

SARDAR PATEL UNIVERSITY
BBA (I Semester) Examination
Wednesday, 13 June 2012
11am - 1pm

UM01CBBA05 - Accounting for Management

Total Marks: 60

Q.1

- (a) What is an account ? Explain various types of accounts and also rules of debit and credit. (06)
- (b) Distinguish between : (04)
- (i) Capital Expenditure V/S Revenue expenditure
- (ii) Reserves V/S Provisions
- (c) State the Main Objectives of Accountings. (05)

OR

Q.1

- (a) Explain the scope of Accounting. (05)
- (b) Distinguish between (04)
- (i) Capital and Drwaing
- (ii) Debtors and Creditors
- (c) Give the meaning of the following terms (06)
- (i) Transaction (ii) Depreciation (iii) Voucher

Q.2

- (a) Explain the following accounting concepts : (10)
- (i) Business entity concept
- (ii) Going concern concept
- (b) Discuss the importance of Accounting standards. (05)

OR

Q.2

- (a) Enlist International financial Reporting standards. (05)
- (b) Explain the following accounting concepts : (10)
- (i) Consistency Concept
- (ii) Matching Concept

Q.3

- (a) Write notes on: (10)
- (i) Errors not affecting the trial balance
- (ii) One-sided errors
- (b) Name different subsidiary books and explain any one subsidiary book in detail. (05)

OR

Q.3

- (a) Journalize the following transactions of Shri Shiv for Aug. 2011. (10)
He has started a new business.
- Aug.1 Building Rs. 200000, Machinery Rs. 100000, Stock Rs. 300000, Cast at Bank Rs. 40000, Cash on hand Rs. 20000, Due from Kavya Rs. 20000, Due to Meghna Rs. 10000, 8% loan from Nandita Rs. 100000.
- Aug.3 Withdrawn from bank and paid salary Rs. 10000.
- Aug.5 Bought diaries and pen for advertisement from Tisha Advertising Ltd. Rs. 4000 on credit.
- Aug.10 Paid telephone deposit Rs. 2000 by cheque.
- Aug.12 Goods costing Rs. 1600 are stolen from godown
- Aug.20 Paid life insurance premium Rs. 3000 and fire insurance premium of Rs. 2000 by cheque
- Aug.25 Draw amount for personal use Rs. 2400.
- Aug.27 Cash sales, Rs. 20000 amount deposited into bank.
- Aug.31 Paid by cheque interest on loan for 3 months.
- (b) Explain the difference between a ledger and a journal and discuss the importance of ledgers. (05)

- Q.4 From the following trial balance extracted from the books of Shri Harshiv Prepare a Trading and profit and loss account for the year ended 31st December, 2010 and a Balance Sheet as on that date : (15)

Trial balance as on 31December 2010

Name of Accounts	Debit Balance	Credit Balance
Drawing and capital	10000	80000
Purchases and Sales	30000	50000
Salaries	4000	----
Rent	3000	----
Insurance	600	----
Machinery	56000	----
Bank Balance	9000	----
Cash in hand	4000	----
Stock (1-1-10)	10400	----
Debtors and creditors	5000	2000
Adjustments	132000	132000

- (1) Closing stock is Rs. 8400 of which the market value of 10% stock is less by 10%
- (2) Depreciate machinery by 10%.
- (3) Prepaid insurance Rs. 200
- (4) Charge 5% interest on Capital.
- (5) The goods purchased by krunal for Rs. 800 were returned by him on 20-12-10. This was not recorded in the books.
- (6) Write off Rs. 1000 as bad-debts and provide 5% B.D.R.

OR

Q.4 Following is the trial balance of H.N. Stores a proprietorship concern (15)
as at 31st March 2011.

Trial balance as on 31 March 2011

Name of the Accounts	Debit Balance	Credit Balance
Purchases and Sales	240000	400000
Stock (1-4-10)	70000	---
Debtors and creditors	100000	48000
Plant and Machinery	120000	---
Furniture	30000	---
Bills	40000	44000
Carriage Inward	20000	---
Carriage outward	4000	---
Bank overdraft	---	20000
Commission	---	6000
Deposit from customer	---	10000
Capital	---	160000
Wages	32000	---
Investments	32000	---
Cash in hand	2400	---
Bad-debts reserve	---	2400
	690400	690400

Additional Information

- (1) Closing stock Rs. 40000
- (2) On 1-4-10 a machine worth Rs. 2000 was sold for Rs. 1800. This amount is included in the sales.
- (3) Depreciate plant and machinery and furniture by 10%.
- (4) Goods worth Rs. 3500 returned by customers have been included in purchases.
- (5) Write off Rs. 500 as bad debts and create bad debts reserve @ 5% on debtors.

Prepare the trading and profit and loss Account for the year ended 31st March, 2011 and Balance Sheet as on that date.

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