Jt. Venture A/c | 138000 |
| To Ambalal Cap. A/c | 25000 |  | By Raj Cap. A/c | 50000 |
| To Jt. Venture A/c | 200000 |  | By Deo Cap. A/c | 62000 |
|  | **250000** |  |  | **250000** |

**Ex. 10. (Mar. 91)**

Sagar and Pankaj enter into Joint venture and under took building construction of Patil and company Ltd. Mumbai for Rs. 5,00,000. They agreed to accept Rs. 1,00,000 in the form of the share of the company and balance to be recived in cash.

Sagar contributed Rs. 1,25,000 and Pankaj Rs. 75,000 and deposited some amt. in Joint bank A/c.

Sagar supplied material of 35,000 and Pankaj paid Rs. 20,000 for architects fee. They paid from joint bank A/c for material Rs. 2,80,000 and for wages 1,20,000.

Prepare 1) Joint venture A/c

2) Co-venture A/c

3) Joint bank A/c

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To sagar Cap. A/c | 35000 |  | By Jt. Bank A/c | 400000 |
| To Pankaj Cap. A/c | 20000 |  | By Sagar Cap. A/c | 100000 |
| To Jt Bank A/c | 400000 |  | Pankaj Cap. A/c | 15000 |
| To Sahare A/c | 20000 |  |  |  |
| Profit…….. | 40000 |  |  |  |
| Sagar 20000 |  |  |  |  |
| Pankaj 20000 |  |  |  |  |
|  | **515000** |  |  | **515000** |

**Co-venture A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Sagar** | **Pankaj** |  | **Particulars** | **Sagar** | **Pankaj** |
| To Share A/c | 80000 | --- |  | By Jt. Bank A/c | 125000 | 75000 |
| To Jt. Venture | --- | 15000 |  | By Jt Vent. A/c | 35000 | 20000 |
| To Jt. Bank A/c | 100000 | 100000 |  | By Jt. Vent. A/c | 20000 | 20000 |
|  | **180000** | **115000** |  |  | **180000** | **115000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Sagar Cap. A/c | 125000 |  | By Jt. Venture A/c | 400000 |
| To Pankaj Cap. A/c | 75000 |  | By Sagar Cap. A/c | 100000 |
| To Jt. Venture A/c | 400000 |  | By Pankaj Cap. A/c | 100000 |
|  | **600000** |  |  | **600000** |

500000

400000 100000

Cash share

80000 20000

Sagar Loss

Ex. 11- (Oct. 79)

Ram and shyam enter into Joint venture and under took building construction and Anand traders, Mumai for Rs. 1,00,000. They open joint bank A/c and deposited Ram Rsm 25,000 and Shyam 15,000. They decided to share profit and loss equally. They agreed to accept Rs. 80,000 in cash and Rs. 20,000 in the form of share of company.

On completion of work they received contract price as per the term, other information as under.

Material purchase 60,000 and wages paid Rs. 40,000. Ram paid 5500 for wages and 1,500 for legal charges. Shyam paid Rs. 4,000 for wages.

At the end of Joint venture Ram took over all share for Rs. 16,000 and unused material worth Rs. 3,000 took over by Shaym.

Prepare necessary ledger A/c.

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 100000 |  | By Jt. Bank A/c | 80000 |
| To Ram Cap. A/c | 7000 |  | By share A/c | 20000 |
| To Shyam Cap. A/c | 4000 |  | By Shyam Cap. A/c | 3000 |
| To share A/c | 4000 |  | Loss… Ram 6000 | 12000 |
|  | 8000 |  | Shyam 6000 |  |
|  | **115000** |  |  | **115000** |

**Co-venture Capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Ram** | **Shyam** |  | **Particulars** | **Ram** | **Shyam** |
| To Share A/c | 16000 | --- |  | By Jt. Bank A/c | 25000 | 15000 |
| To Jt. Venture A/c | --- | 3000 |  | By Jt Vent. A/c | 7000 | 4000 |
| To venture A/c | 6000 | 6000 |  |  |  |  |
| To Jt. Bank A/c | 10000 | 10000 |  |  |  |  |
|  | **32000** | **19000** |  |  | **32000** | **19000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Ram Cap. A/c | 25000 |  | By Jt. Venture A/c | 100000 |
| To Shyam Cap. A/c | 15000 |  | By Ram Cap. A/c | 10000 |
| To Jt. Venture A/c | 80000 |  | ByShyam Cap. A/c | 10000 |
|  | **120000** |  |  | **120000** |

**Ex. 12. ( oct. 86)**

Ram, Bharat and Laxman under took the construction of a bridge at a contract price Rs. 5,00,000 payable in cash Rs. 4,00,000 and in debenture Rs. 1,00,000. They decided to share profit and loss in the proportion of their initial contribution. They open joint bank account where in they deposite the following initial amt. Ram 2,00,000 Bharat 2,00,000 and Laxman 1,00,000.

The following payments are made through Joint bank Account.

Purchase of cement 2,00,000

Purchase of Still 50,000

Payment of wages 75,000

Other charges 15,000

Ram bring truck of Rs. 60,000 bharat bring material of 80,000 and Laxman bring mixer worth Rs. 20,000. At the close of joint venture the unused material was taken by Ram. 10,000. Bharat took over mixer and still for Rs. 35,000. The truck was sold in market for 40,000.

The contract was received as the agreement and Laxman agreed to take over the debenture for Rs. 1,10,000.

Prepare Joint Venture A/c.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt Bank A/c | 340000 |  | By Ram Cap. A/c | 10000 |
| To Ram Cap. A/c | 60000 |  | By Shyam Cap. A/c | 35000 |
| To Bharat Cap. A/c | 80000 |  | By Jt. Baank A/c | 40000 |
| To Laxman Cap. A/c | 20000 |  | By Jt. Baank A/c | 400000 |
| Profit…….. | 95000 |  | By Debenture A/c | 100000 |
| Ram 38000 |  |  | By Debenture A/c | 10000 |
| Bharat 38000 |  |  | (Profit on Sale) |  |
| Laxman 19000 |  |  |  |  |
|  | **595000** |  |  | **595000** |

