

K1 LEVEL QUESTIONS

UNIT – I

1. Statements prepared to know profit or loss and financial position of the business are called:

a) Financial Statement

b) Bank Reconciliation Statement

c) Trial Balance

d) All of these

2. Account which shows Gross Profit or Gross Loss of the business is called:

a) Profit and Loss Account

b) Balance Sheet

c) Trial Balance

d) Trading Account

3. Trading Account is prepared to know:

a) Net Profit or Loss of business

b) Gross Profit or Loss of business

c) Both (1) or (2)

d) Financial Position of business

4. On debit side of trading Account we record:

a) Direct Expense

b) Indirect Expense

c) Both of these

d) None of these

5. Closing stock is recorded in:

a) Profit and Loss Account

b) Trading Account and Balance Sheet

c) Balance Sheet only

d) None of these

6. Profit and Loss Account shows the:

a) Total Capital Employed

b) Profit and Loss through sale of assets

c) Profit earned by business

d) None of these

7. Carriage Outwards is an example of:

a) Direct Expenses

b) Indirect Expenses

c) Indirect Income

d) Direct Income

8. Discount received is an example of:

a) Indirect income

b) Direct Income

c) Net Income

d) General Income

9. Which are indirect incomes of the followings?

a) Commission received

b) interest on investment

c) Dividend received

d) All of these

10. On credit side of Profit and Loss Account we record:

- a) Direct Expenses
- b) Direct Income
- c) Indirect Expenses

d) Indirect Income

UNIT II

1. Depreciation is provided on.

- a) **Fixed assets**
- b) current assets
- c) Intangible assets
- d) None of these

2. Depreciation is

- (a) **A loss due to wear and tear of fixed assets**
- (b) A loss by fire accident
- (c) A loss by flood
- (d) None of the above

3. Depreciation arises because of _____.

- a) Obsolescence
- b) Lapse of time
- c) Physical wear& tear
- d) **All the above**

4. Under straight line method depreciation is calculated on _____.

- a) **original cost**
- b) selling price
- c) book value
- d) market value

5. The amount of depreciation remains constant every year in _____ method.

- a) Sinking
- b) Written down value
- c) **Straight line**
- d) Annuity

6. Prepaid expense is _____.

- a) An Asset
- b) Included in Capital
- c) A liability
- d) Included in drawings

7. Balance sheet is prepared to know the _____.

a) financial position b) profit or loss c) net profit d) assets and liabilities

8. ----- accounts are fully written and maintained in single entry system.

a) **Personal account** b) Real account c) Nominal account d) None of the above

9. Net worth method is otherwise known as -----

a) **Statement of Affairs** b) Balance Sheet c) Profit and Loss d) Trading account

10. Credit sales can be ascertained by way of preparing -----

a) Total Debtors account b) Total Creditors account c) Cash account d) Bills Payable account.

UNIT III

1. Commission will be shared by

a) Consignor b) **Consignee** c) Both d) Third party

2) If delcredere commission is allowed for bad debts, the consignee will debit the bad debts amount to

a) **Commission earned account** b) debtors account c) creditors account d) trading account

3) If a consignor draws a bill on consignee and discounted it with the banker, the discounting charges will be debited in

a) **Consignment account** b) Consignor account c) Consignee account d) Account sales

4) The owner of the consignment stock is

a) **Consignor** b) Consignee c) Debtor d) Creditor

5) Consignment account is prepared in the books of

a) **Consignor** b) Consignee c) Third party d) None

6) A proforma invoice is sent by

a) **Consignee to Consignor** b) Consignor to Consignee c) Debtor to Consignee d) Debtor to Consignor

7) which of the following expenses of the consignee will be considered as non-selling expenses

a) Advertisement b) **Insurance** c) Selling expenses d) None of the above

8) The nature of the consignment is

a) **Capital** b) Realisation c) Bank d) Nominal

9) If Delcredere commission is allowed to consignor to consignee, the bad debts treatment in the books of consignor will be

a) **will not be recorded in the books of consignor** b) debt will be debited to consignor account

c) debt will be charged in general profit and loss account d) debt will be debited in Consignee account

