

Answer ALL questions

Each answer should not exceed 400 words or two pages

11. a) Distinguish between Hire Purchase and Installment System.

COIK2

(or)

11. b) X Ltd. purchased a machine from Y Ltd. on Hire Purchase

Cash Price = Rs. 60,000, Down Payment = Rs. 20,000 Balance payable in 2 equal annual Instalments with interest @10% p.a. on outstanding balance. Find the amount of each installment.

CO1K3

12. a) Ravi sent out goods costing Rs. 90,000 to Meena so as to show 20% profit on invoice price. 40% goods were lost in transit. 60% of the goods received were sold half at invoice price and the balance at 25% above the invoice price. Rate of commission is 10% on sales at invoice plus 50% of gross sales less all commission exceeds sales at invoice price. Calculate the amount of commission.

CO2K3

(or)

12. b) Ramesh Ltd. Leased a property from Ram at a royalty of Rs 1.50 per ton with a minimum rent of Rs 10,000 per annum. Each year's excess of minimum rent over royalties is recoverable out of the next five years. In the event of a strike and the minimum rental not being reached, the lease provided that the actual royalties earned for the year discharged all rental obligation for the year. The results of working of the property are given below :

CO2K3

Year	2004	2005	2006	2007	2008	2009	2010 (StrikeYear)	2011
Actual Royalty Rs	Nil	3,300	9,000	11,100	14,000	15,000	8,000	15,200

Draft the analytical table to show the shortworkings, Recoupment and amount payable to Ram.

13. a) Explain the Concept of Limited Liability Partnership in brief.

CO3K2

(or)

13. b) State the objectives of amalgamation of firms.

CO3K3

14. a) On 10th January 2015, a fire occurred in the godown of Bright Electricals. All the stock was burnt. Each year, Bright Electricals values the stock at cost less 10%. From the following additional information, ascertain the value of stock on the date of fire.

CO4K4

Particulars	Amount
Stock on 1 st April 2013	7,20,000
Purchases during the year ended 31st March, 2014	28,00,000
Sales during the year ended 31st March, 2014	40,00,000
Stock on 31st March, 2014	4,50,000
Purchases from 1st April, 2014 to date of fire	29,20,000
Sales from 1st April, 2014 to date of fire	32,00,000

(or)

14. b) Department R sells goods to Department S at a profit of 25% on cost and Department T at 10% profit on cost. Department S sells goods to R and T at a profit of 15% and 20% on sales respectively. Department T charges 20% and 25% profit on cost to Department R and S respectively. Department managers are entitled to 10% commission on net profit subject to unrealized profit on departmental sales being eliminated. Departmental profits after charging manager's commission, but before adjustment of unrealized profit are as under:
Department R Rs. 54,000; Department S Rs. 40,500 and Department T Rs. 27,000.
Stocks lying at different departments at the end of the year are as under:

	Department R	Department S	Department T
Transfer from Department R	-	22,500	16,500
Transfer from Department S	21,000	-	18,000
Transfer from Department T	9,000	7,500	-

Find out the correct department profits after charging manager's commission.

CO4K4

15. a) Explain the Basic structure of Government Accounts in detail.

CO5K2

(or)

15. b) Distinguish between Government Accounting and Commercial Accounting.

CO5K2

Answer ALL questions

Each answer should not exceed 800 words or four pages

16. a) X Ltd. had purchased a machinery on hire purchase system from Y Ltd. The terms are that X Ltd. would pay Rs. 20,000 down on signing the agreement and 4 annual installments of Rs. 11,000 each commencing from the beginning of the next year. X Ltd charged depreciation at the rate of 10 per cent per annum on cost under diminishing balance system. Y Ltd. charged interest at the rate of 10 per cent per annum in their hire purchase contract. Prepare Machinery Account and Y Ltd. Account for 5 Years in the books of X Ltd. CO1K3
(or)

16. b) ABC Ltd. which sells a patent product on hire-purchase terms, has the following transactions for the year to 31st March 2021. Prepare all accounts under stock and debtors system. Calculate the profit earned. COIK3
1-4-2020 Stock with hire purchase customers at selling price Rs. 12,000

Stock at the shop at cost Rs. 5,000

Instalments Overdue Rs. 8,000

31-3-2021 Total instalments that fell due during the year Rs. 1,89,440

Cash received from customers (including down payment of Rs. 15,440): Rs. 1,75,440

Goods repossessed (Instalment due Rs. 500) Rs. 400

Stock at shop at cost (including goods repossessed Rs. 400) Rs. 2,000

Purchases Rs. 1,20,000

Hire Expenses Rs. 3,400

Also Prepare H.P Trading A/C

17. a) On January 1, 2018, a Brick Co. acquired a lease of 15 years from Mr. X on lease for getting earth. CO2K3
Terms of lease are:
a) Annual royalty rate is Rs.1 per 100 cubic feet of earth taken out.
b) Minimum rent is Rs 12,000 per annum.
c) On 1st January, 2018 Company gave Rs 1,50,000 to X for Nazrana.
d) Shortworking can be recouped during first four years only.
e) Annual royalty is paid on 31st December, each year.