**Jt. Venture A/c**

**Co- Venture Capital A/c**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Ram** | **Bharat** | **Laxman** |  | **Particulars** | **Ram** | **Bharat** | **Laxman** |
| To Jt. Venture A/c | 10000 | 35000 | --- |  | By Jt. Bank A/c | 200000 | 200000 | 100000 |
| To Debenture A/c | --- | --- | 110000 |  | By Jt Vent. A/c | 60000 | 80000 | 20000 |
| To Jt. Bank A/c | 288000 | 283000 | 29000 |  | By Jt. Vent. A/c | 38000 | 38000 | 19000 |
|  | **298000** | **318000** | **139000** |  |  | **298000** | **318000** | **139000** |

**In Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Ram Cap. A/c | 200000 |  | By Jt. venture A/c | 340000 |
| To Bharat Cap. A/c | 200000 |  | By Ram Cap. A/c | 288000 |
| To Laxman Cap. A/c | 100000 |  | By Bharat Cap. A/c | 283000 |
| To Jt. Venture A/c | 40000 |  | By Laxman Cap. A/c | 29000 |
| To Jt. Venture A/c | 400000 |  |  |  |
|  | **940000** |  |  | **940000** |

**Debenture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 100000 |  | By Laxman A/c | 110000 |
| To Jt. Venture A/c | 10000 |  |  |  |
| (Profit Tra.) |  |  |  |  |
|  | **110000** |  |  | **110000** |

**Ex. 13.** Suratwala and Batatawala enter into joint venture to contuct a bridge on Koyana river at contract price of Rs. 7,00,000 . Suratwala and Batatawala introduce 1,50,000 and 1,00,000 and open a joint account in the bank.

Suratwala supplied material worth Rs. 60,000 and Batatawala brought into a motor truck costing Rs. 50,000. Total material used amounted Rs. 2,50,000. Payment for wages 3,00,000 and other expenses amounted Rs. 40,000.

Suratwala tookover unused material at Rs. 50,000. Motor truck was sold as scrap for Rs. 4,000. Contract price was received in full on completion of contrace.

Prepare joint venture A/c, Joint venturer A/c and joint bank A/c

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Suratwala Cap. A/c | 60000 |  | By Suratwala Cap. A/c | 50000 |
| To Batatawala Cap. A/c | 50000 |  | By Jt. Bank A/c | 4000 |
| To Jt. Bank A/c | 530000 |  | By Jt. Bank A/c | 700000 |
| Profit…….. | 114000 |  |  |  |
| Suratwala Cap. A/c 57000 |  |  |  |  |
| Batatawala Cap. A/c 57000 |  |  |  |  |
|  | **754000** |  |  | **754000** |

**Co-venturer Capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Suratwala** | **Batatawala** |  | **Particulars** | **Suratwala** | **Batatawala** |
| To Jt. Venture A/c | 50000 | --- |  | By Jt. Bank A/c | 150000 | 100000 |
| To Jt. Bank A/c | 217000 | 207000 |  | By Jt Vent. A/c | 60000 | 50000 |
|  |  |  |  | By Jt. Vent. A/c | 57000 | 57000 |
|  | **267000** | **207000** |  |  | **267000** | **207000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Suratwala Cap. A/c | 150000 |  | By Jt. venture A/c | 530000 |
| To Batatawala Cap. A/c | 100000 |  | By Suratwala Cap. A/c | 217000 |
| To Jt. Venture A/c | 4000 |  | ByBatatawala Cap. A/c | 207000 |
| To Jt. Venture A/c | 700000 |  |  |  |
|  | **954000** |  |  | **954000** |

Total Material use 250000

* Suratwala supplied 60000

Material from Market 190000

+ Wages 300000

+ Exp. 40000

Exp. paid from Jt. Bank…. 530000

**Ex. 14.** Suresh Somani and Bhagwan Tambe of Ganapur enter in to Joint venture to sell computer and share profit and loss in the proporation 1:2. Suresh Somani contributes Rs. 5,00,000 and Bhagwan Tambe Rs. 10,00,000. The amt. was in a joint bank account. Suresh Somani bought 40 computer at Rs. 30,000 each and paid for them from joint Bank A/c. Freight and insurance premium of Rs. 4,000 and 12,000 res. Were paid by Bhagwan Tambe from his private cash.

35 Computer were sold at a price of 40,000 each. 5 computer which were demaged in transist were repaired by Bhagwan Tambe at a cost of Rs. 5,000 from his private cash. They were finally sold by Bhagwan Tambe at Rs. 35,000 cash and proceeds were deposit in the joint bank A/c.

Pass the journal entries assuming that the joint venture is close.

**Journal Entries in the books of Jt. Venture**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Bank A/c Dr. |  | 1500000 |  |
|  | To Suresh Cap. A/c |  |  | 500000 |
|  | To Bhagwan Cap. A/c |  |  | 1000000 |
|  | (Being Cap. Bought) |  |  |  |
| 2 | Jt. Venture A/c Dr. ( 40x30000) |  | 1200000 |  |
|  | To Jt. Bank A/c |  |  | 1200000 |
|  | (Being 30 comp. purchases) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 16000 |  |
|  | To Bhagwan Cap. A/c |  |  | 16000 |
|  | (Being Freight & Insu. paid by Bhagwan) |  |  |  |
| 4 | Jt. Bank A/c Dr. ( 35x40000) |  | 1400000 |  |
|  | To Jt. Venture A/c |  |  | 1400000 |
|  | (Being 35 comp. sold) |  |  |  |
| 5 | Jt. Venture A/c Dr. Cap. A/c Dr. |  | 5000 |  |
|  | To Bhagwan Cap. A/c |  |  | 5000 |
|  | (Being Repairing charges paid by Bhagwan) |  |  |  |
| 6 | Jt. Bank A/c Dr. (5x35000) |  | 175000 |  |
|  | To Jt. Venture A/c |  |  | 175000 |
|  | (Being 5 comp. sold) |  |  |  |
| 7 | Jt. Venture A/c Dr. |  | 354000 |  |
|  | To Suresh Cap. A/c |  |  | 118000 |
|  | To Bhagwan Cap. A/c |  |  | 236000 |
|  | (Being Pt. share by venturer) |  |  |  |
| 8 | Suresh Cap. A/c Dr. |  | 618000 |  |
|  | Bhagwan Cap. A/c Dr. |  | 1257000 |  |
|  | To Jt. Bank A/c |  |  | 1875000 |
|  | (Being Final payment were made) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 1200000 |  | By Jt. Bank A/c | 1400000 |
| To Bhagwan Cap. A/c | 16000 |  | By Jt. Bank A/c | 175000 |
| To Bhagwan Cap. A/c | 5000 |  |  |  |
| Profit…….. | 354000 |  |  |  |
| Suresh Cap. A/c 118000 |  |  |  |  |
| Bhagwan Cap. A/c 236000 |  |  |  |  |
|  | **1575000** |  |  | **1575000** |