10) Consignment stock will be recorded in the balance sheet of consignor in the asset side at

a) **Invoice price** b) at invoice value less stock reserve c) at lower than cost price d) at lower than 10% invoice price

UNIT IV

1. Joint Venture account is a :

(a) Personal Account (b) Real Account (c) **Nominal Account** (d) none

2. The partners to joint venture are called

(a) **Co-venturers** (b) Partners (c) Principal and agent (d) Friends

3. If separate set of books is maintained and discount is received at the time of purchase of goods then such a discount will be treated as :

(a) **Income of Joint Venture hence credited to joint venture account**

(b) Expense of Joint venture hence debited to joint venture account

(c) Will not be recorded in books of account

(d) Credited to co-venturer account

4. X spending a sum of 10,000 on account of joint venture, will be credited to _____ account in case of the records being maintained in the books of X : (a) Memorandum J.V. (b) Joint Venture (c) Co-Venturers (d) **Cash**

5. When purchases are made for the joint venture out of joint bank account, the account is debited. (a) **Joint venture** (b) Expenses (c) Joint Bank (d) Purchase

6. When unsold stock is taken away by a Co-venturer, the Account is debited.

(a) stock with joint venture (b) Co-venturer's capital (c) Joint Bank (c) None

7. X spending a sum of 2,000 on account of Joint venture, will be debited to account in case of the records being maintained in books of X.

(a) Joint venture (b) Cash (c) Co-coventurer (d) None

8. Which of the following statement is true? (a) Only one venturer bears the risk (b) Only one venturer can sell the goods (c) Only one venturer can purchase the goods **(d) In joint venture, provisions of partnership act applies.**

9. For opening Joint Bank account,

(a) Joint Venture A/c will be debited and Venturers A/c will be credited **(b) Joint Bank A/c is debited and Venturers Capital A/c is credited** (c) Joint Venture A/c is debited and Joint Bank A/c is credited (d) Joint Bank A/c will be debited & Joint Venture A/c is credited

10. For stock of goods taken over by a Co-venturer in case of separate set of books: (a) Goods A/c will be debited and Joint Bank A/c will be credited (b) Joint Venture A/c will be debited and Joint Bank A/c will be credited (c) **Venturer's Capital A/c will be debited and Joint Venture A/c is credited** (d) Joint Venture A/c will be debited and Venturer's Capital A/c will be credited.

UNIT V

1. Royalty account is in the nature of

a)Real account **b)Nominal account** c)Personal account d)Revenue account

2. Irrecoverable short workings are transfer to

a)Trading account b)**P&L account**c) Balance sheet d) P&L Appropriation account

3. When royalty is paid, in the books of lessee, it is debited to

a) Royalty account b)P&L account c) **Landlord account** d).Lessee account

4. Short working means

- a) ~~Excess of minimum rent over royalty~~ b) Excess of royalty over minimum rent c) Surplus of royalty
d) Actual minimum rent

5. Royalty are connected with the following type of business

- a) Manufacturing industry **b) Mining industry** c) Construction business d) Trading business

6. The insurance company collect fixed amount from its customer at a fixed interval of time

- a) Instalment b) Contribution c) **Premium** d) EMI

7) Minimum rent a/c is also known as _____ rent.

- a) Surplus
b) Personal
c) Real
d) Dead

8) The damaged stock and undamaged stock are separately valued and are called ----

- a) **Salvage value** b) closing value c) Insured value d) None of the above

9) Average clause is needed to discourage-----

- a) **Under insurance** b) Over insurance c) Real insurance d) Moderate insurance

10) ----- is the difference between standard turnover and affected period turnover.

- a) Short Sales** b) Excess sales c) Actual sales d) Standard Sales

K2 LEVEL QUESTIONS

UNIT – I

1. Define Accounting.
2. Give the meaning of the term concepts.
3. State any two types of conventions.
4. What is accounting equation.
5. Specify any two types of concepts,
6. What is the purpose for preparation of financial statements?
7. What is gross profit?
8. What is Balance sheet?
9. What are all the items added and reduced from the capital of a sole trader in balance sheet?
10. State any four items shown in the debit side of the profit and loss account.

