

CONSIGNMENT ACCOUNTS

Problem No. 1

Books of consignor

Date	Particulars	L.F.	Debit	Credit
			Rs.	Rs.
	Consignment a/c To Goods sent on consignment a/c Dispatched 100 Radio sets to consignment at Rs. 150 each.		15,000	15,000
	Consignment a/c To Cash a/c Incurred Expenses on Freight and packing		300	300
	Cash a/c To Karim & Co. Received a draft of Rs. 10,000 as an advance		10,000	10,000
	Karim & Co. To Consignment a/c Sold 100 Radio sets at Rs. 200 each		20,000	20,000
	Consignment a/c To Karim & Co. Commission due to the consignee		20,000	20,000
	Consignment a/c To Karim & Co. Expenses incurred by the consignee		1,150	1,150
	Consignment a/c To Profit and Loss a/c Profit on consignment transferred to profit and loss a/c		1,550	1,550

Goods sent on consignment a/c To Trading a/c	15,000	15,000
Goods sent on consignment Transferred to trading a/c		
Cash a/c To Karim & Co.	6,850	6,850
Cheque received from the consignee on final settlement		

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	15,000	By Karim & Co.	
To Cash a/c (freight and packing)	300	(Sale)	20,000
To Karim & Co. (Commission)	2,000		
To Karim & Co. (Expenses)	1,150		
To Profit (Transferred to profit & loss a/c)	1,550		
	20,000		20,000

Karim & Co. (Consignee)

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	20,000	By Cash a/c	10,000
		By Consignment a/c	2,000
		By Consignment a/c	1,150
		By Bank a/c	6,850
	20,000		20,000

Problem No. 2

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	2,50,000	By Nafees & Co. (Sales)	4,00,000
To cash (Expenses)	15,000		
To Nafees & Co. (Expenses)	26,000		
To Nafees & Co. (Commission)	28,000		
To Profit transfer to General profit and loss a/c	-81,000		
	4,00,000		4,00,000

Nafees & Co.

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	4,00,000	By Consignment a/c	26,000
		By Consignment a/c	28,000
		By Balance	3,46,000
	4,00,000		4,00,000

Goods sent on Consignment A/c

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Trading a/c	2,50,000	By Consignment a/c	2,50,000
	2,50,000		2,50,000

Problem No.3**Account Sale for 20 Crates of Crockery**

2004		Rs.	Rs.
June 10	Sale		
	20 Crates of Crockery at Rs. 2,100 per crate		42,000
	Less Expenses	375	
	Octroi duties	450	
	Godown Rent	212	
	Misc. Expenses	51	
	Commission	2,100	3,188
	Cheque enclosed to Messers Pak. Pur China for the balance		38,812

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	30,000	By Zahid Sons (Sale)	42,000
To Cash a/c (Expenses)	1,900		
To Zahid Sons (Expenses)	3,188		
To Zahid Sons (Commission)	2,100		
To Profit transferred to Profit and loss a/c	4,812		
	42,000		42,000

Zahid Sons (Consignee)

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	42,000	By Consignment a/c	1,088
		By Consignment a/c	2,100
		By Bank a/c	38,812
	42,000		42,000

Problem No. 4

Books of Mr. Sajid (consignor)

Date	Particulars	L.F.	Debit	Credit
			Rs.	Rs.
	Consignment a/c To Goods sent on consignment a/c Goods sent to the consignee		25,000	25,000
	Consignment a/c To Cash a/c Expenses incurred on the despatch of goods		1,140	1,140
	Bills Receivable a/c To Majid Bill Received as advance		4,000	4,000
	Bank A/c Discount A/c To Bills receivable a/c Bill discounted with the bank		3,800 200	4,000
	Mr. Majid To Consignment a/c Sold goods by the consignee		15,000	15,000

Consignment a/c To Majid Expenses incurred by the consignee	360	360
Consignment a/c To Majid Commission due to the consignee	500	500
Stock on consignment A/c To Consignment A/c Value of unsold stock	15,750	15,750
Consignment a/c To Profit and Loss a/c Profit on consignment transferred to profit and loss a/c	3,750	3,750
Bank A/c To Mr. Majid Balance received from the consignee	10,140	10,140
Goods sent on consignment a/c To Trading a/c Goods sent on consignment Transferred to trading a/c	25,000	25,000