**Co-venturers capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Suratwala** | **Batatawala** |  | **Particulars** | **Suratwala** | **Batatawala** |
| To Jt. Bank A/c | 618000 | 1257000 |  | By Jt. Bank A/c | 500000 | 1000000 |
|  |  |  |  | By Jt. Venture A/c | --- | 16000 |
|  |  |  |  | By Jt. Venture A/c | --- | 5000 |
|  |  |  |  | By Jt. Vent. A/c | 118000 | 236000 |
|  | **618000** | **1257000** |  |  | **618000** | **1257000** |

**Ex. 15.** Nadkarni of Nagpur and Kulkarni of Wardha under took in Jan. 1983 the construction of Ajanta market hall for Rs. 5,00,000 to be completed withing one year. On the same date Nadkarni brought in Rs. 50,000 and Kulkarni brought in 10,000. This amount deposited in a joint bank account which was newly open by them for the purpose. Both agreed to share the profit or losses equally. The work was completed in time and following expenses were incurred and paid for from the bank account.

Material Rs. 2,30,000, wages 1,90,000 and plant Rs. 40,000. The payment were received in installment but due to certain defect a bill of Rs. 15,000 was not paid. When the work was over, plant was consider as having deprecate by 20%, half of plant was taken over by Nadkarni. The other half could be sold for Rs. 15,000.

Prepare necessary ledgers accounts.

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Bank A/c | 460000 |  | By Jt. Bank A/c | 485000 |
| Profit…….. | 56000 |  | By Jt. Bank A/c | 15000 |
| Nadkarni Cap. A/c 28000 |  |  | By Jt. Venture A/c | 16000 |
| Kulkarni Cap. A/c 28000 |  |  |  |  |
|  | **516000** |  |  | **516000** |

**Co-venturers capital A/c**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Nadkarni** | **Kulkarni** |  | **Particulars** | **Nadkarni** | **Kulkarni** |
| To Jt. Venture A/c | 16000 | --- |  | By Jt. Bank A/c | 50000 | 10000 |
| To Jt. Bank A/c | 62000 | 38000 |  | By Jt. Vent. A/c | 28000 | 28000 |
|  | **78000** | **38000** |  |  | **78000** | **38000** |

**Jt. Bank A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Nadkarni Cap. A/c | 50000 |  | By Jt. Venture A/c | 460000 |
| To Kulkarni Cap. A/c | 10000 |  | By Nadkarni Cap. A/c | 62000 |
| To Jt. Venture A/c | 485000 |  | By Kulkarni Cap. A/c | 38000 |
| To Jt. Venture A/c | 15000 |  |  |  |
|  | **560000** |  |  | **560000** |

Contract price 500000

* Deduction 15000

Contract price Recd.. 485000

Plant 40000

* 20% Deph. 8000

32000

16000 15000

Taken by Nadkarni Sold

**Decentralisation Method**

**(Where no separate set of book of accounts is kept)**

When the co-adventurers do not maintain separate books of account of Joint venture, they will have to record the transaction in their own books of accounts. Each partner will record the transaction made by him as well as the transaction made by the other partner. Each partners opens a joint venture account in his ledger. As each partner will be making transaction, it is necessary to record all the transaction, made by different partner in order to make a complete record. Each partner will debit the joint venture account with the cost of goods, expenses, commission charges. The partner will credit his personal business accounts with the respective amount of goods he has supplied and for expenses incurred by other partner, their respective accounts are credited.

Similarly, Joint venture account will be credited with the sale proceeds received by himself or by other partner. The partner will debit bank/cash account if he has received the sale proceeds. If the sale proceeds are reveived by other partner. There respective amount will be debited. The balancing figure on the joint venture account indicates either profit or loss. If there is credit balance. It represents profit and if there is a debit balance it represents loss. The profit or loss is shared by all the partners in the proportion agreed upon by them. The profit or loss is transferred to the partners account in the agreed ratio. Joint venture is closed by sending the remittance to each of the partner for the amount due.

Thus, every partner will pass certain journal entries to record the transaction made by him as well as the transaction made by his partner. Now let us see as to how the journal entries are passed in the books of Co-adventurers or partner.

**Accounting Entries at a glance**

|  |  |
| --- | --- |
| 1 | For contributing cash for Joint venture- |
|  | Joint venture A/c Dr. |
|  | To cash/bank A/c |
| 2 | For purchasing goods for Joint venture- |
|  | Joint venture A/c Dr. |
|  | To goods A/c |
| 3 | For payment of expenses of Joint venture- |
|  | Joint venture A/c Dr. |
|  | To cash A/c |
| 4 | for sale of goods for cash- |
|  | Cash/Bank A/c Dr. |
|  | To Joint venture A/c |
| 5 | For sale of goods on credit- |
|  | Debtors A/c Dr. |
|  | To Joint venture A/c |
| 6 | For receipt of cash from debtors- |
|  | Cash A/c Dr. |
|  | To Debtors A/c |
| 7 | For allowing dIscount to debtors- |
|  | Joint venture A/c Dr. |
|  | To debtors A/c |
| 8 | For incurring bad debts- |
|  | Joint venture A/c Dr. |
|  | To debtors A/c |
| 9 | For receipt of cash from Co-centurer- |
|  | Cash A/c Dr. |
|  | To Co-venture A/c |
| 10 | For receipt of bills receivable from the Co-venturer- |
|  | Bill receivable A/c Dr. |
|  | To Co-venture A/c |
| 11 | For payment of cash to other Co-venture- |
|  | Co-venture A/c Dr. |
|  | To cash A/c |
| 12 | For acceptance of a bill drawn by other Co-venturer- |
|  | Co-venture A/c Dr. |
|  | To bill payable A/c |
| 13 | For receiving commission due- |
|  | Joint venture A/c Dr. |
|  | To commission A/c |
| 14 | For accounting stock of Joint venture- |
|  | Stock A/c Dr. |
|  | To joint venture A/c |
| 15 | For contributing cash or goods towards Joint venture by the Co-venturer- |
|  | Joint venture A/c Dr. |
|  | To Co-venture A/c |
| 16 | For payment of any expenses allowing discount or incurring bad debts by the Co-venturer |
|  | Joint venture A/c Dr. |
|  | To Co-venture A/c |
| 17 | For sale of goods by the Co-venturer- |
|  | Co-venture A/c Dr. |
|  | To joint venture A/c |
| 18 | For payment of commission to Co-venturer- |
|  | Joint venture A/c Dr. |
|  | To Co-venture A/c |
| 19 | For take over of unsold stock by the co-venturer- |
|  | Co-venture A/c Dr. |
|  | To joint venture A/c |
| 20 | For profit on Joint venture- |
|  | Joint venture A/c Dr. |
|  | To Profit and Loss A/c |
|  | To Co-venture A/c |
| 21 | For loss on Joint venture- |
|  | co-venturer A/c Dr. |
|  | Profit and Loss A/c Dr. |
|  | To joint venture A/c |
| 22 | For receipt of cash or bill from Co-venturer- |
|  | Cash/Bill receivable A/c Dr. |
|  | To Co-venture A/c |
| 23 | For payment of cash or giving bill to the co-venturer- |
|  | co-venturer A/c Dr. |
|  | To Cash/Bill payable A/c |