UNIT II

1. What is depreciation?
2. What is the need for providing depreciation?
3. Mention any two factors affecting the amount of depreciation.
4. State the various methods of providing depreciation.
5. How do you compute depreciation rate under straight line method?
6. What is single entry system?
7. What is Net worth method?
8. How do you ascertain profit under networth method of single entry?
9. Specify the reason for preparing statement of affairs.
10. What is conversion method in single entry system.

UNIT III

1. What is consignment?
2. State any two features of consignment.
3. What is an Account Sale?

4. What is Del Credere Commission?
5. What do you understand by recurring expenses?
6. What is Normal Loss?
7. What is Abnormal Loss?
8. What do you understand by “ Proforma Invoice”?
9. Who is consignor?
10. Who is consignee?

UNIT IV

1. What is Joint venture?
2. What is a Joint Bank account?
3. How joint venture differs from partnership?
4. State any two features of Joint venture.
5. Mention the role of Co-venturers.
6. Give any two differences between Joint venture and Consignment.
7. Specify the different methods of recording transactions relating to joint venture.
8. What is the journal entry on sale of goods or collection of contract price in the case of separate set of books is kept?
9. What is the relationship between the co-venturers in case of joint venture?
10. What are the important ledgers to be prepared at the time of maintaining separate set of books?

UNIT V

1. What is royalty?
2. What is Minimum Rent?
3. Give the meaning of “Shortworkings”.
4. What do you understand by ‘ Recoupment’?
5. What are the different ways in which shortworkings can be recouped?
6. What are the parties involved in Royalty?
7. What is the purpose of fire insurance?

8. State the objectives of 'Average clause' in a Fire Insurance Policy.

9. write a short notes on 'Short Sales'.

10. How do you co

mpute Gross Profit Ratio?

K3 LEVEL QUESTIONS

UNIT – I

1. Explain the Accounting Conventions.
2. Prepare Trading and Profit & Loss Account from the following information:

Particulars	Rs.	Particulars	Rs.
Opening Stock	10,000	Office rent	1,500
Purchases	60,000	Sales returns	2,500
Wages	11,500	Purchase returns	3,000
Closing Stock	13,000	General expenses	3,000
Sales	1,00,000	Discount to customers	900
Carriage inwards	1,500	Interest received from bank	500
Carriage outwards	1,200	Factory Rent	1,200

3. Briefly explain the i) Going concern concept. ii) Matching Concept.
4. What is Gross Profit?
5. Give the format of Balance sheet.

UNIT II

1. A company purchased a plant for Rs. 50,000. The useful life of the plant is 10 years and the residual value is Rs. 10,000. Find out the rate of depreciation.
2. A company acquired a machine on 1.1.88 at a cost of Rs. 40,000 and spent Rs. 1,000 on its installation. The firm writes off depreciation at 10% on the diminishing balance. The books are closed on 31st December of each year. Show the machinery account for 3 years.
3. From the following details, find out the Net-credit sale for the year.

Particulars	Amount(Rs.)
Opening balance of sundry debtors (Dr)	20,000
Cheque collection during the year	1,80,000
Cash collection during the year	25,000
B/R received during the year	5,000
Closing balance of the sundry debtors (Dr)	24,000
Bad debts written off	2,500
Discount allowed	1,000
Goods returned by customers	2,500
Chequedishonoured	500

4. An asset is purchased for Rs. 40,000. Depreciation is to be provided annually according to the straight line method. The useful life of the asset is 10 year and the residual value is Rs. 10,000. You are required to find out the rate of depreciation.

5. What is a Statement of Affairs? Distinguish between Statement of Affairs and Balance Sheet.

UNIT III

1. On 20th November, 2016 Maran & Co., of Chennai consigned 500 Radios to Kiran & Co., Madurai. On 31st December 2016 Kamal & Co., forwarded an account sales, with a bank draft for the balance, showing the following transactions:

- i) 400 Radios sold @ Rs.750 and 100 Radios @ Rs.800 each
 - ii) Unloading charges Rs.1000
 - iii) Storage & Insurance Rs.2000
 - iv) Commission on sales @10%
- Prepare an Account sales.

