

Q. From the following information you are required to prepare Guwahati branch account in the books of head office Delhi for the year ended 31st December 2019 under debtors system.

goods sent to branch Rs 28000

Cash sent to branch for:

rent 1200

salary 2500

Other expenses 400

Cash sales 12000

Credit sales 26000

Cash collected from debtors 20000

Balances on 31.12.2019

Stock 2500

Debtors 5000

Petty cash 50

goods return by branch 1000

Normal loss at branch 300.

Solution.

This is a new branch. Therefore, there is no opening balances available. We are required to follow the branch account format under Debtors system provided as earlier..

In the books of head office Delhi

Guwahati branch account

Date	Particulars	Amount	Date	Particulars	Amount
1.1.2019	To opening balances	Nil	1.1.2019	By opening Liabilities	Nil
1.1.2019 to 31.12.2019	To goods sent to branch	28000	1.1.2019 to 31.12.2019	By goods sent to branch(returned)	1000
1.1.2019 to 31.12.2019	To Cash a/c: Rent Salary Other expenses	1200 2500 400	1.1.2019 to 31.12.2019	By cash a/c Cash sales Collection from Debtors	12000 20000
31.12.2019	To closing Liabilities	Nil	31.12.2019	By closing balances Stock Debtors Petty cash	2500 5000 50
31.12.2019	To branch p/l a/c	8450			
		40550			40550

Note: Normal loss is not taken into account under Debtors system.