

Financial Accountancy.
B. Com Part I

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Q. Mehta & Co sent goods costing Rs. 20000 to Sarkar & Co on Consignment A/c and incurred Rs 1800 on freight and insurance. Sales Commission @ 5% and del credere commission @ $1\frac{1}{4}\%$ is payable. Consignee sold goods to the extent of Rs. 32000 and expenses were Rs 2400. The unsold stock was worth Rs 600 in the hands of consignee. with open necessary accounts in the book of Consignee.

Solution: -

Consignment Account	
To Goods sent on Consignment	20000
To Cash (Freight)	1800
To Sarkar & Company selling exp	2400
Commission 5%	1600
Del credere	400
To P/L	6454
	<u>32654</u>
By Sarkar & Co.	32000
By Unsold Stock	600
+ Proportionate Exp of Consignee	$600 \times 1800 = 1080$
	<u>32654</u>

Sarkar & Company	
To Consignment A/c	32000
	<u>32000</u>
By Consignee	
Expenses	2400
Commission	1600
Del credere	400
To Balance c/d	27600
	<u>32000</u>

Consignment Stock	
To Consignment	654
	<u>654</u>
By Balance c/d	654
	<u>654</u>

Goods sent on Consignment	
To Trading A/c	20000
	<u>20000</u>
By Consignment	20000
	<u>20000</u>