

F.Y.B.COM. SEM – II (CBCS - 2016 COURSE) : SUMMER - 2018

SUBJECT : FINANCIAL ACCOUNTING – II

Day : **Thursday**
Date : **12/04/2018**

S-2018-0250

Time **03.00 PM TO 06.00 PM**
Max. Marks : 60

N.B.

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.
- 3) Use of non-programmable calculator is allowed.

Q.1 A) Select the most appropriate alternative from those given below and rewrite the statements. **(06)**

- 1) In case of copyrights, royalties are based on _____.
a) Production b) Sales c) Raw Material d) None of these
- 2) Royalty account is _____ type of account.
a) Real b) Personal c) Representative personal d) Nominal
- 3) Depreciation is charged on _____ assets.
a) Fixed b) Current c) Intangible d) None of these
- 4) The amount paid on the date of purchase of asset on hire purchase agreement is called as _____.
a) Down payment b) Cash payment c) Hire purchase price d) Cash price
- 5) Mining royalties are based on _____.
a) Sales b) Production c) Purchases d) Employees
- 6) In hire purchase system instalment amount includes the portion of cash price and _____.
a) Purchase price b) Depreciation c) Interest d) Down payment

B) Answer the following questions in one sentence each. **(06)**

- 1) Which parties are involved in royalty account?
- 2) What are the different methods of depreciation?
- 3) Write any two advantages of computerized accounting.
- 4) Depreciation is which type of account?
- 5) What is 'Down Payment'?
- 6) What is 'Short Working'?

P.T.O.

- Q.2** Sangli Mining Co. Ltd. took a mine on lease at a royalty of Rs. 2 per ton. (12)
The minimum rent was fixed at Rs. 20,000 per annum. The short working if any can be recovered in first three years of the lease only. The output for four years from 2012-13 was as follows:

Year	Output in Tons
2012-13	6,000
2013-14	8,000
2014-15	14,000
2015-16	16,000

You are required to prepare:

- 1) Royalty Account
- 2) Short Working Account in the books of Sangli Mining Co. Ltd.

- Q.3** Shirur Transport Co. Ltd. purchased on 1st April 2014 a delivery van on hire (12)
purchase system the cash price of which was Rs. 1,20,000. As per the terms
of hire purchase agreement the payment was to be made as follows:
Rs. 20,000 were to be paid on signing the agreement and the balance in three
annual instalment of Rs. 40,000 each due on 31st March each year. The rate
of interest to be charged was fixed at 10% p.a. on the balance outstanding.
Shirur Transport Co. Ltd. follows the practice of charging depreciation 20%
p.a. on the Reducing Balance Method.
Prepare Delivery Van Account and Interest Account.

- Q4** An asset is purchased for Rs. 60,000 on 1st April, 2013. Its life is 4 years (12)
and at the end of it there will be no scrap value. It has been decided to write
off depreciation under the annuity method. Rate of interest is 5% p.a. The
annuity table shows that the amount necessary to write off Re.1 in 4 years
with interest at 5% is Rs. 0.282012
Prepare Asset Account and Interest Account. Interest is to be calculated to
nearest rupee.

- Q.5** Write short notes on any **THREE** of the following: (12)
- a) Difference between Hire Purchase and Instalment System
 - b) Accounting Package
 - c) Types of Royalties
 - d) Objectives of Depreciation
 - e) Short Working

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