

Departmental Accounts

Q- From the following information relating to Patna Departmental Store, Prepare Departmental Trading and Profit Loss Account for the year ending on 31st December, 2012: ->

	A Rs	B Rs	C Rs
Opening Stock	20,000	50,000	30,000
Purchases	1,50,000	1,60,000	1,00,000
wages	10,170	19,850	10,130
Sales	2,50,000	3,00,000	1,50,000

following expenses are to be divided in each department in the sales ratio:
 Salaries Rs 28,000, Rent & Taxes Rs 14,000, Office Expenses Rs 7,000, Sundry Expenses Rs 42,000.
 The Manager of each department is entitled to 10% commission on that profit of his department which is arrived at after charging such commission.

Solution -

Departmental Trading and P/L A/c
 (for the year ending 31st Dec 2012)

Particulars	Departments			Particulars	Departments		
	A	B	C		A	B	C
To Opening Stock	20,000	50,000	30,000	By Sales	2,50,000	3,00,000	1,50,000
To Purchase	1,50,000	1,60,000	1,00,000	By Closing Stock	40,000	20,000	50,000
To Wages	10,170	19,850	10,130				
To G.P. Trans to P/L A/c	1,09,830	90,150	59,870				
	2,90,000	3,20,000	2,00,000		2,90,000	3,20,000	2,00,000
				By Gross Profit	1,09,830	90,150	59,870
To Salaries	10,000	12,000	6,000				
To Rent & Rates	5,000	6,000	3,000				
To Office Exp	2,500	3,000	1,500				
To Sundry Exp	15,000	18,000	9,000				
	77,330	51,150	40,370		1,09,830	90,150	59,870
	1,09,830	90,150	59,870				
To Commission to Managers	7,030	4,650	3,670		77,330	51,150	40,370
	7,030	4,650	3,670				
	77,330	51,150	40,370		77,330	51,150	40,370

working:- $\text{Manager's Commission} = \frac{\text{Profit before charge to m} \times \text{Rate of com}}{100 + \text{Rate of com}}$

DepH (A)

$$\frac{77330}{110} = \frac{10}{110}$$

$$7030$$

$$\frac{77330 \times 10}{110}$$

DepH (B)

working

$$\frac{468}{110} = \frac{10}{110}$$

$$4650$$

$$\frac{468 \times 10}{110}$$

DepH (C) 3670

$$\frac{40370 \times 10}{110}$$

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