

27/3/14  
Library

MN3ACP

FyAF  
Fin. Acctg

Marks – 60

Duration – 2 Hours

Notes –

1) All the questions are compulsory, carrying equal marks.

Q.1)

- a. Explain the following concepts (5M)
1. Hire Purchase Price
  2. Del Credere Commission
- b. State with reason whether the following statements are true or false (10M)
1. Rent is allocated on the basis of number of employees.
  2. Down payment means total amount payable by the hirer.
  3. Under debtors system of branch account head office maintains all the records.
  4. Consignee is the owner of goods.
  5. Carriage inwards is allocated on the basis of sales.

Q.2) Sunrise Ltd has Head Office at Mumbai and branch at Nasik to which goods are invoiced at 33.33% of cost. Branch remits the cash to H.O as and when it receives it. All expenses of branch are met by H.O. Prepare Branch account in books of H.O for year ended 31<sup>st</sup> Dec 2012

Following transactions took place during the year related to branch.

Opening balances as on 1<sup>st</sup> Jan 2012

Stock at invoice price Rs 12,000/-

Cash Rs 200/-

Debtors Rs 30,000/-

Goods sent to Nasik branch at invoice price Rs 80,000/-

Cash sales Rs 35,000/- Credit sales Rs 52,000/-

Goods returned by debtors Rs 3000/-, Discount allowed to debtors Rs 300/-

Cash sent to Nasik for expenses-

Wages & salaries Rs 11,000/- , Rent Rs 4000/- , Office expenses Rs 1500/-

Closing balances on 31<sup>st</sup> Dec 2012-

Debtors Rs 27,000/-, Cash Rs 100/-, Stock at invoice price Rs 20,000/- (15M)

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OR

**Q.2)** Prepare Departmental Trading, Profit and Loss Account and General Profit and Loss Account on 31<sup>st</sup> March 2013.

Particulars	Department A	Department B
Stock	40,000	Nil
Purchases	2,00,000	20,000
Wages	10,000	1000
Transfer of goods from department A to department B at invoice price	-----	50,000
Sales	2,00,000	71,000

Closing stock of department A was Rs 30,000/- but entire stock of department B Rs 10,000/- (Invoice Price) represents goods transferred from department A at 25% above its cost. Following expenses are given-

Rent and Rates	Rs 4000
Administrative Expenses	Rs 5000
Audit fees	Rs 2000
Interest on loan	Rs 1000
Advertising expenses	Rs 3000

Following information is relevant-

Administrative expenses to be divided in the ratio of department A 4/5 and department B 1/5. Rent and rates to be divided in the ratio of Department A 3/5 and Department B 2/5

Advertising expenses only incurred in department A.

(15M)

**Q.3)** Tushar Motors purchased car on hire purchase system from Sudeep Motors on 1-1-2009 for Rs 2, 60,000 and at the time of signing contract he paid Rs 20,000/-. He paid the balance amount in four equal half yearly instalments of Rs 60,000/- each including interest @20% p.a payable on 30<sup>th</sup> June and 31<sup>st</sup> Dec every year. The cash price was Rs 2, 10,000/- The depreciation to be charged @20% pa. on cars. Show Tushar Motor A/C, Interest account and extract of balance sheet in books of Sudeep Motor.

(15M)

OR

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**Q.3)** Keshav consigned goods worth Rs 2,00,000/- to Ram at 25% profit on cost price. Keshav incurred expenses of Rs 1000 for dispatching the goods. Ram is entitled to 5% commission on sales and 2.5% Del credere commission 80% of goods were sold for Rs 2,30,000 but one of the debtors could not pay Rs 1000 and proved bad. Ram incurred following expenses-

Freight Rs 250, selling expenses Rs 450, octroi Rs 350. Ram sent cash for the balance.

Prepare Ram's Account and Consignment Account in books of Keshav and Keshav's Account and Del credere commission Account in books of Ram. (15M)

**Q.4)** The Auto Motors Ltd purchased motor car from Auto Riders Company Ltd on Hire Purchase basis on 1<sup>st</sup> Jan 2011 paying cash of Rs 10,000 on the date of agreement and agreeing to pay balance in 3 equal instalments of Rs 10,000 each on 31<sup>st</sup> Dec every year. Cash price of the car was Rs 37,250/- The interest was payable @ 5% p.a which was included in instalment. Depreciation @ 10% p.a to be charged on Reducing Balance Method

Pass necessary journal entries in the books of Auto Motors Ltd (15M)

OR

**Q.4)**

- a. What is consignment? what are the features of consignment? (10M)
- b. What is inter departmental transfer? (5M)