CREDIT BASED FOURTH SEMESTER B.Com. DEGREE EXAMINATION APRIL 2013
COMMERCE
FINANCIAL ACCOUNTING – IV

Time: 3 Hrs **Max. Marks: 80**

Note: Provide working notes wherever necessary.

SECTION – A

Answer any Three questions. **3 x 20 = 60**

1. Adarsh Mining Company holds a lease of a mine for 10 years commencing from 1st January 2005. According to the lease, the company is to pay `1.50 as royalty per ton with a minimum rent of `30,000 a year. Short workings can, however, be recovered out of the excess royalty of the next two years only. In the year of a strike, the minimum rent is to be reduced proportionately. The output for the six years has been as under:

Year	Output (tons)
2005	10,000
2006	12,000
2007	28,000
2008	25,000
2009	50,000
2010	15,000 (strike for 3 months)

Prepare the ledger accounts in the books of Adarsh mining company

2. X, Y and Z were in partnership sharing profits and losses in the ratio of $\frac{1}{2}$, $\frac{1}{3}$ and $\frac{1}{6}$ respectively. The partnership was dissolved on 31 – 3 – 2012, when the position was as follows:

Balance Sheet as on 31 – 3 – 2012

Liabilities	`	Assets	`
Creditors	60,000	Machinery	40,000
General reserve	15,000	Stock	32,000
Capital X	34,000	Debtors	44,000
Y	16,000	Cash	8,000
Z	2,000	Profit & Loss A/c	3,000
	1,27,000		1,27,000

The net realization of the month should be distributed in their due order at the end of each month. The realizations and expenses were:

Month	Assets realised `	Expenses `
May	24,000	2,000
June	38,000	3,600
July	20,000	1,400
August	23,000	2,000
September	12,000	2,000

Y took the remaining stock at `4,200.
Prepare a statement of piecemeal distribution of cash under the proportionate capital method.

3. From the following Trial Balance of Urva Departmental Stores, Prepare Columnar Trading Account and General Profit and Loss A/c and consolidated Balance Sheet as on 31st December 2012.

Particulars	Dr. (`)	Cr. (`)
Share Capital		8,00,000
Buildings	4,00,000	
Machinery	2,50,000	
Opening stock – Dept A	30,000	
Dept B	40,000	
Purchases & Sales		
Dept A	10,00,000	20,00,000
Dept B	15,00,000	32,00,000
General Expenses	14,00,000	
Debtors & Creditors	2,00,000	1,00,000
Cash at Bank	12,80,000	
	61,00,000	61,00,000

Additional information:

1) Closing stock of Dept. A `1,30,000 including goods from Dept. B of `40,000. Closing Stock of Dept. B `2,60,000 including goods from Dept A `90,000. Both the departments supplied goods at their selling price.
2) Sales of Dept. A includes `2,00,000 transferred to Dept B and that of Dept. B includes `3,00,000 transferred to Dept A, both at market price to the transferee Dept.
3) Depreciation on buildings at 5% p.a. and Machinery at 10% p.a. is to be provided.
4) Create RBD at 5% on Debtors and 3% as reserve for discount on creditors.
5) Manager's salary due was `8,000.

4. Firms A & B and C & D decided to amalgamate as on 1st January 2013 under the name Bharat Trading Company. Their Balance Sheets were as follows as on 31st December 2012.

A & B

Liabilities	`	Assets	`
Creditors	10,000	Buildings	18,000
Reserve	20,000	Stock	30,000
Capital A	30,000	Debtors	12,000
B	20,000	Investments	20,000
	80,000		80,000

C & D

Liabilities	`	Assets	`
Bank loan	8,000	Goodwill	10,000
Creditors	22,000	Stock	26,000
Capital C	15,000	Debtors	24,000
D	15,000		
	60,000		60,000

A and B shared profits in proportion to their capitals, while C & D shared profits equally. The terms of amalgamation were:

i) A, B, C & D to be partners in the new firm and to share profits & losses in the same ratio as their capitals in the new firm after all adjustments had been made.
ii) The buildings owned by A & B to be taken over by the new firm at a valuation of `23,000. However, the new firm does not take over their investments.
iii) The goodwill appearing in the Balance Sheet of C and D was worthless.
iv) After the above adjustments have been made, C & D each to bring in `5,000 as additional capitals.

Show necessary ledger accounts in the books of the old firms and the Balance Sheet of the new firm.

SECTION – B

Answer any Three questions. **3 x 5 = 15**

5. From the following information prepare Branch Account in the books of Head office when goods are supplied at cost price.