**Ex.1.** Avi and Ravi enter into Joint venture for purchase and sale goods. They decided to share profit and loss equally. Avi bought goods worth Rs. 10,000 in Joint venture and paid carriage Rs. 1,000 and advertisement Rs. 500. Ravi supplied goods worth Rs. 15,000 in Joint venture and paid Rs. 3,000 for other expenses.

Avi sold all goods at Rs. 50,000

Pass the Journal entries in the books of Avi.

**Journal Entries in the Books of Avi.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Venture A/c Dr. |  | 10000 |  |
|  | To Goods A/c |  |  | 10000 |
|  | (Being goods bought in venture) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 1500 |  |
|  | To Bank A/c |  |  | 1500 |
|  | (Being Exp. paid) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 15000 |  |
|  | To Ravi A/c |  |  | 15000 |
|  | (Being goods supplied by Ravi) |  |  |  |
| 4 | Jt. Venture A/c Dr. |  | 3000 |  |
|  | To Ravi A/c |  |  | 3000 |
|  | (Being othe expences paid by Ravi) |  |  |  |
| 5 | Bank A/c Dr. |  | 50000 |  |
|  | To Jt. Venture A/c |  |  | 50000 |
|  | (Being goods sold) |  |  |  |

**Ex. 2.** Mohan and Sohan enter into Joint venture and purchase and sale. They desided to share profit and loss inequal proportion.

Mohan brought goods worth Rs. 25,000 and paid Rs. 3,000 for other expenses. Sohan supplied goods worth Rs. 20,000 in Joint venture and paid Rs. 2,000 for other expenses. Sohan sold goods at Rs. 75,000. He received sales commission Rs. 5,000.

Pass the journal entries and prepare Joint venture A/c in the books of Mohan.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Venture A/c Dr. |  | 25000 |  |
|  | To Goods A/c |  |  | 25000 |
|  | (Being goods bought ) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 3000 |  |
|  | To Bank A/c |  |  | 3000 |
|  | (Being Exp. paid) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 20000 |  |
|  | To Sohan A/c |  |  | 20000 |
|  | (Being goods supplied by Sohan) |  |  |  |
| 4 | Jt. Venture A/c Dr. |  | 2000 |  |
|  | To Sohan A/c |  |  | 2000 |
|  | (Being othe expences paid by Sohan) |  |  |  |
| 5 | Sohan A/c Dr. |  | 75000 |  |
|  | To Jt. Venture A/c |  |  | 75000 |
|  | (Being goods sold by Sohan) |  |  |  |
| 6 | Jt. Venture A/c Dr. |  | 5000 |  |
|  | To Sohan A/c |  |  | 5000 |
|  | (Being Commission charge by Sohan) |  |  |  |

**Ex. 3.** Amarnath from Amaravati and Nagesh from Nagpur enter into Joint venture to purchase and sale old bicycle. Profit and loss sharing ration 3:2. Amarnath received sales commission at 5% on total sale.

Nagesh sent Rs. 10,000 to Amarnath for Joint venture. Amarnath purchase bicycle for Rs. 12,000 and paid repairing charges Rs. 8,000. Nagesh purchase bicycle of Rs. 8,000 and paid Rs. 2,000 for repairing.

All bicycle was sold by Amarnath at Rs. 50,000 and he paid 2,500 on selling expences.

Pass the journal entries. Joint venture A/c and Nagesh A/c in the books of Amarnath.

**Journal Entries in the books of Amarnath**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Bank A/c Dr. |  | 10000 |  |
|  | To Nagesh A/c |  |  | 10000 |
|  | (Being cash received in Advance from Nagesh ) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 12000 |  |
|  | To Goods A/c |  |  | 12000 |
|  | (Being bicycle purchase) |  |  |  |
| 3 | Jt. Venture A/c Dr. |  | 8000 |  |
|  | To Bank A/c |  |  | 8000 |
|  | (Being repairing charge paid) |  |  |  |
| 4 | Jt. Venture A/c Dr. |  | 8000 |  |
|  | To Nagesh A/c |  |  | 8000 |
|  | (Being bicycle purchase by Nagesh) |  |  |  |
| 5 | Jt. Venture A/c |  | 2000 |  |
|  | To Nagesh A/c |  |  | 2000 |
|  | (Being repairing charges paid by Nagesh) |  |  |  |
| 6 | Bank A/c Dr. |  | 50000 |  |
|  | To Joint venture A/c |  |  | 50000 |
|  | (Being bicycle sold) |  |  |  |
| 7 | Jt. Venture A/c Dr. |  | 2500 |  |
|  | To Bank A/c |  |  | 2500 |
|  | (Being selling charge) |  |  |  |
| 8 | Jt. Venture A/c Dr. |  | 2500 |  |
|  | To commission A/c |  |  | 2500 |
|  | (Being Commission charge) |  |  |  |
| 9 | Jt. Venture A/c Dr. |  | 15000 |  |
|  | To P/L A/c |  |  | 9000 |
|  | To Nagesh A/c |  |  | 6000 |
|  | (Being profit share by Venturer) |  |  |  |
| 10 | To Nagesh A/c Dr. |  | 26000 |  |
|  | To Bank A/c |  |  | 26000 |
|  | (Being Final payment were made) |  |  |  |

