



## SECTION – B

Answer **any three** of the following questions. **Each** question carries **4** marks.

(3×4=12)

2. Give six advantages of Financial Accounting.
3. Mr. Rajesh purchases a motor car on the hire purchase system. Calculate the cash price of the motor car from the following :

Down payment = ₹ 2,00,000

1<sup>st</sup> yr. installment = ₹ 2,80,000

2<sup>nd</sup> yr. installment = ₹ 3,60,000

3<sup>rd</sup> yr. installment = ₹ 3,30,000

Rate of interest @ 10% p.a.

4. Mr. Ravi Kumar purchased a machine on 1-4-18 from India Manufacturing Ltd. under Hire purchase system. The details are given below :

Cost of the machine – ₹ 4,00,000

Down payment – ₹ 1,00,000

Balance payable in 3 installments of ₹ 1,00,000 each at the end of each year along with an interest at 10% p.a. on the outstanding amount.

Prepare Mr. Ravi Kumar's A/c in the books of India Manufacturing Ltd., (if the books are closed on 31<sup>st</sup> March each year till the end of the three years.)