

Department of Commerce (CA) ①

2 B.Com (CA) - II Semester - 18BCA210

FINANCIAL ACCOUNTING - 18BCA21C

UNIT - II

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Branch Account -
Department Accounting

Meaning of Branch A/c.

It is a book keeping system in which separate accounts are kept for each branch or operating location of an organization.

Types of Branch A/c.

1. Dependent Branch
2. Independent Branch.
3. Foreign Branch.

Methods of Branch A/c.

1. Debtors System
2. Stock & Debtors System
3. Final Account System.
4. Wholesale Price

Prob. No. 19

The Mumbai Textiles Ltd., opened a branch at Delhi on 1.1.2019. From the following particulars, prepare Branch Accounts for 2019 and 2020 in the books of the head office.

	2019 Rs.	2020 Rs.
Goods sent to Delhi.	45000	135000
Cash sent to Branch:		
Salaries	4800	6800
Rent	6000	6000
Other Expenses.	2000	3000
Cash received from Branch.	70000	160000
Stock on 31st December.	7000	26000
Petty cash in hand (31st Dec)	120	260

Prob. No. 20

	Rs.
opening stock	24000.
opening debtors	6060.
credit sales	41000
cash sales.	17500
Receipt from Debtors.	37900.

Goods received from H.O.	30000
Expenses paid by the H.O.	10400
Closing Stock.	18000

Prepare Branch A/c in the books of Head office.

Prob. no. 39

A head office sent goods to its branch, invoiced ~~by~~ at cost price plus 25%.

Stock - 1-1-2020. (Invoice Price)	12500
Debtors - 1-1-2020.	12000
Goods invoiced to Branch (Invoice Price)	40000

Cash sent to Branch:-

	11000	
Wages	3000	
Rent & Rates	<u>5000</u>	14500
Sundry Expenses		2400
Goods Returned to the H.O.		
Cash from Branch:-		

	16000	
Cash Sales	<u>29500</u>	45500
Cash from Debtors		15000
Stock - 31-12-2020.		22500
Debtors - 31-12-2020.		

Departmental Accounts

It refers to maintaining accounts for one or more departments of the company. Revenues and expenses of the Department are recorded and reported separately.

Types of Departmental A/c.

1. Independent Basis
2. Columnar Basis.

Procedures:-

Trading A/c,

P&L A/c.

General P&L A/c.

General Balance Sheet.

Difference Between Branch A/c and Departmental A/c :-

Nature ; Purpose ;
 Objectives ; Size of Expansion ;
 Preparation of A/c ; Maintaining
 of Books.

