

Joint Venture

(A) In case separate set of books are maintained :

1. The following accounts should be opened.
 - (a) Joint Venture A/c
 - (b) Joint Bank A/c
 - (c) Co-venturer's A/c
 - (d) Shares/Debentures A/c
2. If payment is received by the Joint Venture for the contract in cash and shares/debentures, separate account should be opened for shares/debentures

1	Joint Bank A/c is opened. Joint Bank A/c Dr. To Co-venturers A/c	2	Expenses are paid Joint Venture A/c Dr. To Joint Bank A/c
3	Expenses paid by Co-venturer Joint Venture A/c Dr. To Co-venturers A/c	4	Goods are sold Joint Bank A/c Dr. To Joint Venture A/c
5	Goods taken by Co-venturer Co-venturer A/c Dr. To Joint Venture A/c	6	Contract Price received Joint Bank A/c Dr. Shares A/c Dr. To Joint Venture A/c
7	Shares sold Joint Bank A/c Dr. To Shares A/c	8	Shares taken by Co-venturers Co-venturers A/c Dr. To Shares/Debentures A/c
9	Profit on Joint Venture Joint Venture A/c Dr. To Co-venturers A/c	10	Loss on Joint Venture. Co-Venturers A/c Dr. To Joint venture A/c
11	Cash paid to Co-venturer Co-venturers A/c Dr. To Joint Bank A/c		

(B) When separate set of books are not maintained.

1. Each co-venturer opens the following A/c's.
 - (a) Joint venture A/c
 - (b) Co-venturer A/c
 - (c) Agent A/c.
2. Own share of Profit/Loss is to be transferred to Profit & Loss A/c.
3. Discount on bill received from Co-venturer is to be debited to Joint Venture A/c.

IDEAL / CPT / ACCOUNTS / JOINT VENTURE

JOURNAL ENTRIES

1	Goods purchased/Expenses paid. Joint Venture A/c Dr. To Cash/Bank A/c	2	Goods supplied Joint Venture A/c Dr. To Goods / Stock A/c
3	Goods/ Exp. paid by Co-enturer Joint Venture A/c Dr. To Co-venturer A/c	4	Goods Sold. Cash/Bank A/c Dr. To Joint Venture A/c
5	Goods sold by Co-venturer. Co-venturer A/c Dr. To Joint Venture A/c	6	Goods taken for personal use Goods/Stock A/c Dr. To Joint Venture A/c
7	Goods taken by Co-venturer. Co-venturer A/c Dr. To Joint Venture A/c	8	Commission due to us Joint Venture A/c Dr. To Commission A/c
9	Comm. Payable to Co-venturer. Joint Venture A/c Dr. To Co-ventures' A/c	10	Bill drawn on Co-venturer. Bills Receivable A/c Dr. To Co-venturer
11	Bill Accepted by Co-venturer Co-venturer A/c Dr. To Bills Payable A/c	12	Bill discounted by self Joint Venture A/c Dr. To Discount A/c
13	Bill discounted by Co-venturer. Joint Venturer A/c Dr. To Co-venturer (Discount) A/c	14	Goods sold by agent Agent A/c Dr. To Joint venture A/c
15	Comm./Exps. Payable to Agent. Joint Venture A/c Dr. To Agent A/c.	16	Cash/Bill received from agent. Cash/Bank/B/R A/c Dr. To Agent A/c
17	Amt. paid by Agent to Co-venturer Co-venturer A/c Dr. To Agent A/c	18	Advance given to Co-venturer Co-venturer A/c Dr. To Cash A/c
19	Loss on Joint Venture. Profit & Loss A/c Dr. Co-venturer A/c Dr. To Joint Venture A/c	20	Profit on Joint Venture. Joint Venture A/c Dr. To Profit & Loss A/c To Co-venturer A/c

Dr.

Joint Venture A/c

Cr.

