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**T.Y. B.Com (Semester VI) (CBCS) Ordinance  
EXAMINATION MAY-2023  
Accounting Major VI - Accounting I**

[Time: 2 Hours]

[Max. Marks: 80]

- Instructions:**
1. Question No. 1 is compulsory.
  2. Answer **any three** questions from Question No. 2- Question No. 6.
  3. Figure to the right indicates marks to the questions/sub-question.

**Q.1** On 1st January 2015 Moto Limited purchased a Car on hire purchase system from Arde Ltd, the cost of the asset was to be paid over a period of four years. The terms and condition of the agreement were as follows: **20**

1. The cash value of the car on delivery was Rs.54,551/-.
2. Rs.12,000 was payable on signing of the contract and the balance was to be paid in 4 annual instalments of Rs.12,000/- each on 31st December.
3. Interest chargeable @ 5% on outstanding balance, workout to the nearest rupee annum.
4. Depreciation chargeable @ 25% p.a. on written down value method.

You are required to prepare:

- i) Car Account
- ii) Motor Limited Account
- iii) Interest Account
- iv) Depreciation Account

**Q.2** Cool Ltd. holds a lease of coal mines for a period of ten years, the lease commenced from 1st January 2014. As per the lease agreement, the company has to pay 75 paise as royalty per ton with a minimum rent of Rs. 15,000/- per year. **20**  
Short workings can be recovered out of the royalty in excess of the minimum rent of the next two years.  
Minimum rent is to be reduced to 60% in the year of strike. The output in tons for the 6 years is as under:

| 2014   | 2015   | 2016   | 2017   | 2018   | 2019            |
|--------|--------|--------|--------|--------|-----------------|
| 10,000 | 12,000 | 25,000 | 20,000 | 50,000 | 15,0000(strike) |

You are required to prepare in the books of Bengal Coal Co. Ltd.

- i) Royalties Account
- ii) Short workings Account
- iii) Landlord Account

- Q.3 A hotel proprietor has two departments Rooms Department and Food Department. Following trial balance of the business is given on 31.12.2019. 20

| Particulars                            | Dr.             | Cr.             |
|--|-----------------|-----------------|
| Purchases                              | 15,500          |                 |
| Stock in the beginning                 | 1,020           |                 |
| Income of Food Department              |                 | 32,000          |
| Cash at bank                           | 10,200          |                 |
| Commission received                    |                 | 1,130           |
| Customers Account                      | 800             |                 |
| Building (1/10 is used by Food Dept.)  | 2,10,000        |                 |
| Income of Rooms department             |                 | 46,000          |
| Furniture and Equipment's              | 60,000          |                 |
| General expenses                       | 27,410          |                 |
| Capital                                |                 | 2,20,000        |
| Drawings                               | 2,000           |                 |
| Wages                                  | 6,000           |                 |
| Suppliers Account                      |                 | 9,800           |
| Provision For Depreciation on Building |                 | 24,000          |
| <b>Total</b>                           | <b>3,32,930</b> | <b>3,32,930</b> |

- The Servant in the Apartment Department had occupied a room worth Rs.120/- and took Food worth Rs.60/-. Similarly, Servant in the Food Department had occupied a room worth Rs.150/- and took food worth Rs.90/-.
- Wages are charged in the proportion of half to the Rooms Department, one quarter to the Food Department and remaining to the General Profit and Loss Account.
- Depreciation of building to be charged at Rs.30,000/-.
- Out of the sum of Rs.800/- representing, accommodation Rs.240/- and food Rs.560/- is to be charged to proprietor of the hotel.
- You are required to prepare Final Accounts (including Balance Sheet) for the year ended 31.12.2019



- Q.4** The Head Office in Panaji supplies the goods to the Vasco branch at invoice price, which is calculated at cost plus 25%. All the expenses incurred by the branch are paid by the Head Office. All the collections by the branch are remitted to the Head office. The Branch maintains no books of accounts except memorandum debtor's ledger. Physical stock checking is done annually and the difference between the actual stock and the book balance is adjusted. 20

| Particulars  | Rs.      |
|--|----------|
| Branch Debtors A/C (Jan 1st)                                   | 25,000   |
| Branch Stock A/C (Invoice value-Jan 1st)                       | 80,000   |
| Cash at Branch   | 10,000   |
| Goods sent to branch (Invoice Price)                           | 3,00,000 |
| Cash Collection at branch (including cash sales of Rs. 85,000) | 2,85,000 |
| Discount allowed to debtors                                    | 10,000   |
| Credit sales   | 2,40,000 |
| Amount sent to the branch for expenses                         | 36,000   |

As on 31st December 2019, the branch had unspent cash on hand of Rs. 8,000 and the stock on hand at invoice value was Rs. 43,000/-. You are required to prepare (i) Branch Stock Account, (ii) Branch Adjustment Account, (iii) Branch Debtors Account (iv) Branch Expense Account and (v) Branch Profit and loss Account.

- Q.5** A. Western Ltd Purchased a Truck from Taxman Ltd under the Instalment Payment System on 1st January 2018, it was agreed that Rs.25,000/- was to be paid on signing the agreement and a sum of Rs.20,000/- was to be paid annually for 2 years. The cash price of the Truck was Rs.85,000/- and the rate of interest was 10%. Depreciation is charged @ 20 on written down value method. You are required to give journal entries recording the above transactions in the books of Western Ltd. 10
- B. Prakash and Son's are carrying on retail business. On 01/01/2019 they opened a branch "Styles Ltd". All the sales were on credit basis. All goods were invoiced to the branch by the head office at 10% above cost. 10

| Particulars                               | Jan 2019 | Feb 2019 | March 2019 |
|---|----------|----------|------------|
| Goods sent to the branch (Purchase Price) | 40,000   | 50,000   | 60,000     |
| Sales shown by the branch monthly report  | 38,000   | 42,000   | 60,000     |
| Cash received from debtors                | 20,000   | 50,000   | 50,000     |
| Returns to Head office (Invoice price)    | 1,200    | 600      | 2,000      |

The stock held by the branch at invoice price on 31/3/2019 amounted to Rs.53,400. You are required to prepare:

- i. Branch Account(ii) Goods sent Account (iii) Memorandum branch debtor Account

Q.6 Answer any **FOUR** of the following Questions.

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- A. Complete and Partial Re-possession.
- B. Meaning and features of Hire purchase.
- C. Explain the term "Royalty" & point out the importance of minimum rent.
- D. Write note on Inter departmental transfers.
- E. Meaning and Objectives of Branch Accounting
- F. Explain the limitations of Instalment payment system from seller's view point.