

498/21

Closing of Branch books

<u>Normal Co</u>		<u>Branch</u>	
<u>Transaction</u>	<u>Closing.</u>	<u>Transaction</u>	<u>Closing.</u>
Salary Dr to Bank	P&L Dr to Salary.	Salary Dr to Bank	HO Dr to Salary
Purchase Dr to Crs	Trading Dr to Purc	Purc Dr to Crs.	HO Dr to Purc
Drs Dr to Sale	Sale Dr to Trading	Drs dr to Sale	Sale Dr to HO.
Exp dr to BANK	P&L dr to Exp	Exp dr to BANK	HO Dr to Exp.

Branch B/S

HO a/c.		Br Assets
Br Liabilities		

Branch Books

HO a/c		Cash & Bank a/c.	
Purchase 548000	bal b/d 168000	bal b/d 8000	Wages 120000
wages 120000	Sale 1230000	D/S 1130000	Salary 144000
Salary 142000	Disc 11200		Gen Exp 8600
Gen Exp 8600			Fire prem 9200
Fire prem 4600			Mgr Salary 40600
Mgr Salary 34800			Creditors 55000
Disc 28000			HO (b/d) 104000
Cash (B/d) 104000			HO (remittance) 138400
Bank 138400			cl bal
bal y/d 280800			Cash 1600
			Bank 21600

Creditors a/c.

Disc 11200	bal b/d 40000
Bank 550000	Purchase 548000
bal b/d (26800)	

Debtors a/c.

bal b/d 200000	Bank 1130000
Sale 1230000	Disc 28000
	bal c/d (272000)

Drs Dr to Sale + Sale Dr to HO.

Branch B/s (at the stage of part)

HO 280800	Adv Salary 2000
	PP premium 4600
	PP Salary 5800
	Cash 1600
CRS 26800	Bank 21600
	Drs 272000.

Purc Dr HO Dr
 to Crs to pur

Wages Dr HO Dr
 to Cash to wages

Salary Dr 144 HO Dr 142000
 to Cash. 144 Adusal. Dr 2000
 to Salary 144000

Ins prem Dr 9200 HO Dr 4600
 to Cash 9200 AP prem Dr 4600
 to Ins prem 9200

$$\frac{40600}{7} \times 6 = 34800$$

$$\times 1 = 5800$$

Disc Dr HO Dr
 to Drs to disc.

Crs Dr disc Dr
 to disc to HO.

Crs Dr
 to Cash.

Bidg Dr Bidg] HO
 to Cash to Cash] Pur

HO Dr 307600.

to Advance salary. 2000.

to Prepaid Insurance 4600

to Adv Mgr salary 5800

to Cash 1600

to Bank 21600

to Debtors 272000.

CRS Dr 26800

to HO 26800

Now HO a/c in Branch books will vanish.

AS-11.

9)
थिरोत Branch.

HO → US

Br → China.

Reporting Currency

- ↳ Currency of HO
- ↳ Currency in which financial statements are made.

झारखण्ड ब्रान्च
 तल पट (रुमें)

विक्रय		४३२८५०
वेतन	१४५००	
	}	}

language
 Translation →

Jharkhand Branch
 Trial Balance (in ₹)

Sales		432850
Salaries	14500	

↓
 currency
 translation

in \$
 acc to AS-11

Items of T/B	Conversion Rates
Op items	Op rate
FA & depr	rate on date of purchase
Cl items	Cl rate
Exp / Income	date of transaction / Avg rate
Contra items of HO & Br.	Contra amounts from HO Books

* Any difference in conversion of Trial Balance is transferred to P&L a/c.

498/22.

Conversion of ^{New York} Br T/B.

Profit & Loss Statement

Reporting Currency in ₹							
Particulars	₹	rate	Dr ₹	Cr ₹	HO	Br.	
FA	9000	10	90000 ✓		Sales	186300	67200.
Drs & Cash	360	15	5400.		Br profit	35700	—
opr cost	2250	14	31500			222000	57200
Sales	4800	14		67200.	less:		
CrS	256	15		3750.	operating cost	103700.	31500
HO Current	4200	—		42600	diff in Ex	10250	—
Acc depr	2360	10		23600	PBT	108050	35700
					- Tax	—	—
diff in Ex			10250		PAT	108050	35700
					(Br profit hf to HO)		

Kashmir Grafts Ltd Balance Sheet (in ₹)

<u>SI/Asset</u>	
Sh. Capital	200000.
Reserves	110800
Profit & loss	108050.
<u>NCL</u>	—
<u>CL</u>	
Creditors 9700 + 3750	13450
	432300.
<u>NCA</u>	
FA $450000 + 90000 = 540000$	
- acc debr $107100 + 23600 = 130700$	409300
<u>CA</u>	
Drs & Cash 17600 + 5400	23000.
	432300

Conversion of Branch T/B

	Amt ₹	rate	Dr ₹	Cr ₹
op stock	12600	14	900	/
Purchase	75000	12	6250	/
Sale	112500	12		9375
Debtors	39000	13	3000	/
Creditors	26000	13		2000
B/R	10400	13	800	/
B/P	9100	13		700
Salaries	4800	12	400	/
Rent	5100	12	425	/
Furniture	4910	-	350	/
Bank	28990	13	2230	/
London a/c	33200	-	-	2680
diff in Ex			400	

Cl stock 32500 ₹

rate 13.

Cl stock = 2500 ₹.

Br P&L a/c

Branch Balance Sheet.

Op Stk	900	Sales	9375	London A/c.	2680	Furniture	350.
Pur	6250	Y Stock	2500	P&L	3500.	Stock	2500
GP	4725	GP	4725	CRS	2000	Bank.	2230
Salaries	400			B/P	700	Drs	3000
Rent	425					B/R	800
diff in Ex	400						
NP	3500						
					<u>8880</u>		<u>8880</u>