

Subject → Financial Accounting-II

Class → B.Com. Ist, Sem-II Ind

Topic → Hire Purchase system
&
Instalment ^{Payment} System

Important Ques. Related to this Topic

Q:1 → what is hire-purchase system? Explain with its characteristics.

Q:2 Differentiate between: →

(i) Hire purchase system and credit sale.

(ii) Hire purchase system and Instalment ^{payment} system

Q:3 Describe the methods of calculating interest, when the rate of interest is not given under the hire-purchase system with imaginary figures.

Q:4 Describe the methods of calculating cash price, when cash price is not given.

Q:5 → Out of following, which system is more suitable from seller's point of view and why? (i) Hire Purchase system (ii) Instalment Payment system

Q:6 What is accounting difference between Hire Purchase system & Instalment system
(Hint → All journal entries of Both)

Q:7 Write short Notes on: →

- (i) Maintenance Suspense A/c
- (ii) Interest Suspense A/c under Instalment Payment Systems
- (iii) Transfer of Asset to Third Party
- (iv) Accounting treatment in case of repossessed goods on default.

Important Note: → Illustration related to Repossession ^{of goods} due to default in payment
(Q No. 14 to 21 most important)