Expenses Paid	xx	Good sold	xx
Good Purchased	xx	Goods takeover	xx
Goods Supplied	xx	Profit on sale of shares	xx
Loss on Sale of Shares	xx		
Profit on T.V.	(xx)	Loss on Joint Venture	(xx)
Total	xx	Total	xx

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JOURNAL ENTRIES

<p>1 Goods are purchased. Joint Venture A/c Dr. To Joint Bank A/c To Co-Venturer A/c To Cash/Bank A/c</p>	<p>2 Goods are supplied Joint Venture A/c Dr. To Goods A/c / Purchases A/c To Co-venturers A/c</p>
<p>3 Expenses paid Joint Venture A/c Dr. To Joint Bank A/c To Co-Venturers A/c To Agent A/c To Cash/Bank A/c</p>	<p>4 Goods Sold. Joint Bank A/c Dr. Co-Ventures A/c Dr. Cash/Bank A/c Dr. To Joint Venture A/c</p>
<p>5 Goods take over Co- Venturers A/c Dr. Agent A/c Dr. Goods A/c / Purchases A/c Dr To Joint Venture A/c</p>	<p>6 Profit on Joint Venture Joint Venture A/c Dr. To Co - Venture A/c To Profit and Loss A/c</p>
<p>7 Joint Bank A/c opened Joint Bank A/c Dr. To Co - Venture A/c</p>	

Dr.	Co - venturers A/c	Cr.	
Bills accepted	xx	Expenses Paid	xx
Amount Received from Agent	xx	Goods Purchased / supplied	xx
Amount Paid	xx	Bills drawn	xx
		Amount received	xx
Total	xx	Total	xx

MEMORANDUM JOINT VENTURE METHOD :-

In this method each co-venturer records only his own transactions each co-venturer opens only 'Joint Venture with Co-venturer'. A memorandum Joint Venture A/c is opened to record all the expenses and incomes of the Joint Venture Difference in Memorandum Joint Venture A/c is the profit or loss. Journal entries are the same as separate set of books are not maintained.

* A and B enter into a Joint Venture sharing profit equal. A purchased goods of ₹25,000 and paid ₹6,000 as expenses B supplied goods of ₹10,000 and paid expenses ₹2,000. B sold all the goods for ₹60,000. Find profit on Joint Venture and amount payable to Co-venturer. When no-separate sets books are maintained.

- a) Each co-venturer records cell Joint Venture transaction.
- b) Each co-venturers records only his own transactions.

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Other Journal Entries

- (1) **Amount paid to Co-venturer**
Joint Venture with Co-venturer A/c Dr.
 To Cash / Bank / Bills Payable A/c
- (2) **Amount received from Co-venturer**
Cash / Bank / Bills Receivable A/c Dr.
 To Joint Venture with Co-venturer A/c
- (3) **Profit on joint Venture**
Joint Venture with Co-venturer A/c Dr.
 To Profit & Loss A/c
- (4) **Loss on Joint Venture**
Profit & Loss A/c Dr.
 To Joint Venture with Co-venturer A/c

MULTIPLE CHOICE QUESTIONS

- Joint Venture account is a :
(a) Personal Account (b) Real Account (c) Nominal Account (d) none
- The partners to joint venture are called
(a) Co-venturers (b) Partners (c) Principal and agent (d) Friends
- If separate set of books is maintained and discount is received at the time of purchase of goods then such a discount will be treated as :
(a) Income of Joint Venture hence credited to joint venture account
(b) Expense of Joint venture hence debited to joint venture account
(c) Will not be recorded in books of account
(d) Credited to co-venturer account
- What is the nature of Joint Venture with co-venture's A/c :
(a) Nominal Account (b) Real Account (c) Personal account (d) None
- X spending a sum of ₹10,000 on account of joint venture, will be credited to _____ account in case of the records being maintained in the books of X :
(a) Memorandum J.V. (b) Joint Venture (c) Co-Venturers (d) Cash
- When purchases are made for the joint venture out of joint bank account, the account is debited.
(a) Joint venture (b) Expenses (c) Joint Bank (d) None