**In the Books of Amarnath**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To goods A/c | 12000 |  | By Bank A/c | 50000 |
| To Bank A/c | 8000 |  |  |  |
| To Nagesh A/c | 8000 |  |  |  |
| To Nagesh A/c | 2000 |  |  |  |
| To Bank A/c | 2500 |  |  |  |
| To Commission | 2500 |  |  |  |
| Profit…. | 15000 |  |  |  |
| P/L A/c 9000 |  |  |  |  |
| Nagesh A/c 6000 |  |  |  |  |
|  | **50000** |  |  | **50000** |

**Nagesh A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| Bank A/c | 26000 |  | By Jt. Venture A/c | 10000 |
|  |  |  | By Jt. Venture A/c | 8000 |
|  |  |  | By Jt. Venture A/c | 2000 |
|  |  |  | By Jt. Venture A/c | 6000 |
|  | **26000** |  |  | **26000** |

**Ex. 4. (Oct. 93)**

A and B enter into Joint venture to buy and sell motorcycle . P/L to be shared 60% and 40% res. The details of purchase sales and expenses by A are as follow. Purchase of 6 motorcycle in all out of which for Rs. 20,000 smf yppl pbrt Td/ 4,000. Expenses are Rs. 1,700 for repairing Rs. 700 for clouring. He sold all the 6 Motors for Rs. 36,000 and incurred sale expenses Rs. 100 per Motorcycle. The details of expenses and purchase made by B are as follow.

Purchase of 4 Motorcycle for Rs. 18,000 and sold them for Rs. 20,000 and incurred the expenses of repairing, painting, and selling expenses Rs. 200, Rs. 150 and Rs. 650 res. The venture is close down by setting the A/c of Co-venture.

1. 1) Journalised the above transaction in the books of A.
2. 2) Open Joint Venture A/c in the books of B.

**Journal Entries in the Books of**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** |  | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Venture A/c Dr. |  | 24000 |  |
|  | To Goods A/c |  |  | 24000 |
|  | (Being 6 Motorcycle purchase ) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 3000 |  |
|  | To Bank A/c |  |  | 3000 |
|  | (Being repairing, colouring & selling charges paid) |  |  |  |
| 3 | Bank A/c Dr. |  | 36000 |  |
|  | To Jt. Venture A/c |  |  | 36000 |
|  | (Being 6 Motorcycle sold) |  |  |  |
| 4 | Jt. Venture A/c Dr. |  | 18000 |  |
|  | To B A/c |  |  | 18000 |
|  | (Being 4 Motorcycle purchase) |  |  |  |
| 5 | B A/c Dr. |  | 20000 |  |
|  | To Joint Venture A/c |  |  | 20000 |
|  | (Being 4 Motorcycle sold by B) |  |  |  |
| 6 | Jt. Venture A/c Dr. |  | 1000 |  |
|  | To B A/c |  |  | 1000 |
|  | (Being repairing, painting & selling exp. paid by B) |  |  |  |
| 7 | Jt. Venture A/c Dr. |  | 10000 |  |
|  | To P/L A/c |  |  | 6000 |
|  | To B A/c |  |  | 4000 |
|  | (Being profit share) |  |  |  |
| 8 | B A/c Dr. |  | 3000 |  |
|  | To Bank A/c |  |  | 3000 |
|  | (Being Final payment were made) |  |  |  |

**In the Books of A**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c | 24000 |  | By Bank A/c | 36000 |
| To Bank A/c | 3000 |  | By B A/c | 20000 |
| To B A/c | 18000 |  |  |  |
| To B A/c | 1000 |  |  |  |
| Profit…. | 10000 |  |  |  |
| P/L A/c 6000 |  |  |  |  |
| B A/c 4000 |  |  |  |  |
|  | **56000** |  |  | **56000** |

**In the Books of B**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To A A/c | 24000 |  | By A A/c | 36000 |
| To Bank A/c | 3000 |  | By Bank A/c | 20000 |
| To Goods A/c | 18000 |  |  |  |
| To Bank A/c | 1000 |  |  |  |
| Profit…. | 10000 |  |  |  |
| A A/c 6000 |  |  |  |  |
| P/L A/c 4000 |  |  |  |  |
|  | **56000** |  |  | **56000** |

**Ex. 5.** Suresh and Sudhir enter into Joint venture to share profit and loss equally. The following transaction took place.

1. Suresh purchase goods costing Rs. 38,000 and expenses incurred their on Rs. 2,376.
2. Sudhir supplied goods of Rs. 12,000. He paid Rs. 250 for carrages.
3. Sudhir sold some of the goods for Rs. 43,500. He paid sale commission of Rs. 799.
4. Suresh paid storage and other ex. Of Rs. 950.
5. Suresh sold the remaining goods for Rs. 23,750 and paid Rs. 2,875 for commission and carrage.

Your are require to prepare-

1. Joint venture A/c in the books of Suresh.
2. Suresh A/c in the books of Sudhir.

**In the Books of Suresh**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c | 38000 |  | By Sudhir A/c | 43500 |
| To Bank A/c | 2376 |  | By Bank A/c | 23750 |
| To Sudhir A/c | 12000 |  |  |  |
| To Sudhir A/c | 250 |  |  |  |
| To Sudhir A/c | 799 |  |  |  |
| To Bank A/c | 950 |  |  |  |
| To Bank A/c | 2875 |  |  |  |
| Profit…. | 10000 |  |  |  |
| P/L A/c 5000 |  |  |  |  |
| Sudhir A/c 5000 |  |  |  |  |
|  | **67250** |  |  | **67250** |

**Sudhir A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Particulars | Amt. |  | Particulars | Amt. |
| To Jt. Ventue A/c | 43500 |  | By Jt. Venture A/c | 12000 |
|  |  |  | By Jt. Venture A/c | 250 |
|  |  |  | By Jt. Venture A/c | 799 |
|  |  |  | By Jt. Venture A/c | 5000 |
|  |  |  | Bank A/c | 25451 |
|  | **43500** |  |  | **43500** |

**In the Books of Sudhir**

**Suresh A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Ventue A/c | 23750 |  | By Jt. Venture A/c | 38000 |
|  |  |  | By Jt. Venture A/c | 2376 |
|  |  |  | By Jt. Venture A/c | 950 |
| Bank A/c…. | 25451 |  | By Jt. Venture A/c | 2875 |
|  |  |  | By Jt. Venture A/c | 5000 |
|  | **49201** |  |  | **49201** |

**Ex. 6.** Dinesh of Dadar and Dilip of Miraj enter into Joint venture to purchase and sell bicycle on their Joint risk which is equal. Dinesh purchase 100 bicycle each of Rs. 500 and pay carriage ex. Rs. 1,000 and insurance premium Rs. 2,000.

