9. Journal Entries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date | Particulars  | Lf | Debit  | Crede  |
| 1 | Commission a/c Dr  To unearned commission a/c ( Being adjusted commission received but not earned) |  | 15000 | 15000 |

 Calculation purchase

|  |  |
| --- | --- |
| Particulars  | Amount  |
| Cost of good sold Opening stock Less:- Closing stock  | 35000050000(40000) |
| Purchase  | 360000 |

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Given

Ordering cost per order ( O) =300
carrying cost ( C) = Rs 2
annual requirements ( A) + 30000
EOQ= ?

Solutioin

We have
EOQ = Root under 2AO/C
 Root Under 2\*30000\*300/2

Economic order quantity (EOQ) = 3000 Units
1. Application

2. Allotment
3. First and Final call

Failed to pay = calls in arrear ( Bank Dr )
Full vale paid/ paid on allotment = calls in advance ( Cr side tyo allotment money received )

Allotment calls in arrear = No of share applied/ issued share
allotment rate- rate
No of Share \* Rate



 Journal Entries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date  | Particulars  | LF | Debit  | Credit  |
| 1. | Application money received Bank a/c Dr ( 42000\*30) To share application a/c ( Being share application money received)  |  | 1260000 | 1260000 |
| 2 | Transfer into share capital Share application a/c Dr ( 42000\*30) To share capital a/c (30000\*30) To bank a/c (7000\*30) To share allotment a/c ( 5000\*30)(being share application money transfer to share capital) |  | 1260000 | 900000210000150000 |
| 3 | Allotment money due Share Allotment a/c Dr ( 30000\*40) To share capital (30000\*30) To share premium a/c (30000\*10)( Being share allotment money due) |  | 1200000 | 900000300000 |
| 4 | Allotment money received Bank a/c Dr (1200000-150000) To share allotment a/c ( Being share allotment money received)  |  | 1050000 | 1050000 |
| 5 | Final call money due Share final a/c Dr (30000\*40) To share capital a/c ( Being share final call money due)\_ |  | 1200000 | 1200000 |
| 6 | Share final call money received Bank a/c Dr (1200000-8000)Calls in arrear a/c Dr (200\*40) To share final call a/c ( Being share final call money received)  |  | 11920008000 | 1200000 |

 

1. % of factory OH = Factory OH / Prime cost \* 100 =20000/130000\*100= Rs 15.38%
2. % of Office Oh = Office OH /Factory Cost \*100= 10000/150000\*100= Rs 6.67%
3. % of selling OH = selling Oh / Factory Cost \*100= 5000/150000\*100= 3.33%
4. Cost sheet of ABC Company for 2000 units

|  |  |  |
| --- | --- | --- |
| Particulars  | Rate  | Amount  |
| Direct materials(2000\*40)Direct wages (2000\*25) | 4025 | 8000050000 |
| Prime cost Add:- Factory OIverheads  |  | 13000020000 |
| Factory cost Add:- Office and Administrative OH |  | 15000010000 |
| Cost of production  |  | 160000 |
| Add:- Selling Overheads  |  | 5000 |
| Total Cost Add:- Profit @ 20% ( 165000\*20/100-20) |  | 16500041250 |
| Sales price  |  | 206250 |

1. Tender sheet for 5000 units

|  |  |  |
| --- | --- | --- |
| Particulars  | Rate  | Amount  |
| Direct Materials 40 +40\*20% = 8Add:- increase by 20 % Direct wages Rs 25+25\*10% = Rs 2.5 Add:- Increased by 10%  | 4827.5 | 240000137500 |
| Prime Cost Add:- Factory Overheads Factory OH 15.38% of Prime cost Rs 377500\*15.38/100 |  | 37750058059.5 |
| Factory Cost Add:- Office and administrative OH 6.67% of Factory cost 435559.5\*6.67/100 |  | 435559.529051.81 |
| Cost of production Add: Selling OH 3.33% of Factory Cost 435559.5\*3.33/100 |  | 464611.3114504.13 |
| Total Cost Add:- Profit 20 % on sales TC\*P%/100-P% ( 479115.44\*20/100-20) |  | 479115.44119778.86 |
| Tender Price  |  | 598894.30 |



