

SARDAR PATEL UNIVERSITY
BBA (ITM) (NC) 1st Semester Examination
Monday, 31st December 2012
10:30 am - 12:30 pm
UM01CBBIO2/08 – Accounting for Management

Total Marks : 60

- Q.1
- (A) Explain the concept of Accounting and discuss the scope and areas of accounting. [06]
- (B) What is an Account ? Explain various types of accounts (Personal, real and nominal) with at least four illustrations each. [06]
- (c) Explain transaction and types of transaction. [03]

OR

- Q.1
- (A) Explain the following terms [09]
- (1) Capital and Drawings (2) Reserves and provisions
- (3) Debtor and Creditor
- (B) Explain the rules for debit and credit for various types of accounts with at least two illustrations each. [06]

- Q.2
- (A) Explain the following concepts or conventions. [10]
- (1) Entity concept
- (2) Convention of consistency
- (B) Describe the importance of Accounting Standards. [05]

OR

- Q.2 Write short notes [15]
- (1) Dual Aspect Concept
- (2) Money Measurement Concept
- (3) Need for Accounting Concepts and Conventions

- Q.3
- (A) Give journal entries for the following transaction of Mr. Yogesh Pandya. [10]
- (1) Mr. Yogesh brought Cash Rs. 30,000 and Furnitures Rs. 10,000 in the business.
- (2) Deposited Rs. 25,000 in Federal Bank.
- (3) Purchased goods of Rs. 4,000 at 10 % trade discount and 2 % cash discount from Atul Traders.
- (4) Sold goods of Rs. 2,000 at 3 % cash discount to Prashant for cash.
- (5) Purchased computer of Rs. 15,000 by cheque and paid installation charges cash Rs. 300.
- (6) Received goods of Rs. 750 as samples.
- (7) Paid Fire insurance premium Rs. 1,200 and life insurance premium Rs. 800 by cheque.
- (8) Sold Furniture of Rs. 1,000 for Rs. 800.
- (9) Yogesh took away cash Rs. 2,000 and goods of Rs. 1,000 for personal use.
- (10) Cash sales Rs. 1,800, cash purchase Rs. 1,200.
- (B) What is subsidiary book ? List of various subsidiary books. [05]

OR

- Q.3 Write Short notes [15]
- (1) Petty Cash Book
 - (2) Utility of Subsidiary Books
 - (3) Trial Balance

- Q.4 Prepare Trading A/c. and Profit Loss A/c. for the year and Balance Sheet as on 31-3-2012 from the following Trial Balance and additional information of Ashwin Patel. [15]

<u>Debit Balance</u>	<u>Rs.</u>	<u>Credit Balance</u>	<u>Rs.</u>
Land	1,50,000	Sales	4,14,600
Purchases	2,15,000	Purchase Return	4,200
Rent	6,000	Bad Debts Reserve	2,400
Salaries	22,000	Creditors	49,200
Postage and Telephone	5,400	Bank Loan	30,000
Wages	32,000	Capital	1,20,000
Railway Freight	5,600		
Carriage Outward	8,000		
Sunday Expenses	5,000		
Repairs	9,000		
Bad debts	1,200		
Opening Stock	31,000		
Buildings	40,000		
Furniture	7,000		
Debtors	60,000		
Cash and Bank	13,000		
Sales Return	10,200		
	<u>6,20,400</u>		<u>6,20,400</u>

* Additional Information

- (1) Stock on 31-3-2012 was Rs. 49,800.
- (2) Depreciation on Building and Furnitures is to be charged at 10 %
- (3) Bad debts reserve is to be kept 5 % on debtors.
- (4) Outstanding salaries Rs. 2,000.
- (5) Calculate interest on Capital at 6 %.

OR

- Q.4 (A) Give the journal entry and effect in the Final Accounts for following adjustments. [10]

- (1) Outstanding rent Rs. 1,500.
- (2) Prepaid insurance Rs. 750.
- (3) Interest accrued but not received on investments Rs. 2,500.
- (4) Interest on Capital Rs. 6,000.
- (5) A credit purchase of Rs. 3,000 was not recorded in the books of accounts

- (B) How will you show the following items in the final accounts ? [05]

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|-------------------------|-----------------------------|
| (1) Carriage inward | (6) Goods given for charity |
| (2) Discount received | (7) Bills receivable |
| (3) Bills payable | (8) Railway Freight |
| (4) Investments | (9) Loss by Fire |
| (5) Bad debts recovered | (10) Provident Fund |