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	25,000	By Mr. Majid	15,000
To Cash a/c	1,140	By Stock on consignment a/c	15,750
To Majid (Expenses)	360		
To Majid (Commission)	500		
To Profit & loss a/c	3,750		
	30,750		30,750

Mr. Majid (Consignee)

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	15,000	By Bills Receivable a/c	4,000
		By Consignment a/c	360
		By Consignment a/c	500
		By Balance c/d	10,140
	15,000		15,000

Goods sent on consignment A/c

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Trading a/c	25,000	By Consignment a/c	25,000
	25,000		25,000

Problem No.5

Books of Kamal

Date	Particulars	L.F	Debit	Credit
			Rs.	Rs.
	Consignment a/c		20,000	
	To Goods sent on consignment			20,000
	Dispatched 1,000 fountain pens Rs. 20 each			

Consignment a/c To Cash a/c Expenses incurred on dispatched of goods	1,100	1,100
Faraz To Consignment a/c Sold 900 fountains pens at Rs. 40 each by the consignee	36,000	36,000
Consignment a/c To Faraz Expenses Incurred by the consignee	900	900
Consignment a/c To Faraz Commission due to the consignee	1,800	1,800
Stock on consignment a/c To Profit and Loss a/c To Consignment transferred to profit and loss a/c	14,400	14,400
Goods Sent on consignment a/c To Trading a/c Goods sent on consignment transferred to trading a/c	20,000	20,000
Cash c/c To Faraz Bank draft received from consignment on final settlement	33,300	33,300

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	20,000	By Faraz	36,000
To Cash Account (Expenses)	1,100	By Stock on Consignment a/c	2,200
To Faraz (Expenses)	900		
To Faraz (Commission)	1,800		
To Profit transferred to profit and loss a/c	14,400		
	38,200		38,200

Faraz

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	36,000	By Consignment a/c	900
		By Consignment a/c	1,800
		By Bank a/c	33,300
	36,000		36,000

Problem No. 6

In the Books of Riaz
Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	2,000	By Rashid (Sales)	1,800

To cash (Expenses)	100	By Stock on consignment a/c	1,065
To Rashid (Expenses)	58		
To Rashid (Commission)	144		
To Profit transfer to profit and loss a/c	563		
	2,865		2,865

Working

Valuation of unsold stock

Price of the $\frac{1}{2}$ of the unsold stock = 1,000

$$+ \text{Proportionate Direct Expenses } \left(\frac{100 + 30}{2} \right) = \frac{130}{2} = 65$$

$$\underline{1,065}$$

Rashid

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	1,800	By Consignment a/c	58
		By Consignment a/c	144
		By Balance	1,598
	1,800		1,800

Goods sent on Consignment A/c

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Trading a/c	2,000	By Consignment a/c	2,000
	2,000		2,000

Problem No. 7

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment	75,000	By Fahad (Sale)	69000
" Cash (Expenses)	5500	" Fahad (Sales)	22000
" Fahad (Expenses)	2500	" Stock on consignment	16200
To Fahad (Commission)	9100		
" Profit on Consignment	15100		
	107200		107200

Fahad

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	91000	By Cash	2000
		" Consignment	9100
		" Consignment	2500
		" Bank	59400
	91000		91000

Problem No. 8**Rashid Bros. Journal**

Date	Particulars	L.F.	Debit	Credit
			Rs.	Rs.
	Consignment a/c To Goods sent on consignment a/c Dispatched cloth at Invoice price		50000	50000
	Consignment a/c To Cash a/c Expenses incurred on the dispatch of cloth		500	500
	Bills Receivable a/c To Karim Khan Bill received from Karim Khan		5,000	5,000
	Karim Khan To Consignment a/c Three fourth of th cloth sold by the consignee		48000	48000
	Consignment a/c To Karim & Co. Expenses and commission of the consignee recorded		2,000	2,000
	Stock on consignment a/c To Consignment a/c Value of the unsold stock		12625	12625
	Goods sent on consignment a/c To Trading a/c Goods sent on consignment Transferred to trading a/c		50,000	50,000

