

31.7.20

Financial Accounts
B. Com Part I

Chapter: - Joint venture

Exercise: (7) Numerical. Dr. S. M. Shukla

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Question.

Reena of Ranchi and Beena of Gumla signed a contract to export Cotton Bundles on Joint venture. Reena sent goods worth Rs 3,00,000 and incurred Rs 15000 on freight and other expenses. Beena sent goods worth Rs 2,07,500 and incurred in this regard Rs 12000 on freight port expenses Rs 2000 custom duty Rs 5000 and other expenses Rs 5000. Reena paid Rs 60,000 to Beena as an advance against joint venture. Beena received Rs 8,00,000 of sales proceeds from Chandani who is in foreign and paid the due amount to Reena through a Bank Draft. Pass necessary Journal Entries and Accounts in the books of Reena and Beena.

Ans.

Journal Entries in the book of Reena.

Date	Particulars	L.F.	Dr Amount	Cr Amount
	Joint venture A/c Dr to Purchase - MC (Being goods given on joint venture)		30000	30000
	Joint venture A/c Dr to Cash A/c - (Being payment of freight and other expenses.)		30750	30750
	Joint venture A/c Dr to Beena A/c - (Being goods given by Beena on joint venture)		207500	207500
	Joint venture A/c Dr to Beena A/c - (Being freight, post expense & custom duty paid)		24000	24000
	Beena A/c Dr to Cash A/c - (Being advance given to Beena against joint venture)		60000	60000
	Beena A/c Dr to Joint venture (Being goods sold)		800000	800000
	Joint venture A/c Dr to Bal. (Being profit distributed equally)		237750	118875 118875

Banks A/c Dr 509625
 To Beeng Capital A/c

509625

Being dues amount received from Beeng by Bank draft

Joint venture ac.

Date	Particulars	Dr	Amount	Date	Particulars	Cr	Amount
	To purchase (Goods given)		30000		By Beeng A/c		80000
	To Cash (Freight other exp)		30750				
	" Beeng ac		20750				
	" Beeng ac						
	Freight 1200						
	Wear & tear 2000						
	Customs 5000						
	Other 5000		24000				
	To Profit & Loss ac.						
	To P/L -		118875				
	By Beeng -		118875				
			<u>80000</u>				<u>80000</u>

Beeng Account

Date	Particulars	Dr	Amount	Date	Particulars	Cr	Amount
	To Cash (Advance)		60000		By Joint venture		207500
	" Joint venture (Sales)		80000		" Joint venture (Expenses)		24000
			<u>860000</u>		" Joint venture Profit		118875
					By Bank		509625