

499/24

## Conversion of Branch Trial Balance

	A \$	rate	₹ Dr	₹ Cr.
P&M	200.	18	3600	
P&M dep's res	130.	18		2340
Debtors	60.	24	1440.	
Creditors	30.	24		720.✓
op. Stock	20	20	400 ✓	
Cash & Bank	10.	24	240.✓	
Purchases	20	22	440 ✓	
Sales	123	22		2706 ✓
GSTB	5	—	100	
Wages & Salary	45	22	990	
Rent	12	22	264	
Office Expense	18	22	396	
Commission	100	22		2200
to Current a/c	7	—		120

diff in Exchange

216.

4 stock of Br  
 $3125 \times 24$   
 $= 75000$

S & M Ltd  
Profit & Loss Statement (1000)

	HO	Br.			
Sales	520	2706	Stock Reserve	15	-
Stock Reserve	4	-	Prov for D&D	14	72
GSTB	100		depr on		
Commission	256	2200	Bldg	80	-
Branch Profit	2067		P&M	280	252
			diff in EX	216	
			MD Comm	40	
	<u>2947</u>	<u>4906</u>	Profit before tax	1882	2067
<u>less</u>			- Tax	565	-
Change in Stk					
100 400	(50)	325	Profit after Tax	1317	2067
- 150 75			(Br profit b/t P&L)		
Purchases	240	440			
GRFHO	-	100	EPS Basic*	6.59	
MD Salary	30	-	Diluted	6.59	
Wages & Salaries	75	990			
Rent	-	264			
off Expenses	25	396			

S & M Ltd  
Balance Sheet in (₹'000)

<u>Shareholder's fund</u>		
	Sh. Capital	2000
	Reserve & Surplus	1000
	Profit & Loss	1317
N		
C	Creditors 200+720	920
	1/5 MD Comm	40
	Prov for tax	565
N		
	Land	500
	Bldg (3)	720
	P&M (3) [1520+1008]	2528
C	Cash & Bk 10+240	250
	Stock 150+75-15	210
	Drs (2) 266+1368	1634

$$\textcircled{1} \frac{1}{4}C = \frac{1}{5}S.$$

$$\text{Br Stock} = 75000$$

$$\text{Stk Res} = \frac{1}{5} \times 75 = 15$$

$$\textcircled{2}$$

	Ho	Br
Drs.	280	1440
- prov @ 5%	$\frac{14}{266}$	$\frac{72}{1368}$

$$\textcircled{3}$$

	Bldg Ho	P&M Ho	P&M Br.
Cost	1000	2500	3600
- acc depr	200	600	2340
WDV	800	1900	1260
- depre	80	380	252
U bal	720	1520	1008

Profit before Comm & Tax      1922

+ prov for DD      14  
                           +72              86

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Profit U/S 198              2008

MD Comm =      2% 2008

=              40

500/25

We observe Remittance a/c in Trial Bal. This means that  
 ① Br  $\longrightarrow$  Ho. Cash Sent by Br to Ho  
 Remittance has been entered  
 to Dr to cash there this a/c only.  
 Cash Dr  
 to Br.  
 Remittance.

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②.  $\text{depr} = 10\% \text{ Cost of machinery}$

$$\text{Ho: } \text{depr} = 10\% \cdot 6000 = 600$$

$$\text{Br: } \text{depr} = 10\% \cdot 126000 = 12600$$

③

To Books

i)

cos	59000
	<u>- 600</u>
cos:	58400.
depr	600

By books.