Consignment a/c	8125	
To Profit and Loss a/c		8125
Profit on consignment transferred to profit and loss a/c		
Cash a/c	41000	
To Karim Khan		41000
Cash received from Karim in settlement of his a/c		

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	5000	By Karim Khan	48,000
To Cash a/c (Expenses)	500	By Stock on Consignment a/c	12625
To Karim Khan	2000		
To Profit transfer to profit and loss a/c	8125		
	60625		60625

Karim Khan

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	48,000	By Bills Receivable	5,000
		By Consignment a/c	2,000
		By Bank a/c	41,000
	48,000		48,000

Problem No. 9**Consignment Account**

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To goods sent on consignment a/c	140,000	By Saleem & Co.	159,200
To Cash a/c (Expenses)	4,500		
To Saleem & Co. (Expenses)	2,450		
To Saleem & Co. (Commission)	7,960		
To Profit transferred to profit and loss	4,290		
	159,200		159,200

Saleem & Co.

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	159,200	By Consignment a/c	2,450
		By Consignment a/c	7,960
		By Balance c/d	148,790
	159,200		159,200

Problem No. 10**Calculations**

Closing Stock	Rs.	Abnormal Loss	Rs.
Number of cars remaining unsold 2		Cost of one car destroyed	120,000
Cost of two cars @ Rs. 120000 each	240000	Expenses incurred by Aslam	
		10000/20	5000
		Abnormal loss on one car	125000

Proportional Expenses of		Amount paid by insurance	
Aslam $100000 \times \frac{2}{20}$	10000	Company	9000
Value of the closing stock	250000	Amount transferred to	
		Profit and loss A/c	35000

Books of Aslam
Consignment Account

Particulars	Amount	Particulars	Amount
To Goods sent on consignment	240000	By Imran (Sale)	2550000
To Bank (Freight)	70000	By Cash	90000
To Bank Insurance	3000	By Profit & Loss A/c	35000
To Imran (Exp.)	33000	By Consignment Stock	250000
To Imran (Commission)	127500		
To Profit & Loss A/c	264500		
Total:	2925000	Total:	2925000

Goods Sent of Consignment

Particulars	Amount	Particulars	Amount
Trading Account	2400000	By Consignment A/c	2400000
Total:	2400000	Total:	2400000

Imran

Particulars	Amount	Particulars	Amount
To Consignment Account	2550000	By Consignment (Expenses)	33000
		By Consignment A/c (Commission)	127500
		By Bank A/c (Remittance)	900000
		By Balance c/d	1489500
Total:	2550000	Total:	2550000

Abnormal Loss Account

Particulars	Amount	Particulars	Amount
To ent A/c	125000	By Insurance company A/c	90000
		By Profit & Loss A/c	3500
Total:	125000	Total:	125000

Problem No. 11

Consignment Account

Date	Particulars	Amount	Date	Particulars	Amount
		Rs.			Rs.
	Goods sent on consignment A/c	8,00,000		B. of Lahore	8,35,000
				Closing Stock	2,75,000
	Freight A/c	65,000		Profit and Loss A/c	50,000
	Insurance A/c	40,000			
	Com. & Exp. A/c	87,000			
	Profits Loss A/c	1,68,000			
	Total:	11,60,000		Total:	11,60,000

B. (Consignee A/c)

Date	Particulars	J/F	Amount	Date	Particulars	J/F	Amount
			Rs.				Rs.
	Consignment A/c		8,35,000		B/R A/c		3,00,000
					Com. & Exp. A/c		87,000
					Bank A/c		4,48,000
	Total:		8,35,000		Total:		8,35,000

