**SAINTGITS COLLEGE OF APPLIED SCIENCES**

**First Internal Assessment Examination, February 2020**

**B.Com Second Semester (Computer Applications& Taxation)**

**FINANCIAL ACCOUNTING II**

Total : 50 marks Name………………………

Time : 2Hours Roll No ……………………

**Section A**

*Answer any 5 questions. Each question carries 2 marks.*

1. What is Cash price?
2. What is hire purchase?
3. What is debtor system?
4. Define Accounting Standard.
5. What is branch account?
6. Explain the term inventory as per AS-2

**(5 X 2 = 10 marks)**

**Section B**

*Answer any 5 questions. Each question carries 5 marks.*

1. Distinguish between Hire Purchase and Instalment System.
2. Give journal entries for branch account prepared under debtor system.
3. What are the objectives of a branch Accounts?
4. On 1/1/2013 Ramavarma purchased a television on hire purchase system; Rs.3000 being paid on delivery and the balance in five instalments of Rs. 6000 each, payable annually on 31st December. The cash price of the television was Rd.30,000. Calculate the amount of interest for each year.
5. From the following information ascertain the value of asset sold under hire purchase system:

Cash Down payment: 7,000

At the end of first year: 7,800

At the end of second year: 7,200

At the end of third year: 6,600

Interest rate charged is 10%p.a.

1. Patel Brothers of Kashmir have a branch at Jaipur. Following are the transactions between the branch and the head office for the year ended 31.032017.

Stock at branch at the beginning Rs. 22,500

Petty cash balance at the beginning of the year Rs. 100

Goods sent to branch during the year Rs. 1,00,000

Remittance to branch for;

Insurance Rs.4,000

Rent & rates Rs. 3,000

Salary Rs.2,000

Petty cash Rs.150   Rs. 9150

Cash remittance by branch(cash sales) Rs. 1,45,000

Stock at branch at the end Rs. 30,000

Petty cash balance at the end Rs. 60

Prepare branch Account

**(5 X 5 = 25 marks)**

**Section C**

*Answer any 1 question. It carries 15marks.*

1. On 1/1/2012 Anjali purchased Machinery on hire purchase system. The total cash price of the machinery was 1, 00,000. Anjali paid Rs.20, 000 down on signing the agreement and the balance in four equal instalments of Rs. 20,000 each together with interest at 10 percent per annum on 31st December every year. The hire purchaser writes off depreciation at 10 percent per annum on fixed instalment method. Give journal entries and important ledger accounts in the books of both the parties.
2. Veena purchased a refrigerator under hire purchase agreement from Cool India Ltd. on.1.1.2015.

The cash price of the refrigerator was Rs.15,500. The payment was to be made as follows;

On signing the agreement, 1.1.2015       :3,000

At the end of the first year, 31.12.15        :5,000

At the end of the second year, 31.12.16 :5,000

At the end of the third year, 31.12.17       :5,000

Calculate interest for each year and prepare the statement showing interest.

**(1 X 15 = 15 marks)**

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***Scan QR code for the answer scheme***