		`
Opening stock		10,000
Closing stock		15,000
Goods sent to Branch		50,000
Goods returned by branch		1,000
Opening Petty Cash		200
Closing Petty Cash		300
Cash sent to branch for:		
Salary	4,000	
Rent	1,000	
Petty Cash	2,000	7,000

Cash remitted by branch to H. O. 30,000

6. A, B, and C were partners sharing profits and losses in the ratio of 3:2:1. They dissolved their firm on 1 – 1 – 2012 when their position was as under:

Liabilities	`	Assets	`
Creditors	70,000	Land & Building	60,000
General Reserve	10,000	Plant & Machinery	80,000
Capital A	40,000	Stock	60,000
B	60,000	Cash in hand	10,000
C	35,000	Profit and Loss A/c	5,000
	2,15,000		2,15,000

Ascertain the surplus capital of the partners under proportionate capital method.

7. A, B, and C are partners in a firm sharing profit & losses in the ratio of 3:2:1. On 31–12–2012 they agreed to sell their business to a Limited Company, on which date their Balance Sheet was as follows:-

Liabilities	`	Assets	`
Capital A	20,000	Freehold property	18,000
B	15,000	Machinery	12,000
C	13,000	Book debts	15,000
Loan on mortgage	4,000	Stock	13,000
creditors	8,000	Cash	2,000
	60,000		60,000

The company took the following assets at valuations shown below:
Freehold property `22,000, Machinery `11,000, Book debts `14,000, Stock `12,000, Goodwill `4,000
The company also agreed to pay the creditors at `7,700. Expenses of realization amounted to `500.
Prepare the Realisation Account.

8. From the following information prepare Minimum Rent Account and short workings account in the books of lessee.

Year	Royalty `
2010	80,000
2011	95,000

2012	1,00,000

Minimum rent is `1,00,000 with a right to recoup short workings in the subsequent year following the short workings.

SECTION – C

Answer all the questions: **5 x 1 = 5**

9. How do you allocate the following items in departmental accounts?
   a) Discount received   b) Rent   c) Lighting   d) Carriage inwards

10. State any two features of dependent branches.

11. What is meant by royalty and minimum rent?

12. What is the significance of piece meal distribution of cash?

13. State two methods of calculating purchase consideration on sale of partnership firm.

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COM 401 **Reg. No. ……………………………**

CREDIT BASED FOURTH SEMESTER B.Com DEGREE EXAMINATION
APRIL 2014
COMMERCE
FINANCIAL ACCOUNTING - IV

Time: 3 Hrs **Max. Marks: 80**

SECTION – A

Answer any THREE questions: **3X20=60**

1. From the following trial balance, prepare departmental trading and profit and loss account and balance sheet for the year ended 31-12-2009.

Stock on 1-1-09		
A Dept.	17,400	
B Dept.	14,700	
Purchases:		

A Dept.	35,000	
B Dept.	30,000	
Sales:		
A Dept.		60,000
B Dept.		40,000
Wages:		
A Dept.	8,700	
B Dept.	2,200	
Rent and rates	9,390	
Sundry expenses	3,600	
Salaries	3,000	
Lighting and heating	2,100	
Discount allowed	2,220	
Discount received		650
Advertising	3,680	
Carriage inward	2,340	
Furniture	3,000	
Plant	21,000	
Debtors	6,060	
Creditors		30,650
Capital		47,660
Drawings	4,500	
Cash at bank	9,900	
Cash in hand	170	
	1,78,960	1,78,960

Additional information:

i) Internal transfer of goods from Dept A to Dept B is `420

ii) The items Rent and Rates, Sundry expenses lighting and heating, salaries and carriage inward to be apportioned $^2/_3$ to Dept A and $^1/_3$ to Dept B.

iii) Advertising is to be apportioned equally.

iv) Discount allowed and received are to be apportioned on the basis of sales and purchases. (excluding transfers)

v) Depreciation at 10% per annum on furniture and plant to be charged ¾ to Dept A and ¼ to Dept B.

vi) The stock on 31-12-09 Dept A 16,740, Dept B 12,050.

2. Shimoga head office has a branch at Koppa. The goods are invoiced to the branch at cost plus 50%. From the following particulars prepare the necessary ledger accounts in the books of head office under "Stock and Debtor System".