Problem No. 12

Consignment To Karachi A/c

Date	Particulars	Amount	Date	Particulars	Amount
		Rs.			Rs.
	To Goods sent on Consignment A/c	1,50,000		By Sales 800 X 220) A/c	1,76,000
	To Bank (Freight & Insurance A/c)	11,500		Loss	16,150
	(Duty A/c)	14,400		By Stock on Consignment	17,750
	To Bashir (Expenses)	2,000			
	To Bashir (Commission)	8,800			
	To Profit & Loss Account	23,200			
	Total:	2,09,900		Total:	2,09,900

Bashir

Date	Particulars	Amount	Date	Particulars	Amount
		Rs.			Rs.
	To Consignment A/c	1,76,000		By Bank A/c	50,000
				By Consignment A/c	
				Duty	14,400
				Expenses	<u>2,000</u>
					16,400
				By Consignment Ac (Commission)	8,800
				By Balance c/d	1,00,800
	Total:	1,76,000		Total:	1,76,000

Note**(1) The Value of loss has been valued as follows:-**

1000 bicycles at Rs. 150 each	15,000	
Add $\frac{100}{1,000}$ of freight & insurance	1,150 (11,500x	$\frac{100}{1,000}$
Total:	16,150	

(2) The Value of closing stock has been calculated as follows:-

	Rs.	
100 bicycles at Rs. 150 each	15,000	
$\frac{100}{1,000}$ of freight and insurance	1,150	
$\frac{100}{900}$ of duty	1,600	
Total:	17,750	

Problem No. 13**Consignment A/c**

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on Consignment A/c	2,00,000	By Karim	1,76,000
To Cash (Expenses)	2,000	By Stock on Consignment	41,000
To Karim (Expenses)	3,750		
To Karim (Commission)	20,000		
To Karim (Bad Debts)	10,250		
To Profit transferred to general Profit & Loss Account	5,000		
Total:	2,41,000	Total:	2,41,000

Karim

Date	Particulars	Amount	Date	Particulars	Amount
		Rs.			Rs.
	To Consignment A/c	2,00,000		By Bills Receivable A/c	50,000
				By Consignment A/c	3,750
				By Consignment Ac	20,000
				By Consignment Ac	10,250
				By Balance c/d	1,16,000
	Total:	2,00,000		Total:	2,00,000

Goods Sent of Consignment Account

Particulars	Amount	Particulars	Amount
Trading Account	2,00,000	By Consignment A/c	2,00,000
Total:	2,00,000	Total:	2,00,000

Problem No. 14

Books of Shalimar & Co.
Journal

Date	Particulars	L.F.	Debit	Credit
			Rs.	Rs.
	Consignment a/c		1,00,000	
	To Goods sent on consignment a/c			1,00,000
	Goods sent on consignment			

Consignment a/c To Cash a/c Expenses incurred on the dispatch of goods	1,000	1,000
Malik & Co. To Consignment a/c Goods sold by the consignee	80,000	80,000
Consignment a/c To Malik & Co. Commission due to the consignee	5,600	5,600
Cash a/c To Malik & Co. Cash received from the consignee	40,000	40,000
Consignment a/c To Malik & Co. Expenses incurred by the consignee	2,000	2,000
Stock on consignment a/c To Consignment a/c Stock with the consignee	30,300	30,300
Goods sent on consignment a/c To Trading a/c Goods sent on consignment transferred to trading a/c	1,00,000	1,00,000
Consignment a/c To General Profit and Loss a/c Profit on consignment transferred to profit and loss a/c	1,700	1,700

Consignment Account

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Goods sent on consignment a/c	1,00,000	By Malik & Co.	80,000
To Cash a/c (Expenses)	1,000	By Stock on Consignment a/c	30,300
To Malik & Co. (commission)	5,600		
To Malik & Co. (Expenses)	2,000		
To Profit transfer to profit and loss a/c	1,700		
	1,10,300		1,10,300

Malik & Co.

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
To Consignment a/c	80,000	By Consignment a/c	25,000
		By Consignment a/c	5,600
		By Cash a/c	40,000
		By balance c/d	32,400
	48,000		48,000

Goods Sent of Consignment Account

Particulars	Amount	Particulars	Amount
To Trading Account	1,00,000	By Consignment A/c	1,00,000
Total:	1,00,000	Total:	1,00,000