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7. When unsold stock is taken away by a Co-venturer, the Account is debited.
(a) stock with joint venture (b) Co-venturer's capital
(c) Joint Bank (c) None
8. Shares of a company taken over by A and B under underwriting contract, when sold by them will be credited to account.
(a) sharing holding (b) joint venture (c) both (d) None
9. The account opened in the books of X, who is in joint venture with Y under Memorandum Joint venture method, is headed as Account.
(a) Joint venture (b) joint venture with Y (c) Joint Bank (d) None
10. X spending a sum of ₹2,000 on account of Joint venture, will be debited to account in case of the records being maintained in books of X.
(a) Joint venture (b) Cash (c) Co-coventurer (d) None
11. When separate set of books are kept for keeping the accounts of Joint venture, then -
(a) Memorandum joint venture account is prepared
(b) Transactions take the form of ordinary accounting system.
(c) Only joint venture and personal accounts of the Venturers are maintained.
(d) None
12. When transactions relating to joint venture are recorded in the books of venturer his share of investment is recorded by
(a) Crediting cash account (b) Crediting his personal A/c
(c) No entry is made (d) None
13. If Y takes away goods for personal use under Memorandum Joint venture method then he will debit these goods to
(a) Joint venture account (b) Personal Capital account
(c) Purchases account (d) None
14. A & B entered into a Joint Venture to underwrite shares of X Ltd. X Ltd. issued 1,00,000 shares of ₹10 each. 70% of the issue was subscribed by the public and remaining shares were taken by the Joint Venture. How many shares were purchased by the Joint Venture.
(a) 70000 (b) 30,000 (c) 7000 (d) 30000
15. Where separate set of books are maintained., the ledger accounts required are :
(a) Memorandum Joint Venture, and Joint Venture Account with the other party
(b) Joint Venture Account and the personal account of the other party
(c) Joint Venture account, Co-venturer capital accounts and Joint bank account.
(d) Joint bank account and Joint venture account with the other party.
16. Which of the following statement is true?
(a) Only one venturer bears the risk
(b) Only one venturer can sell the goods
(c) Only one venturer can purchase the goods
(d) In joint venture, provisions of partnership act applies.

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17. For opening Joint Bank account,
- (a) Joint Venture A/c will be debited and Venturers A/c will be credited
 - (b) Joint Bank A/c is debited and Venturers Capital A/c is credited
 - (c) Joint Venture A/c is debited and Joint Bank A/c is credited
 - (d) Joint Bank A/c will be debited & Joint Venture A/c is credited
18. For material supplied from own stock by any of the Venturer, the correct journal entry will be: (In case of separate sets of books)
- (a) Joint Venture A/c will be debited and Venturers Capital A/c will be credited
 - (b) Joint Venture A/c will be debited and Joint Bank A/c will be credited
 - (c) Joint Venture A/c will be debited and Material A/c will be credited
 - (d) Joint Bank A/c will be debited and Joint Venture A/c will be credited
19. Which of the following statement is not true?
- (a) Joint venture is a going concern
 - (b) Joint venture is terminable in nature
 - (c) Joint venture does not follow accrual basis of accounting
 - (d) The Co-venturer shares the profit in agreed ratio
20. Advice which of the statement is true:
- (a) Joint Venture can be formed by a single person only
 - (b) A legal deed should be drafted before forming Joint Venture
 - (c) Profits to be shared between the venturers in agreed ratio
 - (d) Joint Venture follows going concern concept
21. State which of the statement is true?
- (a) Memorandum Jt Venture Account is prepared to find out profit on venture
 - (b) Memorandum Jt Venture Account is prepared to find out amount due from Co - venturer
 - (c) Memorandum Jt Venture Account is prepared when separate sets of books is maintained
 - (d) In Memorandum Jt Venture Account only one venturer's transaction is recorded
22. Which of these is not a part of double entry system?
- (a) Memorandum Joint Venture A/c
 - (b) Joint Venture A/c
 - (c) Joint Bank A/c
 - (d) Co-venturer A/c
23. Which of the following statements are true:
- (a) A Joint Venture has a definite life
 - (b) A Joint Venture has an indefinite life
 - (c) A Joint Venture is a partnership under the Partnership Act
 - (d) None of these
24. For purchase of goods by Co-venturer in case of separate set of books:
- (a) Goods A/c will be debited and Venturer's Capital A/c will be credited
 - (b) Joint Venture A/c will be debited and Joint Bank A/c will be credited
 - (c) Venturer's Capital A/c will be debited and Joint Venture A/c will be credited
 - (d) Joint Venture A/c will be debited and Venturer's Capital A/c will be credited