Dinesh draw a bill amounted Rs. 10,000 on Dilip duely accepted. Dilip purchase 70 bicycle each of Rs. 600. Paying carriage Rs. 10 per bicycle. Selling ex. Rs. 1,000. Dinesh sold 90 bicycle each of Rs. 750 and remaining bicycle sold by Dilip each of Rs. 550. They closed their Joint venture.

Pass the journal entries in the books of Dinesh.

**Journal Entries in the Books of Dinesh**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Venture A/c Dr. |  | 50000 |  |
|  | To Goods A/c |  |  | 50000 |
|  | (Being 100 bicycle purchase ) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 3000 |  |
|  | To Bank A/c |  |  | 3000 |
|  | (Being carriage & insurance paid) |  |  |  |
| 3 | B/R A/c Dr. |  | 10000 |  |
|  | To Dilip A/c |  |  | 10000 |
|  | (Being bill drawn for Advance) |  |  |  |
| 4 | Jt. Venture A/c Dr. (70x600) |  | 42000 |  |
|  | To Dilip A/c |  |  | 42000 |
|  | (Being 70 bicycle purchase by Dilip) |  |  |  |
| 5 | Jt. Venture A/c Dr. |  | 1700 |  |
|  | To Dilip A/c |  |  | 1700 |
|  | (Being carriage & selling exp. paid) |  |  |  |
| 6 | Bank A/c Dr. (90x750) |  | 67500 |  |
|  | To Jt. Venture A/c |  |  | 67500 |
|  | (Being 90 bicycle sold) |  |  |  |
| 7 | Dilip A/c Dr. (80x550) |  | 44000 |  |
|  | To Jt. Venture A/c |  |  | 44000 |
|  | (Being 80 bicycle sold by Dilip) |  |  |  |
| 8 | Jt. Venture A/c Dr. |  | 14800 |  |
|  | to P/L A/c |  |  | 7400 |
|  | To Dilip A/c |  |  | 700 |
|  | (Being profit share by venturer) |  |  |  |
| 9 | Dilip A/c Dr. |  | 17100 |  |
|  | To Bank A/c |  |  | 17100 |
|  | (Being Final payment were made) |  |  |  |

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c | 50000 |  | By Bank A/c | 67500 |
| To Bank A/c | 3000 |  | By Dilip r A/c | 44000 |
| To Dilip A/c | 42000 |  |  |  |
| To Dilip A/c | 1700 |  |  |  |
| Profit…. | 14800 |  |  |  |
| P/L A/c 7400 |  |  |  |  |
| Dilip A/c 7400 |  |  |  |  |
|  | **111500** |  |  | **111500** |

**Dilip A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Ventue A/c | 44000 |  | By B/R A/c | 10000 |
|  |  |  | By Jt. Venture A/c | 42000 |
|  |  |  | By Jt. Venture A/c | 1700 |
| Bank A/c… | 17100 |  | By Jt. Venture A/c | 7400 |
|  |  |  |  |  |
|  | **61100** |  |  | **61100** |

**Ex. 7.** Satish of Solapur and Subhash of Kolhapur enter into Joint venture to contributin of ¾ and ¼ res. Satish sent 300 wheat bat @ Rs. 300 each paying insurance 500, freight Rs. 4,000 and other charges Rs. 200.

Subhash sent 300 wheat bags @ 280 per bag paying insurance Rs. 300 and sundry expenses Rs. 400. Satish drew a bill on Subhash for Rs. 30,000 as an advance and was discounted at a discount of Rs. 600. The discount be treated as a joint venture expenses.

All the bag were sold by Shyam for Rs. 3,50,000 out of which he deducted Rs. 7,000 for his ex. and 3% for commission on total sale. Shyam remitted 2,00,000 to Satish by bank draft and the balance to Subhash by one month bill.

Prepare Joint Venture A/c, Subhash A/c in the books of Satish.

**In the Books of Satish**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c (300x300) | 90000 |  | By Shyam A/c | 350000 |
| To Bank A/c | 4600 |  |  |  |
| To Subhash A/c (300x280) | 84000 |  |  |  |
| To Subhash A/c | 700 |  |  |  |
| To Shyam A/c | 600 |  |  |  |
| (7000+10500) | 17500 |  |  |  |
| Profit…. |  |  |  |  |
| P/L A/c 114450 | 152600 |  |  |  |
| Shubhash A/c 38150 |  |  |  |  |
|  | **350000** |  |  | **350000** |

**Subhash A/c ( coventurer A/c)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Shyam A/c | 132500 |  | By Jt. Venture A/c | 84000 |
|  |  |  | By Jt. Venture A/c | 700 |
|  |  |  | By B/R A/c | 30000 |
| Bank A/c…. | 20350 |  | By Jt. Venture A/c | 38150 |
|  |  |  |  |  |
|  | **152850** |  |  | **152850** |

**Shyam A/c (Agent A/c)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 350000 |  | By Jt. Venture A/c | 17500 |
|  |  |  | By Bank A/c | 200000 |
|  |  |  | By Subhash A/c | 132500 |
|  | **350000** |  |  | **350000** |

Sale 350000

* Exp/Commission 17500

332500

* Paid to Satish 200000

Paid to Subhash 132500

**Ex. 8.** Sanjay of Solapur and Sharad of Nagpur enter into Joint venture to consign 200 sewing machines to Pawan of Premnagar to be sold on their Joint risk which is in proportion of 2:1 res.

Sanjay sent 100 machine at Rs. 400 each paying for freight and other charges Rs. 2500 Sharad sent 100 machine at Rs. 500 each paying insurance Rs. 1,350 and other ex. Rs. 650. Sanjay advance to Sharad Rs. 10,000 on account of the venture. All the sewing machine were sold by Pawan for Rs. 1,20,000 from which he deducted 2% for his ex. and 3% for commission . Pawan remitted Rs. 60,000 to Sanjay by a bank draft and the balance to Sharad by Bills of Exchange.

Prepare Joint venture A/c, Co-venture A/c and Pawan A/c in the books of Sanjay.

