
STD : I.P.C.C.

IDEAL TEST

SUB. : ACCOUNTS

MARKS :

HIRE PURCHASE

TIME :

Q.1. A Ltd. purchased a machine from B Ltd. on hire purchase basis on the following terms:

(a) Down Payment 20% (b) Four half yearly Instalments of Rs.2,00,000 each (inclusive of interest @ 10% p.a.) commencing from the end of 6 months from the date of down payment.

Required: Compute the Cash Price (a) if the vendor charges interest at half yearly rest (b) if the vendor charges interest at yearly rest.

Q.2. A Ltd. purchased a machinery on hire purchase basis from B Ltd on the following terms:

(a) Original cost – Rs.6,97,370 (b) Balance to be discharged – In 4 annual equal instalments (Inclusive of interest at 10% p.a.) to be paid at the beginning of each year:

Required: Compute the amount of Instalment.,

=====