

**BA / BSc DEGREE EXAMINATION MAY 2018**  
(Second Semester)

Common to Branches - **ECONOMICS / MATHEMATICS &  
MATHEMATICS WITH CA**

**ACCOUNTANCY - II**

Time : Three Hours

Maximum : 75 Marks

**SECTION-A (20 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 x 2 = 20)

- 1 What do you mean by consignment?
- 2 What is Del credere commission?
- 3 Write any two characteristics of joint venture.
- 4 Give the meaning of joint venture.
- 5 Write a short note on Non-profit organisations.
- 6 What do you mean by donation?
- 7 Define depreciation.
- 8 What is diminishing balance method?
- 9 Explain the term hire purchase.
- 10 Write a short note on Minimum rent.

**SECTION - B (25 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a On 1<sup>st</sup> July, 2008 Radio House of Delhi consigned 200 Radios to Banerjee Bros, of Calcutta. The cost of each radio was Rs. 400. Radio paid Rs. 5,000 for fright and insurance. On 7<sup>th</sup> July, 2008 Banerjee Bros, accepted a 3 month bill drawn upon them by radio house for Rs. 50,000. Banerjee Bros, paid Rs. 2,200 as rend and Rs. 1,300 for advertisement and up to 31<sup>st</sup> December, 2008 (on which date radio house close their books) they sold 180 radios at Rs. 500 each. Banerjee Bros, were entitled to a commission of 5% on sale.

Give journal entries the above transaction in the book of Banerjee Bros.

OR

- b Arun sends goods on consignment to Seernu. The terms are that Seernu will receive 10% commission on the price (which is cost plus 25%) and 20% of any price realized above the invoice price. Seernu will meet here expenses herself, goods to be sent freight paid. Arun sent goods whose cost was Rs. 16,000 and spent Rs. 1,500 on fright, forwarding, etc. Seernu accepted a bill for Rs. 16,000 immediately on receiving the consignment. Her expenses were Rs. 200 as rent and Rs. 100 as insurance. Seernu sold  $\frac{3}{4}$  of the goods for Rs. 19,500. Part of the sales were on credit and one customer failed to pay Rs. 400. Give consignment account and Seernu's account in the books of Arun.

- 12 a Mohan purchased 1,000 meters of Kashmir Silk @ Rs. 6 per meter and sent to Desai of Mumbai to be sold for mutual benefits. Mohan spent Rs. 200 on packing etc. Desai received the consignment and paid Rs. 500 as freight. Mohan drew upon Desai for Rs. 5,000. The draft was accepted and Mohan got it discounted for Rs. 4,850. Desai sold 900 meters and to pay Rs. 252 expenses. Mohan took over the remaining quality at cost plus 10%. Mohan is to be allowed commission on sale @ 5% and the profits are to be shared in the ratio of 3 (Mohan) : 2 (Desai).

Prepare join venture account.

OR

b 8 and F entered into joint venture ana agreeu 10 un :uc mv

60% and P 40%. S and P contributed Rs. 1,80,000 and Rs. 1,20,000 respectively for carrying on transactions relating to the venture. They opened a joint bank account with the above contributions. They purchased three old state buses for Rs. 2,40,000. S and P personally paid Rs. 45,000 and Rs. 30,000 respectively for repairs and renewals. They purchased a few tyres and tubes costing Rs. 54,000. Two buses were sold for Rs. 2,70,000 and the third one was taken by P at cost price.

Prepare joint venture account and joint venture bank account.

a Find out the amount of salaries to be debited to income and expenditure account for 2014 from the details given below;

	Rs.
Payments made for salaries during 2014	48,000
Outstanding salary as on 31 -12-2013	2,000
Outstanding salary as on 31-12-2014	3,200
Prepaid salary as on 31 -12-2013	1,200
Prepaid salary as on 31-12-2014	1,600

OR

b From the following particulars, prepare income and expenditure a/c.

Fee collected including Rs. 80,000 on account of previous year	3,80,000	Meeting expenses	18,000
Fee for the year outstanding 10,000 periodicals (including Salary paid including Rs. 3,000 on a/c of the previous year)	28,000	Traveling expenses	6,000
Salary outstanding at the end of the year	1,000	Purchase of books	
Entertainment expenses	3,000	Rs. 19,000 for purchase of books)	29,000
Tournament expenses	12,000	Rent	10,000
		Postage	15,000
		Printing and stationery	4,000
		Donation received	20,000

a A company acquired a machine on 1.1.2008 at a cost of Rs. 40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are on 31 December of each year. Show the machinery a/c for 3 years.

OR

A COMPANY has acquired a lease of a cinema building for a term of 5 years by payment of Rs. 4,00,000. It is proposed to depreciate the lease hire annuity method, changing 5% per annum. Show the ledger a/c of the asset during the period of the lease. Reference to the annuity table shows i.e. the amount for Re. 1 for 5 years at 5% is Re. 0.230975.