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25. For stock of goods taken over by a Co-venturer in case of separate set of books:
(a) Goods A/c will be debited and Joint Bank A/c will be credited
(b) Joint Venture A/c will be debited and Joint Bank A/c will be credited
(c) Venturer's Capital A/c will be debited and Joint Venture A/c is credited
(d) Joint Venture A/c will be debited and Venturer's Capital A/c will be credited
26. For distribution of profit in separate set of books:
(a) Joint Venture A/c is debited and Profit & Loss A/c is credited
(b) Profit & Loss A/c is debited and Joint Venture A/c is credited
(c) Profit & Loss A/c is debited and Co-venturer's Capital A/c is credited
(d) Joint Venture A/c is debited and Co-venturer's Capital A/c is credited
27. In Memorandum Joint Venture Account, each Co-venturer records _____
(a) all the Joint Venture transactions
(b) common Joint Venture transactions
(c) only those which are affected by him
(d) none of these
28. For sending cash to another Co-venturer (Y) in case of Memorandum Joint Venture Method:
(a) No entry is passed
(b) Memorandum Joint Venture A/c is debited and Cash A/c is credited
(c) Joint Venture with Y A/c is debited and Cash A/c is credited
(d) Y's A/c is debited and Memorandum Joint Venture A/c is credited
29. For payment of Joint Venture Expenses in case of Memorandum Joint Venture Method:
(a) Goods A/c is debited and Cash A/c is credited
(b) Memorandum Joint Venture A/c is debited and Cash A/c is credited
(c) Joint Venture A/c is debited and Cash A/c is credited
(d) Another Co-venturer's A/c and Cash A/c is credited
30. Goods supplied to Agent will be:
(a) Debited to Joint Venture A/c (b) Credited to Joint Venture A/c
(c) Debited to Agent A/c (d) None of these
31. There are two Co-venturers – X & Y. X is recording all Joint Venture transactions in his books of account. Discount charges on discounting a Bill Receivable accepted by Y are debited to:
(a) X's Account (b) Y's Account (c) Profit & Loss Account (d) Joint Venture Account
32. On supply of goods out of own stock for Joint Venture business
(a) Joint Venture Account is credited
(b) Goods sent on Joint Venture Account is credited
(c) Other Co-venturer's Account is credited
(d) None of these

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33. The share of profit of the Co-venturer maintaining all the Joint Venture transactions in his books is _____
- (a) debited to other Co-venturer's Personal Account
 - (b) debited to Joint Venture Account
 - (c) debited to Profit & Loss Account
 - (d) none of these
34. Goods costing ₹10,000 are taken over by X at 20% less
- (a) ₹10,000 will be credited to Joint Venture A/c
 - (b) ₹10,000 will be credited to X's A/c
 - (c) ₹8,000 will be credited to X's A/c
 - (d) ₹8,000 will be credited to Joint Venture A/c
35. For material supplied from own stock by any of the venturer, the correct Journal entry in case of Separate set of books of a joint venture will be
- (a) Joint Venture Account Dr.
 To Venturer's Capital A/c
 - (b) Joint Venture A/c Dr.
 To Joint Bank A/c
 - (c) Joint Venture A/c Dr.
 To Material A/c
 - (d) Joint Bank A/c Dr.
 To Joint Venture A/c
36. A purchased goods costing 1,00,000. B sold the goods for ₹1,50,000. profit sharing ratio between A and B equal. If same sets of books is maintained, what will be the final remittance?
- (a) B will remit ₹125000 to A
 - (b) B will remit ₹150000 to A
 - (c) A will remit ₹100000 to B
 - (d) B will remit ₹25000 to A
37. If unsold goods costing ₹20000 is taken over by Venturer at ₹15000, the Joint Venture A/c will be credited by
- (a) ₹20000
 - (b) ₹15000
 - (c) ₹5,000
 - (d) Nil
38. Discount charges of ₹1,000 on discounting a Bills Receivable by one of the co-venturer's maintaining all Joint Venture transactions in his books of account will be _____
- (a) debited to Joint Venture Account
 - (b) debited to Profit & Loss Account
 - (c) debited to other Co-venturer's Account
 - (d) none of the above
39. M and N enter into a joint venture where M supplies goods worth ₹6,000 and spends ₹300 on expenses. N sells the entire lot for ₹7,800 paying selling expenses amounting to ₹300. Profit sharing ratio is equal. N remits to M the amount due. The amount of remittance will be :
- (a) ₹6,900
 - (b) ₹7,500
 - (c) ₹6,300
 - (d) ₹6,600

