

**T.Y.B.Com Semester VI CBCS (Regular)**

**Examination JUNE 2022**

**DSE 6-Accounting I**

**Duration: Two Hours**

**Total marks: 80**

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**Instructions:**

1. Q. No I is Compulsory.
  2. Answer Any 3 from Q. II to VI.
  3. Figures to the **right** indicate **maximum** marks allotted.
  4. Working notes should form part of the answer.
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Q. I. Reliance Ltd. purchased Machinery on 1.1. 2020 from Jindal Company under the hire purchase system. Under this 3 annual installments of Rs 4824 would be paid. There is no down payment and the cash price is Rs. 12000. The rate of interest would be 10% and depreciation @20% would be charged on the straight line basis. Show the journal entries in the books of Reliance Ltd for 3 years.

**[20 marks]**

Q. II. R M Service Company buys a motor car on installment payment system from H M. Ltd. on 1.1.2018 under which payment to be made on 31<sup>st</sup> December for 4 years @50,000 p.a., interest being calculated at 5%p.a. The cash price of the car is Rs. 177300. Depreciate the car at 10% p.a. on the diminishing balance method. Pass journal entries and ledgers in the books of buyer (purchaser).

**[20 marks]**

Q. III. The Royal Coal Co. Ltd. holds a lease of coal mines for a period of 15 years, commencing from 1<sup>st</sup> January 2015. According to the lease, the company is to pay 75 paise as royalty per ton with a minimum rent of Rs. 15000 per year. Short workings can however, be recovered out of the royalty in excess of the minimum rent of the next two years. For the year of strike the minimum rent is to be reduced to 60%. The output in tons for the 6 years as under:

2015-10,000,	2016-12,000	2017- 25000
2018-20000	2019-50000	2020-15000(strike)

Prepare Ledger Accounts – Royalties A/c, Landlord A/c and Short workings in the Books of Royal Coal Co. Ltd.

**[20 marks]**

Q. IV. ABC and XYZ are two departments of Green Company Bangalore. ABC Department sells goods to XYZ department at normal market price. From the following particulars prepare Departmental Trading Account and Profit and Loss account of the two department for the year ended 31.03. 2021. (All fig. are in rupees)

Particulars	ABC dept.	XYZ Dept.
Stock on April 1, 2020	12,000	-
Purchases	2,76,000	24,000
Goods from ABC dept.	-	84,000
Wages	12,000	19,200
Salaries	8,000	5,000
Stock on March 31,2021 at cost to Dept.	60,000	21,600
Sales	2,76,000	1,74,000
Stationery and Printing	2,560	1,960
Plant and Machinery	-	14,400

Additional Information:

- Salaries (General) Rs. 18,000. Miscellaneous Expenses Rs. 3600, advertisement Rs. 9600 and Bank charges Rs. 2400.
- Depreciate Plant and Machinery by 10%.
- The general unallocated expenses are to be apportioned in the ratio of 3:2 between ABC and XYZ Department.

**[20 marks]**

V. Answer the following:

**[ 2 x 10= 20 Marks]**

- Abacus. Co Ltd purchased machinery from Bala Co. Ltd on hire purchase terms. The cash price of the Machinery was Rs. 119145. Rs. 32000 was to be paid on 1.1. 2018 and balance in 3 instalment of Rs. 32000 each on 31<sup>st</sup> December every Year subject to interest @5% p.a. Depreciation to be provided @ 15 % p.a. on the diminishing balances. Show journal Entries in the books of Abacus Co for the year ending 2018 and 2019.

2. E. C Ltd. Purchased Motor car from T. M Ltd under Installment system on 1<sup>st</sup> January 2019. It was agreed that Rs. 15,000 was to be paid on signing the agreement and a sum of Rs. 15000 was to be paid annually for 3 years. The cash price of the motor car was Rs. 52300. The Rate of interest was 10% p.a. Depreciation to be charged @ 20% on the straight line method.  
Pass journal entries in the books of buyer for the year ending 2019 & 2020.

**VI. Answer the following:**

**[ 4 x 5 =20 marks]**

1. What is inter-departmental transfer? Explain cost based and market based transfer price method?
2. What is Royalty? Explain different types of royalties.
3. What do you mean by Departmental Accounting? State its advantages.
4. Explain Minimum Rent and Short workings with an example.

**\*\*\* All The Best\*\*\***