

Branch Account:

1. Short sums:
 - A. A remittance of Rs 25,000 which was made by the Valsad Branch to Head Office on 29-3-2021 was received by the Head Office of Surat on 3-4-2021. The accounting year closed on 31st March. Pass the journal entries in the books of head office and branch both. *[V.N.S.G.U. Apr. 2017]*
 - B. The balance of Furniture Account on 1-4-2021 was Rs 18,800 which was sent to branch on 1-10-2021. On 31-3-2021 depreciation was charged on furniture at 12% per annum on straight line method. Write journal entry in the books of H.O. for balance of furniture on 31-3-2022.
[V.N.S.G.U. Apr. 2016]
 - C. Branch has opening balance of petty cash Rs 1620 and closing balance Rs 8181. During the year branch has incurred sundry expenses of Rs 7074. Find the amount of petty cash received from Head Office by branch.
[V.N.S.G.U. Apr. 2015]
 - D. The balance of furniture on 1-04-2020 was Rs 1,71,000 in the books of Bilimora Branch. Valsad Head Office had sent furniture on 31-12-2020. On 31-3-2021 furniture balance in the books of branch was Rs 1,99,775. Depreciation on furniture is 10% per annum as per written down value method. Write journal entry in the books of head office for furniture sent.
[V.N.S.G.U. Nov. 2018]
 - E. The Closing stock of a branch at its invoice price is Rs 10,000. Head Office has supplied goods after adding 25% profit to the cost price. Show what accounting entries will be passed in the books of Head Office to record the closing stock of branch.
2. Mr. Paul of Banglore has a branch in Surat. Head Office invoices goods to its Surat Branch at cost. The cash collected by Branch is sent to the Head Office. All the expenses of the branch paid by the Head Office from Banglore.

The Head Office instructs the Branch to charge 50% profit on the cost price. The Branch is bound to follow the instruction. From the following

information, prepare the Branch Account, Trading account of the branch and Profit and Loss Account of the Branch for the year ended on March 31,2021:

Particulars	March 31, 2020 (Rs)	March 31, 2021(Rs)
Debtors	?	48,000
Stock	35,000	?
Prepaid insurance premium	500	400
Outstanding salary	800	1000
Furniture	2500	2250

Transactions during the year:

Particulars	Amt (Rs)
Goods sent to branch from Head Office	5,64,320
Goods returned by branch to Head Office	5000
Cash sales	3,15,605
Rent-taxes and insurance	35,000
Advertisement expenses	6500
Salary	12,300
Goods returned by the customers to Branch	6320
Bad debts	4500
Discount given to debtors	7000
Cash received from the debtors to branch	5,65,705
Debtors sent cash directly to the Head Office	90,000
Other expenses	5380
Total sales	8,20,580

3. Sneha has a branch in Bharuch. The head office sends goods to branch at an invoice price by adding 25% profit on cost price. The branch makes cash as well as credit sales. All the expenses of the branch are paid by the head office. The head office sends petty cash to the branch for miscellaneous expenses. The cash collected by the branch is credited in the bank account of head office daily. After considering the following information, prepare Branch Account, Branch Trading & Profit – loss account in the books of Head office for the year ended on 31st March 2021

Particulars	31-03-2020	31-3-2021
Debtors	48,750	54,000
Furniture	12,000	?
Petty cash	675	525

Stock (Invoice price)	78,750	71,250
Rent outstanding	900	-
Outstanding wages & salary	-	1125

Transactions during the year:

Particulars	Amt (Rs)
Goods sent to branch (Invoice price)	2,06,250
Furniture sent to branch (1-7-2020)	9750
Goods returned by branch (Invoice price)	8250
Cash sales	56,250
Total sales	2,88,750
Goods returned by debtors	12,750
Discount allowed	1125
Bad debts	4500
Cash directly sent to Head office by debtors	51,000
Petty cash sent to branch	225
Expenses paid by Head office:	
Wages and salary	10,500
Rent	11,400
Insurance (upto 30-6-2009)	3600
Advertisement	9750

Calculate 8% depreciation on furniture. [V.N.S.G.U. March 2010]

4. Bhavna Traders of Navsari has a branch in Bilimora. Head office sends goods to branch at invoice price (cost plus 25%). The branch sells goods for cash as well as on credit. All cash collection by the branch are remitted to the Navsari Head Office. All expenses of the branch are paid by Head Office. From the following information, prepare Bilimora Branch Account, Branch Trading & Profit – loss account in the books of Head office.

The following is the particulars of Bilimora Branch for the year ended on 31st March 2021.

Particulars	1-04-2020	31-3-2021
Stock (Invoice Price)	90,000	1,60,000
Debtors	?	88,000
Petty cash	?	5000

Furniture	?	26,400
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Transaction during the year:

Particulars	Amt (Rs)
Goods sent to branch (Invoice price)	12,00,000
Goods returned to Head Office (Invoice price)	80,000
Total sales (cash sales is 40% of credit sales)	14,56,000
Goods returned by debtors	20,000
Discount given to debtors	5500
Cash received from debtors (including bad debts recovered Rs 5000)	5,80,000
Petty cash expenses	3750
Petty cash sent to branch	6000
Debited to branch debtors for interest	2400
Cash sent by debtors directly to Head Office	4,21,900
Expenditure paid by Head office:	
Salary	16,000
Wages	8000
Insurance (paid for the year ending on 1-5-2021)	18,000
Rent	12,000

Write off 12% depreciation on furniture. [V.N.S.G.U. April 2017]

5. Riddhi- Siddhi Ltd, Valsad has branch Gajanan Ltd, at Bilimora to which goods are supplied at 20% profit on sales price. Head Office pays expense of the branch except petty expense which are paid by the branch itself. Branch is allowed to maintain petty cash balance of Rs 3000. From the following balance prepare Branch Account, Branch Trading Account and Branch Profit & Loss Account in the books of Head Office:

(1) Balances as on 1-4-2020:	Rs
Stock with branch at sale price	
2,80,000	
Debtors	1,80,000
Furniture	15,000
Petty cash	3000

Prepaid rent	4500
(2) Transaction during the year:	
Goods sent to branch (I.P.)	18,00,000
Cash sales	7,20,000
Cash received from customers	6,70,000
Goods returned by customer	6800
Discount to debtors	1300
Rebate to debtors	2700
Furniture sent to branch (30-9-2020)	30,000
Goods return by branch (I.P)	16,000
Sale of branch furniture (01-07-2020)	2925
(Book value of furniture on the date of sale was Rs 2925)	
(3) Payment made by Head Office:	
Rent for one year (Paid on 01-07-2020)	27,000
Insurance paid for the year ending 30-06-2021	39,000
Wages	1800
Salary upto 28-02-2021	35,750
(4) Payment made by branch:	
Petty expenses	2950
(5) Balances on 31-3-2021:	
Stock at sale price	3,80,000
Debtors	2,21,000
Written off depreciation on furniture at 10%	

[V.N.S.G.U. Mar 2019]

