

**F.Y.B.COM. SEM – II (CBCS - 2016 COURSE) : WINTER -
2017**

SUBJECT : FINANCIAL ACCOUNTING – II

Day : Wednesday
Date : 25/10/2017

Time 03.00 PM TO 06.00 PM
Max. Marks : 60

W-2017-0220

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) Royalty is paid by lessee to _____
a) Lessor b) Purchaser c) Seller d) Accountant
- 2) _____ Method takes into account the interest on capital investment in fixed assets.
a) Reducing Balance b) Fixed Instalment c) Annuity d) Sinking Fund
- 3) _____ do not include interest.
a) Down payment b) Cash price c) Hire purchase d) None of these
- 4) Under Hire Purchase System the interest is to be calculated on the outstanding balance of _____ at the stipulated rate.
a) Cash price b) Hire purchase price c) Total price d) Down payment price
- 5) In _____ method there is a provision for replacement of asset at the end of life period of the old asset.
a) Fixed Instalment b) Reducing balance c) Depreciation Fund d) Annuity
- 6) _____ accounting method has large accuracy.
a) Computerised b) Manual c) Financial d) Cost

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

- 1) When short working is created?
- 2) What do you mean by minimum rent?
- 3) In which of depreciation method interest on the capital invested in fixed asset takes into account?
- 4) Write any two features of computerized accounting.
- 5) Which parties are involved in royalty?
- 6) What is Depreciation?

P.T.O.

- Q.2** A Mining Co. holds a coal field on lease for a period of 15 years beginning from 1st April, 2013. The terms of the lease are as follows: (12)
- To pay minimum rent of Rs. 32,000 p.a.
 - Each year excess of minimum rent over actual royalties ie. short working can be recovered during subsequent two years.
 - If any year due to accident or strike the actual royalty is less than minimum rent it is to be reduced by 25% for that year.
 - Royalty is to be calculated 75 paise per ton.
 - The output as follows:

Year	Output in Tons
2013-14	24000
2014-15	32000
2015-16	56000
2016-17	40000

In the year 2016-17, there was a strike.

You are required to prepare:

- Royalty Account
- Short Working Account in the books of Mining Co.

- Q.3** Maharashtra Transport Ltd. purchased a tempo from Sonhira Ltd. on Hire Purchase System. The cash price of the machine was Rs. 7,50,000. Maharashtra Transport Ltd. paid Rs. 1,00,000 on signing of the agreement and agreed to pay balance in 5 installments of Rs. 1,50,000 each payable annually on 31st March. Sonhira Ltd. charged 5% interest p.a. on yearly balances. Maharashtra Transport Ltd. decided to provide depreciation at 10% pa. on reducing Balance Method. (12)

Prepare :

- Tempo Account
- Sonhira Ltd. Account in the books of Maharashtra Transport Ltd.

- Q4** On 1st April 2013, X Ltd purchased a machinery of Rs. 50,000 and decided to depreciate it by annuity method in 4 years by charging 6% interest per annum. A reference to the annuity table shows that to depreciate rupee one by annuity method in 4 years at 6% interest as sum of Rs. 0.288591 is required. (12)

Prepare Machinery 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 Hire Purchase System
- Annuity Method of Depreciation
- Importance of Computerized Accounting
- Minimum Rent
- Recovery of Short Working.