

(III) Foreign Head Office

If head office is in foreign country, but Branch is in India, then following steps should be applied

Step 1 Reconcile Branch & H.O. with Branch entries only.

Step 2 Convert ₹ Trial balance in foreign currency using Rate of AS-II

Step 3 Prepare final A/c of Branch in foreign currency.

As stock may be missing, calculate stock in ₹ and then convert it in ₹ using closing Rate.

