

SARDAR PATEL UNIVERSITY
FYBBA (F.T.) (I SEMESTER) EXAMINATION
2012
Tuesday, 4th December
10.30 a.m. to 12.30 p.m.
UM01CBBF05 : ACCOUNTING FOR FOREIGN TRADE

Total Marks : 60

Q.1

- (a) Give the Definition of 'Accounting'. [05]
 (b) Give the difference between Capital & Revenue Expenses. [10]

OR

Q.1

- (a) Explain the Types of 'Error' in Accounting. [05]
 (b) Classify the following Accounts into Personal Account, Real Account & [10]
 Nominal Account.

- 1) Rent A/c
- 2) Salary A/c
- 3) Interest A/c
- 4) Furniture A/c
- 5) Outstanding salary A/c
- 6) Telephone Charges A/c
- 7) Capital A/c
- 8) Cash A/c
- 9) Bank of Baroda's A/c
- 10) Gujarat Govt. A/c

- Q.2 Journalise following Transactions in the books of Mr. Shyamlian. [15]

2012

September

1. Started business with Rs. 200000 in the bank and Rs. 40000 cash
2. Purchased furniture of Rs. 60000 from Furniture Bazar on credit.
3. Bought Goods on credit from Krishna of Rs. 40000
4. Cash Sales of Rs. 25000
5. Paid Insurance Premium by cheque Rs. 700
6. Goods return to Krishna of Rs. 5000
7. Paid to Krishna by cheque Rs. 30000 and remaining amount paid by cash.
12. Bought stationary, paid cash Rs. 1000
16. Paid to 'Furniture Bazar' by cheque.

17. Sold goods to Mr. Edward by cash of Rs. 5000
 19. Sold goods to Ms. Elice for cash Rs. 10000, and paid carriage on behalf of her of Rs. 30
 20. Sold Goods of Rs. 15000 at 20% Trade discount to Mr. Jacob for cash.
 22. Withdrawn cash for personal use of Rs. 7000
 25. Paid salary to Assistant of Rs. 3000 by cash.
 30. Deposited of Rs. 30000 into bank.

OR

Q.2

- (a) Write a short note on Purchase Book and Sales Book. [08]
 (b) Journlise the following transaction and Post into Ledger. (Balancing of ledger is not required) [07]
- 1) Cash brought in by proprietor as capital Rs. 30000
 - 2) Goods purchased on credit from Mohan Rs. 5000
 - 3) Furniture purchased for cash Rs. 10000
 - 4) Goods sold on credit to Devraj Rs. 1600

Q.3 The following Trial Balance is extracted from the books of New Merchant on 31st December 2011. [15]

Particular	Amount (Rs)	Amount (Rs)
Furniture & fittings	640	-
Motor vehicles	6250	-
Buildings	7500	-
Capital Account	-	12500
Bad Debts	125	-
Provision for Bad Debt	-	200
Sundry Debtors & creditors	3800	2500
Stock on January 1, 2011	3460	-
Purchase and Sales	5475	15450
Bank overdraft	-	2850
Sales & purchase return	200	125
Advertising	450	-
Interest on Bank overdraft	118	-
Commission	-	375
Cash	650	-
Taxes and Insurance	1250	-
General Expenses	782	-
Salaries	3300	-
	34000	34000

The following adjustments are to be made :

- (a) Stock in hand on 31 December, 2011 was Rs. 3250.
- (b) Depreciate building at the rate of 5%, furniture & fitting @10% and Motor vehicles @ 20%.
- (c) Rs. 85 is due for interest on Bank overdraft.
- (d) Salaries Rs. 300 and Taxes Rs. 120 is prepaid.
- (e) Insurance amounting to Rs. 100 is prepaid.
- (f) One-third of the commission received is in respect of work to be done next year.
- (g) Write off a further sum of Rs. 100 as bad debts and provision for bad debts to be made equal to 10% on sundry debtors.

OR

Q.3 Prepare Final Accounts as on March 31, 2010 from the following details. [15]

	Amt.		Amt.
Purchase	150000	Sales	225000
Opening stock	25000	Rent received	2000
Carriage inward	2500	Creditors	20000
Salaries	12000	Provision for bad and doubtful debts (1-4-2009)	500
Carriage outward	4000	Capital	117500
Admin. Exp.	12500	Sales Tax collected	20000
Debtors	25000		
Bad debts	2000		
Return inward	5000		
Land & Building	120000		
Cash in hand	2000		
Cash at bank	7000		
Sales tax paid	18000		
	385000		385000

Additional Adjustments :

- 1) Closing stock on March 31, 2010 amounted to Rs. 20000.
- 2) Further Bad debts amounted to Rs. 5000. Provide 5% for bad and doubtful debts and create provision at 2% for discount on creditors and debtors.
- 3) One third portion of the building was let-out, one third was used for residential purpose and one third was used for business operations.
- 4) Charge depreciation on land & building at 5% p.a.

Q.4 Narrate the proforma of Vertical Balance Sheet showing all schedules. [15]

OR

Q.4 'Sky Fall' & co has head office at New York (N.Y.) (USA) and Branch at Mumbai (India). Mumbai Branch furnishes you with its trial balance as on 31st March, 2012 and the additional information given thereafter. [15]

	Dr	Cr.
Stock on 1st April, 2011	300000	-
Purchase and Sales	800000	1200000
Sundry Debtors and Creditors	400000	300000
Bills of Exchange	120000	240000
Wages & Salaries	560000	-
Rent, Rates & taxes	360000	-
Sundry charges	160000	-
Computers	240000	-
Bank balance	420000	-
New York office A/c	-	1620000

Additional Information :

- 1) Computers were acquired from a remittances of US\$ 6000 received from N.Y.H.O. and paid to the suppliers. Depreciate computers at 60% for the year.
- 2) Unsold stock of Mumbai branch was worth Rs 420000 on 31st March, 2012
- 3) The Rates of exchange may be taken as follows :
 - i) On 1-4-2011 at Rs. 40 per US\$
 - ii) On 31-3-2012 at Rs. 42 per US\$
 - iii) Average exchange rate for the year at Rs 41 per US\$.
 - iv) Conversion in \$ shall be made up two decimal accuracy.

You are required to prepare in US\$ the revenue statement for the year ended 31st March, 2012 and the balance sheet as on that date of Mumbai Branch as would appear in the books of N.Y. H.O. of Sky Fall & Co. You are informed that Mumbai Branch account showed a debit balance of US\$ 39609.18 on 31-3-2012 in N.Y. Books and there were no items pending reconciliation.

