

CA Foundation Accounts Test Series

Chapter 6 Accounting for Special Transaction

1. From the following particulars prepare an account current, as sent by Mr. Raju to Mr. Sunil as on 31st October 2020 by means of product method charging interest @ 12% p.a.

2020	Particulars	Amount (₹)
1 st July	Balance due from Sunil	840
15 th August	Sold goods to Sunil	1,310
20 th August	Goods returned by Sunil	240
22 nd September	Sunil paid by cheque	830
15 th October	Received cash from Sunil	560

2. Rakesh had the following bills receivable and bills payable against Mukesh.

Date	Bills Receivable	Tenure	Date	Bills Payable	Tenure
1 st June	3,400	3 month	29 th May	2,500	2 month
5 th June	2,900	3 month	3 rd June	3,400	3 month
9 th June	5,800	1 month	9 th June	5,700	1 month
12 th June	1,700	2 month			
20 th June	1,900	3 month			

15th August was a public holiday. However, 6th September, was also declared as sudden holiday.

Calculate the average due date, when the payment can be received or made without any loss of interest to either party.

3. R & S entered into a joint venture and opened a Joint Bank account with an amount of Rs 1,50,00,000 towards which R contributed Rs 1,00,00,000. They agreed to share profits and losses the ratio of 2 : 1. They purchased a big residential house measuring area of 5,000 sq. ft. @ Rs 2,900 per sq. ft. Out of the total area, 200 sq. ft. was left over for general use as a community hall and remaining area was sub-divided in 6 equal flats. Out of those 6 flats, 4 front facing flats were sold by R for Rs 1,28,00,000 and the remaining 2 flats were sold by S for Rs 56,00,000.

The following expenses were incurred in connection with above transaction -

Registration fees Rs 1,50,000

Stamp duty Rs 1,00,000

Renovation Exp. Rs 25,00,000

R and S were entitled to brokerage @ 2% on flats sold by them.

Separate books were maintained for the joint venture. You are required to prepare the necessary ledger accounts.

4. On 1st January 2018, Akshay draws two bills of exchange for Rs 16,000 and Rs 25,000.

The bill of exchange for Rs 16,000 is for two months while the bill of exchange for Rs 25,000 is for three months. These bills are accepted by Vishal. On 4th March, 2018, Vishal requests Akshay to renew the first bill with interest at 15% p.a. for a period of two months. Akshay agreed to this proposal. On 25th March, 2018, Vishal retires the acceptance for Rs 25,000, the interest rebate i.e. discount being Rs 250. Before the due date of the renewed bill, Vishal becomes insolvent and only 50 paise in a rupee could be recovered from his estate.

Show the Journal Entries (with narrations) in the books of Akshay.

5. Manoj of Noida consigned to Kiran of Jaipur, goods to be sold at invoice price which represents 125% of cost. Kiran is entitled to a commission of 10% on sales at invoice price and 25% of any excess realised over invoice price. The expenses on freight and insurance incurred by Manoj were Rs 15,000. The account sales received by Manoj shows that Kiran has effected sales amounting to Rs 1,50,000 in respect of 75% of the consignment. His selling expenses to be reimbursed were Rs 12,000. 10% of consignment goods of the value of Rs 18,750 were destroyed in fire at the Jaipur godown. Kiran remitted the balance in favour of Manoj.

You are required to prepare consignment account in the books of Manoj along with the necessary calculations.