

DEPARTMENTAL ACCOUNTS

- Departmental accounts are usually prepared to ascertain separately the of each department
(a) Sales (b) Purchase (c) Profit (d) Departmental transfer
- Give journal entry for inter-departmental transfer at cost price?
- A Hotel proprietor had two depts, viz, A the apartment depts and B the meal dept. Following is the trial balance of his business.
- What are departmental accounts?
- A company has two depts, viz. X and Y. Dept X sells goods to Dept Y at a normal market price. From the following particulars, prepare trading and profit and loss account of two depts. for the year ended 31st March 2015

| | Dept X | Dept Y | General |
|--------------------------------|--------|--------|---------|
| Opening stock | 10000 | | |
| Purchases | 230000 | 20000 | |
| Good from Dept X | | 70000 | |
| Wages | 10000 | 16000 | |
| Salaries (departmental) | 6800 | 4200 | |
| Closing stock at cost the dept | 50000 | 18000 | |
| Sales | 230000 | 145000 | |
| Printing | 2000 | 1600 | |
| Machinery | | 12000 | |
| Advertisement | | | 10000 |
| Salary (general) | | | 18000 |

Depreciate machinery by 10%. The general unallocated expenses are to be apportioned in the ratio of X=3, Y = 2. The entire stock of Y dept represents the received from the X dept.

- The following relates to a departmental store:

| | Departments | | |
|---------------|-------------|-------|------|
| | A | B | C |
| Opening stock | 6000 | 7000 | 3000 |
| Purchases | 7000 | 6500 | 4700 |
| Sales | 12000 | 10000 | 6000 |

Closing stock could not be valued but the normal gross profit rate for the depts concerned are 40%, 30% and 20% on turn over respectively. The total indirect expenses for the department were Rs. 2800 which apportioned in the ratio of sales

Prepare departmental trading and profit and loss account

- Name the method of keeping departmental accounts?
- How would you allocate the fire insurance in departmental accounts?
- What is interdepartmental transfer?
- How will you apportion in departmental accounts
(a) Depreciation (b) Rent
- Department A sells goods to Department B at normal market price. From the following particulars, prepare a departmental trading and profit and loss account for the year ended 31.3.2010.

| | A | B |
|-------------------|--------|-------|
| Opening stock | 15000 | ----- |
| Purchases | 250000 | 40000 |
| Goods from Dept A | ----- | 40000 |
| Wages | 15000 | 20000 |

| | | |
|-------------------------|--------|--------|
| Salaries | 7000 | 5000 |
| Closing stock | 80000 | 20000 |
| Sales | 260000 | 145000 |
| Printing & stationery | 2500 | 1500 |
| Machinery | ----- | 15000 |
| Advertisement(general) | 12000 | |
| Salaries (general) | 18000 | |

Depreciate machinery by 10%. The general unallocated expenses are to be apportioned in the ration of 2:1 to the department A and B.

- Mr Premkumar purchased goods for his three departments X, Y and Z as follows

Dept X -- 400 pieces
 Dept Y -- 1600 pieces
 Dept Z -- 1000 pieces

at a cost of Rs. 4300

Sales for three departments were

Dept X -- 200 pieces at Rs. 15 per pieces
 Dept Y -- 1800 pieces at Rs. 20 per pieces
 Dept Z -- 1200 pieces at Rs. 5 per pieces

Stock at beginning were

Dept X -- 200 pieces
 Dept Y -- 500 pieces
 Dept Z -- 300 pieces

Prepare departmental trading account