

SARDAR PATEL UNIVERSITY

F.Y.B.B.A. (ITM) (SEMESTER: I) (NC) EXAMINATION (4 YEARS)

2016

Monday, 21st November

10:00 A.M. To 12:00 P.M.

UM01CBBI05: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

- Note: 1. Figure to the right indicate full marks of question.
2. All questions carry equal marks.
3. Working notes are the part of answer.

Q-1 (A) Define the term accounting and explain its objectives. [09]

(B) Difference between capital expenditure and revenue expenses [06]

OR

Q-1 (A) State types of account and explain it with rules of debit and credit. [10]

(B) Discuss types of transactions and explain how cash transaction differs from credit transaction. [05]

Q-2 Write detail note on: [15]

1. Money Measurement concept
2. Dual Aspect (A=C+L)
3. Convention of conservatism

OR

Q-2 Write detail note on: [15]

1. Realization concept
2. Materiality convention
3. Cost concept

Q-3 (A) Journalise the following transactions; post the same in relevant ledger account in the books of Nikhil For October, 2016: [11]

1. Start business with: Cash Rs.1,00,000, Stock Rs. 50,000 and Furniture Rs. 1,10,000.
2. Purchased goods for Rs 25000 @ 10% trade discount from Sanjay.
3. Sold goods of Rs 6000 @ 5% trade discount and at 10% cash discount to Govind.
4. Machinery was purchased of Rs 5,00,000 and paid by cheque, the installation charges of Rs 11,000 paid in cash.
5. Govind declared insolvent and 50 paise per rupee received as final dividend.

(B) Write a note on: Journal [04]

OR

Q-3 (A) Journalise the following transactions in the book of Shri Ram. [09]
October, 2016:

1. Shri Ram commenced business with Rs.2,00,000 and stock of Rs. 50,000.
2. Paid cash into bank Rs.15,000.

[P.T.O.]

3. Purchased Plant worth Rs.10,000 from Siya & Co.
4. Goods worth Rs.14,000 sold to Raju.
5. Sold goods worth Rs.12,000.
6. Goods returned by Raju Rs.5,000.
7. Withdrawn from bank for office use Rs. 2,500.
8. Purchase 1,000 Shares of Dashrath Limited at Rs.120 and paid Rs. 15 commission on each share by giving cheque.
9. Goods worth Rs. 200 distributed as free sample.

(B) Explain the errors not affecting trial balance.

[06]

Q-4 From the following trial balance and additional information of Shri Chirag, prepare a trading and profit and loss account for the year ended 31 March 2016 and a balance sheet as at the same date.

[15]

Trial balance as on 31 March 2016:

Particulars	Dr (Rs.)	Cr (Rs.)
Net sales		9,30,000
Net purchases	3,20,000	
Stock on 01-04-2015	30,000	
Wages and salary	1,80,000	
Rent & rates	1,40,000	
Interest	21,000	
Trade creditors		1,19,600
Trade debtors	3,21,000	
Insurance	51,000	
Cash in hand	20,000	
Cash at bank	1,34,000	
Plant & machinery	4,20,000	
Furniture & fittings	97,600	
Capital		7,90,000
Drawings	15,000	
Fixed deposits with bank	3,00,000	
Bank loan		2,10,000
	20,49,600	20,49,600

Additional Information:

1. Stock on 31-03-16 was valued Rs. 1,00,000.
2. Outstanding Wages Rs. 20,000
3. Depreciation on Plant and machinery and on furniture and fittings @10%.
4. Insurance paid in advance Rs. 1,000.

OR

Q-4 The following trial balance was extracted from the book of Kapil Dev a sole trader, at the close of business on 31st March 2016:

[15]

Particulars	Dr (Rs.)	Cr (Rs.)
Debtors & creditors	41,10,000	20,70,000
Discounts	5,30,000	2,90,000
Capital		52,00,000

Drawings	27,60,000	
Bank overdraft		10,90,000
Bills receivable & payable	5,50,000	3,80,000
Purchases & sales	98,40,000	1,76,30,000
Sales & purchases returns	7,20,000	3,60,000
Salaries & Wages	32,50,000	
Office furniture	8,00,000	
Delivery van	9,60,000	
Van running expenses	4,20,000	
Rent & rates	7,10,000	
Cash	90,000	
Opening Stock	19,70,000	
Bad debts written off	2,70,000	
Sundry expenses	2,60,000	
Provision for bad & doubtful debts		2,20,000
	2,72,40,000	2,72,40,000

Additional notes:

- (a) Stock as at 31 March 2016 – Rs.30,40,000.
- (b) Write off Rs.1,10,000 from debtors as a bad debt.
- (c) Rs. 60,000 rates were paid in advance.
- (d) Provision for depreciation: Office furniture – 20% and Delivery van – 30%

Required:

Prepare a trading and profit and loss account for the year ended 31st March 2016, together with a balance sheet as at that date.

ALL THE BEST

