

52

[42]

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**SARDAR PATEL UNIVERSITY**  
**BBA (ITM) (SEMESTER - I) EXAMINATION**  
**2015**

**Saturday, 25 April 2015**

**2:30 PM to 4:30 PM**

**UM01CBBI05 – ACCOUNTING FOR MANAGEMENT**

**Total Marks: 60**

**Note: Figures in the right indicate marks.**

- Q-1 [A]** Give meaning of the following terms: (10)
- 1) Depreciation
  - 2) Stock
  - 3) Capital
  - 4) Debtor
  - 5) Assets

- [B]** Give Golden Rules of Debit and Credit with appropriate Examples. (05)

**OR**

- Q-1 [A]** What is 'Accounting'? Give its definition and explain Areas of accounting in detail. (10)

- [B]** Distinguish between: Capital Expenditure Vs. Revenue Expenditure (05)

- Q-2 [A]** What is Accounting Standards? Discuss need of Accounting Standards. (05)

- [B]** Explain following Accounting Concepts: (10)
- 1) Business Entity Concept
  - 2) Convention of Consistency

**OR**

- Q-2 [A]** Short Note on: Convention of Full Disclosure. (05)

- [B]** Explain 'Accounting Period Concept' (05)

- [C]** Enlist International Financial Reporting Standards (IFRS). (05)

- Q-3** Mr. Mukesh starts a new business. Transactions for the month of January, 2014 are given below. Journalize the transaction with narration. (15)

2014	Transactions
Jan. 1	Mukesh started business with cash Rs.90,000, furniture Rs. 5000 and stock of goods Rs. 3,000.
Jan 4	Opened a bank account and paid Rs. 20,500 in it.
Jan 6	Sold goods to Sapana Rs. 2,500, for which cash Rs. 1,500 is received.
Jan 8	Purchase a table of Rs. 2,000 for shop and a chair of Rs. 1,500 for home from Mistry Furniture Mart for cash.
Jan 10	Sold goods on credit to Vaishvi Rs. 2,000 and to Nishith for cash Rs. 1,500.

Jan 14	Bought goods of Rs. 8,000 at 10% trade discount from Megh, on the condition that 5% of cash discount will be allowed if payment is made within 15 days.
Jan 16	Received an order from Riya Bhatt for supplying goods of Rs. 5,000.
Jan 17	Sent goods to Riya Bhatt as per order.
Jan 20	Paid salary in cash to Shilpa Rs. 1,000 and paid by cheque Rs.1,100 for stationary.
Jan 25	Vaishvi is declared insolvent and the amount due from her is written off.
Jan 27	Paid the amount due to Megh in cash.
Jan 28	Mukesh paid Rs. 9,500 for his son's tuition fees.
Jan 30	Sapana paid Rs. 900 and settled her account.

**OR**

**Q-3 [A]** What we mean by Subsidiary Books? Give Specimen of the Purchase Book & Sales Book. (05)

**[B]** Explain the errors disclosed by Trial Balance. (10)

**Q-4** Explain & Give specimen of Trading Account, Profit & Loss Account and Balance Sheet with imaginary figures. (15)

**OR**

**Q-4** From the following Trial Balance and adjustments, prepare the Trading Account, Profit and Loss Account for the year ended 31st December, 2013 and Balance Sheet as on that date: (15)

**Trail Balance as on 31-12-2013**

Particulars	Debit (Rs.)	Credit (Rs.)
Purchases and Sales	8,000	20,000
Wages and Salaries	2,000	
Returns	1,000	500
Insurance & License	1,000	
Interest		500
Sundry Expenses	500	
Debtors and Creditors	5,000	9,000
Bills Payable		6,000
Advertisement	500	
Drawings and Capital	3,000	15,000
Miscellaneous Income		1,000
Furniture	10,000	
Cash and Bank	2,000	6,000
Bad debts	500	
Plant and Machinery	14,500	
Building	10,000	
<b>Total</b>	<b>58,000</b>	<b>58,000</b>

**Adjustments:**

1. Closing Stock on 31-12-2013 Rs. 6,000.
2. Unexpired insurance Rs. 200
3. Outstanding wages and salaries Rs. 500
4. Depreciation: Furniture 10%, Plant and Machinery 10% and Building 5%
5. Write off Rs. 200 as bad debts and provide 10% for doubtful debts on debtors.

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