

4.8.20

Financial Accounts  
B. Com Part I

Chapter - Joint Venture

Numerical Exercise. (8) Dr. S.M. Shinde

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Question.

A and B enter into a joint venture to take a building contract for Rs. 2,40,000. They provide the following information regarding the expenditure incurred by them

	A	B
Materials -	68,000	50,000
Cement.	13,000	17,000
Wages -	—	27,000
Architect Fees.	10,000	—
Licence Fees.	—	5,000
Plant -	—	20,000

Plant was valued at Rs. 10,000 at the end of the contract and B agreed to take it at the value. Contract amount of Rs. 2,40,000 was received by A.

Show :- (i) Joint venture account and B Account in the books of A and (ii) J.V. Account in the books of A

Ans.

① Joint venture Account in the books of A.

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
	To Bance — Materials 68000 Cement 13000 Architect fees 10000		91000		By Bance ac. (Contract Price)		240000
	To B — A/c — Materials 50000 Cement 17000 Wages 27000 Licence fees 5000 Plant 20000		119000		By B ac (Plant taken)		10000
	To Profit transfer to P/L — 20000 B — 20000		40000				250000
			<u>250000</u>				

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
	To Joint venture		10000		By Joint venture (Expenses)		119000
	" Bal c/w —		129000		" Profit		20000
			<u>139000</u>		Joint venture a/c		20000
							<u>139000</u>

② Joint venture Account in the books of B.

Date	Particulars	J.F.	Amount	Date	Particulars	J.F.	Amount
	To Bance — A/c — Materials 50000 Cement 17000 Wages 27000 Licence fees 5000 Plant 20000		119000		By A ac — Materials		240000
	To A — A/c — Materials 68000 Cement 13000 Architect 10000		91000		" Plant		10000
	" P/L — 20000 A — 20000		40000				250000
			<u>250000</u>				

# A. Account

date	Particulars	J.F	Amount	date	Particulars	J.F	Amount
	To Joint venture		2,40,000		By Joint venture (Expenses)		9,100
			/		" Joint venture (Profit)		2000
			<u>2,40,000</u>		" Balance c/d		1,29,000
							<u>2,40,000</u>