

28/7/20

Financial Accounts
B. Com Part I
Chapter Royalty.
Numerical. exercise. (9) Dr. S.M. Shukla

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Question.

Bengal Mining Co took a Mine on lease at a Royalty of Rs 1 per Ton. The minimum Rent was fixed at 4000 for the first year, Rs 6000 for the second year and 8000 per year There after. Shortworkings of any year could be recovered out of excess of Royalty of next two years only. The production during the first five years was as follows.

Years	1	2	3	4	5
Tons	2000	4500	6000	9000	12000

Prepare necessary Accounts in the book of Bengal Mining Company.

Ans.

Analytical Table.

Year	Production in Tons	Royalty	M.R	S.W	S.W R	S.W Ue	Profit
I	2000	2000	4000	2000	—	—	4000
II year	4500	4500	6000	1500	3000	—	6000
III year	6000	6000	8000	2000		2000	8000
IV	9000	9000	8000		1000	500	8000
V year	12000	12000	8000	—	2000		10000

On the book of Bengal Mining Company.

Royalty Ue.

I year To land lord.	2000	I year By PSL -	2000
II " To land lord.	4500	II " By PSL -	4500
III year To land lord.	6000	III year By PSL -	6000
IV year To land lord.	9000	IV year By PSL -	9000
V year To land lord.	12000	V " By PSL -	12000

Landlord Account

I year to Bank -

4000
4000

I year

By Royalty a/c - 2000
" Shortworkings 2000
4000

II year to Bank -

6000
6000

II year

By Royalty - 4500
" Shortworkings 1500
6000

III year to Bank -

8000
8000

III year

By Royalty a/c - 6000
" Shortworkings 2000
8000

IV year to Shortworkings & Bank -

1000
8000
9000

IV year

By Royalty 9000

V year to Shortworkings & Bank -

2000
10000
12000

V year

By Royalty a/c 12000

Shortworkings a/c

I year to Landlord.

2000
2000

I year By Bal a/c

2000
2000

II year to Bal a/c & Landlord.

2000
1500
3500

II year By Bal a/c

3500
3500

III year to Bal a/c & Landlord.

3500
2000
5500

III year By Bal a/c

2000
5500
5500

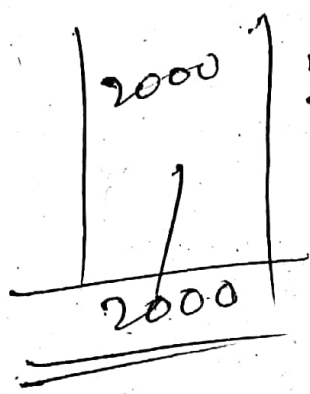
IV year to Bal a/c

5500
2000
3500

IV year By Landlord P/L a/c

1000
500
2000
3500

5 year
no bal. adv.



5 year
By land lord.