	360000
	<u>- 12600</u>
cos:	347400.
depr	12600

ii)

CIT Dr 1900  
to remittance 1900

∴ now remittance  $28000 + 1900$   
 $= 29900$

iv)

to Dr 320  
to Drs 320

∴ to	Drs.
Gr 504260	36000
Dr <u>- 320</u>	<u>- 320</u>
503940	35680

## Conversion of Branch T/B

	FL	rate	₹ Dr	₹ Cr.
Freehold Bldg	63000	7	9000 ✓	
Debtors.	35680	8	4460 ✓	
Creditors	1560	8		195 ✓
Sales	432000	9		48000 ✓
H/o a/c	503940	—		60100 ✓
Cost of Sales	347400	9	38600 ✓	
depr	12600	7	1800 ✓	
Proor for depr.	56700	7		8100 ✓
Admin	18000	9	2000 ✓	
cl. Stock	11520	8	1440	
Machinery	126000	7	18000	
Remittance	272000	—	29900	
Bank	79200	8	9900	
S&D cost	28800	9	3200	
<b>Diff in Exchange</b>				<b>1905</b>

HP Ltd

## Profit &amp; loss Statement (in ₹)

## Balance Sheet (in ₹)

	HO	Br		
Sales	104000	48000.	Shareholder fund	
GST B	35000	-	Share capital	40000
Cliff in Exchange Br Profit	1905	-	Profit & loss 2000	
	2250	-	+45355	47355
<u>less:</u>	<u>143155</u>	<u>48000.</u>	<u>Noncurrent Liabilities</u>	<u>-</u>
Cost of sales	58400	38600	Current Liab.	
depr	600	1800.	⊕ Creditors (9500+195)	9695
Admin cost	15200	2000	o/s Br mgr Comm	150
Stock Reserve	300	-		<u>97200.</u>
S&D cost	23300.	3200	<u>Noncurrent Assets</u>	
Br Mgr Comm	-	150	Freeholdy Bldg (14+9)	23000
	<u>45355</u>	<u>2250</u>	P&M 6000 18000	
PBT	45355	2250	- acc depr 1500 8100	14400
- Tax	-	-	<u>Current Assets</u>	
PAT	<u>45355</u>	<u>2250</u>	Debtors (8900+4460)	13360
			Stock (28900+1440-300)	30040
			Bank (4600+9900)	14500
			CIT	1900
				<u>97200</u>



## Br P&L (in FL)

CoS	347400	Sales	432000.
depor	12600.		
Admn	18000.		
S&D	28800.		
Profit	25200		

Profit before Comm in FL = 25200

$$\text{Comm} = \frac{5}{105} \times 25200 = 1200 \text{ FL}$$

$$\text{rate} = 8$$

$$\text{Comm} = 150 \text{ ₹}$$

	US \$	rate	₹ Dr	₹ Cr.	
P&M	12000.	38	4560 ✓		(1000)
F&F	8000.	38	304 ✓		
op stock	56000	39	2184 ✓		1 \$ = ₹ 39.
Purchase	24000.	40	9600 ✓		
Sales	416000.	40		16640 ✓	52000 \$ X 41
GRFHO	80000.	—	3940 ✓		= 2132
wages	2000.	40	120 ✓		
Carriage	1000	40	40 ✓		
o/s wages	1000	41		41 ✓	
Salaries	6000	40	240 ✓		
Rent	2000	40	80 ✓		
Insurance	1000	40	40 ✓		
To Exp	1000	40	40 ✓		
HO ac	11400	—		4300	
DOS.	24000	41	984		
CoS	17000	41		697	
Bank	5000	41	205		
Cash	1000	41	41		
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diff in Ex				700	

P&L a/c	('000)	P&S.	('000)
Sales	16640.	S	
diff in Ex	700.	Headoffice bal	4300
	<u>17340</u>	Profit & loss	2702
less:		N	
depr on P&M	456	C	
depr on F&F	30	o/s wages	41
Change in stk (2184-2132)	52	Creditors	<u>694</u>
Purchases	9600	N	
GRFHO	3940	P&M 4560 - 10%	4104
Wages	120	F&F 304 - 10%	274
Carriage	40	C Stock	2132
Salaries	240	Drs	984
Rent	80	Cash	41
Insurance	40	Bank	<u>205</u>
Trade Expense	40		
<u>Profit b/f to P&amp;L</u>	<u>2702</u>		