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SARDAR PATEL UNIVERSITY
BBA (GENERAL) (SEMESTER - I) EXAMINATION
2015
Saturday, 25 April 2015
2:30 PM to 4:30 PM
UM01CBBA05 – ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: Figures in the right indicate marks.

- Q-1 [A]** What is 'Accounting'? Give its definition and explain Objectives of Accounting in detail. (10)
- [B]** Classify following Accounts into Personal account, Real Account and Nominal Account: (05)
- 1) Capital Account
 - 2) Loose Tools Account
 - 3) Dividend Account
 - 4) Vani Fashion Mart Account
 - 5) Petty Cash Account

OR

- Q-1 [A]** Give Rules of Debit and Credit with appropriate Example. (05)
- [B]** Give meaning of the following terms: (10)
- 1) Business Transaction
 - 2) Discount
 - 3) Voucher
 - 4) Capital
 - 5) Assets

- Q-2 [A]** Explain following Accounting Concepts: (08)
- 1) Business Entity Concept
 - 2) Accounting Period Concept

- [B]** Write short note on General Accounting Principles (07)

OR

- Q-2 [A]** Short Note on: Convention of Consistency (05)
- [B]** Explain Concept of 'Dual Aspect Concept' (05)
- [C]** Discuss importance of Accounting Standard. (05)

- Q-3 [A]** Discuss types of errors in detail (10)

- [B]** Name different Subsidiary Books? Discuss any one Subsidiary Book in detail. (05)

OR

Q-3 Write following transactions of Shri Ishit in his journal:

(15)

2014	
Jan. 1	Ishit started business with cash Rs. 1,00,000, furniture Rs. 8,000 and Stock of Rs. 15,000.
Jan. 3	Opened a bank account and paid Rs. 10,000 in it.
Jan. 6	Sold goods to Esha Rs. 2,500, for which Rs. 2,200 is received.
Jan. 8	Purchased a table of Rs. 2,000 for office and a chair of Rs. 1,300 for home from Rami furniture Mart for cash.
Jan. 11	Sold goods on credit to Kruti Rs. 2,000 and to Kemy for cash Rs. 1,400.
Jan. 13	Bought goods of Rs. 8,000 at 10% trade discount from Parikh, on the condition that 5% cash discount will be allowed if payment is made within 15 days. Paid half the amount by cheque.
Jan. 14	Given good worth Rs. 4,100 to religious trust as charity.
Jan. 14	Received an order from Jalpa for supplying goods Rs. 2,500.
Jan. 16	Sent goods to Jalpa as per order.
Jan. 20	Paid salary in cash to Ruhi Rs. 3,000 and paid by cheque Rs. 900 for stationary.
Jan. 24	Kruti is declared insolvent and the amount due from her is written off.
Jan. 25	Paid the amount due to Parikh in cash.

Q-4 On 31st December 2013, the following trial balance was extracted from the books of Ms. Vani Parikh: (15)

Particulars	(Dr. Rs.)	Particulars	(Cr. Rs.)
Stock on 1 st January 2013	13,678	Capital account	76,000
Drawings account	6,000	Creditors	20,000
Debtors	39,000	Loan on mortgage	19,000
Interest on loan	600	Provision for bad debts	1,420
Cash in hand	24,100	Sales	2,19,286
Motor vehicles	20,000	Purchases return	2,692
Cash at bank	7,110	Discounts	1,080
Land and buildings	24,000	Bills payable	5,228
Bad debts	1,050	Rent received	500
Purchases	1,32,916	Sales tax collected	802
Sales returns	15,642		
Carriage outwards	4,808		
Carriage inwards	5,858		
Salaries	18,194		
Rates, taxes and insurance	5,782		
Advertising	6,528		
General expenses	6,978		
Bills receivable	13,764		
Total	3,46,008	Total	3,46,008

Prepare the trading and profit and loss account for the year ended 31st December 2013 and the balance sheet as on that date after making adjustments as the following:

1. Depreciate land and buildings at 2.5 per cent, and motor vehicles at 20 per cent.
2. Interest on loan at 6 per cent per annum is unpaid for six months.
3. Salaries amounting to Rs. 1,500 and rates amounting to Rs. 700 are outstanding.
4. Prepaid insurance amounts to Rs. 300.
5. The provision for bad debts is to be maintained at 5 per cent on sundry debtors.
6. Stock in hand on 31st December 2013 was valued at Rs. 13,500.

OR

Q-4 From the following trial balance of Mr. Mukesh, prepare Final Accounts as on 31st March, 2013. **(15)**

Debit balances	Rs.	Credit balances	Rs.
Drawings	1,00,000	Capital	4,00,000
Debtors	2,00,000	Creditors	1,00,000
Sales Return	4,000	Purchase Return	6,000
Bills Receivables	32,000	Bills Payable	40,000
Cash	6,000	Bank Overdraft	20,000
Discount	2,000	Discount	2,000
Bad debts	2,000	Bad debts reserves	4,000
Purchases	2,80,000	Sales	5,44,000
Machinery	72,000	Unpaid wages	4,000
Furniture	30,000	8% Loan of Mrs. Hemangi (Date 1-10-2012)	40,000
Stock (1-4-2012)	1,00,000		
Prepaid Insurance	400		
Wages	60,000		
Salary	40,000		
Insurance	3,600		
Bank Interest	400		
Carriage Inward	2,000		
Rent and taxes	20,000		
General expenses	6,000		
Goodwill	1,40,000		
Building	40,000		
Sundry expenses	19,600		
Total	11,60,000	Total	11,60,000

Adjustments:

- (1) Closing stock is Rs.2,00,000.
- (2) Interest at the rate of 5% p.a. is to be allowed on capital.
- (3) Interest on drawings Rs.4,000.
- (4) Provide 5% for doubtful on debtors.
- (5) At the end of the year, Unpaid salary is of Rs.2,400, Unpaid sundry expenses are of Rs.1,600 and Unpaid Rent is of Rs.1,000.
- (6) Calculate depreciation at 10% on machinery and at 5% on furniture.
