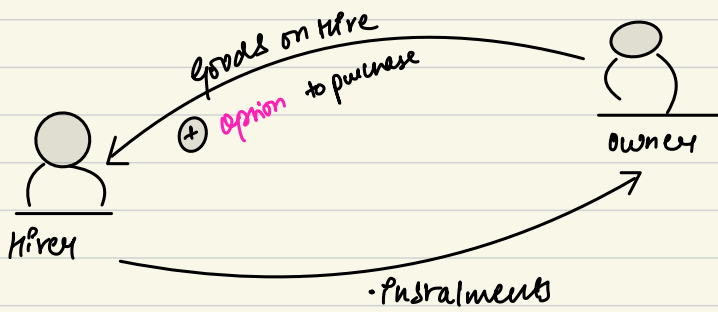


Hire Purchase (H.P.)



- property in Goods trfr to Hiree on last installment
- Terminate contract anytime before last installment.

H.P. Agreement \Rightarrow Auditor check?

(Basic) In writing & signed by all parties.

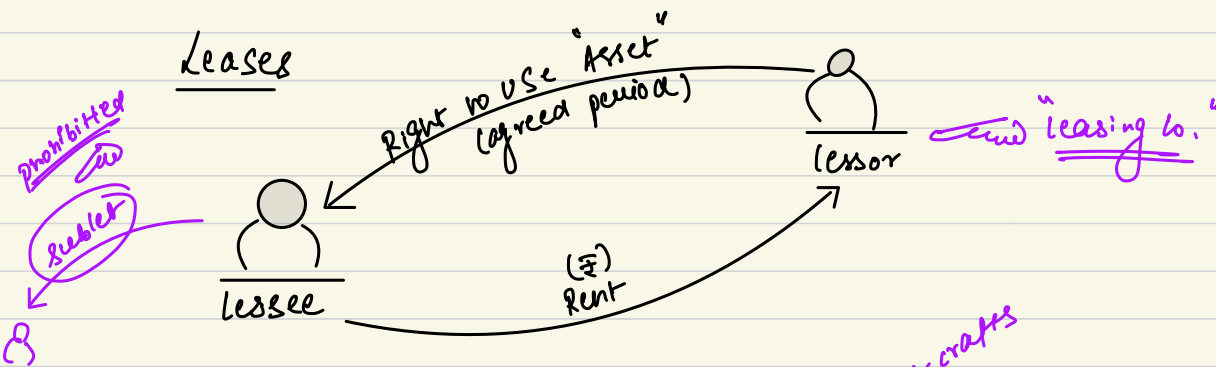
• Date of agreement

• Goods to which agreement relates.

• Prices $\begin{cases} \rightarrow \text{Cash Price of goods (Purchase Price)} \\ \rightarrow \text{H.P. Price (Installments)} \end{cases}$

• No. of installments [amount, date, person & place payable]

Leases



Audit of Leasing Co.

1. Study objects clause of Co. \rightarrow Capital/consumer goods etc for which Co. can do leasing Acts. \rightarrow whether Co. can do finance Acts?

Imp * Lease Agreement * i) description of lessor, lessee, equipment, location of installation.

Time { ii) Tenure of lease, dates of payment, late charges, security deposits etc.

iii) whether equipment returned to lessor on agreement completion

Equipment

cost borne by lessee.

&

iv) whether Agreement prohibits lessee from subletting equipment.

Examine:

