



**SHAH**  
EDUCATIONAL ACADEMY  
Bandra West | Vile Parle West

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**F.Y.BAF / BCOM**  
**(Sem – II)**

**Accounts Test – 1**  
**Consignment Accounts**

**Marks:- 45**  
**Time:- 1 hr.**

**Q.1. A] Multiple Choice Questions:-**

**(5)**

1. The relationship between the “Consignor” and the “Consignee” is that of
  - a. “Principal and Principal”
  - b. “Agent and Principal”
  - c. “Principal and Agent”
  - d. “Agent and Sub-agent”
2. All expenses incurred by the consignee for receiving and selling the goods
  - a. Are borne by the consignee
  - b. Are recovered by the consignee from the consignor
  - c. Are recovered by the consignee and the consignor equally
  - d. None of the above
3. Any stock remaining unsold with the consignee
  - a. Belongs to the consignee
  - b. Belongs to the consignor or the consignee
  - c. Belongs to the consignor or the consignee equally
  - d. Belongs to the consignor.
4. Performa invoice is prepared by the \_\_\_\_\_
  - a. Seller
  - b. Consignor
  - c. Buyer
  - d. Consignee
5. An Account Sales is
  - a. A ledger account in the books of the consignee.
  - b. A ledger account in the books of the consignor.
  - c. A statement showing particular of the goods sent etc.
  - d. None of the above

**Q.1. B] Match the Following Columns:-**

**(5)**

Column A	Column B
1. Bad debts when del credere commission is paid	a. Entry is passed in the books of either the consignor or the consignee
2. Bad debts when del credere commission is not paid	b. No entry is passed in the books of the consignor
3. Bills receivable given by the consignees is discounted by the consignor	c. Entry is passed in the books of only the consignor
	d. No entry is passed
	e. Entry is passed in the books of both the consignor and the consignee

**P.T.O.**

**Q.1. C] State whether True or False**

**(5)**

1. Consignor's Carriage Expenses are included in cost for valuation of closing stock of goods on consignment.
2. Consignor's freight Expenses upto his godown are included in cost for valuation of closing stock of goods on consignment.
3. Godown Rent is excluded from cost for valuation of closing stock of goods on consignment.
4. Discount on Bill is not included in valuation of closing stock on consignment.
5. The relationship between the consignor and the consignee is that of a Principal and Agent.

**Q.2** On 15<sup>th</sup> January, 2017 Janson & Co. of Mumbai sent to Mukesh & Co. of Kolkata 800 bicycles at an invoice price of ₹ 200 per bicycle to be sold on commission. Freight and insurance were ₹ 1200.

Account sale was received from consignee as follows:

15<sup>th</sup> February – 200 bicycles were sold @ ₹ 290 on which 5% Commission and ₹ 750 for expenses were deducted.

10<sup>th</sup> March – 300 bicycles were sold @ ₹ 280 on which 5% Commission and ₹ 580 for expenses were deducted.

From the above information prepare Consignment A/c in the books of Janson & Co. and close it on 31<sup>st</sup> March 2017 keeping in mind that no sales were made afterwards.

***Also show accounts in the books of Mukesh & Co.***

**(15)**

**Q.3** On 1<sup>st</sup> July, 2013, Radio House of Mumbai consigned 100 radio sets to Banerjee Bros. of Calcutta. The cost of each radio set was ₹450 but the pro forma invoice price was ₹600. Radio House paid ₹3,000 for freight and insurance. On 7<sup>th</sup> July, 2013, Banerjee Bros. accepted a 3 months bill drawn upon them by Radio House for ₹30,000. Banerjee Bros. paid ₹1,200 as rent and ₹750 for advertisement and up to 31<sup>st</sup> December, 2013 (on which Radio House close their books) they sold 80 radio sets at ₹615 each. Banerjee Bros. were entitled to a commission of 5 per cent on sales.

***Show following Ledger Accounts in the books of Radio House.***

**(15)**

1. *Consignment A/c*
2. *Consignee's A/c*
3. *Goods sent on Consignment A/c*

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**F.Y.BAF / BCOM**  
**(Sem – II)**

**Accounts Test – 1**  
**Consignment Accounts**

**Marks:- 45 Time:- 1 hr.**  
**Solution**

**Q.1. A] Multiple Choice Questions:-**

**(5)**

1. The relationship between the “Consignor” and the “Consignee” is that of
  - a. “Principal and Principal”
  - b. “Agent and Principal”
  - c. **“Principal and Agent”**
  - d. “Agent and Sub-agent”
2. All expenses incurred by the consignee for receiving and selling the goods
  - a. Are borne by the consignee
  - b. **Are recovered by the consignee from the consignor**
  - c. Are recovered by the consignee and the consignor equally
  - d. None of the above
3. Any stock remaining unsold with the consignee
  - a. Belongs to the consignee
  - b. Belongs to the consignor or the consignee
  - c. Belongs to the consignor or the consignee equally
  - d. **Belongs to the consignor.**
4. Performa invoice is prepared by the \_\_\_\_\_
  - a. Seller
  - b. **Consignor**
  - c. Buyer
  - d. Consignee
5. An Account Sales is
  - a. A ledger account in the books of the consignee.
  - b. A ledger account in the books of the consignor.
  - c. **A statement showing particular of the goods sent etc.**
  - d. None of the above

**Q.1. B] Match the Following Columns:-**

**(5)**

Column A	Column B
1. Bad debts when del credere commission is paid	a. Entry is passed in the books of either the consignor or the consignee
2. Bad debts when del credere commission is not paid	b. No entry is passed in the books of the consignor
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	d. No entry is passed
	e. Entry is passed in the books of both the consignor and the consignee