	`
Stock on 1-1-09 (at invoice price)	1,20,000
Debtors on 1-1-09	60,000
Goods sent to branch (at invoice price)	6,00,000
Cash sales	2,14,000
Credit sales	3,40,000
Cash received from debtors	2,92,000

Discount allowed to debtors		8,000
Goods returned from debtors		20,000
Goods returned by branch		30,000
Cash sent to branch for	40,000	
Salary	20,000	
Rent	6,000	
Sundry expenses		66,000
Deficit in goods at branch (at invoice price)		6,000
Stock on 31-12-09 (at invoice price)		1,50,000

3. Bengal Coal Co. worked under a lease which provided for a payment of royalty at 50 paise per ton with a minimum rent of 8,500p.a. Each years excess of minimum rent over royalty were recoverable during the subsequent 3 years. The lease however stipulated that if in any year the annual rent not being reached due to strike, the minimum rent was to be regarded as having been reduced proportionately having regard to the length of stoppage.

   Following particulars are made available to you:

Years	Royalty
	`
2006	1000
2007	7000
2008	7500
2009	11500
2010	7500 (Strike for 3 months)

   Prepare Royalty A/c, Short workings A/c and Landlord's A/c in the books of Coal Company.

4. X, Y and Z were in partnership sharing profits and losses in the ratio of ½, $^1/_3$ and $^1/_6$ respectively. The partnership was dissolved on 31st March, 2009 when the position was:

	`		`
Creditors	30,000	Cash	4,000
Reserve	6,000	Debtors	42,000
Capital X	17,000	Stock	16,000
Y	8,000		
Z	1,000		
	62,000		62,000

   It was agreed that the net realization should be distributed in their due order at the end of each month. The realization and expenses were:

Month	Debtors	Stock	Expenses
	`	`	`
April	12,000	6,000	800
May	8,000	4,000	1,000
June	7,000	3,000	700
July	10,000	1,000	500
August	2,000	3,500	500

The stock having been completely disposed off, it was agreed that Z should take over the remaining debtors at `600.
Prepare a statement of cash distribution using 'Proportionate Capital Method'.

SECTION – B

Answer any three questions: **3x5=15**

5. ABC Ltd is having a Branch at Bangalore. Head office sends the goods at cost. Branch sells the goods only for cash.
   The following information is available.

	`
Stock on 1-1-12	25,000
Stock on 31-12-12	29,000
Goods sent to branch	90,800
Goods returned by branch	1,200
Petty cash balance on 1-1-12	300
Petty cash balance on 31-12-12	640
Cash sales	1,62,400
Cash remitted by head office for expenses	13,400

   Prepare Bangalore Branch Account

6. A, B and C share profits and losses in the proportions of $^{4}/_{10}$, $^{5}/_{10}$ and $^{1}/_{10}$. Their Balance Sheet as on 31-12-2010 was as follows:

	`		`
Sundry creditors	10,000	Cash in hand	3,000
A's loan	6,000	Other assets	56,000
B's loan	3,000		
Reserve fund	6,000		
Profit & Loss A/c	4,000		
Capital accounts:			
A	15,000		
B	12,000		
C	3,000		
	59,000		59,000

   Ascertain the surplus capital of the partners under proportionate capital method

7. Pass necessary journal entries in the books of lessee to record the following transactions with minimum Rent Account.
   Minimum Rent `2,00,000
   Royalties `1,60,000
   Short workings not recouped `40,000

8. The following is the balance sheet of A, B and C who share profits and losses in proportions of $^{1}/_{2}$, $^{1}/_{3}$ and $^{1}/_{6}$ respectively.

Liabilities	`	Assets	`

Creditors		12,000	Cash in hand		5,000
Bank loan		5,000	Debtors	8,000	
A's loan A/c		8,000	Less: Reserve	400	7,600
Capital:			Stock		12,400
A	20,000		Motor van		15,000
B	15,000		Furniture		5,000
C	10,000	45,000	Buildings		25,000
		70,000			70,000

The assets realized as follows. Buildings `28,000, Motor Van `13,000, Furniture `6,000, Stock `14,000, Debtors `7,800, and Goodwill `3,000. The expenses of realization amounted to `600. The sundry creditors and loan were paid in full. An outstanding liability of `200 not included in the Balance Sheet was also paid off. Prepare Realisation Account.

SECTION – C

Answer all the questions: 5x1=5

9. What is meant by short workings?
10. How do you allocate the following items in departmental accounts?
    a) Rent b) Debt collection charges.
11. What is goods in transit and cash in transit?
12. State two methods of calculating purchase consideration on sale of partnership firm.
13. What is Piecemeal distribution of cash?

