

22.8.20

Financial Accounting  
B. Com Part I

Chapter - Consignment  
Numerical - 12 S.M. Shukla

By Dr. S. R. Pathak Dept of Commerce  
R.N.C Haripur.

Question.

Shree Hind cycle Limited of Mumbai appointed Shree A of Agra to sale the good on the following conditions  
invoice price or more (A) Goods must be sold at more than invoice price and (B) A will get 7.5% commission on 20% of the invoice price. (C) The Consignor will draw a 90 days Bill on the Consignee for 80% of the invoice price.

On August 1st 2019 1000 cycles costing Rs 64 including Railway Freight. per cycles were consigned to A on Consignment at an invoice price of Rs 80 each. Before 31 December 2019. A paid the amount of Bill on due date. He sold 820 cycles @ Rs 93 each and incurred Rs 1250. He sent the due amount through Bank draft. out of unused cycles 20 cycles were damaged and valued 50% below the cost. How these transactions would be shown in Consignor's Bill.

Ans:

4th Dec book of three Hind cycle limited  
 Consignment Account

To Goods sent on Consignment		By A/c	
1000 x 80	80,000	Sales Proceeds 220 x 93	76250
" A/c - Selling exps.	1250	" Consignment Share	13600
Commission 7.5% on 65600 =	4920	" Goods sent on Consignment	16000
over holding Com 20% 76260 - 65600	2132		
	8302		
to Consignment Stock	2720		
pl	19838		
	<u>105860</u>		<u>105860</u>

A Account

To Consignment		By Consignment	
	76260	" B/R	1250
		" Consignment	64000
		" Cash	7052
			3988
	<u>76260</u>		<u>76260</u>

Goods sent on Consignment.

To Consignment A/c	16000	By Consignment	80000
To Trading A/c	64000		
	<u>80000</u>		<u>80000</u>

Bills Receivable A/c

To A/c	64000	By Bal. c/d	64000
	<u>64000</u>		<u>64000</u>

Consignment Stock A/c

To Consignment A/c	13600	By Balance c/d	13600
	<u>13600</u>		<u>13600</u>

Consignment Stock Suspense A/c

To Balance c/d	2720	By Consignment A/c	2720
	<u>2720</u>		<u>2720</u>