

D.K.COLLEGE DUMRAON

ASSIGNMENT – FINANCIAL ACCOUNT

Q1. Give the answer with true or False

- Income and Expenditure A/c is a nominal account.
- The main objects of Non profit organization are to make Profit.
- Royalty consumed on the basis of production
- Min. rent is always less than Royalty.
- Companies prepaid their Balance sheet on vertical basis.
- Amount received from Legacies is treated as capital item
- Liabilities on repair of goods on hire purchase system are owned by Vendor.
- Installment payment system is general form of Hire purchase system.
- Installment payment system is famous system in India.
- Department can't established in foreign.

Q2. B.Ltd is the Lessee of a mine on a Royalty of Rs. 2 per ton, without any minimum rent.

The outputs were as follows:

2011: 10000; 2012: 50000; and 2013: 75000

Pass necessary entries and show the necessary ledger accounts of B Ltd.

Q3. From the following receipt and payment account of a Charitable institution. Prepared an Income and Expenditure Account and Balance sheet.

Receipt		Amount	Payment		Amount
Balance b/d:			Charities		10000
cash	300		Staff salaries		5600
Bank	<u>7400</u>	7700	Rent, Three Quarter		1200
			Postage and stamps		100
Donation		8000	Electric Installation Expenses		275
Subscription		9000	Help to Needy students		5000
Endowment fund Receipt		10000	Furniture		500
Legacies		5000	Fixed Deposit at 10% p.a. as on		
Grant from Government		9500	1-10-2016		20000
			Balance c/d :		
			cash	725	6525
			Bank	<u>5800</u>	
		49200			49200

It was decided to treat one –half of the total amount received on account of donations on income. Subscriptions include Rs 500 received on account of 2009 Rs 1000 for life

membership[fees. Rs 300 were owing for staff salaries at the end of the year. The value of unused postage and stamps were Rs 90 on 1-1-2016.

Q4. On 1-4-2010 Telco sold a truck on Hire purchase system to Dalmia Transport for Rs 378000. The amount, alongwith interest at 10% p.a. on the unpaid price was payable in 5 equal annual installments commencing from 31.3.2011.

Show the ledger accounts in the books of Dalmia Transport assuming that the books are closed on 31st March every year and depreciation is charged at 20 % on diminishing balances.

Q5. Explain Branch accounts? How many types of Branch discuss.

Q6. Sri A.k. sarraf purchase a truck on Installment payment susem from kejiwal and co. on 1-01-2008. The cash price of Truck was Rs. 200000. The price was to be paid as 63840 down payment and the balance in 3 equal installment from 21-12-2008. At 5% int. p.a.

Rs. 1 can buy an annuity of Rs.

0.367215 at 5% for 3years. Buyer dep. Truck @ 10% p.a. on diminishing balance basis. Show the Truck account, vender a/c and Int. suspense a/c. in the books of A.k sarraf.

Q7. What do you mean by non-trading organization? Discuss its characteristics and objects?

Q8.What is Royalty? How many types of Royalty?

Q9. What do you mean by financial statement of a company?

Q10. Write short note on Garner vs. Murray case.