

5.8.20

Financial Accounts
B.com Part I

Chapter - Royalty
Numerical.

Exercise - (9)
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Question.

Bengal Mining Co took a mine on lease at a Royalty of Rs 75 per ton. The minimum rent was fixed at Rs 4000 for first year 8000 in second year and 12000 in third year and then after. It was also agreed that the minimum rent would be given out of a 75 paise per ton and the shooting would be decoupled from the Royalty of coming years.

The Annual output was respectively 2000, 12000, 20000, and 30000 ton in the four years. Make necessary Accounts for each Company.

Ans:

Analytical Table.

Year	Output	Royalty	M.R	S.W	E.W	S.W year	S.W year Decap	Total
2004	2000	1500	4000	2500	-	1000	-	4000
2005	12000	9000	8000	-	1000	1000	-	8000
2006	20000	15000	12000	-	3000	1500	-	13500
2007	30000	22500	12000	-	10500	-	-	22500

In The Book of Bengal Mining Company.

Royalty A/c

Particulars	Amount	Particulars	Amount
2004 31 Dec TO Landlord.	1500	2004 31 Dec By PSL -	1500
2005 31 Dec TO Landlord.	9000	31 Dec 2005 By PSL -	9000
31 Dec 2006 TO Landlord -	15000	31 Dec 2006 By PSL -	15000
31 Dec 07 TO Landlord -	22500	31 Dec 2007 -	22500

Landlord ac.

31 Dec 2004 TO BANK -	4000	2004 31 Dec By Royalty " Shortways.	1500 2500 4000
31 Dec 2005 TO Bank - " Shortways	8000 1000 9000	2005 31 Dec By Royalty	9000 9000
31 Dec 2006 TO Bank - " Shortways	13500 1500 15000	31 Dec 2006 By Royalty -	15000
Dec 2007 TO Bank -	22500	31 Dec 2007 By Royalty	22500
			22500

31 Dec 2004 TO landlord -	2500	31 Dec 2004 By B91 acc	2500
	<u>2500</u>		<u>2500</u>
31 Dec 2005 TO B91ance bid	2500	31 Dec 2005 By landlord	1000
	<u>2500</u>	" B91 acc	1500
	1500		<u>2500</u>
31 Dec 2006 TO B91ance bid		31 Dec 2006 By landlord	1500
	<u>1500</u>		<u>1500</u>