**In the Books of Sanjay**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c (100 x 400) | 40000 |  | By Pawan A/c | 120000 |
| To Bank A/c | 2500 |  |  |  |
| To Sharad A/c (100x500) | 50000 |  |  |  |
| To Sharad A/c | 2000 |  |  |  |
| To Pawan A/c | 6000 |  |  |  |
| Profit…. | 19500 |  |  |  |
| P/L A/c 13000 |  |  |  |  |
| Sharad A/c 6500 |  |  |  |  |
|  | **120000** |  |  | **120000** |

**Jt. Venture A/c**

**Sharad A/c (coventurer A/c)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Pawan A/c | 54000 |  | By Jt. Venture A/c | 50000 |
|  |  |  | By Jt. Venture A/c | 2000 |
|  |  |  | By B/R A/c | 10000 |
| Bank A/c… | 14500 |  | By Jt. Venture A/c | 6500 |
|  |  |  |  |  |
|  | **68500** |  |  | **68500** |

**In the Books of Amar**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 120000 |  | By Jt. Venture A/c | 6000 |
|  |  |  | By Bank A/c | 60000 |
|  |  |  | By Sharad A/c | 54000 |
|  | **120000** |  |  | **120000** |

**Ex. 9.** Amar of Aurangabad and Akbar of Ahmadabad enter into Joint venture to consign 100 bales of cotton to Anthony of Rasulabad to be sold at their equal risk. Amar sends 60 bales at Rs. 12,000 each and pay Rs. 18,000 for freight and other charges. Akbar sends 40 bales at Rs. 11,000 each and pay Rs. 10,000 for fright and other charges.

Anthony sell full consignment of 100 bales for Rs. 15,00,000. He charge 10,000 as his commission and other ex. and remitted to the balance to Akbar. Akbar sattle the account of Amar by remitting to him the balance due.

Your are required to prepare Joint Venture A/c, Akbar A/c and Anthony A/c in the books of Amar.

**In the Books of Amar**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c (60 x 12000) | 720000 |  | By Anthony A/c | 1500000 |
| To Bank A/c | 18000 |  |  |  |
| To Akbar A/c (40x11000) | 440000 |  |  |  |
| To Akbar A/c | 10000 |  |  |  |
| To Anthony A/c | 10000 |  |  |  |
| Profit…. | 302000 |  |  |  |
| P/L A/c 151000 |  |  |  |  |
| Akbar A/c 151000 |  |  |  |  |
|  | **1500000** |  |  | **1500000** |

**Akbar A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 1490000 |  | By Jt. Venture A/c | 440000 |
|  |  |  | By Bank A/c | 10000 |
|  |  |  | By Sharad A/c | 151000 |
|  |  |  | Bank A/c… | 889000 |
|  | **1490000** |  |  | **1490000** |

**Anthony A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 1500000 |  | By Jt. Venture A/c | 10000 |
|  |  |  | By Akbar A/c | 1490000 |
|  | **1500000** |  |  | **1500000** |

**Ex. 10.** Chandmal from Chamanpur and Dadmal from Damanpur enter into Joint venture. They decided to send 40 cotton bales to Ahmad of Ahmadabad on Joint venture and share Profit and losses equally. Chandmal dispatched 250 cotton bales @ 3700 cash and incurred Rs. 2500 for freight and Insurance. While Dadmal sent 150 bales at Rs. 3500 each inceret Rs. 1900 for freight. Dadmal endorsed a bill of Rs. 2,00,000 to Chandmal on Joint venture which was discounted Rs. 1,98,000. The discount was charges to Joint venture A/c. Ahmad sold all the bales at Rs. 4,200 each and sent to A/c sales to Chandmal commission Rs. 32,000 and other ex. Rs. 4,800were deducted from the sale proceeds. Ahmad along with A/c sales sent a draft of Rs. 11,98,800 to Chandmal and bill for the balance to Dadmal. Co-venturer have sattle their account.

Prepare Joint Venture A/c, Chandmal A/c and Ahmad A/c in the books of Dadmal.

**In the books of Dadmal**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| ToChandmal A/c (250x3700) | 925000 |  | By Ahmad A/c (400x4200) | 1680000 |
| To Chandmal A/c | 2500 |  |  |  |
| To Goods A/c (150x3500) | 525000 |  |  |  |
| To Bank A/c | 1900 |  |  |  |
| To Chandmal A/c (Discount) | 2000 |  |  |  |
| To Ahmad A/c | 36800 |  |  |  |
| Profit…. | 186800 |  |  |  |
| Chandmal A/c 93400 |  |  |  |  |
| P/L A/c 93400 |  |  |  |  |
|  | **1680000** |  |  | **1680000** |

**Chandmal A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To B/R A/c | 200000 |  | By Jt. Venture A/c | 925000 |
| To Ahamad A/c | 1198800 |  | By Jt. Venture A/c | 2500 |
|  |  |  | By Jt. Venture A/c (Discount) | 2000 |
|  |  |  | By Jt. Venture A/c | 93400 |
|  |  |  |  | 375900 |
|  | **1398800** |  |  | **1398800** |

**Ahamad A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 1680000 |  | By Jt. Venture A/c | 36800 |
|  |  |  | By Chandmal A/c | 1198800 |
|  |  |  | By B/R A/c | 444400 |
|  | **1680000** |  |  | **1680000** |

**Note :**  Bills Discounted by Active Venturer Bills Discounted by Coventurer

Bank A/c Dr. (Amt Received) Jt. Venturer A/c Dr. (Discount)

Jt. Venture A/c Dr. (Discount Amt.) To coventurer A/c(Discount)

To B/R A/c (Total Amt.) To Coventurer A/c(Discount)

**Ex. 11.** Ramnik of Parbhani and Mahesh of Wardha enter into Joint Venture to consign 1000 sugar bags to their agent Rakesh of Mumbai. They are to share profits 2/5 and 3/5 res. Ramink consign 400 bags at Rs. 450 per bag. Paying Rs. 1,600 for freight, Rs. 200 for insurance and paid Rs. 100 for other expenses.

Mahesh consign 600 bag at Rs. 460 per bag and paid Rs. 1,800 for freight and 300 for other ex. Ramnik advance to Mahesh Rs. 1,00,000 on A/c of Venture. All the bags were sold by Rakesh for Rs. 500 per bag out of which he deducted Rs. 2 per bag for exp. and 3 per bag for his commission. Rakesh remitted 95,000 to Mahesh and the balance to Ramnik by draft. Ramnik accepted a bill for the balance due for setteling of the venture A/c.

Pass the necessary Journal entries in the books of Ramnik.

