

MES Vasant Joshi College of Arts & Commerce, Zuarinagar – Goa
B.Com III Semester End Assessment (Regular) October-November 2024

Subject: Banking

Course Title: Specialised Accounting

Course Code: CFA-211

Duration: 2 Hours

Total Marks: 80

Instructions:

- 1. All Questions are compulsory**
- 2. Internal Choice is available from Q. No. 2 to Q. No. 5**
- 3. Simple calculators are allowed**
- 4. All working notes should form a part of the answers**
- 5. Figures to the right indicate marks allotted.**

Q. 1) Answer the following questions

(8 x 2=16 Marks)

- i. State the income earned on voyage
- ii. Describe Abnormal goods
- iii. Describe buying decision in lease
- iv. Examine and find the value of insurance claim based on average clause
Closing stock is Rs. 35,000, Salvage is Rs. 7,000. Amount of the policy is Rs. 25,000
- v. Reproduce the expenses incurred in voyage
- vi. Record the various types of lease
- vii. Describe shortworkings
- viii. Define royalty

Q. 2A)

(12 Marks)

Dempo Ltd. Has taken a lease from Vivek Ltd.

Lease Term	4 years
Fair value at the inception of the lease	Rs. 2,00,000
Lease rent Rs. 62,500 p.a. at the end of the year	
Guaranteed residual value	Rs. 12,500
Expected residual value	Rs. 37,500
I.R.R	15.33%

Pass journal entries in the books of lessor

OR

Q. 2 B i)

(06 Marks)

Ganpat took a lease at a royalty of Re. 1 per tonne with a minimum rent of Rs. 120000 with a right to recoup short working during the first four years. The production in tonnes are as follows

Year	2020	2021	2022	2023	2024
Tons	15,000	72,000	1,20,000	1,80,000	2,25,000

Prepare Landlord A/c

Q. 2 B ii)

(06 marks)

A fire occurred in the godown on 30th April 2024. Salvage value is Rs. 6,000

Company’s average rate of gross profit is 20% on sales

The opening stock was valued at 5% above cost at Rs. 25,000. Purchases, wages and sales were Rs. 44,000, Rs. 8,000 and Rs. 88,000

Prepare a statement of claim

Q. 2 C)

(04 Marks)

North Peninsula Ship commenced a voyage on 1st March, 2024 from Port A to Port B and back. The voyage was completed on April 31, 2024. It carried a consignment of vegetables on its outward journey and teak wood on its return journey. Port charges Rs. 1,25,000; Coal Rs. 7,50,000; Sundry expenses Rs. 1,37,500 Freight earned (outward) Rs. 32,50,000; Freight earned (return) Rs. 17,50,000; Address Commission 5% on outward and 4% on return freight; Passage money received Rs. 2,50,000.

Draw up Voyage A/c

Q. 3 A)

(12 Marks)

Swati obtained a lease at a royalty of Rs. 3 per ton with a minimum rent of Rs. 15000 for the first year with an annual increase of Rs. 2000 till it reaches Rs. 21000. Short workings to be recovered within first 3 years only. The production were

Year	2021	2022	2023	2024
Production (Tons)	1,100	2,200	12,000	16,000

Construct Short workings A/c and Landlord A/c

Q. 3 B)

(04 Marks)

Cost of the Asset Rs. 5,50,000

Lease Rentals at the end of each year

Year	Lease Rentals
2021	Rs. 75,000
2022	Rs. 84,000
2023	Rs. 96,000
2024	Rs. 1,70,000

Expected Return 10%

Year	2021	2022	2023	2024
PV Factor @ 10%	0.909	0.826	0.751	0.683

Compute the PV value and find out whether the lease is a financial lease or operating lease

OR

Q. 3 C)

(04 Marks)

S. S. Hind commenced a voyage on 1st October 2023 from Mumbai to London and back. The voyage was completed on 31st December 2023. The Ship was insured and the annual premium was Rs. 1,60,000.

Freight Earned is 5,50,000 (Outward)

Freight Earned is 4,25,000 (Inward)

Address Commission 6% on outward freight and 5% on inward freight

Primage is 10% on freight

Compute Primage, address commission and insurance premium

Q. 4 A)

(12 Marks)

S.S. Jaihind commenced a voyage on 1st October, 2023 from Mumbai to London and back. The voyage was completed on 30th November, 2023. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and annual premium was Rs. 1,20,000.

Freight Earned (Outward)	Rs. 5,00,000
Freight earned (Inward)	Rs. 3,50,000
Port Dues	Rs. 25,000
Bunker	Rs. 1,50,000
Wages and salaries	Rs. 2,50,000
Stores	Rs. 84,000
Sundry Expenses	Rs. 25,000
Passage money received	Rs. 50,000
Lighterage charges	Rs. 33,000
Depreciation	Rs. 4,80,000 p.a.

Address commission 5% on outward and 4% on inward freight.

Primage is 5% on freight.

The manager is entitled 5% commission on the profit earned after charging such commission.

Stores and coal on hand were valued Rs. 15,000 on 30th November, 2023

Estimate the profit or loss in Voyage A/c

Q. 4 B)

(04 Marks)

Sahil took a lease at a royalty of Rs. 75 paise per ton with a minimum rent of Rs. 20000 p.a. and short workings to be recouped during the next three years. The output were

Year	1	2	3	4	5	6
Output	7,000	30,000	37,000	50,000	35,000 (Strike of 6 months)	52,000

Prepare Royalty Statement

OR

Q. 4 C)

(04 Marks)

Ms. Pooja leased his vehicle of Rs. 1,71,650 for a term 5 years. The annual lease rentals of 50,000 is payable at the end of each year. Calculate the implicit rate of return

Q. 5 A)

(12 Marks)

The godown caught fire on 15th June 2024. Records saved from fire showed the following particulars

Particulars	Rs.
Stock on 1 st January 2023	30,000
Stock at cost on 31 st December 2023	42,000
Purchases for the year 2023	2,54,000
Wages for the year 2023	10,000
Sales less returns for the year 2023	3,60,000
Purchases less returns from January 1 to June 15, 2024	90,000
Sales less returns from January 1 to June 15, 2024	1,43,000
Wages from January 1 to June 15, 2024	8,100

Gross profit remained constant.
The stock salvaged was Rs. 7,600.

Estimate the amount of claim

Q. 5 B)

(04 Marks)

The following details are furnished by a Shipping Company in connection with voyage no. 45 which was commenced from port A on 1st February 2024. The ship arrived at port D on 31st March, 2024 when the voyage was completed. 2,000 tons and 500 tons were loaded at port A for port D and C respectively. Another 300 tons were loaded at C for D. The freight charges were : A to D Rs.100 per ton; A to C Rs. 80 per ton; and C to D Rs. 50 per ton. The freight is subject to 10% primage, 5% address commission and 3% brokerage.

Compute the value of freight, address commission and brokerage

OR

Q. 5 C)

(04 Marks)

The fire took in a godown and the stock were totally destroyed by fire. The stock on hand has always been valued at 10% below cost

Opening stock	Rs. 1,21,600
Purchases	Rs. 4,40,000
Sales	Rs. 6,80,000
Wages	Rs. 1,24,800
Closing Stock	Rs. 1,44,400

Calculate gross profit percentage and claim