2. What is consignment? Explain the main features of consignment transactions.

3. Hari sent goods worth Rs.1, 50,000 to Suresh at an invoice price, which was arrived at by adding 20% with its cost. Hari spent Rs.4000 for wages and insurance. Suresh spent Rs. 5000 for warehouse, and Rs.1500 as selling expenses. Suresh sold a part of consignment for Rs. 1, 32,000 by fixing the price, which is 20% higher than the invoice price. Suresh is entitled to receive 5% commission on sales. Suresh paid the amount due to Hari by demand draft. Prepare consignment account along with the necessary working notes in the books of Hari.

4. Write a shortnotes on i) Proforma Invoice price ii) Account sales.

5. On 1st April 2018, A of Bombay consigned to B of Panjabi 200 radio sets at Rs. 300 each. A paid Rs.500 for insurance and Rs.1000 for freight. On 13th April 2018, B received the consignment and had to pay Rs.300 as unloading charges and Rs.150 as Dock charges. On 4th October 2018, B send an account sales to A informing that till 30th September 2018, 180 sets were sold at Rs.400 each and 20 sets at Rs.350 each.

B sends the balance by a demand draft after deducting his commission at 10 percent on sales.
Prepare consignment account in the books A.

UNIT IV

1.Koshi and Joshi were partners in a joint venture sharing profits and losses in the ratio of 3:2 respectively. Koshi supplies goods to the value of Rs.10,000 and incurs on freight Rs.500. Joshi also supplied goods to the value of Rs.8,000 and incurs Rs.400 towards freight and other incidental charges. Joshi sells the entire stock of goods on behalf of the joint venture for Rs.25,000. Joshi is also entitled to a commission of 5% on sales. Joshi settles his account by remitting a bank draft. Pass necessary journal entries in the books of Koshi.

2. What are the features of Joint venture?

3. A of Ahmedabad and B of Bombay enter into a joint venture to consign 100 bales to C at Calcutta to be sold on their joint account. They agree to share profits or losses equally. A sent 50 bales valued at Rs.60,000 and pays freight and expenses Rs.1,200. B sent 50 bales valued at Rs.55,000 and pays expenses for Rs.900. All the bales reached Calcutta in time. C sold the bales for Rs.1,35,000. He charged 3% as selling commission. C remitted the balance amount to A by D/D. Pass necessary journal entries in the books of A.

4 . Distinguish between Joint venture and Partnership.

5. A and B are in Joint venture. Both maintain complete records in their own respective books. A spends Rs.50000 to buy goods for joint venture and pays Rs.20000 for other expenses. B purchases goods for Rs.40000 and spends Rs.30000 for expenses. B sells all the goods for Rs.240000 and the venture is closed. Prepare Joint venture account and A's Account.

UNIT V

1. The Bengal mines Co.Ltd took from Mr.Dass a lease of a mine for a period of 25years from 1-1-86, on a royalty of Rs.5 per tonne of mineral raised with a dead rent of Rs.20,000 and power to recoup shortworking during the first five years of the lease.

The annual outputs were as follows:

1986	-	2000	Tonnes
1987	-	3000	Tonnes
1988	-	4000	Tonnes
1989	-	4500	Tonnes
1990	-	5000	Tonnes

Prepare Analytical table and Royalty account in the books of Bengal Mines Co.Ltd.

2. 'A' leased a colliery. The Dead Rent was Rs.1,200 a year, merging into a Royalty of 25paise per tonne of Coal raised with the right of recouping shortworkings out of royalties during the first four years. The quantities raised were:

	Tonnes
First Year	2,000
Second Year	3,600
Third Year	6,000
Fourth Year	12,000
Fifth Year	25,000

Prepare Analytical table and Show the Landlord Account for the five years in the books of Lessee.

3. Bihar Coal Ltd. Leased a colliery from Himalaya Coal Ltd. On 1st January 2005 at a minimum rent of Rs.30,000 merging into a royalty of Rs.1.50 per ton with power to recoup short workings during the first three years of the lease. The output of the colliery for the three years of the lease was 9,000, 15,000, 27,000 tons respectively.

Pass Journal entries for three years for the above transactions in the books of Himalaya Coal Ltd.

