

SARDAR PATEL UNIVERSITY
B. COM. SEMESTER - 1
ADVANCED ACCOUNTING - 1
UB01DCOM21

26 - OCTOBER - 2018 [FRIDAY]

TIME: 10.00 A.M. TO 12.00 P.M.

TOTAL MARKS: 60

Que.1: Kush manufacturing Ltd. purchased a machine cash price of Rs. 1,00,000 from Anay Ltd. on 1-4-2015 as per hire purchase system as following conditions. (15)

Conditions:

- (1) Paid Rs. 40,000 on 1-4-2015.
- (2) Paid Rs. 20,000 on 31-3-2016.
- (3) Paid Rs. 20,150 on 31-3-2017.
- (4) Paid Rs. 26,250 on 31-3-2018.

You are required to prepare Machine A/c; Interest A/c. and Anay Ltd.'s A/c. Interest is to be calculated @ 5% on annual balance. Depreciation is to be calculated 20% on cash price each year.

OR

Que.1:

- (A) Explain the difference between installment system and Hire purchase system. (05)
- (B) Archil purchase a machine has cash price of Rs. 80,000 from Rushi on 1-1-2015 as per hire purchase system. Payment will be made Rs. 30,000 on the time contract and remaining amount in 3 (Three) equal installments each of Rs. 20,000. Rate of interest and rate of depreciation is 10%. Depreciation is to be calculated as per diminishing balance method. Prepare necessary accounts [Machine A/c. and interest A/c.] in the books of Archil. (10)

Que.2: Esha sent 60 TV sets invoicing with cost price of Rs. 4,000 each adding 25% on cost price to Dharti on consignment. Esha paid following expenses by sending goods. (15)
Freight Rs. 1,200, Wages Rs. 300, Insurance premium Rs. 1,500, Misc. exp. Rs. 300.
Dharti is entitled to get 6% commission on total sales and 2% del creded commission on credit sales.

4 TV sets is destroyed in transits, insurance company accepted claim of Rs. 15,000.
Dharti sold 22 TV sets @ Rs. 5,500 each on cash, sold 18 TV sets @ Rs. 5,800 each on credit and sold one TV sets at invoice price on credit to Meet by recommendation of Esha.
Dharti paid following expenses.
Octroi Rs. 1,120, Selling expense Rs. 2,380.
Meet has become insolvent and received only 75 paisa per rupee from him.
Prepare necessary accounts in the books of consignor.

OR

Que.2:

- (A) Smit of surat is prepared incorrect consignment A/c. as under. rectify it and prepare correct consignment A/c. (08)

(1)

(PTO)