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COM 401 Reg. No. ……………………………

CREDIT BASED FOURTH SEMESTER B.Com. DEGREE EXAMINATION APRIL 2015
COMMERCE
FINANCIAL ACCOUNTING - IV

Time: 3 Hrs Max. Marks:

SECTION – A

Answer any THREE questions: 3×20=

1. Mr. Raman wrote a book on marketing and got it published with United Publishers, Mangalore on the terms that royalty be paid at `50 per copy sold subject to a minimum rent of `15,00,000 per year. With a right to recoup short workings over the first three years only. The details are as under.

Year	No. of copies printed	No. of closing stock
2010	20000	2000
2011	30000	3000
2012	40000	4000
2013	50000	5000

Prepare i) Minimum Rent A/c ii) Royalty A/c
iii) Short workings A/c iv) Raman's A/c in the books of United Publishers

2. Vijaya Merchant of Bangalore has a branch at Mangalore. Goods are invoiced to the branch at cost plus 25%. Branch is instructed to deposit cash every day in the head office account with bank. All expenses are paid through cheques by the head office except the petty expenses which are paid by the Branch Manager.

Prepare Branch Account in the books of Head Office after taking into account the following information.

Stock at invoice price on 1st January 2011	82,000
Stock at invoice price on 31st December 2011	96,000
Debtors on 1st January 2011	31,700
Debtors 31st December 2011	42,150
Furniture on 1st January 2011	23,400
Cash sales	4,01,300
Credit sales	3,72,100
Cash collected from debtors	?
Goods invoiced to branch by the head office	6,28,000
Furniture purchased on 30th June 2011 by the branch manager out of cash sales and collection from debtors	2,500
Branch expenses paid by the head office	1,32,000
Petty expenses paid by the branch	10,450

Charge depreciation on branch furniture at 10% p.a.

3. Following are the balance sheets of two firms.

Balance sheet of A and B

Liabilities	`	Assets	`
Creditors	2,00,000	Cash	60,000
Mrs. A's loan	50,000	Stock	2,00,000
Reserve	40,000	Debtors	1,50,000
Capital A	4,00,000	Furniture	40,000
B	2,00,000	Premises	4,40,000
	8,90,000		8,90,000

Balance sheet of C

Liabilities	`	Assets	`
Creditors	2,00,000	Cash	70,000
Bills payable	50,000	Stock	18,000
C's capital	4,00,000	Debtors	2,00,000
		Furniture	50,000
		Investment	1,10,000
		Loss	40,000
	6,50,000		6,50,000

The two firms are amalgamated the terms are:-

i) Transfer the trade liabilities of both the firms to new books at book values. But Mrs. A's loan is to be paid off.

ii) Goodwill of two firms is agreed as follows A & B `80,000, C `1,00,000.

iii) Stock of A and B is found overvalued by `40,000 and that of C undervalued by `2,00,000.
iv) Premises are revalued at `5,00,000, debtors 5% less than book values.
v) Investment of C is considered useless.
vi) Capitals in the new firm are to be contributed equally by all partners and that the capital of the new firm is fixed at `1,20,000 (Actual cash to be withdrawn or brought in as the case may be).

Prepare Revaluation account and capital accounts in the books of 'A', 'B' and 'C'. Pass the opening entries in the books of A, B and C. Draft the balance sheet of the amalgamated firm.

4. X, Y and Z were in partnership sharing profits and losses in the ratio of $^1/_2$, $^1/_3$ and $^1/_6$ respectively.

The partnership was dissolved on 30/6/2014 on which date their balance sheet was as follows:

	`		`
X's capital	1,40,000	Cash	28,000
Y's capital	70,000	Debtors	2,94,000
Z' capital	14,000	Stock	1,12,000
Creditors	2,10,000		
	4,34,000		4,34,000

It was agreed that the act realizations should be distributed in their due order at the end of each month.

The realizations and expenses were as under.

Month	Stock & debtors	Expenses
August	84,000	7,000
September	1,26,000	5,400
October	70,000	4,900
November	77,000	3,500
December	35,500	3,500

Show how cash was distributed in the form of a statement.

SECTION – B

Answer any THREE questions: **3×5=**

5. Write the journal entries in the books of the Head Office to record the following transactions:
   a) Branch office pays dividend on behalf of head office.
   b) Branch office collects the amount of calls in arrears on behalf of head office.
   c) Depreciation on branch machinery, the account of which is maintained at head office.
   d) Branch expenses paid by the head office.
   e) Goods sent by head office but not reached to the branch by the end of accounting year.