4. A fire occurred at the premises of a trader on 31.05.2014 destroying a great part of his goods. His stock on 1.1.2014 was Rs.60,000. The value of stock salvaged was Rs.13,500. The gross profit on sales was 30% and sales amounted to

Rs.1,53,000 from January to date of fire, while for the same period the purchases amounted to Rs.1,03,500. Prepare a Statement of claim.

5. A fire occurred in the premises of X Ltd on 10.10.91. All stocks were destroyed except to the extent of Rs. 6200. From the following figures, ascertain the loss of stock suffered by the company.

Particulars	Amount (Rs.)
Stock on 01.01.1990	40000
Purchases during 1990	145000
Sales during 1990	200000
Stock on 31.12.1990	25000
Purchases during 1991 upto the date of fire	152200
Sales during 1991 upto the date of fire	189000

K4 / K5 LEVEL QUESTIONS

UNIT – I

1. Describe the Accounting Concepts.
2. Prepare a Trading and Profit and Loss account for the year ending 31st March 2001 and a balance Sheet as on that date from the following balances:

Particulars	Rs.	Particulars	Rs.
Capital	52,000	Sundry debtors	31,000
Sales	1,01,000	Purchases	72,000
Purchase returns	1,900	Rent	560
Opening stock	22,000	Carriage inwards	390
Furniture and fittings	5,500	Bad debts	160
Sundry creditors	6,200	Postage and telegrams	210
Investments	16,700	Travelling expenses	550
Salaries	1,800	Cash at bank	3,270
Sales returns	5,200	Wages	1,300
Printing and stationery	240	Insurance	220

Adjustments:

- i. Salaries outstanding Rs. 150
- ii. The closing stock Rs. 18,500
- iii. Insurance was prepaid Rs. 30
- iv. Charge 10% depreciation on furniture.

- 3) Prepare Trading, Profit & loss a/c and Balance sheet from the following Trial balance

Debit Balance	Amount (Rs.)	Credit balance	Amount (Rs.)
Sundry Debtors	92,000	Madan's Capital	70,000
Plant & Machinery	20,000	Purchase returns	2,600
Interest	430	Sales	2,50,000
Rent, rates & taxes	5,600	Sundry Creditors	60,000
Conveyance charges	1,320	Bank overdraft	20,000
Wages	7,000		
Sales returns	5,400		

Purchases	1,50,000		
Opening stock	60,000		
Madan's Drawings	22,000		
Trade expenses	1,350		
Salaries	11,200		
Advertising	840		
Discount	600		
Bad debts	800		
Business premises	12,000		
Furniture	10,000		
Cash in hand	2,060		
	<u>4,02,600</u>		<u>4,02,600</u>

Adjustments:

- i) Stock on hand on 31-12-2016 Rs.90,000
- ii) Provide depreciation on Premises at 2.5%; Plant & Machinery at 7.5% and Furniture at 10%
- iii) Write off Rs.800 as further bad debts
- iv) Provide for doubtful debts at 5% on sundry debtors
- v) Outstanding rent was Rs.500 and outstanding wages Rs.400
- vi) Prepaid insurance Rs.300 and prepaid salaries Rs.700

4) From the following balances as at 31st December 2012 of a trader, Prepare a Trading and Profit and loss a/c and a Balance sheet as on that date.

Particulars	Amount	Particulars	Amount
	Rs.		Rs.
Salaries	5500	Creditors	9500
Rent	1300	Sales	32000
Cash	1000	Capital	30000
Debtors	40000	Loans	10000
Trade expenses	600		
Purchases	25000		

Advances	2500	
Bank balance	5600	
	-----	-----
	81500	81500
	-----	-----

Adjustments

- i. The Closing stock amounted to Rs. 9000
- ii. One month's salary is outstanding
- iii. One month's rent has been paid in advance
- iv. Provide 5% for doubtful debts.

UNIT II

1. A Company whose accounting year is the calendar year, purchased on 1-1-2005 a machine for Rs.40,000. It purchased further machinery on 1st October 2005 for Rs.20,000 and on 1st July 2006 for Rs.10,000. On 1-7-2007, 1/4th of the machinery installed on 1-1-2005 became obsolete and was sold for Rs.6,800.

