

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 expenses incurred on voyage
- ii. Describe the types of insurance claims
- iii. Define lease
- iv. Examine and find the value of insurance claim based on average clause
Closing stock is Rs. 9,12,000, Salvage is Rs. 1,12,000. Amount of the policy is Rs. 6,84,000
- v. Reproduce the income earned in voyage
- vi. Record the various types of lease
- vii. Describe minimum rent
- viii. Define royalty

Q. 2A)

(12 Marks)

Salgaonkar Ltd. Has taken a lease from Ganesh Ltd.

Lease Term	4 years
Fair value at the inception of the lease	Rs. 8,00,000
Lease rent Rs. 2,50,000 p.a. at the end of the year	
Guaranteed residual value	Rs. 50,000
Expected residual value	Rs. 1,50,000
I.R.R	14.97%

Summarize and pass journal entries in the books of lessor

OR

Q. 2 B i)

(06 Marks)

Francis took a lease at a royalty of 50 paise per tonne with the minimum rent of Rs. 20000 and short workings to be recouped within the subsequent three years. The production in tonnes in the first five years were

Years	2019	2020	2021	2022	2023
Tons	6,000	36,000	48,000	60,000	64,000

Prepare short workings A/c

Q. 2 B ii)

(06 Marks)

A fire occurred in the godown on 30th April 2024. Salvage value is Rs. 5,400. Company’s average rate of gross profit is 25% on sales. The opening stock was valued at 10% above cost at Rs. 25,800. Purchases, wages and sales were Rs. 56,000, Rs. 12,000 and Rs. 1,05,000

Prepare a statement of claim

Q. 2 C)

(04 Marks)

Great India Shipping Co. Ltd. of Bombay acquired a new ship M.V. Sumudra

The ship carried the following cargo and freight were:

To Calcutta 9,000 tons @ Rs. 300 per ton

From Calcutta 10,000 tons @ Rs. 270 per ton

The expenses were as follows:

Salaries and wages of the crew Rs. 8,00,000; Fuel Rs. 4,00,000; Port dues (Bombay Rs. 70,000; Calcutta Rs. 50,000) ~ 1,20,000; Stevedoring at Rs. 6,20,000; Share of overheads for the ship for the period Rs. 2,50,000.

Draw up Voyage A/c

Q. 3 A)

(12 Marks)

Vijay Ltd. Leased a mine on 1st January 2020 from Jay Ltd. At a minimum rent of Rs. 40,000 p.a. at a royalty of Rs. 3 per ton with a right to recoup short workings over the first three years of the lease.

The output for the four years of the lease was as follows

Year	Output (tons)
2020	10,000
2021	12,000
2022	14,000
2023	20,000

Construct Royalty A/c and Landlord A/c

Q. 3 B)

(04 Marks)

Cost of the Asset Rs. 2,50,000

Lease Rentals at the end of each year

Year	Lease Rentals (Rs.)
2020	45,000
2021	60,000
2022	55,000
2023	70,000

Residual value at the end of 2023 is Nil

Expected Return 15%

Year	2020	2021	2022	2023
PV Factor @ 15%	0.870	0.756	0.657	0.572

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. Hawai commenced a voyage on 1st October 2023 from Mumbai to London and back. The voyage was completed on 30th November 2023. The Ship was insured and the annual premium was Rs. 60,000.

Freight Earned is 2,50,000 (Outward)

Freight Earned is 1,75,000 (Inward)

Address Commission 5% on outward freight and 4% on inward freight

Primage is 5% on freight

Compute Primage, address commission and insurance premium

Q. 4 A)

(12 Marks)

India Shipping Company of Bombay had a ship by name Bharat, whose written down value as on 1st July 2024 was Rs. 24,00,000. The ship was insured for Rs. 30,00,000 at 1% p.a. for voyage policy. The ship made a trip to Syndey and returned to Madras during the period 1st July 2024 to 30th September 2024.

The following particulars were related to the Voyage

Expenses incurred:

Salaries of the crew	Rs. 25,000
Fuel	Rs. 55,000
Port Dues	Rs. 30,000
Stores expenses	Rs. 32,000

Stevedoring # Rs. 3 per tonne

Depreciation is charged @ 10% p.a. on written down value

The particulars of the freight consisted of the following

- a. Leather goods 1,100 tonnes @ Rs. 120 per tonne
- b. Cotton 500 tonnes @ Rs. 150 per tonne
- c. Sugar 1,700 tonnes @ Rs. 100 per tonne

In addition primage @ 10%, the brokerage payable @ 5% and address commission @10%

Estimate the profit or loss in Voyage A/c

Q. 4 B)

(04 Marks)

Neha took a lease at a royalty of Rs. 10 per tonne with a minimum rent of Rs. 100000. Short workings to be recovered during the first three years. The output were as follows

Year	2021	2022	2023	2024
Output	6,000	10,500	13,000	20,000

Prepare Royalty Statement

OR

Q. 4 C)

(04 Marks)

Mr. Yash leased his vehicle of Rs. 3,27,400 for a term 5 years. The annual lease rentals of 1,00,000 is payable at the end of each year.

Calculate the implicit rate of return

Q. 5 A)

(12 Marks)

On 1st April 2024, the godown was destroyed by fire. The following particulars are gathered from the books

Particulars	Rs.
Stock at cost on 1.1.2023	9,190
Stock as on 31.12.2023	17,040
Purchases during 2023	90,450
Purchases from 1.1.2024 to 31.3.2024	25,000
Sales during 2023	1,17,000
Sales from 1.1.2024 to 31.3.2024	30,500
Wages during 2023	1,500
Value of goods saved	2,100

Goods whose original cost was Rs. 1,200 had been valued at Rs. 500 on 31st December 2023. These were sold in March 2024 for Rs. 900. The rate of gross profit has remained constant.

Calculate the value of goods damaged by fire

Q. 5 B)

(04 Marks)

The voyage started from Goa on 1st March 2024 and arrived at Calcutta via Mumbai and Madras on 1st May 2024. The ship was loaded with 850 tons of Cotton at Goa for Mumbai and at Mumbai loaded a further load of 650 tonnes to Madras and at Madras a further load of 350 tea packets was loaded to Calcutta

The freight charges were

From Goa to Mumbai	Rs. 50 per ton
From Mumbai to Madras	Rs. 35 per ton
From Goa to Calcutta	Rs. 25 per ton
From Madras to Calcutta	Rs. 15 per ton
From Madras to Mumbai	Rs. 45 per ton

Compute the value of freight and primage @ 10%

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 5% below cost

Opening stock	Rs. 30,400
Purchases	Rs. 1,10,000
Sales	Rs. 1,70,000
Wages	Rs. 31,200
Closing Stock	Rs. 36,100

Calculate gross profit percentage and claim