

Branch Accounts

Dependent

- All Inc/Exp of this branch belongs to HO
- All Rev/Cap decisions are of HO
- Books of A/c are made by HO only

Independent

- All Inc/exp of this branch belongs to Br.
- Capital decisions are of HO.
- Books of A/c of HO & Br are maintained separately.

Cost Price = mat + wt + Dis Exp + Fac d/H.

Loaded Price = COST + Profit.

Selling Price = deal price with buyer.

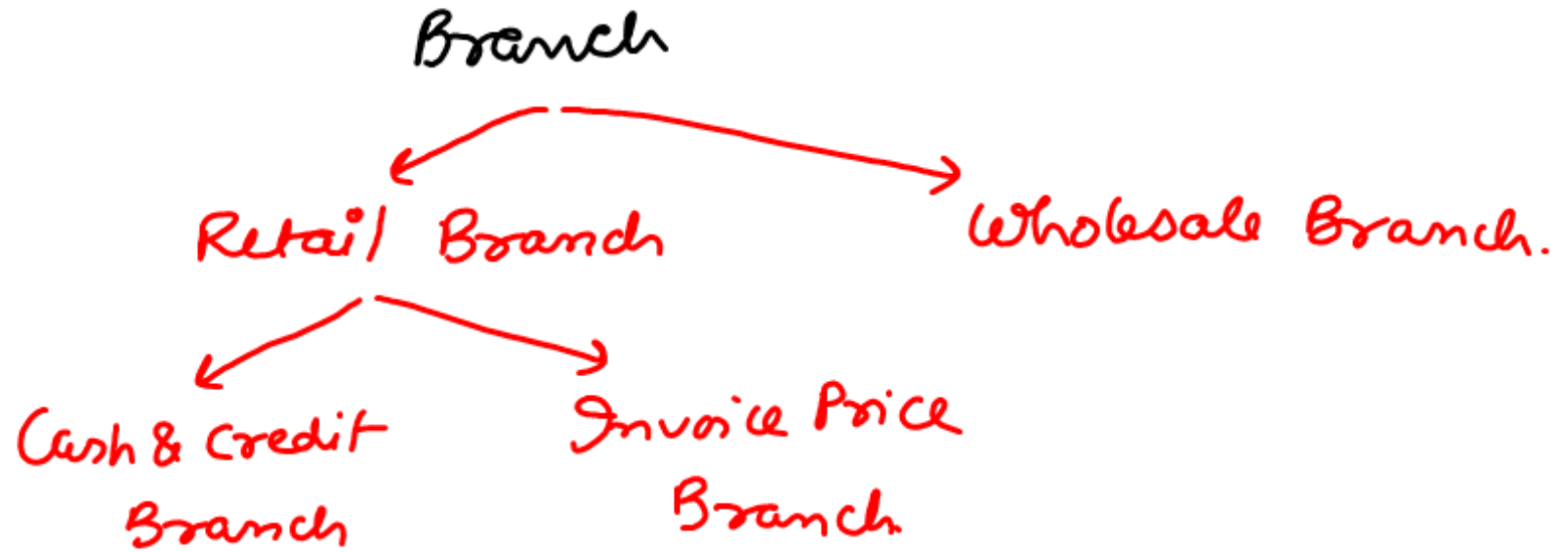
List Price = MRP

Catalog Price = Minimum price at which goods can be sold.

Invoice Price = Price where ownership is not transferred

Transfer price

True Price



HO



Br



Customers

Cost

IP

GP

SP

$IP = SP$

$SP > IP^*$

A/c System

	Cash & Cr Branch	Invoice Price Branch	wholesale Branch
Debtor System	✓	✓	
Stock & Dds System		✓	
final a/c System.	✓		✓

Debtors System HO books Branch ac

HO → Br	Br → HO.
<p>To op bal</p> <p style="padding-left: 20px;">Stock</p> <p style="padding-left: 20px;">Debtors</p> <p style="padding-left: 20px;">cash</p> <p style="padding-left: 20px;">Assets</p> <p>To Goods sent to Br</p> <p>To cash</p> <p>To Asset</p> <p>To Profit</p>	<p>By Cash (remittance)</p> <p>By Goods sent to Br.</p> <p>By cl bal</p> <p style="padding-left: 20px;">Stock</p> <p style="padding-left: 20px;">Drs</p> <p style="padding-left: 20px;">Cash</p> <p style="padding-left: 20px;">Assets (at WDV)</p>

PTR (debtors System)

(i) Branch a/c do not include:

— Cash purchase / Credit purchase

— Cash sale / Credit sale .