Show the machinery account for all the three years under Diminishing balance method. Depreciation is to be provided at 10% p.a.

2. Ramesh keeps his books on single entry basis. Prepare a statement of affairs as on 31.10.2012 and a statement of Profit or loss for the period ending 31.10.2012

Assets & Liabilities	1.11.2011 (Rs)	31.10.2012 (Rs.)
Bank	560 (Cr)	350 (Dr)
Cash on hand	10	50
Debtors	4500	3600
Stock	2700	2900
Plant	4000	4000
Furniture	1000	1000

Ramesh had withdrawn Rs.2000 during the year and had introduced fresh capital of Rs.4200 on 1.7.2012. A provision of 5% on debtors is necessary. Write off depreciation on plant at 10% and furniture at 15%. Interest on capital is to be allowed at 5%.

3. Abi and Co. purchased a machine on 1.1.1995 for Rs. 9,250 and immediately spent Rs. 750 on its erection. On 1.7.1996, it purchased another machine for Rs. 2,500 and on 1.7.1997, it sold off the first machine purchased in 1995 for Rs. 7,000 and on the same date it purchased another machine for Rs. 6,250. On 1.7.1998 the second machine purchased for Rs. 2,500 was also sold off for Rs. 500. Depreciation was provided on the machinery on written down value basis at 10% p.a. Give machinery account for four years commencing from January 1, 1995.
4. Mohan, a retail merchant commenced business with a capital of Rs. 12,000 on 1.1.2006. Subsequently, on 1.5.2006 he invested further capital of Rs. 5,000. During the year, he has withdrawn Rs. 2,000 for his personal use. On 31.12.2006, his assets and liabilities were as follows:
Cash at bank Rs. 3,000, Debtors Rs. 4,000, Stock Rs. 16,000, Furniture Rs. 2,000 and Creditors Rs. 5,000. Calculate Profit (or) loss made during the year 2006.

UNIT III

1. M/s J & Co. of Delhi consigned on 15th March 2012, 45 cases of glassware (Cost price Rs. 41,235) to R & Co. of Hyderabad for sale on commission @5% on gross sale proceeds. The consignor paid freight & carriage amounting to Rs. 539. The goods arrived at Hyderabad on 20th March 2012 and R & Co. paid clearing charges Rs. 235; sundry charges Rs. 59, Carriage Rs. 102 and Godown charges Rs. 90. The goods were sold by R& Co. as under:
15 cases @ Rs. 1003 per case, 22 cases @ Rs. 1050 per case and the remainder for Rs. 10000.
On June 21, 2012 R & Co. sent a draft for Rs. 10,000 to M/s J & Co. on account. On 1st July, 2012 R & Co. forwarded an account sales together with a bill of exchange for the balance. Prepare necessary ledger accounts in the books of M/s J & Co.

Freight	Rs. 7650
Insurance	Rs. 3250

3. Mohan of Coimbatore consigned 300 bales of cloth at Rs.2000 per bale to Chandran of Calcutta paying freight Rs.4000 and other expenses Rs.2000. Chandran sold 250 bales at Rs.2500 per bale on credit and 25 bales at Rs.2200 per bale for cash. Chandran spent for freight and Octroi Rs 3000 and selling expenses Rs.1000. Chandran remitted the amount due to Mohan after deducting his commission at 5% (normal), 2 ½ % (overriding) , and ½ % del credere (delcredere commission is to be given on total sales). Chandran found that one customer to whom credit of 40 days was allowed paid only Rs.4800 out of the total amount due from him Rs.5000 in full settlement of account. Other customers paid the amount on due dates. You are required to prepare important ledger accounts in the books of Mohan show the working of valuation of stock and the treatment of bad debt of Rs.200.

UNIT IV

1. S and P entered into a joint venture and agreed to divide the profit as to S 60% and P 40%. S and P contributed Rs.1,80,000 and Rs.1,20,000 respectively for carrying on transactions relating to the venture. They opened a Joint bank account with the above contributions. They purchased three old state buses for Rs.2,40,000. S and P personally paid Rs.45,000 and Rs.30,000 respectively for repairs and renewals. They purchased a few tyres and tubes costing Rs.54,000. Two buses were sold for Rs.2,70,000 and the third one was taken by P at cost price. Prepare Joint venture account, Joint bank account and close the accounts of the venture.

