

[5/A-06] Seat No. _____

No. of printed pages: 03

SARDAR PATEL UNIVERSITY

BBA Ist Semester Examination

Monday, 21st November, 2016

10.00 a.m. to 12.00 p.m.

UM01CBBA05 : Accounting for Management

Total Marks: 60

- Q.1 (A) Define the term 'Accounting'. Explain the rules of Debit and Credit for different types of Account with illustration. [07]
(B) Explain the scope and objectives of Accounting. [08]

OR

- Q.1 Differentiate between : [15]
(i) Reserves and Provision
(ii) Debtors and Creditors
(iii) Revenue expenditure and capital expenditure
(iv) Capital and Drawings
- Q.2 (A) What is Accounting Standards? Describe the importance of Accounting Standards. [07]
(B) Enlist the International Financial Reporting Standards.

OR

- Q.2 Write notes on: [15]
(i) Money measurement Concept
(ii) Convention of Consistency
(iii) Dual Aspect Concept
- Q.3 Write Short notes on : [15]
(i) Subsidiary Book
(ii) Types of Error

OR

- Q.3 Pass Journal Entries in the books of Mr. Shiv for the following transactions and prepare Trial Balance as on 31-10-2015 after posting in the respective accounts: [15]
2015
Oct.1 Mr. Shiv started business with cash Rs.1,50,000 and furniture of Rs.30,000.
Oct.3 Opened a bank account with Reserve Bank of India by depositing Rs.90,000.
Oct.8 Brought goods worth Rs.30,000 at 20% trade discount from NR Traders.
Oct.12 Invoiced goods of Rs.15,000 to N R Traders at 2% Cash discount. N R Traders issued a cheque for full settlement.
Oct.18 Sold old furniture having book value Rs.4000 for cash Rs.1600.

- Oct.22 Purchased goods worth Rs.32,000 at 20% trade discount and 2% cash discount from N R Traders by cash.
- Oct.30 Paid salary Rs.14000 and rent Rs.8000 by cheque.
- Oct.31 Mr. Shive took away cash Rs.12,000 and goods of the value Rs.8000 for personal use.

Q.4 From the following trial balance of Mr. Harshiv, prepare Trading Account, Profit and Loss A/c and Balance Sheet for the period ended on 31-3-2016. [15]

Particulars	Rs.	Particulars	Rs.
Stock (1-4-2015)	24600	Capital	105000
Purchases	325000	Sales	373575
Wages	2250	Discount earned	1275
Insurance Premium	900	Creditors	25000
Carriage on purchases	675	Sundry receipts	4650
Carriage on Sales	1250		
Rent and Rates	2700		
Cash on hand	875		
Discount allowed	3050		
Buildings	25000		
Debtors	18125		
Furniture	24000		
Machinery	49500		
Return Inward	2575		
Bad debts	1500		
Prepaid expenses	10000		
Drawings	5000		
Goodwill	12500		
	509500		509500

Adjustments:

1. Stock on 31-3-2016 was Rs. 40000.
2. Depreciate building by 10% p.a.
3. Write off Rs. 125 as bad debts and maintain provision for doubtful debts @5% on debtors.
4. A machine was installed during the year costing Rs. 7700 but it was not recorded in the books or no payment was made for it. Wages Rs. 550 paid for its erection have been debited to wages account.
5. Calculate interest on capital @6% p.a. and charge interest on drawings Rs. 250.
6. Depreciate machinery by $33\frac{1}{3}$ %.

OR

Q.4 From the following Trial Balance of Mrs. Shaila and Additional information, prepare trading & profit & loss a/c for the year ended 31st March 2016 and Balance Sheet as on that date.

[15]

Particulars	Amount	Particulars	Amount
Furniture	40000	Capital	200000
Purchases	300000	Interest	8000
Debtors	400000	Creditors	240000
B.D. Written off	14000	Provision for B.D.	12000
Drawings	48000	Purchase return	10000
Salaries	60000	Sales	642000
Wages	40000	Provision for dep.	4000
Rent	30000		
Printing & Stationary	16000		
Insurance	24000		
Opening stock	100000		
Office expenses	24000		
Sales return	20000		
	1116000		1116000

Additional information:

1. Depreciate furniture @20% on original cost.
2. Provision for doubtful debts is to be created to the extent of 5% of sundry debtors.
3. Salaries for the month of March, 2015 amounting to Rs. 6000 were unpaid which must be provided for. However Salaries included Rs. 4000 paid in advance.
4. Insurance amounting to Rs. 4000 is prepaid.
5. Provide for outstanding office expenses Rs. 16000.
6. Stock purchased used for private purposes Rs. 12000.
7. Closing stock Rs. 120000.

@ @ @ @ @ @ @

