

Bharati Vidyapeeth
(Deemed to be University), Pune
School of Distance Education

Assignment No.	1	Name of the Assignment Setter:		Prof. Deepti Sharma	
Course:	CBCS 2018	Class:	F.Y.B.Com.	Semester:	II
Subject:	<u>C108: Financial Accounting-II</u>				

Q1. Ajay Ltd. leased a colliery on 1st April, 2015 from Vijay at a minimum rent of Rs.80,000 p.a. at a royalty of Rs.3 per tone, with a right to recoup shortworkings over the first 3 years of lease. The output for the first 4 years is as follows:

Years	Output in tonnes
2015-16	20,000
2016-17	24,000
2017-18	28,000
2018-19	40,000

You are required to show:

- a) Royalty A/c
- b) Landlord A/c
- c) Shortworkings A/c in the books of Ajay Ltd. for 4 years. (10)

Q2. On 1st April, 2019 Mr. A purchased a Machine from B Ltd., under Hire Purchase System. The terms and conditions of Hire Purchase were as follows:

- a) The cash price of the machine was Rs. 80,000.

- b) Rs.20,000 to be paid on signing the agreement.
- c) Balance to be paid in 3 annual instalments of Rs. 20,000 each together with interest @ 12% p.a.
- d) Depreciation is charged @15% under reducing balance method.
You are required to show:
 - i. Machine A/c
 - ii. Interest a/c
 - iii. B Ltd.A/c in the books of A Ltd. (10)

Q3. Write short notes on (Any 2): (10)

1. Features and significance of computerized accounting system.
2. Shortworkings and recoupment of shortworkings.
3. Difference between Hire Purchase and Instalment system.
4. Causes and objectives of depreciation.