

SUBJECT: FINANCIAL ACCOUNTING-II

Day: Wednesday

Date: 25/10/2017

Time: 03.00 PM TO 05.00 PM

Max. Marks: 40

W-2017-0254

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 Satish Mining Co. took a coal field on lease from Swapnil Brothers from 1st April 2013 on the following terms. (10)

- a) To pay minimum rent of Rs. 20,000 per year.
- b) Each year's excess of minimum rent over the actual royalties can be recovered during first four years of the lease only.
- c) Royalties to be calculated at Rs. 2 per ton.
- d) The coal field in the first four years were as follows.

Year	Output in tons
2013-14	4000
2014-15	7000
2015-16	11000
2016-17	17000

You are required to prepare:

- i) Royalty Account.
- ii) Short working Account in the books of Satish Mining Co.

Q.2 On 1st April, 2014 Mohit purchased a machine from Shrikant Ltd. on hire purchase basis. The particulars are as follows. (10)

- a) Cash price of machine Rs.5,00,000.
- b) Amount to be paid on signing the contract Rs. 2,00,000.
- c) Balance to be paid in 3 yearly installments of Rs. 1,00,000 each plus interest.
- d) Interest to be charged on outstanding balance at 5% p.a.
- e) Depreciation at 10% p.a. on written down value method.

You are required to show

- i) Machine Account and Shrikant Ltd. Account in the books of Mohit.

Q.3 On 1st April, 2013 an asset is purchased by M/s. Surya Traders for a period of four years on payment of Rs. 15,00,000. It is proposed to depreciate the lease by annuity method charging interest at 5% p.a. As per annuity table the amount necessary to write off Re. 1 in four years with interest at 5% p. a. is Re. 0.282012. M/s. Surya Traders closes books of accounts on 31st March every year. (10)

Show the Asset Account and Interest Account for 4 years.

Q.4 Write short notes on **ANY TWO** of the following: (10)

- a) Features of Hire Purchase System
- b) Importance of Computerized Accounting
- c) Short working and Recovery of Short working
- d) Depreciation