

26.9.20

Financial Accounts
B. Com Part I
Chapter - Consignment

Numerical Exercise - 23 S.M. Sharma.

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

Question:

Mrs Rama & Co, Delhi appointed Mrs Shyam & Co Jabalpur as their agent to sell their T.V. sets on the following conditions.

- (i) The goods will be sold invoice price or more.
- (ii) Shyam & Co Jabalpur will get 5% commission on invoice price and 20% commission on excess price and 2.5% definitive commission on gross sales.
- (iii) Consignor will draw a Bill for 2 month duration for 80% the price of the goods sent on consignment.

On 1 Aug 2019 ten T.V. set - coloured were consigned to the agent at cost of Rs 8000 per set, including freight. Their invoice price was Rs. 9600 per set. The consignor discounted the Bill with their Banker one month earlier than its due date at 12% P.A. and amount of discount & freight as consignment charges were Rs. 12500. Mrs Shyam & Co met their Bill on due date. They sold 9 T.V. sets for Rs. 12500 and incurred 4% on them. An unsold T.V. was defective and was to be valued less than its cost. Open Consignment Account in the books of Consignor.

Ans.

In the book of M/s Rama & Company
 Consignment Account.

Particulars	Amount	Particulars	Amount
To goods sent on consignment 10 x 8000	80,000	By M/s shyam & company. 9 x 12500	112500
To shyam & company, Inc. Expenses 4210 Commission 12353	16563	To Consignment Stock	4000
To discount on B/R	768		
To P/L Account (Profit)	19169		
	116500		116500