

**F.Y.B.COM. SEM – II (CBCS - 2016 Course) : WINTER - 2018**  
**SUBJECT : FINANCIAL ACCOUNTING – II**

Day : Wednesday  
Date : 10/10/2018

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

**W-2018-0273**

**N.B:**

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

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

- 1) Under Hire Purchase System the interest is to be calculated on the outstanding balance of \_\_\_\_\_ at the stipulated rate.  
a) Hire Purchase   b) Total Price   c) Down Payment   d) Cash Price
- 2) Reduction in the value of asset is known as \_\_\_\_\_.  
a) Depreciation   b) Appreciation   c) Loss   d) Reevaluation
- 3) \_\_\_\_\_ accounting method has large speed.  
a) Financial   b) Cost   c) Computerised   d) Manual
- 4) \_\_\_\_\_ method of depreciation takes into account interest on capital investment in fixed asset.  
a) Depreciation Fund                      b) Annuity  
c) Reducing Balance                      d) Written down value
- 5) Difference between hire purchase price and cash price is called as \_\_\_\_\_.  
a) Installment   b) Interest   c) Depreciation   d) Down Payment
- 6) The amount of unrecovered short working is transfer to \_\_\_\_\_ account.  
a) Trading   b) Profit and Loss Account   c) Revaluation Account  
d) None of these

**B)** Answer in one sentence each: (06)

- 1) What is another name of minimum rent?
- 2) Which parties are involved in Royalty?
- 3) Write any two advantages of computerized accounting.
- 4) In which method of depreciation there is provision for replacement of asset at the end of life period of old asset?
- 5) What is down payment?
- 6) On which type of assets depreciation is charged?

P.T.O.

- Q.2** Sonhira Mining Co. Ltd took over a mine on lease at a Royalty of ₹ 2 per ton. The minimum rent was fixed at ₹ 40,000 per annum . The short working if any can be recovered in first three years only. The output for four years from 2014 was as follows: **(12)**

Year	Output in tons
2014	12000
2015	16000
2016	28000
2017	32000

You are required to prepare:

- 1) Royalty Account    2) Short working account in the books of Sonhira Mining Co. Ltd.
- Q.3** Satara Transport Ltd. purchased on 1<sup>st</sup> April 2014 a delivery van on Hire Purchase System the cash price of which was ₹ 1,20,000 **(12)**  
As per the term of Hire Purchase agreement the payment was to be made as:  
₹ 20,000 were to be paid on signing the agreement and balance in three annual installment of ₹ 40,000 each due on 31<sup>st</sup> March each year. The rate of interest to be charged was fixed at 10% p.a. on the balance outstanding.  
Satara transport Co. Ltd. follows the practice of charging depreciation 20% p.a. on reducing balance method.  
Prepare Delivery Van Account and Interest Account.
- Q.4** An asset purchase for ₹ 1,20,000 on 1<sup>st</sup> April 2014. Its life is 4 years and at the end of it there will be no scrap value. It has been decided to write off depreciation under annuity method. Rate of interest at 5% p.a. The annuity table shows that the amount necessary to write off Re. 1 in 4 years with interest at 5% is ₹ 0.282012. **(12)**  
Prepare Asset Account and Interest Account.  
Interest is to be calculated to the nearest rupee.
- Q.5** Write short notes on any **THREE** of the following: **(12)**
- Features of Installment System
  - Accounting Packages
  - Objectives of Depreciation
  - Minimum Rent Account
  - Depreciation Fund Method

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