

17.7.20

Specialised Accounts  
B.com Part II

By

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Question:

B. Limited was incorporated on 1 June, 2013 to purchase the business of Rakesh Ranjan Enterprises from 1 January 2013, the Accounts were made up to 31 December 2013 as usual, and the Trading & Profit & Loss Accounts give the following results.

(1) Total turnover Rs. 8,00,000 of which Rs. 200,000 were for the first 5 months.

(2) Gross Profit - 200,000

(3) Office expenses Rs. 12,000

(4) Administrative expenses Rs. 36,000

(5) Selling expenses. 26,000

(6) Directors fee Rs. 18,000

(7) Preliminary expenses. 6,000

Prepare a Statement showing the amount of Profit and Loss before and after incorporation in the book of 'B' Limited.

Ans.

Statement showing the apportionment of profit.

Particulars	Partners before incorporation		After incorporation	
	Dr	Cr	Dr	Cr
1. Revenue from operation (Gross profit) (Turnover basis 3:1)		50000		150000
II Expenses:				
(1) office expenses. 5:7	5000		7000	
(2) Adm exp. 5:7	15000		21000	
(3) selling exp. 1:3	6500		19500	
(4) director's fees. actual.	—		18000	
(5) Preliminary expenses			6000	
		26500	71500	
		23500		78500
<u>Net Profit</u>				