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40. X and Y enter into a joint venture. X supplied goods to Y worth ₹70,000. X incurred expenses amounting to ₹6,000 on joint venture. The venture resulted in a total profit of ₹15,000 of which their ratio is 2 : 1. The entire sale proceeds were received by Y. Amount received by X from Y in final settlement will be :
- (a) ₹85,000 (b) ₹86,000 (c) ₹81,000 (d) ₹75,000
41. P and Q enter into a Joint Venture sharing profits and losses in the ratio 3:2. P purchased goods costing ₹2,00,000. Other expenses of P ₹10,000. Q sold the goods for 1,80,000. remaining goods were taken over by Q at ₹20,000. The amount of final remittance to be paid by Q to P will be:
- (a) 2,15,000 (b) 2,06,000 (c) 2,10,000 (d) Rs. 2,04,000
42. A and B were partners in a joint venture sharing profits and losses in the proportion of $\frac{3}{5}$ and $\frac{2}{5}$ respectively. A supplies goods to the value of ₹80,000 and incurs expenses amounting ₹6000. B supplies goods to the value of ₹14,000 and his expenses amount to ₹2000. B sells goods on behalf of the joint venture and realizes ₹1,50,000. B entitles to a commission of 5% on sales. B settles his account by bank draft. Find out A's share of profit on venture?
- (a) ₹24,300 (b) ₹25,000 (c) ₹26,000 (d) ₹20,300
43. A and V enter into a joint venture to sell a consignment of biscuits sharing profits and losses equally. A provided biscuits from stock ₹10,000. He pays expense amounting to ₹1000. V incurs further expenses on carriage ₹1000. He receives cash for sales ₹15000. He also takes over goods to the value of ₹2000. What will be the amount to be remitted by V to A?
- (a) ₹13500 (b) ₹15,000 (c) ₹11,000 (d) ₹10,000
44. A and B enter into joint venture sharing profit and loss equally. A purchased 100 kg of rice @ ₹20/ kg. Brokerage paid ₹200, carriage paid ₹300. B sold 90 kg of rice @ ₹22/kg. Balance rice were taken over by B at cost. The value of rice taken over to be recorded in joint venture will be:
- (a) ₹200 (b) ₹250 (c) ₹230 (d) ₹220
45. A & B enter into a Joint venture sharing profits and losses equally. A purchased 5000 kg of rice @ ₹50 / kg. B purchased 1000 kg of wheat @ ₹60 / kg. A sold 1000 kg of wheat @ ₹70 / kg and B sold 5000 kg of rice @ ₹60 / kg. What will be the final remittance?
- (a) B will remit ₹2,10,000 to A (b) A will remit ₹2,10,000 to B
(c) A will remit ₹2,00,000 to B (d) B will remit ₹1,80,000 to A
46. In a Joint venture A contributes ₹5000 and B contributes ₹10000. Goods are purchased for ₹11200. Expenses amount to ₹800. Sales amount to ₹14000 the remaining goods were taken by B at an agreed price of ₹400. A and B share profit and losses in the ratio of 1 : 2 respectively. As a final settlement, how much A will receive?
- (a) 5800 (b) 6000 (c) 5000 (d) 10800

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47. Gattu and Bittu entered into a joint venture where Gattu bought goods of the value ₹1,00,000 and consigned them to Bittu to be sold by them on Joint venture, profits being divided equally. Gattu paid ₹10,000 for freight and insurance. Gattu draws a bill on Bittu for ₹1,00,000. Gattu discounted at ₹95,000. Bittu sold the goods for ₹1,50,000. Commission payable to Bittu ₹5,000. The amount to be remitted by Bittu to Gattu will be
(a) ₹1,25,000 (b) ₹1,35,000 (c) ₹1,30,000 (d) ₹1,40,000
48. Alok and Rohit were partners in a Joint venture sharing profits and losses in the proportion of $\frac{3}{5}$ th and $\frac{2}{5}$ th respectively. Alok supplies goods to the value of ₹60,000 and incurs expenses amount ₹6,000. Rohit supplies goods to the value of ₹16,000 and his expenses amount to ₹3,000. Rohit sells goods on behalf of the Joint venture and realises ₹1,20,000. Rohit is entitled to a commission of 5% on sales. Rohit settles his account by bank draft. How much amount Rohit will pay to Alok as final settlement.
(a) ₹93,600 (b) ₹82,000 (c) ₹83,400 (d) ₹40,000
49. A and B enter into a joint venture sharing profits and losses in the ratio of 2 : 3. Goods purchased by A for ₹45,000. Expense incurred by A ₹13,500 and by B ₹5,200. B sold the goods for ₹85,000. Remaining stock taken over by B as ₹7,200. The profit of the venture will be
(a) ₹9,800 (b) ₹35,700 (c) ₹21,300 (d) ₹28,500
50. X and Y entered into a Joint venture sharing profits & losses equally. X provides goods from his stock ₹20,000. He pays expenses amounting to ₹2000. Y incurs further expenses on carriage ₹3,000. He received cash for sales ₹35,000. X takes over goods to the value of ₹5,000. What will be the amount to be remitted by Y to X?
(a) ₹29,500 (b) ₹35,000 (c) ₹24,500 (d) ₹22,000
51. A purchased goods costing 42,500. B sold goods costing ₹40,000 at ₹50,000. Balance goods were taken over by A at same gross profit percentage as in case of sale. The amount of goods taken over will be:
(a) ₹3,125 (b) ₹2,500 (c) ₹3,000 (d) None
52. A and B purchased a piece of land for ₹20,000 and sold it for ₹60,000. Originally A had contributed ₹12,000 and B ₹8,000. What will be the profit on venture?
(a) ₹40,000 (b) ₹20,000 (c) ₹60,000 (d) None
53. A and B enter into a Joint venture sharing profit and losses in the ratio 3 : 2. A will purchase goods and B will affect the sale. A purchase goods costing ₹2,00,000. B sold it for ₹3,00,000. The venture is terminated after 3 months. A is entitled to get 10% interest on capital invested irrespective of utilization period. The amount of interest received by A will be
(a) 20,000 (b) 5,000 (c) 15,000 (d) 25,000
54. A and B entered into a Joint Venture. They opened a Joint Bank Account by contributing ₹ 4,00,000 each. The expenses incurred on venture is exactly equal to ₹4,00,000. Once the work is completed, contract money received by cheque ₹4,00,000 and in shares ₹1,00,000. The shares are sold for Rs. 80,000. What will be the profit on venture?
(a) ₹5,00,000 (b) ₹80,000 (c) ₹8,80,000 (d) ₹9,00,000