6. What basis would you consider best to allocate the following expenses in the Departmental A/c.
   a) Labour welfare expenses b) Bad debts c) Carriage inward
   d) Rent e) Repairs to machinery

7. Ashok, Balram and Chandran were partners in a firm sharing profit and losses in the Ratio of 2:1:2. They decided to convert their business into a Joint Stock Company with effect from 1-1-1990 on which date their balance sheet stood as under.

Liabilities	`	Assets	`
Capitals: Ashok	2,500	Goodwill	8,000
Chandran	8,500	Motor car	5,000
Loan from Chandran	5,000	Stock	5,000
Bank overdraft	3,000	Debtors	8,000
Creditors	6,000	Cash	1,000
Bills of exchange	5,000	Balram's capital	3,000
	30,000		30,000

All assets (except cash) and all outside liabilities are taken over by the company for a consideration of `20,000 to be discharged through a 2000 equity shares of `10 each treated as fully paid. Prepare the Realisation A/c.

8. From the following information, prepare minimum Rent Account and Short workings A/c.
2011 – `80,000; 2012 – `95,000; 2013 – `1,00,000.
Minimum Rent is `1,00,000 with a right to recoup short workings in the subsequent years following the short workings.

SECTION – C

Answer all the questions: **5×1**

9. What is meant by purchase consideration?
10. State the order of payment on dissolution of partnership firm.
11. What is meant by invoice price (loaded)?
12. What is 'Dead Rent'?
13. Mention any two objects of Departmental Accounting.

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It was agreed by the company to take over the assets at book value with the exception of land and buildings and stock which are taken over at ₹45,000 and ₹20,000 respectively. The investments were retained by the firm and sold for ₹4,000. They discharged the loan of Mrs. A. The company takes over the remaining liabilities. The value of goodwill is fixed at ₹28,800.

Prepare the Realisation Account.

SECTION – C

Answer ALL the questions: 5×1=5

9. What is the significance of piece meal distribution of cash?

10. What basis you consider the best to allocate the following expenses in the departmental accounts?
    a) Discount allowed
    b) Repairs to Machinery
    c) Bad Debts
    d) Freight

11. What is meant by "Cash in transit" and "Goods in transit" in branch accounts?

12. What is meant by short workings and recoupment of short workings?

13. What is Purchase Consideration?

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COM 401 Reg. No. ....

CREDIT BASED FOURTH SEMESTER B.Com. DEGREE EXAMINATION APRIL 2016

COMMERCE

FINANCIAL ACCOUNTING – IV

Time: 3 Hrs. **Max. Marks: 80**

SECTION – A

Answer any THREE questions: 3×20=60

1. Shukla wrote a book on Accounting and got it published by Chand & Co., on the following terms:

   The publishers were to pay a royalty at 15% of the sale proceeds of each year, subject to minimum rent of ₹10,000 a year. The difficiency in sales, if any, could be recouped out of the surplus of the next year only. The details of the sales are given below:-

Year	No. of copies sold	Price per copy (₹)
2008	2000	20
2009	4000	20
2010	5000	25
2011	5500	25
2012	6000	30

   Prepare the ledger accounts in the books of Chand and Company.

2. East, South and North are in partnership sharing Profits and Losses in the ratio of 3:2:1. They decide to close the business on 31-12-2011 on which date their Balance Sheet was as follows:

Liability	₹	Assets	₹
Creditors	10,320	Land & Building	34,810
Loan from North	3,000	Motor Car	1,160
Capitals – East	38,700	Investments	1,080
South	10,680	Stock	19,530
North	11,100	Debtors	11,280
		Cash	5,940
	73,800		73,800

   The assets were realized in piece meal and it was agreed that cash should be distributed as and when realized. The assets realized were:

   January ₹10,380, February ₹27,900, March ₹3,600, in the month of April North took over investments at ₹1,260 and assets realized ₹19,200.

   Dissolution expenses were originally provided for an estimated amount of ₹2,700. But actual amount spent on March was ₹1,920.

   Prepare statement showing the piecemeal distribution of cash among the partners.

3. A company has 2 departments A and B. Dept. A transfers goods to Dept. B at normal selling price. From the following particulars prepare departmental trading and Profit & Loss A/c and General Profit & Loss A/c for the year ended 31-12-2012.