Brick making company extracted earth in the following manner.

Years	2018	2019	2020	2021
Earth in cubic feet	10,00,000	15,00,000	9,00,000	14,00,000

Open Nazrana Account, Royalty Account and Shortworking Account in the books of Brick Co.

(or)

17. b) The Bharat Mining Company holds a lease of a coal mine for a period of 20 years, commencing from 1st April 2015. The lease provided for the payment on 15th April, 2016 and (annually thereafter) a royalty of Rs. 2 per ton on coal produced in the previous year subject to a minimum rent of Rs. 8,000 per year. Shortworkings can be recouped out of royalty in excess of the minimum rent for the next two years only. In the year of strike the minimum rent was to be regarded as having been reduced proportionately having regard to the length of stoppage. The first year in respect of which minimum rent was payable expired on 31st March, 2016. The excess paid for the first year was Rs. 3,750, of the second year Rs. 3,000. In the third year the surplus was Rs. 3,200 and of the fourth year Rs. 4,000. In the fifth-year actual royalties amounted to Rs. 14,000 and in the sixth year Rs. 7,500 only. During the sixth year there was a stoppage due to strike lasting three months. CO2 K3
Write up the Necessary Accounts in the book of Bharath Mining Company.

18. a) A and B are partners sharing profits and losses equally in a business similar to that carried on by C. In order to avoid competition, they decided to amalgamate the two businesses by taking over the assets and liabilities of C and admitting him into partnership with them as from 1 April, 2021. Their balance sheets as on 31st March, 2021 were as follows:

Liabilities	A&B	C	Assets	A&B	C
	15,000	27,500		200	700

Loan	-	10,500	For Bad debts	1,500	
Capital A/Cs:			Stock	21,200	26,300
A	20,000		Investment	-	27,000
B	15,000	35,000	C's Capital	-	4,000
			Overdrawn		
	55,000	83,000		55,000	83,000

The new partnership is to be carried on as A, B and C and it was agreed among all the partners that the Book Debts of both the businesses should be provided with Bad Debts provisions at 10% and the stock to be reduced by 5% for the purpose of amalgamation and that the investments of C should be valued at Rs. 35,000 and that C was to be credited with a sum of Rs. 5,100 for Goodwill. It was further agreed that in order to raise the total capital of the firm to Rs. 60,000 each partner shall introduce such sum as would make his capital in the new business equal to one third of the capital.

Goodwill is not to be shown in the books of the new firm.

Give Journal entries in the books of new firm and show amalgamated Balance Sheet as at 1 April, 2021.

CO3K3

(or)

18. b) Following was the Balance Sheets as at 31st March, 2021 of two firm's M/s A&B and M/s C&D. Give the necessary ledger Accounts in the books of both the parties for two years if the hire vendor took possession of all the three machines. The hire vendor spent Rs 5,800 on getting the machines thoroughly overhauled and sold them for Rs.70,000.

CO1K4

19. a) From the following figures, Calculate the amount of claim to be lodged with the insurance company for loss of stock.

Particulars	Rs	Particulars	Rs
Stock at cost on 1 st January, 2019	90,000	Sales during 2019	6,00,000
Stock at cost on 1 st January, 2020	70,000	Sales from 1 st January, 2020 to 30 th September, 2020	8,80,000
Purchases during 2019	4,00,000		
Purchases from 1 st January, 2020 to 30 th September, 2020	6,00,000		

You are informed that:

- In 2020 the cost of purchases have risen by 20% above the level pertaining in 2019
- In 2020 the selling prices have gone up by 10% over the levels prevailing in 2019
- Salvage value is Rs.5000

CO4K4

(or)

19. b) From the following data, prepare Departmental Trading and Profit and Loss Account and thereafter the Combined Income Account revealing the concern's true results for the year ended 31st March, 2021.

	Departments	
	A	B
	Rs.	Rs.
Stock (1 st April)	40,000	-
Purchases from outside	2,00,000	20,000
Wages	10,000	1,000
Transfer of goods from Department A	-	50,000
Stock (31 st March) at cost to the Department	30,000	10,000
Sales to outsiders	2,00,000	71,000

B's entire stock represents goods from Department A which transfers them at 25% above its cost.

Administrative and selling expenses amount to Rs. 15,000 which are to be allotted between departments A and B in the ratio 4:1 respectively.

CO4K4

(or)

20. a) Explain main principles followed by the Government while allocating expenditure on a capital scheme between capital and revenue items.

CO5K2

(or)

20. b) Explain the functions, powers and duties of the Comptroller and Auditor General in detail.

CO5K2