

**SARDAR PATEL UNIVERSITY**  
**BCom (I - Semester) Examination**  
**2017**  
**Tuesday, 7<sup>th</sup> November**  
**10.00 am - 12.00 pm**  
**UB01ECOM01 - Advanced Accounting I**

**Total Marks : 60**

**Note:** Figures to the right indicate full marks of the question.

Q.1 Rajesh purchased one car on hire purchase system from Amar Car on 1-1-2013. (15)  
 The transactions of the contract were as under:

- (1) Rs. 200000 paid on 1-1-2013, while signing the contract.
- (2) Rs. 300000 paid on 31-12-2013 as first annual installment.
- (3) Rs. 236000 paid on 31-12-2014 as second annual installment.
- (4) Rs. 176000 paid on 31-12-2015 as third annual installment.
- (5) Rate of interest 10% per annum.
- (6) Rate of depreciation under diminishing balance method 10% per annum.
- (7) Accounting year ends on 31st December every year.

From the above particulars, prepare Car Account and Amar Car Account in the books of Rajesh.

**OR**

Q.1

- (A) Explain : Hire Purchase System and Installment Purchase System. (05)
- (B) RK Travels purchased a Motor Van from Rohit Auto Ltd. under Hire Purchase System on 1-4-15. The particulars are as follows: (10)

- (1) Cash price of Motor Van Rs. 300000.
- (2) Cash down payment Rs. 25000.
- (3) Further installments are payable as follows:

On 30-6-2015	Rs. 100000
On 30-9-2015	Rs. 75000
On 31-12-2015	Rs. 50000
On 31-3-2016	Rs. 50000
On 30-6-2016	Rs. 50000
On 30-9-2016	Rs. 25000

Draft Journal entries for first year in the books of Rohit Auto Ltd. and prepare RK Travels Account also.

- Q.2 Mr. Ajay of Ahmedabad consigned 300 fans to Mr. Pritesh of Petlad, each cost of Rs. 150, after adding 25% profit on invoice price. On the same day Mr. Ajay incurred following expenses: (15)

Carriage Rs. 100, Freight Rs. 200, Insurance premium Rs. 600.

All fans received by Pritesh and he paid Rs. 1000 for advertisement. According to account Sales 150 fans sold on cash, while 120 fans sold on credit. All the amount received from Debtors.

Pritesh is entitled to receive 5% commission on sales and 2% Debit-credence commission. Finally Pritesh settled his account with Ajay by cash.

You are required to prepare necessary accounts in the books of Ajay.

**OR**