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SARDAR PATEL UNIVERSITY
FYBBA[International Business] SEM – I (NC)
Accounting for Foreign Trade
UM01CBBB04

Date : 25-04-2015
 TIME : 02.30 TO 4.30 pm

TOTAL MARKS : 60

- Q.1a)** Define Accounting & State its objectives. **08**
b) Differentiate Capital Expense & Revenue Expense. **07**

OR

- Q.1a)** Write a short note on Errors of Omission. **05**
b) Classify following into Personal Account, Real Account & Nominal Account. **10**
- 1) Rent received Account
 - 2) Stationary Account
 - 3) Bad debts Account
 - 4) Carriage Outward Account
 - 5) Goodwill Account
 - 6) Gold-Silver Account
 - 7) Machinery Account
 - 8) Life Insurance Co's Account
 - 9) Gujarat Govt. Account
 - 10) Capital Account

- Q.2** Journalise following Transaction in the books of Komal. **15**

2014	
June 1	Commenced Business with Cash Rs. 10,000.
June 2	Rs. 8000 paid into Bank.
June 3	Bought goods for Cash Rs. 500.
June 4	Bought furniture for office use by cheque Rs. 500.
June 10	Rs.900 withdrawn from bank for office use.
June 13	Goods sold to Gopal Rs. 500.
June 15	Bought goods from Ramshankar Rs. 510.
June 18	Paid trade expense of Rs. 200
June 19	Received Rs. 490 cash from Gopal and allowed discount Rs.10
June 25	Rs. 70 paid as wages.
June 28	Paid Rs.500 on Ramshankar in full settlement.
June 30	Interest on capital paid Rs. 500
June 30	Paid Rent Rs. 150

OR

- Q.2(a)** State the meaning of subsidiary books. Explain Sales book & Purchase book. **8**
- (b)** Sumit started business on 1st April 2014 with cash Rs. 12000, Furniture Rs. 1500, Stock of Goods Rs. 6000, Debtor Dinesh (Dr.) Rs. 4000 and Creditor Mahesh (Cr.) Rs. 4,500. **7**

Journalize the above transaction and post into the ledger.

- Q.3** Prepare final accounts from the following trial balances of Mohan for the period ending on 30st March 2014. **15**

Particulars	Rs.	Rs.
Capital	-	1,80,000
Drawing	12,960	
Land & Building	50,000	
Plant & Machinery	28,540	
Furniture	2,500	
Carriage Inward	8,740	
Wages	42,940	
Salary	9,340	
B.D.Reserve	-	4,940
Sales	-	1,82,460
Sales Returns	3,520	
Bank expenses	280	
Coal, Gas & Water	1,440	
Rent & Tax	1,680	
Discount	-	240
Purchases	84,320	-
Purchase Returns	-	16,920
Bills Receivables	2,540	-
Trading expenses	3,980	
Debtors	75,600	
Creditors	-	25,340
Stock	52,840	
Fire Insurance Premium	980	
Cash at Bank	26,000	
Cash in hand	1,700	
	4,09,900	4,09,900

While preparing final accounts, the following adjustments are to be taken into consideration :

1. Charge depreciation at 2.5% on land & building, 10% on plant & machinery and 10% on furniture.
2. Create B.D.Reserve by 5% on debtors
3. Rs.250 for fire insurance premium, Rs.480 for Rent & Tax is to be carried forward for next year.
4. Charge 5% interest on capital
5. Closing Stock Rs.58,780

OR

Particulars	Debit	Credit
Share Capital	-	4,00,000
Op. Stock	1,86,420	
Purchases & Sales	7,18,210	11,69,900
Returns	12,680	9,850
Manufacturing Wages	1,09,740	
Sundry Manufacturing Expenses	19,240	
Carriage Inward	4,910	
18% secured Bank Loan	-	50,000
Interest on Bank loan	4,500	
Office Salaries & Expenses	17,870	
Auditor's fees	8,600	
Directors' Remuneration	26,250	
Preliminary expenses	6,000	
Freehold premises	1,64,210	
Plant & Machinery	1,28,400	
Furniture	5,000	
Loose Tools	12,500	
Debtors & Creditors	1,05,400	62,220
Cash in Hand	19,530	
Cash at Bank	96,860	
Advance payment of Tax	84,290	
P & L A/c on 1 st April 2013	-	38,640
	17,30,610	17,30,610

Considering following adjustments prepare Profit & Loss Account, Profit & Loss appropriation account and balance sheet as on date.

1. On 31st March 2014 outstanding Manufacturing wage and outstanding salaries stood at Rs. 1890 and Rs. 1200 respectively.
2. Loose Tools depreciated with Rs. 2,500
3. Closing Stock valued at Rs. 1,24,840
4. Provide for interest on Bank Loan for 6 months
5. Depreciation on Plant & Machinery is to be provided at 15% & on Furniture at 10%
6. Write off one third of Balance of preliminary expenses.
7. Make a provision for Income Tax at 50%
8. The Directors recommended a first dividend at 15% for the year ending 31st March 2014 after transfer of 5% of net profits to General Reserve.

Q.4

Following is the Trail Balance on Dec. 31, 2013 of Coimbatore Branch of an English firm having Head office in London.

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	Debit (Rs.)	Credit (Rs.)
Stock Jan. 1, 2013	12600	
Purchases & Sales	75000	112500
Debtors & Creditors	39000	26000
Bills Receivables & Bills Payable	10400	9100
Salaries & wages	4800	
Rent, Rates & Taxes	5100	
Furniture	4910	
Cash at Bank	28990	
London Account		33200
	180800	180800

On Dec 31, 2013 stock was valued at Rs.32500. The debit balance of the branch account in London books on Dec 31, 2013 was £ 2680 and Furniture Account appeared at £350. On Dec 31, 2013 there was Cash-in Transit from Delhi to London amounting to Rs. 2600. The rate of exchange on 31 Dec, 2012 was Rs.14 and on 31 Dec 2013 was Rs.13. Average rate of 2013 was Rs.12.

Prepare the Branch Profit & Loss Account & the Balance Sheet in the Head office books.

OR**Q.4**

A) Write a short note on

08

1. Contingent Liability
2. Unclaimed Dividend

B) Narrate Vertical format of Balance Sheet according to Revised Schedule VI.

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