

SARDAR PATEL UNIVERSITY
BBA (I-Sem.) (NC) EXAMINATION
Monday, 31st December, 2012
10.30 am to 12.30 pm

UM01CBBF02 : Principles & Practice of Accountancy

Total Marks : 60

- Q.1(A) Define Book Keeping and Accountancy and explain importance of Accountancy. (05)
- (B) Explain the following terms. (05)
- (1) Goods (2) Assets (3) Capital
 (4) Trade discount (5) Drawing
- (C) Explain difference between capital and revenue expenses. (05)

OR

- Q.1(A) Write note on Accounting Errors. (05)
- (B) Explain rules of debit and credit with Examples. (05)
- (C) Give difference between cash transaction and credit transaction. (05)

- Q.2 Journalise the following transactions into the books of Ketan Patel and prepare cash Account and Banks A/c. (15)
- Nov. 2011
1. Ketan starts business with cash Rs. 200000 and building Rs. 400000.
 2. Cash deposited with Banks of Baroda Rs. 150000.
 3. Goods purchase for Cash Rs. 50000.
 4. Sold goods for Rs. 40000 at 10% trade discount.
 5. Paid salary to Jay Rs. 5000.
 6. Goods delivered to Shreyash Rs. 20000 at 10% trade discount.
 7. Shreyash return goods for Rs. 1000.
 8. Paid Insurance premium by cheque Rs. 2000.
 9. Goods destroyed by fire Rs. 10000 and Insurance Company admitted claim for Rs. 8000.
 10. Cash withdrawn for personal use for Rs. 5000.

OR

- Q.2(A) Write note on various types of subsidiary books. (05)
- (B) Prepare Trial Balance with imaginary figurers. (05)
- (C) Explain Limitations of subsidiary Books. (05)

- Q.3 The following details are obtained from the books of Mr. Jay Patel. (15)
Trial Balance as on 31.3.2011

Particular	Debit Rs.	Credit Rs.
Capital and Drawing	10000	100000
Purchase and Sales	38000	127000
Purchase return & Sales return	3200	2300
Opening Stock	13300	--
Commission	1200	800
Investment	29000	--
Interest and Investment	--	1000
Bills receivable & Bills Payable	3200	2300
Building	30000	--
Machineries	50000	--
Rate & Taxes	5600	--
Rent received	--	400
Cash balance	12000	--
Bank Overdraft	--	8000
Carriage Inward	800	--
Carriage Outward	4500	--
Stationary Expenses	10200	--
Discount	400	800
Debtors and Creditors	41000	24000
Salary	15000	--
Insurance	2600	--
Reserve Fund	--	3400
	270000	270000

Additional information :

- (1) Closing stock was Rs. 30000.
- (2) Provide depreciation on Building at 5% and at 10% on Machinery.
- (3) Written off bad debts Rs. 1000 on debtors and provide 5% for bad debts reserve.
- (4) Charge interest on capital and drawing at 10% p.a.

OR

- Q.3(A) Explain difference between Trial balance and Balance Sheet. (10)
- (B) Prepare adjustment entries of following transactions. (05)
- (i) Depreciation on machinery Rs. 10000.
 - (ii) Interest on capital Rs. 11000.
 - (iii) Unpaid Salary Rs. 5000.
 - (iv) Prepaid Rent Rs. 2000.
 - (v) Provision for bad debts on debtors Rs. 2000.

- Q.4 Write note on following : (15)
- (1) Preliminary Expenses.
 - (2) Un-claim dividend.
 - (3) Contingent Liabilities.

OR

- Q.4(A) Prepare Performa of vertical Balance Sheets of joint stock company with imaginary figures. (08)
- (B) Write note on Foreign Branch Account. (07)

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