

DEPARTMENTAL ACCOUNTS

AS-17 - Segmental Reporting

A/c's :- dep Trading, dep P&L, general P&L, general B/S
 items :- segg & direct exp - dep Trading P&L or general P&L
 (factory) (office)

Intdepartmental transac.

(i) at cost (no further adjustment) Trading A/c of receiving dept To Trading A/c of sending dept. [COST]

(ii) Transfer price: unrealised profit + overvaluation of stock. P&L (gens) Dr. unrealised profit To Closing stock.

Stock reserve = Transfer in cl. stock of receiving dept X GP ratio of SENDING dept.

$$GP = \frac{GP}{\text{net sales} + \text{net transfer}} \times 100$$

Incremental SR = $U^n - Op^n$ stock reserve.

only the amt of transfer in cl. stk (no amt of expenses to be included in it).

pass both Dr & Cr entry for transfer.

GP = Amt of sales corresponding to amount of purchases.

consolidated Trading A/c: no effect or entry for transfers.

Cl. stk = Amt - stock reserve i.e. @ cost.

Op ⁿ stk		Sales
A		A
B		B
Purch A		Cl. stk
B		A
		B COST.

Input - Transfer (Amount of transfer in cl. stk)

100
Cl. stk

20
[]

indirect expenses of sales dept = Dept P&L

A → B → C.

SR: A → B i.e. A ← B
 B → C
 B → C of A → B (Cn)
 A ← B SR.

expenses

wegg - dept Trading (factory)
dept P&L (office)

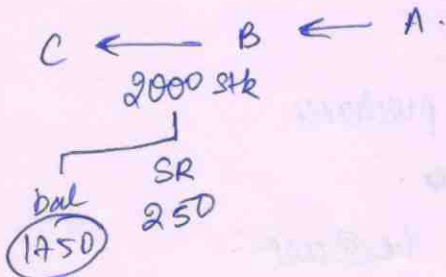
xsegg - gen P&L.

$$\frac{1}{2} \text{ cost} = \frac{1}{3} \text{ sales}$$

$$\frac{1}{n} \text{ cost} = \frac{1}{n+1} \text{ sales}$$

$$A \xrightarrow{C+50\%} B \xrightarrow{C+10\%} C$$

	B	C (assume)
stk	1000	2000
SR	100 ★	250.0



assume 1750 $A \rightarrow B$.

input x 1750
 then y $\square \times 4p$
 $= SR$
 $= 150 \star$

(b) $T's.R = 100 + 150 = 250 \star + \star$
 (c) $\frac{250}{500} 0.$

★ include transfer of $A \rightarrow B$ for
 calculating input of B for
 $B \rightarrow C$.