

G.V.M'S G.G.P.R. COLLEGE OF COMMERCE  
FARMAGUDI, PONDA  
INTRA SEMESTER ASSESSEMENT TEST  
B.COM SEMESTER I JULY 2013  
ACCOUNTING(FOUNDATION COURSE)

MARKS:- 10

Duration:- 30

Q. 1) a) M/S Wagle Enterprises purchased an equipment on 1.1.2009 from M. Tara Ltd. on Hire – Purchase system. The cash price of equipment was ₹ 3,60,000/-

The hire purchaser agreed to make a down payment of ₹ 90,000/-  
The outstanding balance was payable in three equal annual instalments.

The interest was to be paid @ 8% p.a. alongwith the principal amount  
and depreciation was fixed @ 10% on straight line.

Prepare in the books of hire-purchaser:

- a) Assets account
- b) Hire-Vendors account
- c) Depreciation account
- d) Interest account.

( 8 mks)

Q. 1) b) Explain the concept of Hire purchase System of Accounting. ( 2 mks)

\*\*\*\* best of luck \*\*\*\*