

**GOVERNMENT COLLEGE OF COMMERCE AND ECONOMICS, BORDA, MARGAO-GOA.**

**B.COM SEMESTER VI (CBCS) END EXAMINATION, August, 2020**

**DSE 6: Accounting Major VI (Accounting I)**

Duration: 2 Hours

Max Marks: 30

[As per the GU OS-1, COVID-19 Pandemic]

Instructions: 1. Figures to the right indicates marks to the questions.

2. Working Notes should form a part of the answers.

**Q1. Answer any 5 of the following questions in about 50-60 words.**

**(5 x 2= 10 Marks)**

1. Give TWO point of difference between Installment system and Hire purchase.
2. Explain any TWO Types of branches.
3. Explain the Meaning of Royalty accounting
4. Explain the purpose of preparation of Departmental Accounts
5. Discuss the Objectives of Branch Accounting
6. Point out the importance of minimum rent in royalty accounting.
7. Write notes on Inter departmental transfers.
8. Mention the Advantages of hire purchase system.

**Q2. Answer any 4 of the following questions.**

**(4 x 5=20 MARKS)**

1. On January 1, 2020 Tango Co. acquired a Truck on hire purchase. The cash price of the Truck was Rs 2,00,000/-. On signing of the contract Rs. 40,000/- were to be paid. The balance was to be paid in annual installment of Rs.40,000/- plus interest. You are required to **calculate Interest amount for 4 Years.**
2. Styles Ltd. holds a lease of coal mines for a period of ten years, the lease commenced from 1st January 2017. As per the lease agreement, the company has to pay 75 paise as royalty per ton with a minimum rent of Rs.15,000/- per year. Short workings can be recovered out of the royalty in excess of the minimum rent of the next two years. The output in tons for the 6 years is as under:

| 2014   | 2015   | 2016   | 2017   | 2018   | 2019   |
|--------|--------|--------|--------|--------|--------|
| 10,000 | 12,000 | 25,000 | 20,000 | 50,000 | 15,000 |

**You are required to calculate the Royalties Payable.**

3. In apportioning the various expenses between the two departments due regard is to be given to the following information:

|            | Number of Workers | Average Stock Levels (Rs) | Floor Area (sq. Ft) |
|------------|-------------------|---------------------------|---------------------|
| Clothing's | 9                 | 2,500                     | 4,000               |
| Cosmetics  | 6                 | 2,200                     | 2,000               |

You are required to Calculate the following charges for their respective departments:

Canteen Charges – 2000

Heating and Lighting – 3,000

Rent and Rates – 1,580

4. Tero Ltd Purchased a Truck on Installment Payment System on 1st January 2018, it was agreed that Rs.25,000/- was to be paid on signing the agreement and a sum of Rs.20,000/- was to be paid annually for 2 years. The cash price of the Truck was Rs.90,000/ and the rate of interest was 10%. You are required to calculate the interest amount for the **Five years.**
5. Give FIVE points of difference between Branch Accounting and Departmental Accounting
6. Explain the limitations of Hire Purchase from the buyer's viewpoint.

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