X purchased a typewriter on hire purchase system. As per term, he is required to pay Rs. 800 down, Rs. 400 at the end of the first year Rs. 300 at the end of the second year and Rs. 100 at the end of the year, interest is charged at 5% p.a. Calculate the total cash price of the typewriter and the amount of interest payable on each installment.

OR

A company leased a colliery on 1.1.2012 at a minimum rent of Rs. 20,000 merging into a royalty of Rs. 1.50 per tones with power to recoup short working over the first four years of the lease. The output of the colliery for the first four years was 9,000 tones, 12,000 tones, 16,000 tones and 20,000 tones respectively. Calculate royalty account.

Cont...

SECTION - C (30 Marks)

Answer any THREE Questions

ALL Questions Carry EQUAL Marks (3 x 10 = 30)

- 16 1,000 bicycles were consigned by premier Co., Delhi to superior Bros. Kanpur at Rs. 150 each. Premier co. paid freight Rs. 10,000 and insurance in transit Rs. 1,500. During transit 100 bicycles were totally damaged by fire. Superior bros. took delivery of the remaining bicycles and paid Rs. 1,530 for octroi.

Superior bros. sent a bank draft to premier co. for Rs. 50,000 as advance payment and later sent an account sales showing that 800 bicycles were sold at Rs. 220 each. Expenses incurred by superior bros. on godown rent and advertisement etc. amounted to Rs. 2,000. Superior bros. is entitled to commission of 5%. Prepare the consignment account, accidental loss account and superior bros. Account in the books of premier bicycle co. Delhi, assuming that a claim from insurance company was settled for Rs. 14,000.

- 17 Arun, Ashok and Gopal entered into a joint venture agreement. According to the terms of agreement, Arun is to Supervise the overall working of venture and a separate set of books is kept for record keeping. Arun is entitled to charge 5% commission on sales. Ashok and Gopal contributed Rs. 6,400 each. Goods are purchased from om swarup for Rs. 14,400 and from Arun own stock for Rs. 4,800. An expenditure of Rs. 1,460 is incurred on account of joint venture.

All the goods sold away for Rs. 24,400. The accounts of venture are settled and account closed. Show the joint ventures a/c and other ledger accounts in the joint venture books.

- 18 The Mumbai sports club gives you the following receipts and payment A/c for the year ended 31<sup>st</sup> Dec. 2014.

Receipts	Rs.	Payment	Rs.
To Cash in hand	150	By Groundman's fees	1,500
To Cash at bank	2,100	By Mowing machine	1,100
To Subscriptions	5,800	By Rent	500
To Tournament fund	1,500	By Salaries to coaches	3,600
To Life membership	2,000	By Tournament expenses	900
To Entrance fees	200	By Office expenses	2,400
To Donation for Pavillion	3,000	By Equipment purchase	1,200
To Sale of grass	100	By Cash in hand	350
		By Cash at bank	3,300
	<u>14,850</u>		<u>14,850</u>

Additional information:

- i) Subscription due on 31 • -12-2013 and on 2014 were Rs. 900 and Rs. 800 respectively. Subscription received also include subscription for 2015, Rs. 200.
- ii) Sports equipment on hand on 31<sup>st</sup> Dec. 2013 was Rs. 1,100 the value placed on the equipment on hand on 31<sup>st</sup> Dec. 2014 was Rs. 1,300.
- iii) The moving machine was purchases on 1.7.2014 and is to be depreciated at 20% per annum.
- iv) Office expenses include Rs. 300 for 2013 and Rs. 400 are still due for payment.
- v) Tournament receipts and expenses are to be separated from general income and expenses.

Prepare income and expenditure A/c for the year 2014.

- 19 A second hand machine was purchased on 1.1.2010 for Rs. 30,000 and repair charges amounted to Rs. 6,000. It was installed at a cost of Rs. 4,000. On 1<sup>st</sup> July 2011, another machine was purchased for Rs. 26,000. On 1<sup>st</sup> July 2012 the first machine Was sold for Rs. 30,000. On the same day, one more machine was bought for Rs. 25,000. On 31.12.2012, the machine bought on 1<sup>st</sup> July 2011 was sold for Rs. 23,000. Accounts are closed every year on 31<sup>st</sup> December. Depreciation is written off at 15% per annum; prepare the machinery a/c for 3 years ending 31.12.2012.

From the following details of the businessman who sells goods of small value at cost plus 50%. Prepare hire purchase trading A/c.

Date	Particulars	Rs.
1.1.2014	Stock out with the customers at H.P. Price	9,000
	Stock at shop at cost price	18,000
	Installment due but not received	5,000
31.12.2014	Goods worth Rs. 500 repossessed (inst. Not due Rs. 2,000)	
	Cash received from customers	60,000
	Purchase made during the year	60,000
	Stock at cost at shop (excluding the goods repossessed)	20,000
	Installment due but not received	9,000
	Stock out at hire-purchase price with the customers	30,000

Z-Z-Z

END