— Normal loss / Abnormal loss

— Goods return by customer (Sales return)

— Actual Expenses .

— Depreciation

— Bad debts / Discount

(2)

Cash a/c.

Petty Cash a/c

Proper Cash a/c.

Normal

Imprest

Systems.

Cash a/c.

P. Cash a/c

op bal
Cash

P. Exp

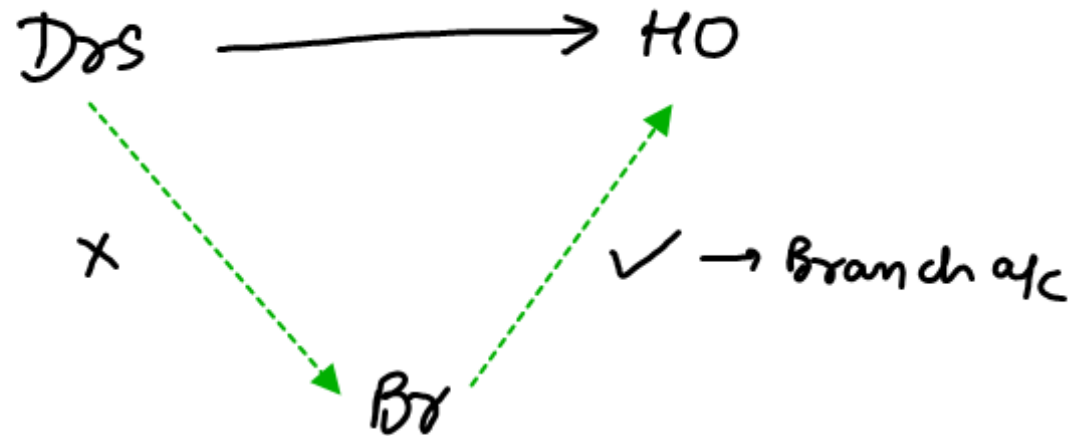
cl bal

op Cash = cl Cash.

Cash = P. Exp.

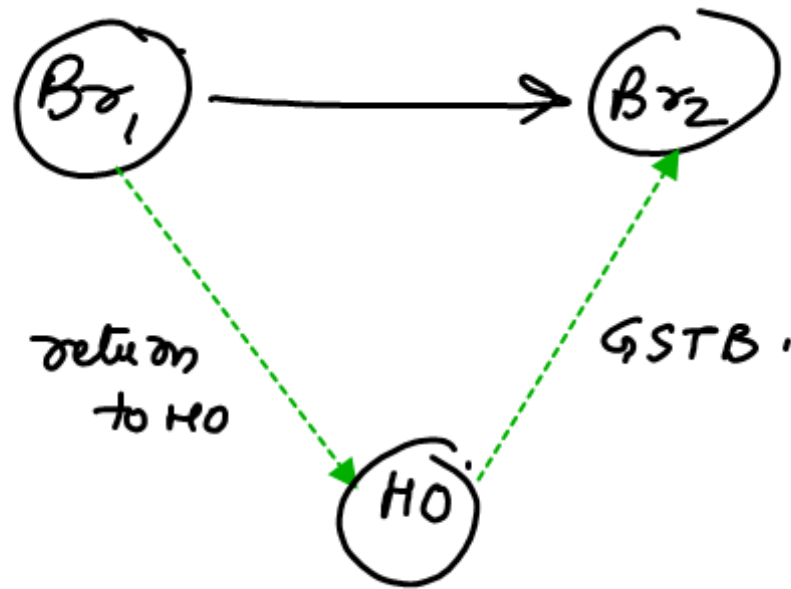
op bal.	Expense
Cash sale	HO (remit)
DOS	P. Cash
HO	cl bal

③ Des of Br return goods to HO directly



(4)