2. Ram, Mohan and Rahim were partners in joint venture, each contributing Rs.5000. Ram purchased goods for Rs.13,000 and also supplied goods worth Rs.1000 from his stock. Rahim also supplied goods to the value of Rs.1500 from stock and his expenses in connection with the supplying of goods on account of joint venture amounted to Rs.50. Ram paid Rs.250 for expenses in connection with the joint venture. Ram sold goods on behalf of the joint venture and realised Rs.20,800. Ram was entitled to a commission of 5% on sales. Unsold goods amounting to Rs.500 were taken over by Mohan. Ram settled accounts of Mohan and Rahim by bank draft.

Record these transactions in Ram's journal and also prepare Joint venture account and Mohan and Rahim accounts in Ram's books.

3. Black and White enter into joint venture to consign 100 bales of cotton piece and hired a commission agent Red to be sold latter on the joint risk of Black and White, sharing in proportion of $\frac{3}{5}$ and $\frac{2}{5}$ respectively in September 2017. Black sends 60 bales at Rs. 1,300 each and pays for freight and other charges Rs. 900. White sends 40 bales at Rs. 1,250 each and pays for freight and other charges Rs. 800. All the bales are sold by broker for Rs. 150,000 out of which deducted Rs. 1,500 for his expenses and his commission at 3 per cent and balance remitted to co-venturers. You are required to pass general entries, joint venture account and prepare co-venturers' accounts.

4. X and Y enter into joint venture to ship goods abroad at July 2018. X sends goods to the value of Rs. 15,000, pays freight Rs. 1,500 and sundry expenses Rs. 575. Y sends goods valued at

Rs. 10,750, pays freight and insurance Rs. 1,200 and sundry expenses Rs.750. Y advances to X Rs. 6,000 on account of joint venture. X receives account sales and remittance of net proceeds for the whole of amounting Rs. 37,500.

Show how transactions would appear in the book of X and Y respectively, assuming final settlement is made between them.

UNIT V

1. Ravi took a colliery on lease. The dead rent was Rs.750 a year, merging into a royalty of 35 paise per tonne of coal raised, with the right to recover shortworkings out of royalties of two subsequent years from the period in which the shortcomings arose. The output raised were:

I year	- 1000 tonnes	IV year	- 1500 tonnes
II year	- 1500 tonnes	V year	- 1000 tonnes
III year	- 2500 tonnes		

Give necessary ledger accounts for each of the five years in the books of Ravi.

2. A Company leased a colliery on 1-1-92 at a minimum rent of Rs.20,000 merging into a royalty of Rs.1.50 per tonne with power to recoup short workings over the first four years of the lease. The output of the colliery for the first four years was 9,000 tonnes, 12,000 tonnes, 16,000 tonnes and 20,000 tonnes respectively. Prepare necessary ledger accounts for four years in the books of both the parties.

3. Ravi took a colliery on lease. The minimum rent was Rs. 750 a year, merging into a royalty of 35 paise per tonne of coal raised, with the right to recover Shortworkings out of royalties of two subsequent years from the period in which the Shortworkings arose. The output raised were:

I Year	-	1000 tonnes	IV Year	-	1500 tonnes
II Year	-	1500 tonnes	V Year	-	1000 tonnes
III Year	-	2500 tonnes			

Give necessary ledger accounts for each of the five years in the books of Ravi.

4. On 1st April, 2008 Bihar Collieries Co. took on lease a mine from Seth. Under the contract, royalty was payable @ Rs 10 per tonne of coal extracted with an annual minimum rent of

Rs 1,00,000. Short-workings, if any, were recoverable only during the first three years of the contract.

The output for the first four years is noted below:

For the year ended 31st March, 2009 – 6,000 tonnes

For the year ended 31st March, 2010 – 10,500 tonnes

For the year ended 31st March, 2011 – 13,000 tonnes

For the year ended 31st March, 2012 – 20,000 tonnes

Pass Journal entries in the books of the landlord for all the four years.