

2.9.20

Financial Accounts

B. Com Part I

Chapter - Consignment Account

Numerical exercise - (4) S.K. Singh.

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Question.

M/S K. L. Choud & Co of Ahmedabad sent a consignment of 25600 meters of cloth invoiced at Rs 11 per metre to M/S Vasthalya Bhagalpur to be sold at their risk. The agent sold 19200 meters of cloth at 15 per metre. The total remittances to the consignor by the agent amounted to Rs 200000 and the freight paid by the agents amounted to 16000. The balance of cloth unsold to be valued at cost price plus railway freight. Record the above transactions in the ledger of consignor showing the profit made on the consignment and balances dues from agent after allowing their commission at the rate of 1 per metre sold by them.

Ans.

In the book of Consignor.

Consignment Account

To goods sent on consignment	281000	By M/S Vasthalya Bhagalpur	288000
" M/S Vasthalya Bhagalpur	16000	" Consignment Stock	74400
" M/S Vasthalya Bhagalpur (Commission)	19200		
" P/L	45600		
	<hr/> 362400		<hr/> 362400

M/S. Vasudhala & Co. Bangalore Ac

70 Consignment
(Sales.)

288000

288000

BY Consignment up (Freight)	16000
" Consignment do - (Commission)	19200
" Cash Ac -	200000
" Balance c/d -	52800
	<u>288000</u>