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55. A and B enter into a Joint Venture sharing profit and losses in the ratio 3:2. A purchased goods costing ₹2,00,000. B sold 95% goods for ₹2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. What will be the final remittance?
(a) B will remit ₹2,19,300 to A (b) B will remit ₹2,23,300 to A
(c) B will remit ₹2,10,200 to A (d) By will remit ₹2,22,700 to A
56. A and B enter into a Joint Venture sharing profit and losses in the ratio 3:2. A purchased goods costing ₹2,00,000. B sold 95% goods for ₹2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. Remaining goods are taken over by B at 95% of cost. What will be the final remittance?
(a) B will remain ₹2,28,800 to A (b) B will remit ₹2,29,000 to A
(c) B will remit ₹2,19,700 to A (d) By will remit ₹2,32,200 to A
57. A and B enter into a Joint Venture sharing profit and losses in the ratio 3:2. A purchased goods costing ₹2,00,000. B sold 95% goods for ₹2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. Remaining goods are stolen. What will be the final remittance?
(a) B will remit ₹2,15,300 to A (b) B will remit ₹2,23,300 to A
(c) B will remit ₹2,27,340 to A (d) B will remit ₹2,18,700 to A
58. A and B enter into a Joint Venture sharing profit and losses in the ratio 3:2. A purchased goods costing ₹2,00,000. B sold 95% goods for ₹2,50,000. A is entitled to get 1% commission on purchase and B is entitled to get 5% commission on sales. A drew a bill on B for an amount equivalent to 80% of original cost of goods. A got it discounted at ₹1,50,000. A's share of profit will be:
(a) ₹15,300 (b) ₹21,300 (c) ₹18,900 (d) None
59. A purchased goods costing ₹4,00,000, B sold 4/5th of the goods for ₹5,00,000. Balance goods were taken over by B at cost less 50%. If same sets of books is maintained, find out profit on venture?
(a) ₹1,64,000 (b) ₹1,80,000 (c) ₹1,40,000 (d) None
60. A and B enter into a Joint Venture to underwrite the shares of X Ltd. to the extent of 80% X Ltd. make an equity issue of 1,00,000 equity shares of ₹10 each. 80% of the issue are subscribed by the public. The profit sharing ratio between A and B is 3:2. The balance shares not subscribed by the public are purchased by A and B in profit sharing ratio. How many shares to be purchased by the Co-venturers.
(a) 38,400 shares (b) 16,000 shares (c) 12,000 shares (d) 9,600 shares
61. In a Joint venture between A and B, A, on purchase of goods, spend ₹2,000 on freight, ₹1,000 as godown rent, and also raised a loan from banks of ₹50,000 at 18% p.a. repayable after 1 month. B spend ₹5,000 as selling expenses and he also raised a loan from bank of ₹1,50,000 at 18% repayable after 2 months. The total expenses of Joint venture other than purchases will be
(a) ₹8,000 (b) ₹8,250 (c) ₹5,250 (d) ₹13,250