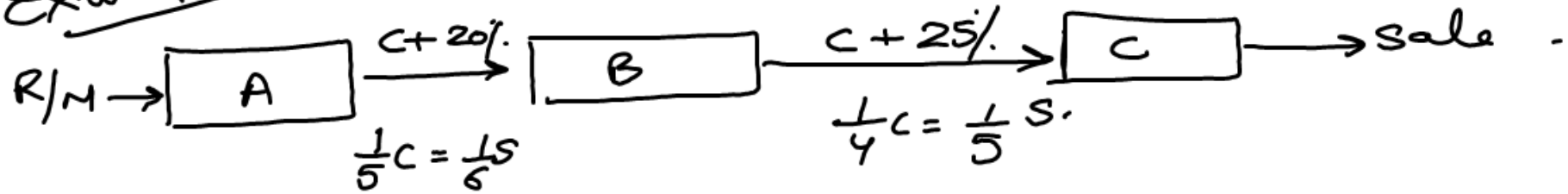


Example.

Dependent Branch



Department A

R/M	100000	Tot to Dept B	180000
wages	60000	→ 150000 + 20%	
o/H	10000		
GP	30000	4 Stock	20000

Dept B

op stock 10

Tot from A	180000	Tot to C	250000
wages	20000	→ 200000 + 25%	
o/H	30000		
GP	50000	4 Stock	30000

Dept 3.

Tot from B	250000	Sale	350000
wages	40000	280000 + P	
o/H	10000		
P	70000	4 Stock	20000

Unloading of dept A stock = 0

Unloading of dept B stock

$$\frac{4 \text{ Stock} \times \text{content Ratio} \times \text{P ratio}}{30000 \times \frac{180000}{230000} \times \frac{1}{6}}$$

Unloading of dept C stock

B profit on C stock

$$20000 \times \frac{250000}{30000} \times \frac{1}{5}$$

A Profit on C stock

$$20000 \times \frac{250000}{30000} \times \frac{4}{5} \times \frac{180000}{230000} \times \frac{1}{6}$$

PTR

- 1) ~~Under~~ Profit % for unloading purpose is always a % of Sales
- 2) op Stock is not included in CONTENT RATIO for unloading.
- 3) If op Stock is given
 - (a) If Profit element on op Stock is given then it is simply credited to P&L
 - (b) If Last yr GP rate is given then op Stock is unloaded using THAT RATE.
 - (c) If op Stock is given to be at cost then no treatment.
 - (d) If nothing is specified, the op Stock is subtracted from cl Stock & the balance is unloaded assuming that content ratio & Profit ratio of both the years is same.

Q5

Department A a/c

op stock	3000	Tyf to B	18000
Material	8000	12000 + 50%	
wages	5000		
GP	6000	4 stock	4000

Department B a/c

op stock	4000	Tyf to C	33000
Tyf from A	18000	30000 + 10%	
Material	12000		
wages	10000		
GP	3000	4 stock	14000

Department C a/c

op stock	6000	Sale	34000
Tyf from B	33000		
Exp	0		
GP	3000	4 stock	8000

$$A \xrightarrow[\frac{1}{2}c = \frac{1}{3}s]{c+50\%} B \xrightarrow[\frac{1}{10}c = \frac{1}{11}s]{c+10\%} C$$

A's stock has no Profit

B's stock have A's profit

$$14000 \times \frac{18000}{40000} \times \frac{1}{3}$$

C's stock have B profit

$$8000 \times \frac{33000}{33000} \times \frac{1}{11}$$

C's stock have A Profit

$$8000 \times \frac{33000}{33000} \times \frac{10}{11} \times \frac{18000}{40000} \times \frac{1}{3}$$

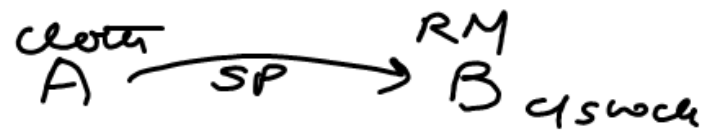
General P&L a/c			
Salaries	2000	GP of dept A	6000
P&S	1000	B	3000
Intt	7000	C	3000
Depr	3000		
Rent	6000	Stk Reserve (op)	3000
Stk Res (cl)	3918		
		Net loss	4918

Q6

	cloth	ReadyMade	Trading & P&L	cloth	Readyme
op stock	300000	50000.	Sales	SP 2200000	450000
Purchases	2000000	15000.	Tof to RM	SP. 300000	—
Tof from cloth	—	300000			
Mfg Exp	—	60000.	CSWck	200000	60000
GP	400000	85000	GP	70000	85000
Selling Exp	20000	6000			
Dept Profit	380000	79000			

	General
Gen Exp	110000
Stk Res (cl)	7200
Net Profit	<u>347425</u>

P&L a/c	
Dept Profit of cloth	380000
RM	79000
Stk Res (op)	5625



op stock

$$50000 \times 75\% \times 15\% = .5625$$

cl stock

$$60000 \times 75\% \times 16\% = 7200.$$

$$1985 \quad \text{GP rate} = \frac{400000}{220000 + 300000} \times 100 = 16\%$$

Q7

Departmental Trading & P&L

	A	B		A	B
Op Stock	20000	12000	Sales (SP)	140000	112000
Purchases	92000	68000	Tot of PG (C)	8000	10000
wages	12000	8000	Tot of FG (SP)	35000	40000
Carriage	2000	2000	Ret of FG	10000	7000
Tot of PG (C)	10000	8000	4/stock		
Tot of FG	40000	35000	PG (C)	4500	6000
Ret of FG (SP)	7000	10000	FG	24000	14000
GP					



$$\text{Unloading} = \text{CSTK} + \text{Content Ratio} \times \text{P Ratio}$$

	<u>A</u>	<u>B</u>
C Stock	24000	14000
x Content Ratio	x 20%	x 20%
x P Ratio	32.39%	22.92%
<hr/>		
<u>Unloading</u>		
GP	38500	46000
S	S 140000 + 35000 - 7000 <hr/> 168000	112000 + 40000 - 10000 <hr/> 142000
GP Ratio	22.92%	32.39%

