



38122

Reg. No.

--	--	--	--	--	--	--	--

I Semester B.B.A.M Degree Examination, March/April - 2023

AVIATION MANAGEMENT

Accounting and Management Decisions

(CBCS Scheme Repeaters 2019-20)

Paper : 1.4

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer in English only.

SECTION - A

Answer any Five questions. Each question carries 2 marks.

(5×2=10)

1. a. What is instalment?
- b. What do you mean by activity based costing?
- c. What do you mean by Royalty?
- d. Who is a hire purchaser?
- e. Who is a land lord?
- f. What do you mean by book keeping?
- g. List any 2 accounting standards.



SECTION - B

Answer any Three questions. Each question carries 6 marks.

(3×6=18)

2. On 1st January 2012, the ABC Company bought a machine from the HMT Ltd. on hire purchase system. The cash price was Rs. 26,350 and the payment was to be made as follows: Rs. 10,000 on signing of the agreement and the balance in 3 yearly installment of Rs. 6,000 each, 5% interest is charged by the hire vendor. Calculate the interest for each year.
3. Prepare an analysis table from following details :
Royalty payable = 50 ps. Per ton of output; Minimum Rent Rs. 7,500 p.a.; right of recoupment of short workings = upto 3 years; output during the first 3 years = 10,000, 14,000, 18,000 tons respectively.

[P.T.O.]

4. From the following information of Red Cross Society, prepare Receipts and Payments Account for the year ended Dec. 31, 2019.

Cash in hand on Jan. 1, 2019 Rs. 35,000 and Cash at bank on Jan. 1, 2019, Rs. 50,000. Donation Received during the year Rs. 25,000 and Subscription received is Rs. 20,000. Utilities Charges Paid Rs. 5,000; Salary Paid Rs. 45,000 and Outstanding Salary is Rs. 5,000 Honorarium paid to trainer Rs. 15,000 and Rent Paid Rs. 7,500.

Life membership fees received Rs. 15,000 and Interest received on Government Bond Rs. 1,000 Purchase of computer by check Rs. 30,000 and Purchase of Furniture for Cash Rs.4,000 Entrance fees received Rs. 10,000.

Purchase of Supplies Material for Cash Rs. 6,000 and purchase of Government Bond Rs. 20,000. Payment to Petty Cashier Rs. 500. Cash in Hand Dec. 31, 2019 Rs. 8,000 and Cash in Bank Dec. 31, 2019 Rs. 15,000.

5. Write a short note on Make or Buy decision.

SECTION - C

Answer any Three questions. Each question carries 14 marks.

(3×14=42)

6. National Trading company hired Motor Van on Hire purchase system over a term of 2 years starting on 1st January 2020. The installments of Rs. 8000 each are payable half yearly. The present cash value of the motor van is Rs. 29,740 and motor company charges interest at the rate of 6% p.a. working half yearly. The company has decided to write off 10% depreciation annually on Diminishing Balance Method every year on 31st December.

Draft necessary journal entries and prepare necessary ledger accounts in the books of National Trading company.

7. Dhanabad Coal Company Ltd., took a lease of a mine on a royalty of Re. 1 per ton of coal raised. The dead rent being Rs. 60,000 p.a. Right to recoup short workings within a period of 5 years. The output for first five years was as follows:

Years	Output (Tons)
I	20,000 Tons
II	68,000 Tons
III	1,60,000 Tons
IV	2,40,000 Tons
V.	2,40,000 Tons

Pass necessary journal entries in the books of Dhanabad Coal Company.

8. Pass journal entries for the month of March 2021.
- Bought machinery on credit from Global traders Rs. 3,000.
 - Cash purchases Rs. 4,000.
 - Cash sales Rs. 5,000.
 - Received the amount due from Mr. Babu Rs. 7,500.

(3)

- v) Paid the amount due Global traders.
vi) Received interest on investment Rs. 6,000.
vii) Received service charges Rs. 8,000.
viii) Paid salaries Rs. 800 and rent Rs. 200.
ix) Received dividend on shares Rs. 6,000.
x) Paid general expenses Rs. 2,000.
xi) Bank allowed interest on deposits Rs. 20.
xii) Cash sales paid into bank Rs. 2,000.



9. The following Receipts and Payment account is prepared by Red Cross Society for the year ended Dec. 31, 2019.

Red Cross Society

Receipts and Payments Account for the year ended Dec. 31, 2019

Receipts	Amount	Payments	Amount
To Balance b/d :		By Utilities Expense	5,000
Cash : 35,000			
Bank : 50,000	85,000		
To Donation	25,000	By Salaries Expense	45,000
To Subscription	20,000	By Honorarium	15,000
To Life Membership fee	15,000	By Computer	30,000
To Interest on Bond	1,000	By Rent expense	7,500
To Entrance fees	10,000	By Furniture	4,000
		By Supply	6,000
		By Bonds	20,000
		By Balance c/d:	
		Cash - 8,500	
		Bank - 15,000	23,500
	<u>1,56,000</u>		<u>1,56,000</u>

Additional information :

- * Subscription Received includes Rs. 2,000 for 2020 and Rs. 3,000 for 2018.
- * Subscription Outstanding on Dec. 31, 2019 is Rs. 4,000.
- * Subscription received in advance in 2018 is Rs. 1,000 that is subscription for 2019.

[P.T.O.]



- * Computer was Purchased on April 1, 2019 and Furniture on 1 July 2019.
 - * The society had other fixed assets Rs. 1,50,000 as on Jan. 1.2019.
 - * Depreciation Rate on Fixed assets and furniture is 10% per year and on computer 15% per year.
 - * The Government Bonds is purchased on 1 July 2019 and rate of interest is 12% per year.
 - * Outstanding salary is Rs. 5,000 for 2019 and donation is general donation. From the above information prepare income and expenditure account of Red cross society.
-