

SARDAR PATEL UNIVERSITY
B.B.A (FT) (I-SEM.) EXAMINATION

2012

Monday, 31st December

10.30 am to 12.30 pm

UM01CBBF02 : Principles & Practice of Accounting

Total Marks: 60

Note: Figures to the right indicate full marks of the questions.

Q.1

- (A) What is Accounting? State the objectives of Accounting. [10]
(B) State the Rules of Debit and Credit. [05]

OR

Q.1

- (A) Write as short note on Types of Errors. [05]
(B) Explain the following Accounting Term. [10]
(1) Debtors (2) Creditors (3) Current Assets
(4) Net Profit (5) Purchase

Q.2 Enter the following transaction of 'Shree Hari' in his Journal: [15]
July, 2010

1. Opened a Bank account with Rs.10000.
2. Received a cheque from Krishna Rs.500.
3. Cheque received from Krishna is paid into Bank.
4. Received a crossed cheque from Gopal Rs.200.
5. A machine was purchased for Rs.5000 and paid for it by a cheque. The installation charges of the machine Rs.100 is paid in cash.
6. Sold goods for cash Rs.2000 and deposited half the amount into the Bank.
7. Withdrawn Rs.100 for personal use and Rs.200 for office use from Bank.
8. Given a cheque of Rs.500 to Jagannath on account.
9. Paid Rs.200 for salary in cash and fire insurance premium Rs.100 by a cheque.
10. Bank has debited Rs.5 to our account for Bank charges and credited Rs.10 for interest.
11. Given a cheque of Rs.105 to Kanaiya in full settlement of our dues of Rs.110 to him.

OR

Q.2

- (A) Kesha started business on 1st April, 2004 with cash Rs.12000, Furniture Rs.1500, Stock of goods Rs.6000, Debtors Dinkar (Dr.) Rs.4000 and Creditors Divakar (Cr.) Rs.4500 [10]
Journalise the about transaction and post in to the ledger.
- (B) Write a short note on 'The Purchase Book' with specimen copy. [05]

- Q.3 From the following balances as on 31-12-2009 of Shri Gopal and the adjustments given below, prepare Trading Account, Profit & Loss A/c for the year ending 31-12-2009 and a Balance Sheet as on that date. [15]

Debit Balances	Rs.	Credit Balances	Rs.
Stock (1-1-09)	23000	Sales	82500
Salaries	4200	Purchase Returns	4000
Railway Freight	1250	16% loan (from 1-7-2009)	2500
Carriage inward	750	Interest on Investment	245
Drawings	7500	Bills payable	2500
Machinery	12500	Capital	50000
Buildings	12500	Discount	750
Debtors	37500	Outstanding wages	500
Travelling Expenses	500	Bad debts reserve	1000
Bad Debts	1000	Creditors	37500
Investments	2000	Commission	3000
Insurance Premium (for the year ending 28-2-10)	600		
Cash on hand	270		
Bank Balance	3350		
Furniture	4000		
Purchase	45000		
Advertisement Exp.	1000		
Sales Return	5000		
Wages	5000		
Postage & Stationery	1000		
Discount	1525		
Interest on 16% loan	50		
Bills receivable	15000		
	184495		184495

Adjustments:

- (1) Stock on 31-12-09 is Rs.9000.
- (2) Depreciate machinery @ 10%, value of Building on 31-12-09 is 12000.
- (3) Maintain bad debts reserve at 5% on debtors.
- (4) Calculate interest on capital at 12% p.a. and charge interest for 6 months on drawing at 12% p.a.

OR

- Q.3 From the given Trial Balance of 'Maruti'. Prepare Trading, Profit & Loss A/c for the year ended on 31st December, 2010 and a Balance Sheet as on that date. [15]

Debit Balances	Rs.	Credit Balances	Rs.
Purchase	310000	Sales	415000
Opening stock	50000	Capital	288600
Cash in Hand	2100	Sundry creditors	40000

Cash in Bank	12000		
Drawings	4000		
Rates & Taxes	5000		
Salaries	32000		
Postage & Telephone	11500		
Salesmen's commission	35000		
Insurance	9000		
Advertising	17000		
Furniture & Fittings	22000		
Printing & Stationery	3000		
Motor Car	48000		
Bad Debts	2000		
Cash discounts	4000		
General exps.	14000		
Carriage inward	10000		
Carriage outward	22000		
Wages	20000		
Audit exps.	11000		
Sundry debtors	100000		

You are also given the following information:

- (1) Cost of goods in stock as on 31st December, 2010 was Rs.145000.
- (2) Maruti had withdrawn goods worth Rs.5000 during the year.
- (3) Purchases includes purchase of furniture worth Rs.10000.
- (4) Write off further bad debts worth Rs.5000.
- (5) Provision for bad debts is to be created at 5% debtors. Also create a discount reserve on debtors at 2% and creditors at 2%.
- (6) Depreciate furniture by 10% and Motor car by 20%.
- (7) The salesmen are entitled to a commission on of 10% on sales.

Q.4 Iskcon Ltd, Brindavan have a branch in Singapore. At the end of 31-3-2009, the following ledger balances have been extracted from the books of Brindavan office and Singapore office. [15]

(Amount in Rs./\$000's)

Particulars	Brindavan (Rs.)		(S \$)	
	Dr.	Cr.	Dr.	Cr.
Share Capital	-	2000	-	-
Reserve & Surplus	-	1000	-	-
Land	500	-	-	-
Buildings (cost)	1000	-	-	-
Buildings Dep./reserve	-	200	-	-
Plant & Machinery Dep. Reserve	-	600	-	130
Plant & Machinery (cost)	2500	-	200	-
Debtors/Creditors	280	200	60	30

Stock (1-4-09)	100	-	20	-
Branch Stock Reserve	-	4	-	-
Cash & Bank Balances	10	-	10	-
Purchase/Sales	240	-	20	-
Sales	-	520	-	123
Goods sent to Branch	-	100	5	-
Managing Directors's Salary	30	-	-	-
Wages & Salaries	75	-	45	-
Rent	-	-	12	-
Office Expenses	25	-	18	-
Commission Receipts	-	256	-	100
Branch/HO current A/c	120	-	-	7
	4880	4880	390	390

The Singapore Dollar was trading at the following prices on various days:

- (a) Opening Rate - Rs.20
- (b) Closing Rate - Rs.24
- (c) Average Rate - Rs.22

The rate per Singapore Dollar at the time of acquiring Fixed Assets was Rs.18.

You are required to convert the Branch Trial Balance in to Rupees.

OR

Q.4 Draw the performa of Vertical Balance Sheet showing all schedules. [15]