Particulars	Dept. A (₹)	Dept. B (₹)
Opening stock	2,00,000	Nil
Purchases	22,00,000	2,00,000
Wages	1,00,000	1,60,000
Sales	23,00,000	15,00,000
Closing stock (at cost to respective dept)	5,00,000	1,80,000

Goods transferred from A Dept to B Dept is ₹7,00,000. The following expenses are to be apportioned between A and B.

Item of expense	Basis of apportionment	Amount (₹)
Travelling expenses	1:2	1,50,000
Printing & Stationery	Ratio of sales (including inter-dept transfers)	36,000
Salaries	Ratio of sales (including inter-dept transfers)	2,70,000
Advertisement	Ratio of sales (Excluding transfers)	76,000
General expenses	3:1	8,00,000
Depreciation on machinery	1:3	12,000

Some of the common expenses which cannot be apportioned are as follows:-
Audit fees ₹25,000
General Managers salary ₹50,000
Office expenses ₹15,000
Out of the closing stock of B Dept ₹1,35,000 represents goods transferred from A Dept.

4. Following were the Balance Sheets of two firms M/s A & B and M/s X & Y as at 31-3-2012.

Liabilities	A & B (₹)	X & Y (₹)	Assets	A & B (₹)	X & Y (₹)
Creditors	20,000	25,000	Cash at Bank	5,600	6,700
Mrs. A's loan	5,000	---	Stock	20,400	18,300
Capitals: A	40,000	---	Debtors	15,000	20,000
B	20,000	---	Office furniture	4,000	5,000
X		24,000	Premises	40,000	----
Y		16,000	Investments	----	15,000
	85,000	65,000		85,000	65,000

The two firms decided to amalgamate their business as from 1st April 2012. For this purpose it was agreed that:
a) Mrs. A's loan should be repaid
b) Goodwill of M/s A & B be fixed at ₹8,000 and that of X & Y at ₹10,000.
c) Premises be valued at ₹50,000
d) Stock of M/s A & B be written down by ₹4,000 and that of M/s X & Y be written up by ₹2,000.
e) A provision of debtors be created in both firms at 5%.
f) The total capital of the new firm be fixed at ₹80,000 to be contributed in profit sharing ratio of A – 3, B – 2, X – 3 & Y – 2
g) Goodwill A/c in the new firm be written off.
Close the books of the two firms and give the balance sheet of the new firm.

SECTION – B

Answer any THREE questions: **3×5=15**

5. Anil, Sunil and Vimal are partners in a firm sharing profits and losses in the ratio of 4:3:2. Their balance sheet as on 31-3-2012 was as follows:

Liabilities	₹	Assets	₹
Capitals: Anil	1,00,000	S. Assets	3,00,000
Sunil	70,000		
Vimal	40,000		
General Reserve	90,000		
	3,00,000		3,00,000

Calculate surplus capital under proportionate capital method.

6. Raja Ltd., invoices goods to its Sringeri branch at cost. The branch sells the goods only for cash. From the following information, prepare Branch A/c for the year ending 31st December 2012.
Stock on 1-1-2012 ₹12,500
Stock on 31-12-2012 ₹14,500
Goods sent to branch ₹45,000
Goods returned by branch ₹600
Petty cash on 1-1-2012 ₹150
Petty cash on 31-12-2012 ₹320
Cash remitted to branch for
Salary ₹4,500
Rent ₹1,200
Petty cash ₹1,000 ₹6,700
Cash sales ₹81,300

7. A colliery worked out a coal under a lease which provides for the payment of royalty at 50 paise per ton with a minimum rent of ₹17,000p.a. Each year short workings were recoverable during subsequent 3 years. The lease, however, stipulated that if in any year the normal rent was not attained due to strike or accident, the minimum rent was to be reduced proportionately with regard to the length of stoppage.
The output was as follows:-

Year	Output
2007	4,000 Tons
2008	28,000 Tons
2009	30,000 Tons (strike for 3 months)
2010	46,000 Tons

Prepare analytical table of royalty.

8. The Sunshine Co. Ltd., was formed to acquire the business of A and B who share profits in the ration of 2:1. The Balance Sheet of A and B as on 31-12-2012 was as follows:

Liabilities	₹	Assets	₹
Bills payable	7,200	Land & Buildings	40,000
Creditors	21,600	Machinery	20,000
Mrs. A's loan	3,200	Stock	24,000
Capitals: A	64,000	Debtors	23,200
B	40,000	Goodwill	8,000
		Bills Receivable	6,400
		Investments	4,800
		Cash at bank	9,600
	1,36,000		1,36,000