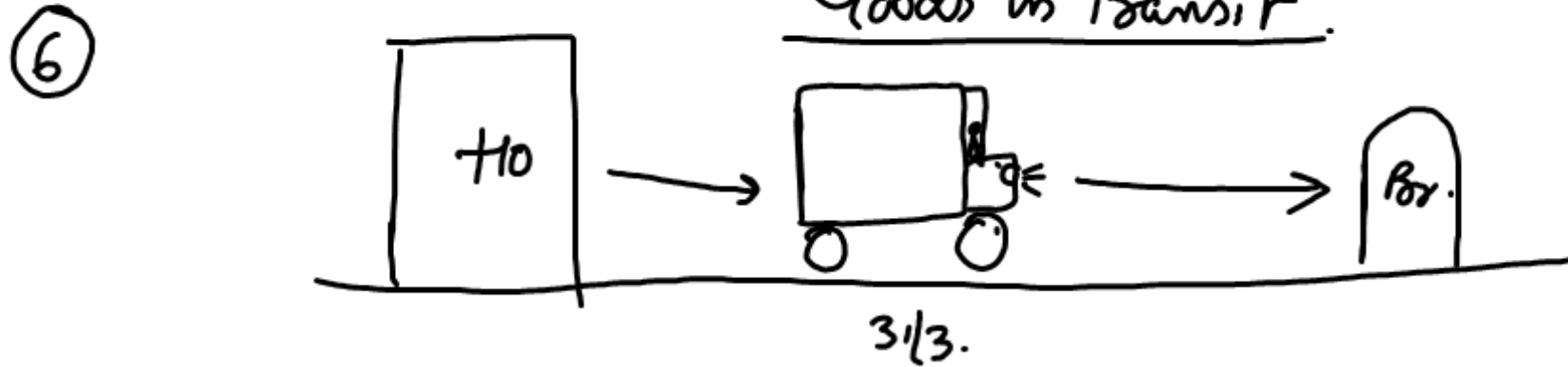
One Branch gives to other Branch.



⑤ In debtors System, we prepare only Branch a/c.

Rest of a/c made are only dummy working notes

Goods in Transit.



Goods in transit is preferred to be done at receiving end.

⑦ If HO pays Branch Exp.

Salaries Dr
to BK

Branch Dr
to Salaries

Advt Dr
to Bank

Br₁ Dr
Br₂ Dr
to Advt.

488/1.

Books of H/O
Patna Branch a/c

To balance b/d		By Cash	453700
Stock	58900	(remittance)	
Debtors	14700		
P. Cash	720		
To Goods Sent to Branch	329400	By Goods Sent to Branch	1800
To Cash	55000	By Balance c/d	
To Profit	70110	Stock	55400
		Cash	730
		D/S	17200

Working Notes

Cash a/c

Cash Sale 315800

H/O (453700)

H/O 55000

Rent 12000

Drs 137900

Salary 36000

P. Exp. 7000

Debtors a/c.

bal b/d 14700

Cash 137900

Cr Sale 140400

cl bal

(17200)

488/2.

Lucknow Branch a/c.

bal b/d.

Stock 378000

Drs 135500

PC 45000

Bank 9650

To GSTB 762000

To Salary 152500

~~Rs~~

Bank 895000
(remittance)

By GSTB 15000

By loss of to P&L 157180
Balance fd.

Stock 270000

Drs 102450

PC 36000

Bank 7020

← 45000 - 20%

Debtors ac

bal bd	135500	S. return	3750
Cr. Sale	825000	Bank	845000
		Disc	7800
		Bad debt	1500
		cl bal	102450

Bank ac

bal	9650.	Ho Bk	895000
Cash sale	156000	Rent	56000
Drs	845000	Wages	45000
		G. Exp	7630.
		cl bal	7020

SG

Mountain

Glacier

River

Sea

Trading ac

GSOC

Consignment

General P&L

Op Stock

Pure

wages

fac of H

Cash Sale SP

Cr Sale SP

C GSOC

GSTB

GSDHP

GP

Ustock
(godown)

Tr C
C
C
C
C
C
C

To C

Comp P.

GSTB

Tr C

Bor P

GSDHP

Tr C

HPtr P =

Crug IP

GSOC

GSTB

Bor

GSDHP

HPtr HP

P =

GSOC
Exp
P

GSTB
P

GSDHP
P

IP
GSOC P.
Bal

Branch ac

GSTB
P

HPtr

GSDHP
HPtr
Bal

Common
Exp.

NP.

Divd
Tr to Res
Bal old

P&L

GP
Comp.

Bor.

HP.

P&L app

NP

~~Ocean.~~

Balance sheet

Stock

Dr
Cr
Cr
Cr