

338

Register No.:

April 2024

*Time – Three hours*  
*(Maximum Marks: 100)*

**PART - A**

[Marks: 5 x 5 = 25]

[Note: Answer any FIVE Questions.]

1. Write short notes : (i) Hire Purchase Agreement (ii) Default and Repossession
2. What are the features of Installment purchase system?
3. Ravi purchased a motor car from Vivek & Co on 01.01.2015, the cash price is Rs. 56,000. Rs. 15,000 is paid at signing of the contract and the balance is to be paid in three equal installments of Rs. 15000 each. The rate of interest is 5% per annum. Calculate the amount of interest included in each installment.
4. Ram purchased a machine on installment purchase system. As per terms, he is required to pay Rs.1,600 down, Rs.800 at the end of the first year, Rs.600 at the end of the second year and Rs.1,400 at the end of the third year. Interest is charged at 5% p.a. Calculate the total cash price of the machine and the amount of interest payable on each installment.
5. Calculate short workings recovered from the following particulars assuming short working are recoupable in the first two years:  
Royalty Rs.5 per ton of coal raised  
Dead rent: Rs.60,000 p.a.  
Output :  
2020 : 10,000 Tonnes  
2021 : 16,000 Tonnes  
2022 : 20,000 Tonnes
6. A fire occurred at the premises of a trader on 31.05.2022 destroying a great part of his goods. His stock at 01.01.2022 was Rs. 60,000. The value of stock salvaged was Rs.13,500. The gross profit on sale was 30% and sales amounted to Rs.1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs. 1,03,500. Prepare a statement of claim.
7. From the following details ascertain the amount of subscription for the year 2019 :  
Subscription received in 2019 – Rs. 48,000 which include Rs. 4,000 for 2018 and Rs. 8,000 for 2020. Subscription due but not received at the end of the year 2019 were Rs. 20,000. Subscription received in 2018 in advance for 2019 were Rs. 12,000.
8. What are the differences between receipts and payments account and income and expenditure account?

[Turn over...]

**PART – B**  
[Marks: 5 x 15 = 75]

[Note: Answer any FIVE Questions.]

9. Explain the steps for computation of fire insurance claim for loss of stock.
10. Discuss the methods of recoupment of short workings.
11. Ramesh purchased a van for Rs. 42,000. Payment is made as Rs. 10,000 down and four installments of Rs. 10,000 each at the end of each year. Interest is charged at 10% p.a. Buyer depreciates the van at 10% p.a. on written down value method.  
Ramesh after having paid the down payment and first installment at the end of first year, could not pay the second installment and the hire vendor took possession of the van. The hire vendor after spending Rs.1,280 on repairs of the van, sold it for Rs.31,000.  
Show the ledger accounts in the books of both the parties.
12. The Coimbatore Trading company purchased a motor car from Delhi motor company on installment purchase agreement on 01.01.2019, Paying cash Rs. 20,000 and agreeing to pay further three installments of Rs. 20,000 each on 31<sup>st</sup> December each year.  
The cash price of the car is Rs. 74,500 and the Delhi motor company charges interest at 5% p.a. The Coimbatore trading company writes off 10% p.a. as depreciation on the reducing balance method.  
Pass Journal entries in the books of The Coimbatore Trading Company.
13. Thangavel took a mine on lease. The dead rent was Rs.10,000 a year, merging into a royalty of 50 paise per tonne of coal raised ,with the right to recover short workings out of royalties of two subsequent years from the period in which the short workings arose. In the event of strike, if the minimum rent is not reached, the lease provided that the actual royalty earned for the year discharges all rental obligations for that year. The output raised were:  
I year - 15,000 tonnes  
II year - 21,000 tonnes  
III year - 12,000 tonnes (Strike)  
IV year - 16,000 tonnes  
V year - 22,000 tonnes  
Give necessary ledger A/Cs for each of the five years in the books of Thangavel.

14. A fire occurred in the premises of a company, on 10.04.2022. From the following, ascertain the amount of claim to be lodged in case of, loss of stock which was insured :

Particulars	Rs.
Stock on 01.01.2022	25,000
Purchases from 01.01.2022 to 10.04.2022	1,00,000
Sales from 01.01.2022 to 10.04.2022	1,50,000
Wages	20,000
Manufacturing expenses	10,000
Gross Profit ratio	15%
The salvaged stock	7,500

15. The Receipts and Payment account of Kanchipuram Sports Club for the first year ending 31<sup>st</sup> Dec. 2023 is given below:

Receipts	Rs.	Payments	Rs.
To Life member fees (kept in reserve fund)	8,000	By Buildings	80,000
To Receipt from foot ball matches (kept in match fund)	16,000	By Expenses towards matches	1,800
To Subscriptions	10,400	By Furniture	4,200
To Interest on securities	480	By Investments	32,000
To Locker rent	100	By Salaries	3,600
To Miscellaneous receipts	700	By Wages	1,200
To Donations	1,00,000	By Insurance premium	700
		By Telephone	500
		By Electricity	220
		By Sundry expenses	420
		By Balance on hand	11,040
	1,35,680		1,35,680

Additional Information :

- (i) Subscription outstanding Rs.500, Salaries unpaid Rs.340, Wages Outstanding Rs.180, Outstanding bills for Sundry expenses Rs.80.
- (ii) Insurance premium prepaid Rs.100. Donations received in full are to be capitalized.

Prepare income and expenditure account and the balance sheet as on 31.12.2023.