**Journal Entries in the books of Ramnik**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Particulars** | **J/F** | **Dr. Amt.** | **Cr. Amt.** |
| 1 | Jt. Venture A/c Dr. (400x450) |  | 180000 |  |
|  | To Goods A/c |  |  | 180000 |
|  | (Being 400 bags consign) |  |  |  |
| 2 | Jt. Venture A/c Dr. |  | 1900 |  |
|  | To Bank A/c |  |  | 1900 |
|  | (Being Freight, Insurance & other exp. paid) |  |  |  |
| 3 | Jt. Venture A/c Dr. (600x460) |  | 276000 |  |
|  | To Mahesh A/c |  |  | 276000 |
|  | (Being 600 bags consign by Mahesh) |  |  |  |
| 4 | Jt. Venture A/c Dr. (70x600) |  | 2100 |  |
|  | To Mahesh A/c |  |  | 2100 |
|  | (Being Freight & other exp. paid by Mahesh) |  |  |  |
| 5 | Mahesh A/c Dr. |  | 100000 |  |
|  | To Bank A/c |  |  | 100000 |
|  | (Being advance paid to Mahesh) |  |  |  |
| 6 | Rakesh A/c Dr. (1000x500) |  | 500000 |  |
|  | To Jt. Venture A/c |  |  | 500000 |
|  | (Being 1000 bags sold) |  |  |  |
| 7 | Jt. Venture A/c Dr. |  | 5000 |  |
|  | To Rakesh A/c |  |  | 5000 |
|  | (Being Exp. and Comm. Paid to Rakesh) |  |  |  |
| 8 | Mahesh A/c Dr. |  | 95000 |  |
|  | To Rakesh A/c |  |  | 95000 |
|  | (Being cash Remitted by Rakesh) |  |  |  |
| 9 | Bank A/c Dr. |  | 400000 |  |
|  | To Rakesh A/c |  |  | 400000 |
|  | (Being Balance of sale remitted by Rakesh) |  |  |  |
| 10 | Jt. Venture A/c Dr. |  | 35000 |  |
|  | To P/l A/c |  |  | 14000 |
|  | To Mahesh A/c |  |  | 21000 |
|  | (Being profit share by Venturer) |  |  |  |
| 11 | Mahesh A/c Dr. |  | 104100 |  |
|  | To Bank A/c |  |  | 104100 |
|  | (Being Final payment were made) |  |  |  |

**Ex. 12.** Raja of Washim and Pradhan of Malegaon enter into Joint venture to consign 1,000 bag of rise to M/s Balaji rise centre. Perbhani to be sold on their Joint risk. Profit and Losses will be share equally.

Mr. Raja purchase and sent 400 bags of rise @ 400 each, paying for freight and other charges Rs. 10,000. Mr. Pradhan sent 600 bags of rise @ 500 each paying freight Rs. 7,000 and insurance Rs. 1,000.

Mr. Raja advance to Mr. Pradhan Rs. 20,000 on account of the Venture. All the bags were sold by Balaji rise centre for Rs. 5,00,000 from which it deducted Rs. 15,000 for his exp. and 3% commission on the sale. Balaji rise centre remitted 3,00,000 to Raja by bank draft and the balance to Pradhan by bank draft. Raja and Pradhan settle their account between themselves.

Prepare Joint Venture A/c, Co-venturer A/c and Balaji rise centre A/c in the books of Raja.

I**n the Books of Raja**

**Jt. Venture A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Goods A/c (400x400) | 160000 |  | By Balaji R.C A/c | 500000 |
| To Bank A/c | 10000 |  |  |  |
| To Pradhan A/c (600x500) | 300000 |  | Loss--- |  |
| To Pradhan A/c | 8000 |  | P/L A/c 4000 | 8000 |
| To Balaji R.C A/c | 30000 |  | Pradhan A/c 4000 |  |
|  | **508000** |  |  | **508000** |

**Pradhan A/c**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Amt.** |  | **Particulars** | **Amt.** |
| To Bank A/c | 20000 |  | By Jt. Venture A/c | 300000 |
| To Balaji R.C A/c | 170000 |  | By Jt. Venture A/c | 8000 |
| To Jt. Venture A/c | 4000 |  |  |  |
| Bank A/c----- | 114000 |  |  |  |
|  | **308000** |  |  | **308000** |

**Balaji Rice Centre A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt.** | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 500000 | By Jt. Venture A/c | 30000 |
|  |  | By Bank A/c | 300000 |
|  |  | By Pradhan A/c | 170000 |
|  | **500000** |  | **500000** |

**Ex. 13.** Sachin of Amravati and Sandesh of Akola enter into Joint Venture to consign 800 pumpset to Abhay of Delhi to sold on their Joint risk which is in proportion of 2:3 res.

Sachin sent 400 pump sets at Rs. 400 each paying freight Rs. 8000 and other charges Rs. 2,000. Sandesh sent 400 pump sets at Rs. 500 each paying Rs. 1,500 for freight Rs. 6,000 and other charges Rs. 500. Sachin advance to Sandesh Rs. 40,000 on account of the Venture. All the sets wer sold by Abhay for Rs. 4,80,000 out of which he deducted 2% for his exp. and 3% commission on total sale. Abhay remitted Rs. 2,40,000 to Sachin by bank draft and the balance to Sandesh by one month bill.

Prepare Joint venture A/c, Sandesh A/c, and Abhay A/c in the books of Sachin.

**In the Books of Sachin**

**Jt. Venture A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt.** | **Particulars** | **Amt.** |
| To Goods A/c (400x400) | 160000 | By Abhay A/c | 480000 |
| To Bank A/c | 10000 |  |  |
| To Sandesh A/c (400x500) | 200000 |  |  |
| To Sandesh A/c | 8000 |  |  |
| To Abhay A/c | 24000 |  |  |
| Profit…. | 78000 |  |  |
| P/L A/c 31200 |  |  |  |
| Sandesh A/c 46800 |  |  |  |
|  | **480000** |  | **480000** |

**Sandesh A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt.** | **Particulars** | **Amt.** |
| To Bank A/c | 40000 | By Jt. Venture A/c | 200000 |
| To Abhay A/c | 216000 | By Jt. Venture A/c | 8000 |
|  |  | By Jt. Venture A/c | 46800 |
|  |  | Bank A/c…… | 1200 |
|  | **256000** |  | **256000** |

**Abhay A/c**

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amt.** | **Particulars** | **Amt.** |
| To Jt. Venture A/c | 480000 | By Jt. Venture A/c | 24000 |
|  |  | By Bank A/c | 240000 |
|  |  | By Sandesh A/c | 216000 |
|  | **480000** |  | **480000** |