**[Ans:- (1) – (b); (2) – (e); (3) – (c)]**

**Q.1. C] State whether True or False**

**(5)**

1. Consignor's Carriage Expenses are included in cost for valuation of closing stock of goods on consignment.:- **Ans:- True**

2. Consignor's freight Expenses upto his godown are included in cost for valuation of closing stock of goods on consignment. :- **Ans:- True**
3. Godown Rent is excluded from cost for valuation of closing stock of goods on consignment. :- **Ans:- True**
4. Discount on Bill is not included in valuation of closing stock on consignment. **Ans:- True**
5. The relationship between the consignor and the consignee is that of a Principal and Agent. **Ans:- True**

Q.2.

Ledger of Janson & Co.			
Dr.		Cr.	
Consignment Account			
Particulars	₹	Particulars	₹
To Goods Sent on Consignment	1,60,000	By Mukesh & Co. A/c (200 x 290)	58,000
To Cash / Bank A/c	1,200	By Mukesh & Co. A/c (300 x 280)	84,000
To Mukesh & Co. (Expenses)	750	By Stock on Consignment	60,450
To Mukesh & Co. (Expenses)	580		
To Mukesh & Co. (Commission)	7,100		
To Profit and Loss A/c	32,820		
	<u>2,02,450</u>		<u>2,02,450</u>

Dr.		Cr.	
Mukesh & Co. Account			
Particulars	₹	Particulars	₹
To Consignment A/c (Sale)	58,000	By Consignment A/c (Expenses)	750
To Consignment A/c (Sale)	84,000	By Consignment A/c (Expenses)	580
		By Consignment A/c (Commission)	7,100
		By Balance b/d	1,33,750
	<u>1,42,000</u>		<u>1,42,000</u>

Dr.		Cr.	
Goods Sent on Consignment Account			
Particulars	₹	Particulars	₹
To Trading Account	1,60,000	By Consignment Account	1,60,000
	<u>1,60,000</u>		<u>1,60,000</u>

Ledger of Mukesh & Co.			
Dr.		Cr.	
Jason & Co. Account			
Particulars	₹	Particulars	₹
To Cash / Bank A/c (Expenses)	750	By Cash / Bank A/c (Sale)	58,000
To Cash / Bank A/c (Expenses)	580	By Cash / Bank A/c (Sale)	84,000
To Commission	7,100		
To Balance b/d	1,33,570		
	<u>1,42,000</u>		<u>1,42,000</u>

Dr.		Cr.	
Commission Account			
Particulars	₹	Particulars	₹
To Profit and Loss A/c	7,100	By Jason & Co. A/c	7,100
	<u>7,100</u>		<u>7,100</u>

**Working Note:- To find out stock on consignment**

Total Cost (800 × 200)	=	1,60,000
(+) Expenses of consigner	=	1,200
(+) Non-recurring expenses	=	-----
Total cost	=	<u>1,61,200</u>
For 800 bicycles		cost Rs. 1,61,200
300 bicycles		(x)

$$x = \frac{161200 \times 300}{800}$$

$$x = 60,450$$

Q.3.

LEDGER OF RADIO HOUSE			
Dr. Consignment Account		Cr.	
Particulars	₹	Particulars	₹
To Goods sent on Consignment A/c	60,000	By Banerjee Bros. A/c (Sales)	49,200
To Cash / Bank A/c (Radio House's Expenses)	3,000	By Stock on Consignment A/c	12,600
To Banerjee Bros. A/c (Expenses)	1,950	By Goods sent on Consignment A/c (Load)	15,000
To Banerjee Bros. A/c (Comm.) (49,200 x 5%)	2,460		
To Stock Reserve (Load)	3,000		
To Profit & Loss A/c (Profit)	6,390		
	<u>76,800</u>		<u>76,800</u>
Dr. Banerjee Bros.'s Account		Cr.	
Particulars	₹	Particulars	₹
To Consignment A/c (Cash Sales)	49,200	By Bills Receivable A/c (Advance)	30,000
		By Consignment A/c (Expenses)	1,950
		By Consignment A/c (Comm.)	2,460
		By Balance c/d	14,790
	<u>49,200</u>		<u>49,200</u>
Dr. Goods sent on Consignment Account		Cr.	
Particulars	₹	Particulars	₹
To Consignment A/c (Load)	15,000	By Consignment A/c	60,000
To Trading A/c (transfer)	45,000		
	<u>60,000</u>		<u>60,000</u>
LEDGER OF BANERJEE BROS.			
Dr. Radio House's Account		Cr.	
Particulars	₹	Particulars	₹
To Bills Payable A/c (Advance)	30,000	By Cash / Bank A/c (Sales)	49,200
To Cash / Bank A/c (Expenses)	1,950		
To Commission A/c	2,460		
To Balance c/d	14,790		
	<u>49,200</u>		<u>49,200</u>

**Working Note:-**

- Invoice Price = 60000  
(-) Cost price = 45000  
Load = 15000
- To find out stock on consignment.

	CP	IP
Total Cost	45000	60000
(+) Expenses of Consigner	3000	3000
(+) Non-recurring expenses	-----	-----
Total Cost	48000	63000
For 100 <del>48000</del>		for 100 <del>63000</del>
20 <del>?</del>		20 <del>?</del>
= 9600		= 12600
3000 (Stock reserve)		

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