13 a. Journal Entriers

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date  | Particualrs  | LF | Debit  | Credit  |
|  | Plant a/c Dr………………………….Land and Building a/c Dr………………….Goodwill a/c ………….Dr  To Vendor a/c / Agreed price  To capital Reserve a/c ( Being took over A company ltd by purchased assets and liabilities)  |  | 520000730000 | 1100000150000 |
|  | Total  |  | 1250000 | 1250000 |
|  | Vendor a/c Dr Discount on share a/c (13750\*20) To Share capital (13750\*100) To share premium a/c ( Being share capital transfer to vendor)  |  | 1100000275000 | 1375000 |

b. Journal Entries

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date  | Particulars  | LF | Debit  | Credit  |
|  | Issue of Debentures Bank a/c Dr ( 8000\*(1000+50)Loss on redemption of debenture a/c Dr To 8% Debenture a/c (8000\*1000) To Premium on debenture a/c (8000\*50)To premium on redemption of debenture a/c( Being issue of 8% Debenture at 5% premium)  |  | 8400000800000 | 8000000400000800000 |
|  | Redemption of debenture 8% Debentrure a/c Dr (8000\*1000)Premium on redemption a/c Dr(8000\*100) To Bank a/c (8000\*1000+100)( Being redemption of 8% debenture after 5 years ) |  | 8000000800000 | 8800000 |

Agreed price = No of Share\* Issued amount
No of share = Agreed price / Issued Amount = 1100000/80 = 13750

Issued amount = Par Value + Premium – Discount

 100-20 = Rs 80

Share forfeiture

Share capital a/c Dr

Share premium a/c Dr

 To call in arrear a/c

 To Discount
 To share forfeiture a/c – Profit

 Re-issue

Bank a/c Dr

Share forfeiture a/c Dr

 To share capital a/c
 To Premium a/c

Transfer
Share forfeiture a/c ( no of re-issued share\* actual profit per share)
 To capital Reserve a/c

Combine

( allotment, final call and share forfeiture)

Issue of share for cash ( application, allotment and Final call )

Website : [www.nagendradhimal.com.np](http://www.nagendradhimal.com.np)

 

1. Profit or loss account of ABC Company

Dr Cr

|  |  |  |  |
| --- | --- | --- | --- |
| Particualrs  | Amount  | Particulars  | Amount  |
| To Gross loss b/d  |  | By gross profit b/d  | 420000 |
| To salaries  | 42000 |  |  |
| To carriage outwards  | 5000 |  |  |
| To selling expense  | 18000 |  |  |
| To administarive expense  | 25000 |  |  |
| To interest expense  | 12000 |  |  |
| Rent Expnese  | 36000 |  |  |
| To prepaid insurance Expired  | 6000 |  |  |
| To Net profit c/d  | 276000 | By Net loss c/d  |  |
| Total  | 420000 | Total  | 420000 |

1. Profit or loss appropriation account

Dr Cr

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars  | Amount  | Particulars  | Amount  |
| To Dividend  Proposed Dividend  Cash dividend  Interim Dividend ( either given in trail or additional information)  | 90000 | By Balance b/d  | 150000 |
| To General rserve ( additiona info) |  | By Net Profit b/d | 276000 |
| To tax paid ( last year ( trail balance)  |  | By provision for tax ( tarial balance diyo vane )  |  |
| To Balance/surplus  | 336000 |  |  |
| Total  | 426000 | Total  | 426000 |



Solution

Total wages = Total Time Taken\* Wage rate Per Hour

10 hours Rs 800

Total wages = Rs 8000 Ans

Working note

Total time taken = Total output/ one hour output

 = 400/ 40 = 10hours