

[10] Seat No.:

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SARDAR PATEL UNIVERSITY
BBA (ITM) SEM: I
2016
MONDAY, NOVEMBER 21
10:00 A.M. to 12:00 P.M.
UM01CBB10: ACCOUNTING FOR MANAGEMENT

Total Marks: 60

Note: Figures to the right indicate marks of question.

- Q:1[A]** What is capital expenditure? How is differs from revenue expenditure? **[09]**
[B] Write different types of accounts. Give three example of each of them. **[06]**

OR

- Q:1[A]** Define the term accounting. Explain objectives of keeping accounts. **[09]**
[B] Explain following terms. **[06]**
1) Discount 2) Voucher 3) Capital

- Q:2** Journalize the following transactions in the book of Ms.Sita, post them in to the ledger and prepare trial balance. **[15]**

2016,

- June 1 Purchased goods worth Rs.300 from Minal and Rs.500 from Binal on credit.
June 3 Sale of goods worth Rs.1,000 to Radha and Rs.700 to Meera.
June 5 Received Cash Rs.1,700 from Ram.
June 7 Paid Rs.800 to Jaydeep and Rs.500 to Kuldeep.
June 9 Withdrawn from bank Rs.600 for office use and Rs.300 for personal use.

OR

- Q:2[A]** What are subsidiary books? List out different types of subsidiary books and discuss advantages of it. **[08]**

- [B]** Record the following transactions of Ms.Durga in her Journal.(Narration not required) **[07]**

2016

- March 1 Started business with cash Rs.2,50,000 and Furniture Rs.50,000.
March 3 Purchased goods of Rs.30,000 at trade discount of 10% and cash discount of 5% from Urmila. Half the amount was paid in cash.
March 5 Paid cash Rs.60,000 in to bank.
March 7 Rs.3000 due from Dharti was written off as she is declared insolvent.
March 9 Paid life insurance premium Rs.2,500 and fire insurance premium Rs.1,500.
March 11 Paid interest Rs.1500 and rent Rs.2500.
March 13 Goods worth Rs.5,000 were distributed free among poor.

- Q:3** From the following trial balance of Ms.Neha, prepare final accounts as on 31st March 2016. **[15]**

Particulars	Debit (Rs)	Particulars	Credit (Rs)
Advertisement	4,170	Commission	2,740
Salaries	18,570	Capital	1,20,000
Travelling Expenses	2,860	Bad Debt Reserve	1,440
Discount	1,420	Sales	1,88,000
Building	72,000	Creditors	30,940
Drawing	12,000	Bills Payable	6,880
Furniture	9,000		
Opening Stock	30,000		
Bank Balance	14,480		
Purchases	1,33,470		
Railway Freight	4,200		
Bad Debts	2,700		
Debtors	32,000		
Bank Charges	50		
Rent	3,000		
Cash on Hand	1,080		
Dep. on Assets	9,000		
	3,50,000		3,50,000

Adjustments:

- 1) Value of closing stock Rs.39,670.
- 2) Credit sales of Rs.8,000 were not recorded in the book of account.
- 3) Ms. Neha withdrawn goods of Rs.10,000 from the business for her own use.
- 4) Provide for bad debt reserve on debtors to the extent of 5%.
- 5) Outstanding expenses: Advertisement Rs. 500, Salaries Rs.700 and Rent Rs. 300.

OR

Q:3 Following is the trial Balance of Mr.Nirmal as on 31st March 2016.

[15]

Debit balances	Rs.	Credit balances	Rs.
Cash in hand	800	Sales	69,400
Goodwill	40,000	10% loan 1-4-2015	51,000
Purchases	68,000	Bad debt reserve	500
Cash at bank	1,200	Creditors	8,000
Direct wages	2,000	Capital	90,000
Opening stock	35,000	Bills payable	2,000
Interest on 10% loan	2,500		
Insurance	900		
Carriage outward	900		
Carriage inward	400		
Commission	500		
Furniture	5,000		
Bad debts	200		
Buildings	25,000		
Plant and machinery	10,000		
Postage and telegram	500		
Debtors	25,000		
Salaries	3,000		
	2,20,900		2,20,900

You are requested to prepare his Trading A/C and P& L A/C for the year ended 31st March 2016 and balance sheet as on that date from the following information:

- 1) Stock as on 31-3-2016 Rs.75,000.
- 2) Provide 5% for doubtful debts.
- 3) Provide depreciation 10% on furniture, 10% on plant and machinery and 5% on buildings.
- 4) Mr.Nirmal has taken goods of Rs.500 for his domestic use.
- 5) Stock worth Rs.10,000 was destroyed in a fire for which insurance company agreed to reimburse Rs.2,000.

Q:4 Khushi Limited issued 25,000 equity shares of Rs.20 each at a discount of 10% payable as follows: **[15]**

On application	Rs. 5 per share
On allotment	Rs. 6 per share
On first call	Rs.4 per share
On final call	Rs.3 per share

Applications were received for 37,500 shares. Directors made pro-rata allotment to the applicant for 30,000 shares, the remaining applications being refused. Excess money paid over application was adjusted towards the sums due on allotment.

Write **journal entries** for these transactions in the book of company. Also prepare **Bank Account** and **Share Capital Account**.

OR

Q:4[A] Ganesh Ltd issued 7,50,000 equity shares of Rs.10 each. The company received application for 9,00,000 shares. Shares were allotted at meeting of Board of Directors. Excess shares applications were rejected and the application money thereon was refunded to the applicants. Amount was called up as under. **[08]**

On application	Rs. 2.50 per share
On allotment	Rs. 3.00 per share
On first call	Rs. 2.50 per share
On final call	Rs. 2.00 per share

Riddhi who was allotted 200 shares, could not pay first and final call money and Siddhi who was allotted 300 shares could not pay final call money. Except this, all the amounts due from all the shareholders were received on due dates.

Record **journal entries** relating to above transactions in the book of company. (Narration not required)

[B] Explain provision of companies act regarding "Issue of shares at premium". **[07]**
