

Q.1. The Hire purchases department of Tulsian Ltd. provides you the following information for the year ending on 31st March 2002.

Purchase cost per unit	Rs.2,000
Cash Sales price per unit	Rs.2,400
Cash down payment per unit	Rs.400
Monthly payment per unit	Rs.200
Number of instalments per unit	12
Number of units sold on hire purchase basis	120
Number of instalments collected	420
Number of instalments due but not yet collected	58

Required : Calculate the following :

(a) Number of instalments fallen due during the year. (b) Number of instalments not yet due on 31.3.2002, (c) Amount of instalment not yet due, (d) Amount of instalment due but not yet collected, (e) Amount fallen due during the year, (f) Cash collected during the year, (g) Hire Purchase price per unit, (h) Total hire purchase price of units sold, (i) Total cost price of units sold on hire purchase, (j) % of profit margin on H.P. Sales, (k) Profit included in total hire purchases price, (l) Profit included in the amount of instalments not yet due, (m) Gross Profit.

Also Prepare Hire Purchase Stock Account, Hire Purchases Debtors Account and Hire Purchase Adjustment Account.

Q.2. Goods amounting to Rs.1,55,997 at hire purchase price were sold on hire purchase system. The hire-vendor normally sells goods at retail price showing a gross profit of 30% on that price. But when goods are sold on hire-purchase, he adds 5 per cent to retail price to cover additional risk. During the year goods costing Rs.10,500 were repossessed for non-receipt of any payment on them. These goods were valued at cost on 31st March. Cash received from customers amounted to Rs.63,000.

Required : Prepare Hire Purchase Trading Account for the year ending on 31st March, 2002, so that profits to be taken into account is such proportion of the profits as instalments due bear to the total goods sold on hire-purchase.