

Q-A question of this kind not exactly it is copied from hand outs.

Excellent Garments of Multan has a branch at Lahore. Goods are supplied to the branch at cost. The expenses of the branch are paid from Multan and the branch keeps

a sales journal and the debtors' ledger only. From the following information supplied

by the branch, prepare a Branch Account in the books of the head office. Goods are

sent to branch at pro-forma invoice price which is cost plus 20%. (All figures in rupees)

Opening Stock (at Pro-forma invoice) 28,800 Closing Debtors 9,150

Closing Stock (at Pro-forma invoice) 21,600 Opening Debtors ?

Goods received from HO (at Pro-forma invoice) 40,320

Bad Debt 140

Credit Sales 41,000

Expenses paid by Head office 10,400

Cash Sales 17,500

Cash received from Debtors 37,900

Pilferage of goods by the employees (Normal Loss) 2,000

5 MARKS

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If:

Increase in assets Rs. 10,000

Decrease in assets Rs. 2,000

Increase in liabilities Rs. 3,000

Increase in liabilities Rs. 500

Pass the necessary journal entries for the above information and prepare the revaluation account.

5Marks

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Q- Receipts and Payment Account

For the year ended December 31, 2008

Receipts Rs. Payments Rs.

Subscription

2007 Rs.2,000

2008 6,000

2009 2,000

10,000

Additional information:

1. Subscription due on 31-12-2007 Rs. 2,000

2. Subscription due on 31-12-2008 Rs. 4,000
3. Subscription received in advance as on 31-12-2007 Rs. 3,000
4. Subscription received in advance as on 31-12-2008 Rs. 2,000

Working: Rupees

Cash received during the year 10,000

Less Opening balance of accrued income 2,000

Add Closing balance of accrued income 4,000

Add Opening balance of advance receipts 3,000

Less Closing balance of advance receipts 2,000

Income for the year 13,000

3 MARKS

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Q- how there would be appropriation between the partnership account?

3 MARKS

Q- Question relating balancing entries

3 MARKS