

# C.U.SHAH UNIVERSITY

## Summer Examination-2019

**Subject Name: Accounting & Finance-II**

**Subject Code: 4CO02AFI3**

**Branch: B.Com (English)**

**Semester: 2**

**Date: 08/05/2019**

**Time: 02:30 To 05:30**

**Marks: 70**

**Instructions:**

- (1) Use of Programmable calculator & any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

- Q-1      Attempt the following questions:      (14)**
- a)** By preparing Farm account, what a farmer can get from the Government?      1  
 (A)Loan                      (B)Order                      (C)Donation                      (D)Subsidy
- b)** What is Cattle for farmer?      1  
 (A)Income                      (B)Assets                      (C)Expenses                      (D)Liability
- c)** Royalty suspense Account is.....      1  
 (A)Personal Account                      (B)Nominal Account  
 (C)Real Account                      (D)Realization Account
- d)** Find out number of Machine manufactured.      1  
 Opening stock 100 machines, Closing stock 50 machines, Sales 400 machines  
 (A)450 machines                      (B)350 machines  
 (C)550 machines                      (D) 250 machines
- e)** Generally duration of a voyage is.....      1  
 (A)2 years                      (B)3 years                      (C)4 years                      (D)less than 1 year
- f)** In the books of lessor short-working is called .....      1  
 (A)Royalty payable                      (B)Royalty payable suspense A/c  
 (C)Royalty Receivable                      (D) Royalty Receivable suspense A/c
- g)** Types of voyage expenses are :      1  
 (A)Direct expenses                      (B)Indirect expenses  
 (C) Direct & Indirect expenses                      (D)other expenses
- h)** Capital structure is the combination of.....      1  
 (A)Different types of shares                      (B) Different types of debenture  
 (C)Capital Reserve                      (D) Capitalisation
- i)** How many types of capital Structure?      1  
 (A)Five                      (B)Two                      (C)Three                      (D)Four
- j)** In case of Instalment system, the depreciation is calculated on.....      1  
 (A)Hire purchase price                      (B)Contract price  
 (C)Cash price                      (D)None of the above
- k)** The main difference between sale under Hire purchase agreement and sale under Instalment System is regarding.....      1



- (A) Delivery of the goods (B) Ownership of the goods  
(C) Sales price of the goods (D) None of these
- l) At the end of the year, the interest paid and depreciation charged are transferred to the .....account. 1  
(A) Asset (B) Profit & loss (C) Purchaser (D) Seller
- m) In agricultural accounts, usually a.....Account is prepared for each crop. 1  
(A) Cash (B) Income-expenses (C) Farm (D) Separate
- n) Government subsidy is shown on credit side of Farm Account as an ..... 1  
(A) Income (B) Sale (C) Liability (D) Asset
- Q-2 Attempt all questions (14)**
- (A) The details of Manan's farm are given below. Prepare Farm Account for year ending 31-3-2016 : 7

Particular	Rs.	Particular	Rs.
Opening Stock :		Cultivation Expenses	1260
Fertilizer		Wages	4000
450	1270	Land Revenue	450
Seeds		Cattle Expenses	1500
<u>820</u>		Sale of Grass	6000
Purchases :	3100	Irrigation Expenses	3500
Fertilizer	4000	Pesticides Expenses	2400
620	16000		
Seeds			
<u>2480</u>			
Sale of Milk			
Sale of Bajari			

Additional information:

- (1) Closing Stock: Fertilizers Rs. 450 and Seeds Rs 500.  
(2) He has given Bajari, costing Rs. 200 to Labourers in lieu of wages, which is not recorded in the books of Accounts.  
(3) Grass (Rajko) Rs. 150 has been used for feeding his cattle, which is not recorded.
- (B) Explain advantages of Farm Accounting. 7
- Q-3 Attempt all questions (14)**
- (A) The following information relates to one voyage. 7  
The rate of brokerage on freight is 2%, primage is 10% of the freight. The ratio of outward voyage freight and inward voyage is 2:3. Return voyage freight is 3, 00,000.  
Calculate the Brokerage on freight from above particulars.
- (B) What is Address Commission? 4  
(C) What is Passage money? 3
- Q-4 Attempt all questions (14)**
- (A) Define characteristics of an Ideal capital structure. 7  
(B) Short note : Alteration of capital structure 7
- Q-5 Attempt all questions (14)**
- (A) Mira Coal Co. Ltd. leased a colliery from Gita Coal Co. Ltd. for 20 years from 1<sup>st</sup> January, 2008 at a royalty of 50 paise per ton of output merging into Minimum Rent of Rs. 9,000 p.a. Short – Workings is recoverable only during the first three years of the lease. 14  
The output for the first three years was as follows.



First year	12,000 Tons
Second year	19,000 Tons
Third year	21,000 Tons

Give a Journal entries in the books of Mira Coal Co. Ltd and prepare Royalties Account, Landlord Account in the books of Mira Coal Co. Ltd

- Q-6 Attempt all questions (14)**
- (A) Give advantages of Capital Structure with Equity share 7
- (B) Short note : Minimum Rent 7
- Q-7 Attempt all questions (14)**
- (A) A ship 'Taj' voyaged on 1-11-2010 from porbandar to Mumbai and returned to porbandar on 26-03-2011. Details are as under. 7

Particulars	Rs.
Salaries (Annual)	15,000
Coal	15,000
Captain's Salaries (for three months)	4,500
Administrative expenses (Half yearly)	10,000
Ship insurance (Monthly)	1,000
Sundry expenses	10,000
Stores used	4,500
Freight for outward journey	50,000
Freight for return journey	35,000
Address commission	1%
Primage	2%
Freight insurance	3%
Manager's commission of freight	6%
Depreciation on ship	5%
Value of Ship	4,00,000

From the above particulars, prepare Voyage Account.

- (B) State objectives of preparing Voyage Account. 7
- Q-8 Attempt all questions (14)**
- (A) A company bought a machine on 1-4-2008 on Instalment purchase System, payment to be made in three equal annual instalment of Rs. 20,000 each. The vendor company charges interest at 5% per annum. 7
- The annuity tables show that the present value of an annuity of Rs. 1 for 3 years at 5% is Rs. 2.72325.
- The accounting year of the company closed on 31<sup>st</sup> March. Depreciation is charged at 10% on Straight Line Method.
- Prepare Machine Accounts in the books of the company.
- (B) Explain the difference between Hire-purchase and Instalment System 7

