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SARDAR PATEL UNIVERSITY
BBA (ITM) (3 Years) (SEMESTER - I) EXAMINATION
19th April, 2016 (Tuesday)
2:30 PM to 4:30 PM
UM01CBBI10 – ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: Figures in the right indicate marks.

- Q-1 [A] Classify following account in to Personal, Real & Nominal. (10)
- | | |
|---------------------------|-----------------------------|
| 1. Drawings Account | 6. Stationary Account |
| 2. Building Account | 7. Bank of Baroda's Account |
| 3. Interest Account | 8. Cash Account |
| 4. Ishit Parikh's Account | 9. Bad debts Account |
| 5. Patent Account | 10. Amul Dairy's Account |
- [B] Write on: Types of Account and give its rule of Debit and Credit. (05)

OR

- Q-1 [A] Define 'Accounting'. Discuss Scope of accounting. (07)
- [B] Give meaning of the following terms: (08)
- | | |
|-----------------|-------------|
| 1. Depreciation | 3. Profit |
| 2. Goods | 4. Drawings |

- Q-2 Journalize the following transactions in the Books of VIP Ltd. (15)
- Debit balance on March 1, 2016: Cash in Hand Rs. 16,000, Cash at Bank Rs. 50,000, Stock of Goods Rs. 40,000, Furniture Rs. 4,000, Building Rs. 20,000, Sundry Debtors includes Mr. X Rs. 4,000, Mr. Y Rs. 2,000, Mr. Z Rs. 4,000.

Credit balance on March 1, 2016: Sundry Creditors Rs. 10,000 and Loan from Ravi Rs. 20,000

2016	Transactions
March 1	Purchased goods worth Rs. 10,000 for cash less 20% trade discount and 5% cash discount.
March 4	Received Rs. 3,960 from Mr. X and allowed him Rs. 40 as discount.
March 6	Purchased goods from Riaan Rs. 10,000.
March 8	Purchased plant from Radhika for Rs. 10,000 and paid Rs. 200 as cartage for bringing the plant to the factory and another Rs. 400 as installation charges.
March 12	Sold goods to Rohan on Credit Rs. 1,200.
March 15	Rohan became insolvent and could pay only 50 paise in a rupee.
March 18	Sold goods to Ram for cash Rs. 2,000
March 20	Paid salary to Ratan Rs. 4,000
March 21	Paid Riaan Rs. 9,600 in full settlement.
March 26	Interest received from Madhu Rs. 400
March 28	Paid to Ravi interest on loan Rs. 1,000
March 31	Sold goods for cash Rs. 1,000
March 31	Withdrew goods from business for personal use Rs. 400.

OR

Q-2 [A] What is Ledger? Give format of ledger & discuss its advantages. (10)

[B] Write on: Errors which does not affect agreement of Trial balance. (05)

Q-3 From the following Trial balance of Komal Parikh, prepare Trading and Profit & Loss Account for the year ending 31st March, 2015 and Balance Sheet as on that date: (15)

Debit Balances	(Rs.)	Credit Balances	(Rs.)
Opening Stock (1-4-2014)	34,000	Capital	2,00,000
Purchase	1,92,200	Creditors	1,11,200
Wages	14,800	Sales	3,44,000
Carriage inward	10,800	Rent	4,800
Carriage outward	4,000		
Salary	12,000		
Buildings	1,60,000		
Furniture	9,200		
Depreciation on Furniture	1,000		
Debtors	1,62,000		
Insurance premium	3,200		
Printing & Stationary	5,000		
Sundry Expenses	8,800		
Repairs	2,000		
Cash on hand	25,000		
Drawings	16,000		
	6,60,000		6,60,000

Adjustments:

1. Value of closing stock was Rs. 15,200.
2. Rs. 2,400 was outstanding for salaries.
3. Depreciation on Building @ 5%.
4. Insurance paid in advance Rs. 200
5. Building rent received in advance was Rs. 600.
6. Credit purchase of Rs. 1,400 was not recorded in the books of account.

OR

Q-3 Give specimen of Trading Account, Profit & Loss Account and Balance Sheet with imaginary figures. (15)

Q-4 HMP LTD issued a prospectus inviting applications for 40,000 equity shares of Rs. 10 each at a premium of Rs. 2.00 per share payable as under: (15)

On application	Rs. 2.00
On allotment	Rs. 5.00 (with premium)
On first call	Rs. 2.00
On second call	Rs. 3.00

Applications were received for 60,000 shares and pro rata allotment was made to the 48,000 applications, excess amount received on such shares would be utilized at the time of allotment. Remaining applications was refused and the amount was refunded.

Naysha to whom 1600 shares were allotted failed to pay the allotment money and Aanya to whom 2000 shares were allotted failed to pay two calls. Pass necessary journal entries and prepare Bank Account in the books of the company.

OR

Q-4 [A] Anand Ltd. of Indore was incorporated in 2010 and issued 6,00,000 equity shares of Rs 10 each at a discount of Re. 1 per share on 1st January, 2015. The amount was payable as under: **(08)**

On application Rs. 2 per share (Net of discount) per share, on allotment Rs. 3 per share, on first call Rs. 2 per share and on final call Rs. 2 per share.

First and final call amount on 2400 shares held by Neha and final call amount on 1800 shares held by Alpita were not received. Except this, all the amounts due on shares were received.

Pass necessary journal entries in the books of company to record above transactions.

[B] Give meaning of Share Capital & discuss Types of Share Capital with example. **(07)**
