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SARDAR PATEL UNIVERSITY
F.Y. B.B.A (HTM) Examination, I Semester
Wednesday, 20th November, 2013
2:30 p.m. to 4:30 p.m.

UM01CBBH/T05:- Accounting for Hospitality & Tourism Travel Mgt

Total Marks: 60

- Note: 1. Figures to the right indicate marks of the questions.**
2. Answers should be precise and to the point.

- Q-1 [A] Define "Accounting". Explain the objectives of Accounting. (07)
[B] Write short note on:- (08)
(1) Business Entity Concept
(2) Realization Concept

OR

- Q-1 [A] Briefly explain the following basic principles of Accounting. (06)
(1) Matching Principle
(2) Convention of Consistency
[B] Distinguish between Capital & Revenue Expenditure (05)
[C] Classify the various Accounts with its debit/credit rules. (04)

- Q-2 [A] Define Journal. Write the importance of Journal. (05)
[B] Enter the following transactions in the book of Shri Ashok for the month of August 2013. (10)

- August 2013 1 Ashok started business with cash RS. 10,000, furniture RS. 5000 & stock of goods of RS.1000.
" 6 Bought goods of RS. 8000 at 10% trade discount from Shivali, on the condition that 5% cash discount will be allowed if payment is made within 15 days. Paid half the amount by cheque.
" 9 Sold goods on credit to Vanita RS. 2000 & to Nishat for cash RS. 1500.
" 11 Ashok paid RS. 1250 for his son's tuition fees.
" 14 Given goods worth RS. 1300 to flood relief fund.
" 17 Received an order from Sheela for supplying goods RS. 1000.
" 18 Drew for personal use out of bank RS. 3000 & paid bank charges RS. 100.
" 20 Paid salary in cash to Swati RS. 1000 & paid cheque RS.1100 for stationery.
" 25 Vanita is declared insolvent & 40 paise in a rupee could be recovered from her private estate.
" 27 Paid the amount to Shivali in cash.

OR

- Q-2 [A] Define Subsidiary. Write in brief various subsidiary books. (05)
[B] Post the following journal entries into the ledger and find out the (10)
balance:-

Date	Particulars	L.F	Debit RS.	Credit RS.
2013 May, 1	Cash A/c Dr To Capital A/c		33000	33000
" 3	Purchase A/c Dr To Dipal A/c		15000	15000
" 4	Dipal A/c Dr To Cash A/c		10000	10000
" 7	Furniture A/c Dr To Cash A/c		2500	2500
" 10	Anwar's A/c Dr To Sales A/c		12000	12000
" 12	Rent A/c Dr Carriage A/c Dr To Cash A/c		1000 250	1250
" 15	Cash A/c Dr To Sales A/c		8000	8000
" 20	Sales-return A/c Dr To Anwar's A/c		800	800
" 22	Cash A/c Dr To Ramesh's A/c		5000	5000
" 24	Salary A/c Dr To Cash A/c		1200	1200
" 27	Cash A/c Dr To Anwar's A/c		8000	8000
" 31	Dhara's A/c Dr To Cash A/c		3000	3000
	Total		99750	99750

- Q-3[A] Define "Depreciation". Briefly explain the objectives of depreciation. (05)
[B] L.G Co. has purchased machinery of RS. 48,000 on 1-04-2011. (10)
Installation charges paid RS. 2000. Rate of depreciation is 10% p.a.
company follows SLM method of depreciation. Another transactions
are as follows:-
On 1-10-2011 Second machinery purchased RS. 60,000.
On 1-04-2012 Third machinery purchased RS 40,000.
On 1-10-2012 First machinery sold by 10% loss.
Prepare Machinery & Depreciation A/c up to 31-03-2013.

OR

- Q-3 [A] Write a short note on Causes of Depreciation. (05)
[B] AKAI co. has purchased machinery of RS. 38,000 on 1-04-2010with (10)
installation charge of RS. 2000. Depreciation rate is 10% as W.D.V
method. On 31-03-2013 they sold machinery at 10% loss. Prepare
Machinery & Depreciation a/c for three years.

- Q-4 From the following Trial balance of Shri Yogesh Desai, prepare trading a/c, profit & loss a/c for the year ending 31-03-2013 & balance sheet as on that date. (15)

Debit Balances	Amount	Credit Balances	Amount
Sundry Debtors	31,000	Capital	1,25,000
Purchase	70,000	Sundry Creditors	21,000
Discount	3,000	Sales	1,35,000
Productive wages	17,500	6% Loan (1-7-2012)	38,000
Motorcar	5,000		
Stock (1-4-2012)	58,500		
Salaries	12,000		
Traveling Expenses	5,000		
Carriage Inward	2,350		
Insurance	5,550		
Commission	1,425		
Machinery	45,000		
Building	20,000		
Rent & Taxes	6,000		
Cash on hand	2,500		
Bank Balance	24,170		
Repairs	550		
Sundry Expenses	1,955		
Interest on 6% Loan	1,500		
Advertisement Expenses	6,000		
	3,19,000		3,19,000

Adjustment:-

- (1) Closing stock is valued at RS.80, 000 on 31-3-2013.
- (2) Depreciation Building by 2.5%, Machinery by 5% & Motorcar by 7.5%. There was an addition of RS. 5,000 to Building on 1-10-2012.
- (3) Prepaid rent & taxes RS. 400
- (4) Provide reserve for discount 2.1/2% on debtors & creditors.
- (5) Outstanding Insurance RS. 200.
- (6) Provide Reserve for Bad-debts RS. 1,500.
- (7) 60% advertisement expenses is carried forward to next year.

OR

- Q-4 Zalak Co. Ltd has an Authorized, Issued, Subscribe & Paid-up Capital RS. 300000 Equity Shares of RS. 10 each. The following Trial Balance has been extracted from the books as on 31-03-2013. (15)

Names of Account	Debit RS.	Credit RS.
Equity Share Capital	----	3,00,000

Purchase & Sales	2,40,000	3,80,000
Goodwill	50,000	----
Stock (As on 1-4-2012)	60,000	----
Salary	20,000	----
Debtors & Creditors	1,60,000	1,20,000
Furniture	40,000	----
Wages	50,000	----
General Reserve	----	1,50,000
Investment	30,000	----
Audit Fees	10,000	----
Railway Freight	15,000	----
Director Fee's	15,000	----
Building	80,000	----
Purchase Return & Sales Return	20,000	10,000
Bills Receivable & Bills Payable	50,000	20,000
Interim Dividend	10,000	----
Plant & Machinery	80,000	----
Cash & Bank	58,000	----
Profit & Loss Appropriation A/c (As on 1-04-2012)	----	20,000
Telephone Deposits	12,000	----
Total	10,00,000	10,00,000

Prepare Trading, P/L A/c & P/L Appropriation A/c for the year ended 31-03-2013, & a Balance Sheet of the taking into account the following information:-

- (1) Stock on 31-03-2013 was RS. 1,25,000.
- (2) Depreciation Plant & Machinery by 5%, Building by 10% & Furniture by 2.5%.
- (3) Transfer RS. 20,000 to General Reserve.
- (4) Make a provision for Income Tax RS 50,000.
- (5) Write off RS. 10,000 as Bad-debt.
- (6) Market value of Investment as on 31-03-2013 is RS. 50,000.

